

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended 31 December 2008
2. SEC Identification Number 0102415 3. BIR Tax Identification No. 000-056-514
4. ZEUS HOLDINGS, INC.
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. 20/F, LKG Tower, 6801 Ayala Avenue, Makati City 1226
Address of principal office Postal Code
8. (632) 884-1106
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|--------------------------|--|
| <u>Common</u> | <u>2,733,463.907</u> |
| <u>Outstanding loans</u> | <u>Nil</u> |

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

Yes [x] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:
PHILIPPINE STOCK EXCHANGE

12. Check whether the issuer:

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

Yes [x] No []

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

Yes ☒ No ☐

13. Aggregate market value of the voting stock held by non-affiliates of the registrant.

P270,612,926.85 as of 31 December 2008

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☐

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

| Description | Exhibit |
|-------------|---------|
| N/A | N/A |

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

Zeus Holdings, Inc. ("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 now has the following primary purpose:

"To purchase, subscribe for or otherwise acquire and own, hold, use, manage, develop, sell, assign, transfer, mortgage, pledge exchange or otherwise dispose of real and personal property of every kind and description, including but not limited to shares of stock, debentures notes, evidence of indebtedness and other securities, contracts or obligations of any corporation or corporations, association or associations, domestic or foreign and to pay therefore in whole or in part, in cash or by exchanging therefore, stocks, bonds and other evidences of indebtedness of securities of this or any other corporation, while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidence of indebtedness or other securities, contracts or

obligations, to receive, collect and dispose of the interest, dividends and income arising from such property and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers on any stock so owned, without however engaging in dealership in securities or in the stock brokerage business or in the business of an investment company under the Investment Company Act; to do any act designed to protect, preserve, improve or enhance the value of, or otherwise develop any real or personal property at any time held or controlled by the Corporation or in which it at that time may be interested."

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 ("Zamcore"), Horizon Resources Corporation, Lindsay Resources Corporation, Sharone King, Charles Paw, Grace Cerdania, 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, holding a 34% equity stake in the Company.

The Company currently has minimal operations and thus has no full time employees. There are no expected changes on the labor/employment front in the next twelve months. However, the Company is exploring several options to revitalize its operations in the future.

Business of Issuer

Competition

The Company is engaged in business as an investment holding company. Its previous lone subsidiary, MPCC, was engaged in the manufacture and distribution of cement but, as heretofore stated, the Company divested its equity interest therein in December 2000.

As an investment holding enterprise, the Company competes with other investment holding companies in the Philippines in terms of investment prospects. However, it is not in a position at present to discuss the relative financial and market strengths of its competitors because it does not have the relevant data.

Major Risks

Given the divestment by the Company of all its interest in its lone subsidiary and its current limited operations, the business risks facing the Company at present are minimal.



Franchises

The Company has no existing or pending patents, trademarks, copyrights, licenses, franchises, concessions or royalty agreements, and these are not expected to play a significant role in the operations of the Company in the immediate and medium term.

Government Approvals for Principal Services

The present operations of the Company do not necessitate the obtainment of any special government approvals for its products and services.

The Company does not foresee any major impact of existing or probable government regulations on its business.

Research and Development Activities

Given the minimal operations of the Company, it has not engaged in research and development activities during the preceding year.

Costs and Effects of Compliance with Environmental Laws

Compliance costs are minimal given the present status of operations of the Company.


Item 2. Properties

The Company sold all of its real properties valued at P31,423,000.00 in August 2001 and used the proceeds thereof to settle in part its accumulated advances from its previous stockholders. With the disposition of its equity interest in its sole subsidiary and the sale of all of its real estate assets, the Company does not have any major properties at this time.

Item 3. Legal Proceedings

There is 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. 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 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.*," and remains pending with the CA.

In the meantime, on 29 October 2008, ECC filed an *Ex Abundanti Ad Cautelam Motion to Dismiss* (MD) on the ground of plaintiffs' failure to state a cause of action against it. In an *Order* dated 7 January 2009, the RTC granted the *Motion to Dismiss* and dismissed the complaint insofar as ECC was concerned. Thereafter, plaintiffs filed an MR of the 7 January 2009 *Order*, which remains pending to date.

In the hearing held on 13 February 2009, the RTC gave defendants (i.e., the Floros, ECC and ZHI) ten (10) days to file their Comment/Opposition to plaintiffs' (Alcantara, Alsons) MR.

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

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Stockholders' Meeting ("ASM") of the Company was held on 26 November 2008. In the course thereof, the following matters were submitted to the vote of the stockholders:

1. Approval of the minutes of the previous meeting of the stockholders;
2. Approval of the Audited Financial Statements for the year ended 31 December 2007;
3. Ratification of all acts of the Board of Directors and Officers of the Company carried out in the regular course of business from 28 November 2007 to 26 November 2008;
4. Election of Directors; and
5. Appointment of External Auditors.

Items 1 to 3 above were unanimously approved/ratified. In addition, the following were re-elected as members of the Company's Board of Directors: Felipe U. Yap, Yuen Po Seng, Jose G. Cervantes, Augusto C. Villaluna, Stephen Y. Yap, Daisy L. Parker, Ronald P. Sugapong, Jesus Clint O. Aranas (independent director), and Rhea A. Jaro (independent director).

Punongbayan & Araullo was appointed as the Company's external auditor.



PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

The Company's common equity is traded at the Philippine Stock Exchange. For the last three years, the highs and lows of stock market prices are as follows:

| | | HIGH | LOW |
|------|--------------------|-----------------|-----------------|
| 2008 | January-March | 0.42 | 0.26 |
| | April - June | 0.30 | 0.18 |
| | July - September | 0.30 | 0.20 |
| | October - December | 0.16 | 0.08 |
| 2007 | January - March | 0.55 | 0.26 |
| | April - June | 1.10 | 0.30 |
| | July - September | 1.10 | 0.52 |
| | October - December | 0.78 | 0.50 |
| 2006 | January - March | No transactions | No transactions |
| | April - June | 0.15 | 0.15 |
| | July - September | 0.33 | 0.16 |
| | October - December | 0.33 | 0.28 |

The Company's stock was last traded at the PSE on 20 February 2009 at the price of 0.24 per share.

Holders

As of 31 December 2008, the Company has a total of eight hundred thirty-two (832) stockholders, the top twenty (20) of which are as follows:

| | <u>Name of Stockholder</u> | <u>No. of Shares</u> | <u>Percentage (%) of Shareholding</u> |
|-----|--|----------------------|---------------------------------------|
| 1. | ZAMCORE REALTY AND DEVELOPMENT CORPORATION | 929,377,728 | 34.00% |
| 2a. | F. YAP SECURITIES IN TRUST FOR HORIZON RESOURCES CORPORATION | 410,019,586 | 15.00% |
| 2b. | F. YAP SECURITIES IN TRUST FOR LINDSAY RESOURCES CORPORATION | 410,019,586 | 15.00% |
| 3a. | F. YAP SECURITIES IN TRUST FOR CHARLES PAW | 273,346,390 | 10.00% |
| 3b. | F. YAP SECURITIES IN TRUST FOR SHARONE KING | 273,346,390 | 10.00% |
| 4. | PCD NOMINEE CORPORATION (FILIPINO) | 129,559,307 | 4.74% |
| 5. | ZHI HOLDINGS, INC. | 123,006,876 | 4.50% |
| 6. | F. YAP SECURITIES IN TRUST FOR Z1 | 79,839,537 | 2.92% |
| 7. | F. YAP SECURITIES IN TRUST FOR Z2 | 79,839,530 | 2.92% |
| 8. | R. COYIUTO SECURITIES, INC. | 10,310,000 | 0.38% |
| 9. | FAR EAST CEMENT CORPORATION | 6,283,906 | 0.23% |
| 10. | LINDA H. BUGARIN | 2,325,006 | 0.09% |
| 11. | ANTONIO T. VILAR | 1,486,000 | 0.05% |

| | | | |
|------|---|---------|--------|
| 12. | PEREGRINE SECURITIES PHILS., INC. | 592,000 | 0.02% |
| 13a. | JOLLY R. BUGARIN | 500,000 | 0.02% |
| 13b. | TIONG SHOU SY &/OR JUANITA S. TAN | 500,000 | 0.02% |
| 14. | PCD NOMINEE CORPORATION (NON-FILIPINO) | 490,000 | 0.02% |
| 15. | MARTIN P. LORENZO | 300,000 | 0.01% |
| 16. | WANDA MICHELLE BUENCAMINO | 232,000 | 0.01% |
| 17. | VICTORIA Z. EGAN | 160,000 | 0.01% |
| 18. | IMELDA TAN UY | 88,000 | 0.003% |
| 19. | MARY T. LIM | 80,000 | 0.003% |
| 20. | DAVID OSMEÑA | 70,000 | 0.003% |

Dividends

The Company has not declared any cash dividend for the last two fiscal 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 in the past three (3) years.

Item 6. Management's Discussion and Analysis or Plan of Operation

YEAR 2008

Plan of Operation

With the change in ownership, the Company is currently evaluating business opportunities to revitalize its operations.

Of late, the country has seen a surge in mining activity due mainly to increased commodities prices for metal. The Philippines, with its still considerable areas of metal deposits, is therefore in an excellent position to take advantage of this opportunity. Consequently, in its quest for profitable ventures, the Company is considering a shift in its primary purpose from an investment holding company to a mining entity.

The Company has been in discussions with several parties with mining interests, foremost of which is a firm with mining claims in Mindanao for a possible mining business venture. The area in Mindanao has been adjudged to have substantial nickel, copper and gold deposits.

The Company is in the process of evaluating the economic and financial viability of this business. In the immediate term, the major stockholder will provide the cash requirements of the Company. For this reason, 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. The Company also has no on-going or planned research and development activities for the same period.



Management's Discussion and Analysis

As of 31 December 2008, total assets stood at P1,008,949, a 234% increase from last year. A major shareholder made advances to the company resulting to a 510% increase in cash. Increase in other current assets is attributable to input value added tax on listing and audit fee. Accounts payable and accrued expenses increased due to unreleased payment to a service provider as of 31 December 2008. On 30 September 2008, Due to Related Parties was converted to Deposit for Future Stock Subscription.

During the year, the Company registered a modest increase in net loss from P657,168 to P664,322. Increase is attributable to the increase in listing and professional fee, photocopying expense and seminar attended by an executive. However, it was cushioned by lower other operating expenses during the year.

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

| Ratios | Formula | 31-Dec-08 | 31-Dec-07 | 31-Dec-06 |
|----------------------|--|-------------------------------------|---------------------------------------|---------------------------------------|
| Current ratio | Current Assets/Current Liabilities | 1.48 :1 1,008,949/682,516 | 0.13:1 301,643/2,241,788 | 0.12:1 168,110/451,087 |
| Debt to equity ratio | Total Liabilities/Stockholders' Equity | 2.09 : 1 682,516/ 326,433 | (1.16): 1 2,241,788/(1,940,145) | (1.13): 1 1,451,087/(1,282,977) |
| Equity to debt ratio | Stockholders' Equity/Total Liabilities | 0.48: 1 326,433 / 682,516 | (0.87): 1 (1,940,145)/2,241,788 | (0.88): 1 (1,282,977)/1,451,087 |
| Book value per share | Stockholders' Equity/Total # of shares | 0.00012 326,433 /2,733,463,907 | -0.00071 (1,940,145)/2,733,463,907 | -0.00047 (1,282,977)/2,733,463,907 |
| Loss per share | Net Loss/Total # of Shares | -0.00024 (664,322)/2,733,463,907 | -0.00024 (657,168)/2,733,463,907 | -0.00018 (498,490)/2,733,463,907 |

Full Fiscal Years

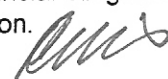
Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- (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 2007

For the year ended 31 December 2007, cash increased by 204% due to advances obtained by the Company from a shareholder and an affiliate to pay its operating expenses. Other current assets also increased due to input value added tax on listing and audit fee and prepaid insurance paid during the year. Accordingly, total assets increased by 79% from P168,110 in the same period last year to P301,643 as of 31 December 2007. Accrued expenses and other payable decreased due to payment of accrued audit fee related to the conversion of advances to additional paid in capital in 2005.

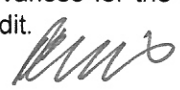
Net loss for the year posted at P657,168, representing a 32% increase as compared to the previous year's P498,490. This increase is attributable to high operating expenses mainly due to penalty charges and honorarium fee paid during the year.

YEAR 2006

For the year ended 31 December 2006, cash decreased by 20% from P52,431 as of 31 December 2005 to P41,871, to fund operating expenses. Increase in total assets, from P140,684 in prior year to P168,110 as of the period, is attributable to 43% increase in input value added tax mainly due to purchases and payment of listing fee.

Advances from affiliates increased by 226% compared to last year to settle operating expenses.

During the year, operating expenses decreased by 10% due to lower volume of ASM Reports reproduced, special audit was conducted on inter-company advances for the conversion of advances to additional paid-in capital, and out-of pocket expenses during audit.



Item 7. Financial Statements

The Audited Consolidated Financial Statements of the Company as of 31 December 2008 is attached hereto.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

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

Audit and Audit-Related Fees

The total fees for services rendered by the external auditor are as follows:

| | 2008 | 2007 | 2006 |
|-------------------|--------|--------|--------|
| Professional Fees | 85,000 | 80,000 | 80,000 |
| Value Added Tax | 10,200 | 9,600 | 9,600 |
| TOTAL Audit Fees | 95,200 | 89,600 | 89,600 |

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

As of 31 December 2008, the following are the members of the Board of Directors and the Senior Officers of the Corporation, each of whom were elected as such for a period of one (1) year at the ASM held on 26 November 2008:

a. **FELIPE U. YAP** – Director/Chairman (4 November 1998 – present)

- 71 (Filipino), Chairman/Chief Executive Officer of Lepanto Consolidated Mining Company, Lepanto Investment & Development Corporation, Diamant Boart Philippines, Inc., Diamond Drilling Corporation of the Philippines, Far Southeast Gold Resources, Inc., Manila Mining Corporation, and Shipside, Inc.;
- Director/Chairman of Prime Orion Philippines, Inc., FLT Prime Insurance Corporation, Orion Land Inc., Lepanto Ceramics, Inc., Tutuban Properties, Inc., Orion I Holdings Philippines, Inc., Orion Brands International, Inc., Yapster e-Conglomerate, and Kalayaan Copper-Gold Resources, Inc.;
- Director of Cyber Bay Corporation, Manila Peninsula Hotel, Inc., Philippine Associated Smelting & Refining Corp., Philippine Fire & Marine Insurance Corporation, Orion Property Development, Inc. and Lepanto Condominium Corporation

b. **YUEN PO SENG** – Director/President (4 November 1998 – present)

- 50 (Malaysian), Director/President of Prime Orion Philippines, Inc., Lepanto Ceramics, Inc., FLT Prime Insurance Corporation, and Orion I Holdings Philippines, Inc.
- Director/Chairman/President of ZHI Holdings, Inc., Orion Solutions, Inc., OE Enterprises Holdings, Inc., Genez Investments Corporation, Treasure-House Holdings Corporation, and OYL Holdings, Inc.
- Chairman of HLG Philippines, Inc.
- Director of Orion Brands International, Inc., Cyber Bay Corporation, Central Bay Reclamation and Development Corporation, Orion Land Inc., Tutuban Properties, Inc., Orion Property Development, Inc., TPI Holdings Corporation, DHG Capital Holdings, Inc., BIB Aurora

Insurance Brokers, Inc., OE Holdings, Inc., Orion Maxis Inc., Orion Beverage, Inc., Guoco Securities (Philippines), Inc. (pending dissolution), MAA Mutualife Philippines, Inc., OTI Consulting Philippines, Inc., Systems Components & Creative Productions, Inc., and Hume Furniture (Philippines), Inc.

- *Trustee of Malaysian Association of the Philippines, Inc.*

c. JOSE G. CERVANTES – *Director (28 November 2007 – present)*

- 74 (Filipino), *Director of Manila Mining Corporation and Lepanto Consolidated Mining Company*

d. AUGUSTO C. VILLALUNA – *Director/Vice-President (28 November 2007 – present)*

- 58 (Filipino), *Director of Manila Mining Corporation, Philippine Mine Safety and Environment Association, Philippine Association of Professional Regulatory Board Members, Inc., and Lindsay Resources Corporation*
- *Senior Vice-President of Lepanto Consolidated Mining Company*

e. STEPHEN Y. YAP – *Director (28 November 2007 – present)*

- 40 (Filipino), *President of Starman Sales, Inc.*
- *Vice-President for Operations of Tutuban Properties, Inc.*

f. DAISY L. PARKER – *Director/Corporate Secretary (14 March 2001 – present)*

- 45 (Filipino), *Director/Vice-President for Legal/Corporate Secretary of Prime Orion Philippines, Inc.;*
- *Director/President of Nadeco Holdings Corporation and Nadeco Realty Corporation;*
- *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 Brands International, Inc., Orion Beverage, Inc., DHG Capital Holdings, Inc., FLT Prime Insurance Corporation, BIB Aurora Insurance Brokers, Inc., Orion Solutions, Inc., ZHI Holdings, Inc., 22Ban Marketing, Inc., OE Holdings, Inc., OE Enterprises Holdings, Inc., HLG Philippines, Inc., and OYL Holdings, Inc.*
- *Corporate Secretary of Orion Maxis Inc., Genez Investments Corporation, and Treasure-House Holdings Corporation, and Guoco Securities (Phil.), Inc. (pending dissolution)*

g. RONALD P. SUGAPONG – *Director/Treasurer (14 March 2001 – present)*

- 42 (Filipino), *Director/Vice President for Finance/Treasurer of Prime Orion Philippines, Inc.;*
- *Director/Treasurer of Orion Land Inc., Tutuban Properties, Inc., Orion Property Development, Inc., Orion I Holdings Philippines, Inc., TPI Holdings Corporation, Lepanto Ceramics, Inc., ZHI Holdings, Inc., OE Enterprises Holdings, Inc., Orion Brands International, Inc., Orion Beverage, Inc., DHG Capital Holdings, Inc., HLG Philippines, Inc., Orion Maxis Inc., Orion Solutions, Inc., 22Ban Marketing, Inc., OE Holdings, Inc., and OYL Holdings, Inc.;*
- *Director of Nadeco Holdings Corporation*
- *Treasurer of FLT Prime Insurance Corporation*

h. JESUS CLINT O. ARANAS – *Independent Director (12 December 2002 – present)*

- 42 (Filipino), *Managing Partner of Aranas Consunji Barleta & Co.*
- *Director and Chairman of Rural Bank of Magallon*



- *Director and President* of Liyam Property, Inc.
- *Director and Corporate Secretary* of Philippines Epson Property Holdings, Inc.;
- *Corporate Secretary* of Epson Precision (Philippines), Inc., Epson Imaging Devices (Philippines), Inc., Philippines Epson Optical, Inc. and Epson Software Engineering (Philippines), Inc.

i. RHEA A. JARO – Independent Director (28 November 2007 – present)

- 29 (Filipino), *Senior Associate* of Aranas Consunji Barleta & Co.

The Nomination and Election Committee of the Company was constituted on 27 November 2003 and is currently composed of Messrs. Jesus Clint O. Aranas, Felipe U. Yap, and Yuen Po Seng, all of whom are members of the Company's Board of Directors. Atty. Aranas was re-elected as an independent director during the ASM of the Company held on 28 November 2007. Two other committees, namely the Compensation and Remuneration Committee and the Audit Committee, were constituted during the ASM held on 14 December 2004. The first is currently composed of Messrs. Jesus Clint O. Aranas, Felipe U. Yap, and Yuen Po Seng, while the second is composed of Messrs. Jesus Clint O. Aranas, Ronald P. Sugapong, and Stephen Y. Yap.

Aranas Consunji Barleta & Co. has not been engaged by the Company in any professional capacity for the past three (3) years. Further, there are no family relationships up to the fourth civil degree of consanguinity or affinity among the directors and executive officers of the Company.

Other than the aforementioned executive officers, there are no employees at present who are expected to make a significant contribution to the Company's business.

Family Relationships

Mr. Felipe U. Yap (Chairman) is an uncle of Mr. Stephen Y. Yap (Director) in the third civil degree. Mr. Yap is the brother of Mr. Stephen Y. Yap's father.

Involvement in Certain Legal Proceedings

There has been no occurrence of any of the following events during the past five years that are material to any evaluation of the ability of any director or executive officer of the Company:

- 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.



Item 10. Executive Compensation

The members of the Board of Directors and the executive officers of the Company have not received any compensation for the last two fiscal years. There are no other arrangements between the Company and any of its directors for any form of compensation for services rendered during the last completed fiscal year and the ensuing year. There are likewise no arrangements for employment contracts, termination of employment and change in control arrangements between the Company and any of its executive officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. Ownership of Certain Record and Beneficial Owners (more than 5%) (as of 31 December 2008)

| Title of Class | Name and Address of Record and Relationship With Issuer | Name of Beneficial Owner and Relationship with Record Owner | Citizenship | Amount and Nature of Record/Beneficial Ownership (indicate by "r" or "b") | Percent of Class |
|----------------|--|---|-------------|---|------------------|
| Common | Zamcore Realty and Development Corporation* / 5/F Lepanto Bldg., Paseo De Roxas, Makati City / Stockholder | Zamcore Realty and Development Corporation | Filipino | 929,377,728 (r/b) | 34% |
| Common | F. Yap Securities, Inc.** / 23/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Broker | Horizon Resources Corporation / Client | Filipino | 410,019,586 (r) | 15% |
| Common | F. Yap Securities, Inc.*** / 23/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Broker | Lindsay Resources Corporation / Client | Filipino | 410,019,586 (r) | 15% |
| Common | F. Yap Securities, Inc.**** / 23/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Broker | Sharone King / Client | Filipino | 273,346,390 (r) | 10% |
| Common | F. Yap Securities, Inc.***** / 23/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Broker | Charles Paw / Client | Filipino | 273,346,390 (r) | 10% |

*Zamcore Realty and Development Corporation 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.

**FYSI holds the 410,019,586 Zeus shares in trust for Horizon Resources Corporation (HRC).

***FYSI holds the 410,019,586 Zeus shares in trust for Lindsay Resources Corporation (LRC).

****FYSI holds the 273,346,390 Zeus shares in trust for Sharone King.

***** FYSI holds the 273,346,390 Zeus shares in trust for Charles Paw.

B. Security Ownership of Management (other than as Nominees) (as of 31 December 2008)

NONE

Title of class of the shares owned and percentage of ownership of all directors and executive officers as a group:

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

Natural persons owning more than 5% of the registrant's voting shares and who have the power to vote the same:

| Title of Class | Name of individual owner | Number of shares | Citizenship | Percent of class |
|----------------|--------------------------|------------------|-------------|------------------|
| Common | Sharone King | 273,346,390* | Filipino | 10% |
| | Charles Paw | 273,346,390* | Filipino | 10% |

*Held in trust by F. Yap Securities, Inc.

C. Voting Trust Holders of 5% or More

There are no voting trust holders of 5% or more of the common shares.

D. Changes in Control

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

Item 12. Certain Relationships and Related Transactions

To the knowledge and/or information of the Company, other than Messrs. Felipe U. Yap and Stephen Y. Yap who are related in the third civil degree, the aforementioned members of the Board of Directors or its Executive Officers are not in any way related to each other within the fourth civil degree of consanguinity of affinity.

Apart from the Related Party Transactions mentioned in Note 6 of the Company's Financial Statements as of 31 December 2008 and 2007, no other such transactions were entered into by the Company during the last two fiscal years. Neither were there any material transactions with other parties falling outside the definition of "related parties" under SFAS/IAS No. 24 that were not on an arm's length basis.

The Company has no transaction or proposed transaction to which it was or is to be a party in which any of its officers, directors or nominees for election as directors or any member of the immediate family of any of the said persons has or is to have a direct or indirect material interest.

No bankruptcy, receivership or similar proceeding has been instituted by, for or against any of its directors, officers or affiliates, or any owner of record of more than 10% of the securities of the Company, or any associate of any such director, officer or affiliate, or security holder, is not a party to any material legal proceeding of which any of their property is the subject.

Given the Company's limited operations and minimal manpower, the Company did not enter into any significant transactions during the last reporting period. However, the major stockholder of the Company commits to support the operations of the Company while it has limited transactions.

PART IV – 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 Philippine Stock Exchange 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.

The Company has substantially complied with the Manual with the election of an independent director to the Company's Board for the past seven (7) years (in November 2007 and again in November 2008, 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 at least one course or 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 Manual.

The 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 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 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 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 Manual. To date, the Company has not yet fully complied with the provisions of its 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.

PART V – EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

| <u>Descriptions</u> | <u>Exhibit</u> |
|---------------------------------|----------------|
| 1. Audited Financial Statements | 1 |

(b) Reports on SEC Form 17-C

During the period covered by this report, the reports on 17-C (Current Report) filed with the Commission cover the following:

- a. Attendance by the Company's directors (Messrs. Felipe U. Yap, Yuen Po Seng and Attys. Daisy L. Parker and Jesus Clint O. Aranas) in various Corporate Governance seminars and arrangements for the attendance of the rest of the Corporation's directors in a Corporate Governance Seminar on or before the first quarter of 2008 (8 January 2008)
- b. Attendance by the Company's directors (Messrs. Augusto C. Villaluna, Stephen Y. Yap, and Ronald P. Sugapong, and Attys. Jose G. Cervantes and Rhea A. Jaro) in the Orientation Course on Corporate Governance conducted by the Institute of Corporate Directors on 3 March 2008 and

the Corporation's receipt on 11 March 2008 of the corresponding Certificates of Attendance (11 March 2008)

- c. Setting the date (26 November 2008), time, venue and agenda of the ASM on and the record date (15 October 2008) for stockholders entitled to vote at said meeting (30 September 2008)
- d. At the ASM of 26 November 2008: Election of Directors of the Company and Ratification of Corporate Acts (26 November 2008)
- e. At the organizational meeting of the Board of Directors on 26 November 2008: Election of officers of the Company, election of Compliance Officer, election of the members of the Nomination Committee, Compensation and Remuneration Committee, and Audit Committee as provided in the Company's Manual on Corporate Governance; and election of the Compliance Officer pursuant to the Company's Anti-Money Laundering Manual (26 November 2008)

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on the 15TH day of APRIL 2009.

By:


FELIPE U. YAP
Chairman


RONALD P. SUGAPONG
Director/Treasurer


YUEN PO SENG
President

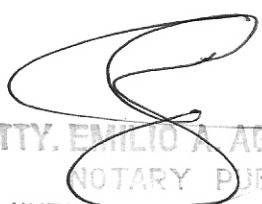

DAISY L. PARKER
Director/Corporate Secretary

APR 15 2009

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2009, affiants exhibiting to me the following:

| <u>Names</u> | <u>Competent Evidence of Identity</u> | <u>Date/Place Issued</u> |
|--------------------|---|------------------------------|
| Felipe U. Yap | Passport No. WW0232536 | 26 Sept. 07/Manila |
| Yuen Po Seng | Passport No. A18147487 | 8 Oct. 2007/Subang, Malaysia |
| Ronald P. Sugapong | Passport No. PP0581436 | 23 Dec. 2004/Manila |
| Daisy L. Parker | Passport No. SS052889 | 13 Feb. 2006/Manila |

Doc. No. 245
Page No. 16
Book No. 1
Series of 2009.


ATTY. EMILIO A. AGREGADO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2009
PTR NO. 9905299 / 01-05-09
IBP NO. 765772 / 01-19-09/PPLM
ROLL NO. 4399
MAKATI CITY



Punongbayan & Araullo

Member of Grant Thornton International Ltd

Financial Statements and
Independent Auditors' Report

Zeus Holdings, Inc.

December 31, 2008, 2007 and 2006



APR 01 2009

ZEUS HOLDINGS, INC.

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

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

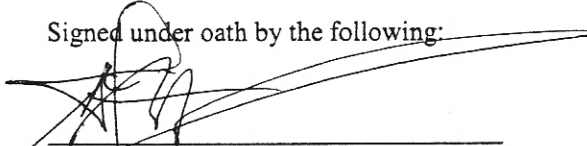
The management of Zeus Holdings, Inc. is responsible for all information and representations in the financial statements as of 31 December 2008 and 2007 and for the years ended 31 December 2008, 2007, and 2006. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect any amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure the transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the Company's external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the Company.

Punongbayan and Araullo, the independent auditors appointed by the Board of Directors and Stockholders, have audited the financial statements of the Company in accordance with generally accepted auditing standards and have expressed their opinion on the fairness of presentation upon completion of such audit, in the report to the Board of Directors and Stockholders.

Signed under oath by the following:


FELIPE U. YAP/Chairman of the Board


YUEN PO SENG/President



RONALD P. SUGAPONG/Treasurer

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

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2009 affiants exhibiting to me their passports as competent of their identities, as follows:

| <u>Name</u> | <u>Competent Evidence of Identity</u> | <u>Date/Place Issued</u> |
|--------------------|---------------------------------------|---------------------------|
| Felipe U. Yap | Ppt No.WW0232536 | 9-26-2007/Manila |
| Yuen Po Seng | Ppt No.A18147487 | 10-8-2007/Subang Malaysia |
| Ronald P. Sugapong | Ppt No.PP0581436 | 12-23-2004/Manila |

Doc. No. 45;
Page No. 11;
Book No. VM;
Series of 2009.


APR 01 2009
ATTY. GERACIO B. ORTIZ JR.
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2009
PTR NO10017551- 1/05/09 AT MAKATI CITY
IBP NO. 056155- LIFETIME MEMBER
AEP M- 84/ 2009 ROLL NO 40097



Report of Independent Auditors

20th Floor, Tower 1
The Enterprise Center
6766 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

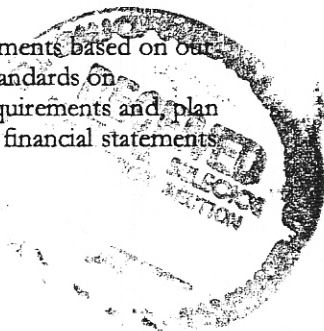
We have audited the accompanying financial statements of Zeus Holdings, Inc., which comprise the balance sheets as at December 31, 2008 and 2007, and the income statements, statements of changes in equity (capital deficiency) and cash flow statements for each of the three years ended December 31, 2008, and notes to financial statements comprising of 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. This responsibility includes: designing, implementing and maintaining internal control 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.

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 whether the financial statements are free from material misstatement.



APR 01 2009

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 of December 31, 2008 and 2007, and its financial performance and its cash flows for each of the three years ended December 31, 2008, in accordance with Philippine Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 1 to the financial statements which indicates that the Company incurred net losses of P664,322, P657,168 and P498,490 for the years ended December 31, 2008, 2007 and 2006, respectively. For the current year and the last few years, the Company has not been engaged in any investing and operating activity. Its continuous incurrence of net losses, its deficit resulting from losses incurred in prior years, and the absence of any investing or operating activity raised substantial doubts about its ability to continue as a going concern. The Company's management, however, continues to assess possible investment opportunities and various options regarding operations that the Company may undertake in the future. The financial statements do not include any adjustments relating to the recoverability of recorded assets or the amounts of liabilities that may be necessary should the Company be unable to continue as a going concern.

PUNONGBAYAN & ARAULLO



By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230

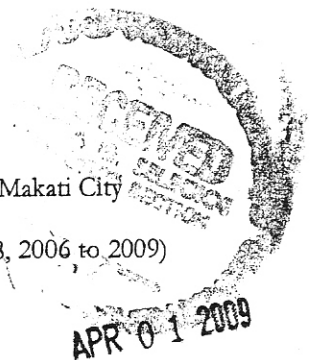
TIN 120-319-128

PTR No. 1566068, January 5, 2009, Makati City

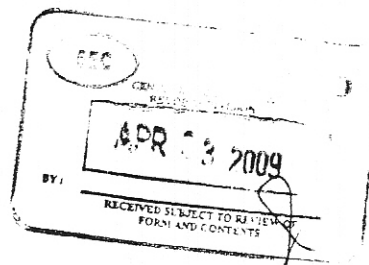
SEC Accreditation No. 0396-A

BIR AN 08-002511-20-2006 (Sept. 8, 2006 to 2009)

February 24, 2009



ZEUS HOLDINGS, INC.
BALANCE SHEETS
DECEMBER 31, 2008 AND 2007
(Amounts in Philippine Pesos)



| | Notes | 2008 | 2007 |
|---|-------|---------------------------|-----------------------------|
| <u>ASSETS</u> | | | |
| CURRENT ASSETS | | | |
| Cash | | P 776,753 | P 127,369 |
| Other current assets - net | 4 | <u>232,196</u> | <u>174,274</u> |
| TOTAL ASSETS | | <u>P 1,008,949</u> | <u>P 301,643</u> |
| <u>LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)</u> | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued expenses | 5 | P 682,516 | P 668,132 |
| Due to related parties | 6 | <u>-</u> | <u>1,573,656</u> |
| Total Current Liabilities | | <u>682,516</u> | <u>2,241,788</u> |
| EQUITY (CAPITAL DEFICIENCY) | | | |
| Capital stock | | 2,733,463,907 | 2,733,463,907 |
| Additional paid-in capital | | 33,393,941 | 33,393,941 |
| Deposits for future stock subscriptions | 6 | 2,930,900 | - |
| Deficit | | (<u>2,769,462,315</u>) | (<u>2,768,797,993</u>) |
| Total Equity (Capital Deficiency) | | <u>326,433</u> | (<u>1,940,145</u>) |
| TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY) | | <u>P 1,008,949</u> | <u>P 301,643</u> |

See Notes to Financial Statements.



APR 01 2009

ZEUS HOLDINGS, INC.
INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006
(Amounts in Philippine Pesos)

| | Notes | 2008 | 2007 | 2006 |
|-------------------------------|-------|------------------|------------------|------------------|
| OPERATING EXPENSES | | | | |
| Taxes and licenses | | P 264,215 | P 213,600 | P 212,705 |
| Professional fees | | 199,000 | 164,000 | 164,000 |
| Photocopying and reproduction | | 81,833 | 55,335 | 65,696 |
| Contracted services | | 37,391 | 33,978 | 25,994 |
| Trainings and seminars | | 34,200 | - | - |
| Advertising and promotions | | 11,880 | 11,339 | 11,340 |
| Other operating expenses | | 35,803 | 178,916 | 18,755 |
| NET LOSS | 1 | P 664,322 | P 657,168 | P 498,490 |
| Loss Per Share | 8 | P 0.00024 | P 0.00024 | P 0.00018 |

See Notes to Financial Statements.

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



APR 01 2009

ZEUS HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006
(Amounts in Philippine Pesos)

| | Note | 2008 | 2007 | 2006 |
|---|------|-------------------|-------------------|-------------------|
| 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 | | 33,393,941 | 33,393,941 | 33,393,941 |
| DEPOSITS FOR FUTURE STOCK SUBSCRIPTIONS | 6 | | | |
| Advances converted to deposits for future stock subscriptions | | 2,240,600 | - | - |
| Cash infusion during the year for future stock subscriptions | | 690,300 | - | - |
| Balance at end of year | | 2,930,900 | - | - |
| DEFICIT | | | | |
| Balance at beginning of year | | (2,768,797,993) | (2,768,140,825) | (2,767,642,335) |
| Net loss | | (664,322) | (657,168) | (498,490) |
| Balance at end of year | | (2,769,462,315) | (2,768,797,993) | (2,768,140,825) |
| TOTAL EQUITY (CAPITAL DEFICIENCY) | | P 326,433 | (P 1,940,145) | (P 1,282,977) |

See Notes to Financial Statements.

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



ZEUS HOLDINGS, INC.
CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006
(Amounts in Philippine Pesos)

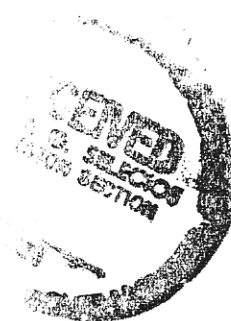
| | Note | 2008 | 2007 | 2006 |
|--|------|------------------|------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net loss representing operating loss | | | | |
| before working capital changes | | (P 664,322) | (P 657,168) | (P 498,490) |
| Increase in other current assets - net | | (57,922) | (48,035) | (37,987) |
| Increase (decrease) in accounts payable and accrued expenses | | 14,384 | 20,378 | 2,708 |
| Net Cash Used in Operating Activities | | (707,860) | (725,581) | (539,185) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Additional advances from related parties and stockholders | 6 | 760,000 | 811,079 | 528,626 |
| Payment of advances from related parties | 6 | (93,056) | - | - |
| Deposits for future stock subscriptions received | 6 | 690,300 | - | - |
| Net Cash From Financing Activities | | 1,357,244 | 811,079 | 528,626 |
| NET INCREASE (DECREASE) IN CASH | | 649,384 | 85,498 | (10,559) |
| CASH AT BEGINNING OF YEAR | | 127,369 | 41,871 | 52,430 |
| CASH AT END OF YEAR | | P 776,753 | P 127,369 | P 41,871 |

See Notes to Financial Statements.

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

Supplemental Information on Noncash Financing Activity

On September 30, 2008, the Company's Board of Directors approved the conversion of various stockholder advances amounting to P2,240,600 to Deposits for Future Stock Subscriptions (see Note 6).



APR 01 2009

ZEUS HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008, 2007 AND 2006
(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.

In June 2007, ZHI Holdings, Inc. (ZHI), sold 93.5% of its shareholdings in the Company to various investors, thereby reducing its equity stake to 4.5%. At present, the largest stockholder of the Company is Zamcore Realty & Development Corporation which holds a 34% equity stake in the Company.

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

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 affairs of the Company are being handled by a related party.

The financial statements of the Company for the year ended December 31, 2008 (including the comparatives for the years ended December 31, 2007 and 2006) were authorized for issue by the Company's Board of Directors (BOD) on February 24, 2009.

1.2 Status of Operations

The Company incurred net losses of P664,322 in 2008, P657,168 in 2007 and P498,490 in 2006. For the current year and the last few years, the Company has not been engaged in any investing or operating activity.

The Company's continuous incurrence of net losses, its deficit resulting from losses incurred in prior years, and the absence of any investing and operating activity raised substantial doubts about its ability to continue as a going concern. However, with the change in the ownership of the Company in 2007, the Company is currently evaluating 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. The Company is currently in discussion with several parties holding mining interest, including foreign investors, for a possible joint business venture.

APR 01 2009

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization and satisfaction of 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 (IASB).

The financial statements have been prepared on the historical cost basis. The measurement bases are more fully described in the accounting policies that follow.

(b) 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).

2.2 Impact of New Standards, Amendments and Interpretations to Existing Standards

(a) Effective in 2008 but not relevant to the Company

The following interpretations to published standards are mandatory for accounting periods beginning on or after January 1, 2008 that are not relevant to the Company:

| | | |
|---------------------------|---|---|
| Philippine Interpretation | | |
| IFRIC 11 | : | Group and Treasury Share Transactions |
| Philippine Interpretation | | |
| IFRIC 12 | : | Service Concession Arrangements |
| Philippine Interpretation | | |
| IFRIC 14 | : | PAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| PAS 39 and PFRS 7 | | |
| (Amendments) | : | PAS 39, Financial Instruments: Recognition and Measurements and PFRS 7, Financial Instruments Disclosures |

APR 01 2009

(b) *Effective Subsequent to 2008*

There are new and amended standards and Philippine Interpretation that are effective for periods subsequent to 2008. Of these new and amended standards and Philippine Interpretation, PAS 1 (Revised 2007), *Presentation of Financial Statements* (effective from January 1, 2009) is relevant to the Company which the Company will apply in accordance with their transitional provisions.

The amendment requires an entity to present all items of income and expense recognized in the period in a single statement of comprehensive income or in two statements: a separate income statement and a statement of comprehensive income. The income statement shall disclose income and expense recognized in profit and loss in the same way as the current version of PAS 1. The statement of comprehensive income shall disclose profit or loss for the period, plus each component of income and expense recognized outside of profit and loss classified by nature (e.g., gains or losses on available-for-sale assets or translation differences related to foreign operations). Changes in equity arising from transactions with owners are excluded from the statement of comprehensive income (e.g., dividends and capital increase). An entity would also be required to include in its set of financial statements a statement showing its financial position (or balance sheet) at the beginning of the previous period when the entity retrospectively applies an accounting policy or makes a retrospective restatement. The Company will apply PAS 1 (Revised 2007) in its 2009 financial statements.

2.3 Impairment of Non-financial Assets

The carrying value of 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.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro rata to the other assets in the cash-generating unit.

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.

APR 01 2009

2.4 Provisions

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 balance sheet 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

2.5 Expense Recognition

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

2.6 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 balance sheet 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 the income statement.

Deferred tax is provided, using the balance sheet liability method, on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet 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 carry forward 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.

APR 01 2009

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

2.7 Equity (Capital Deficiency)

Capital stock is determined using the nominal value of shares that have been issued.

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

Deposits for future stock subscriptions are recorded based on the amounts received from stockholders and amounts of advances to be converted to equity.

Deficit includes all current and prior period results as reported in the income statement.

2.8 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.

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 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 peso which is the currency of the primary economic environment in which the entity operates.

APR 01 2009

(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 2.4, 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 2.3. 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.

No impairment loss was recognized on the Company's input VAT in 2008 and 2007 (see Note 4).

4. **OTHER CURRENT ASSETS**

This account consists of the following as of December 31:

| | <u>2008</u> | <u>2007</u> |
|-----------|------------------|------------------|
| Input VAT | P 232,196 | P 173,422 |
| Others | <u>-</u> | <u>852</u> |
| | <u>P 232,196</u> | <u>P 174,274</u> |

Management has assessed that the balance of Input VAT is fully recoverable, thus, no impairment losses were recognized in 2008 and 2007.

5. **ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

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

| | <u>2008</u> | <u>2007</u> |
|------------------|------------------|------------------|
| Accounts payable | P 596,487 | P 572,190 |
| Accrued expenses | <u>86,029</u> | <u>95,942</u> |
| | <u>P 682,516</u> | <u>P 668,132</u> |

The fair values of Accounts Payable and Accrued Expenses account have not been disclosed as, due to their short duration, management considers the carrying amounts recognized in the balance sheets to be a reasonable approximation of their fair values.

APR 01 2009

6. RELATED PARTY TRANSACTIONS

6.1 Advances from Shareholders and a Related Party

The breakdown of the Due to Related Parties account as of December 31, 2007 is as follows:

| | | |
|---|---|------------------|
| ZHI | P | 1,175,600 |
| F. Yap Securities, Inc.- In Trust for Various Clients (FYSI) | | 305,000 |
| Prime Orion Philippines, Inc. (POPI) | | <u>93,056</u> |
| | P | <u>1,573,656</u> |

The Company is charged by POPI for the Company's share in various types of expenses commonly incurred in the office. Total charges to the Company in 2008, 2007 and 2006, amounted to P38,445, P10,479 and P18,626, respectively.

In 2008, additional advances were received from FYSI amounting to P760,000, which was initially recorded as part of Due to related parties.

On September 30, 2008, the Company's BOD approved the conversion of all of the Advances from FYSI and the Advances from ZHI as of that date totalling P2,240,600 to Deposits for future stock subscriptions.

On November 26, 2008, the Company's BOD authorized the acceptance of additional cash infusion for future stock subscriptions amounting to P690,300 from FYSI. This additional cash infusion was subsequently received by the Company in December 2008.

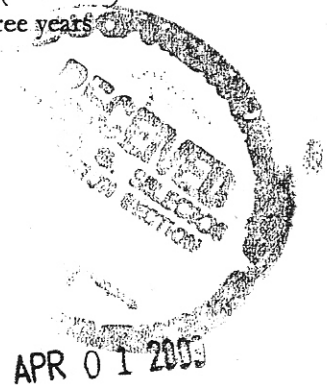
The converted amount and the additional cash infusion totalling P2,930,900, are shown as Deposits for future stock subscriptions in the 2008 statement of changes in equity (capital deficiency).

6.2 Key Management Personnel Compensation

In 2008 and 2007, there were no expenses recognized for employee benefits since the Company's finance and administrative activities are being handled by a related party (see Note 1.1).

7. INCOME TAXES

The Company has been incurring taxable losses during the year and in 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 taxable loss was incurred.



The details of the Company's NOLCO as of December 31, 2008 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> |
|-------------|---|-----------------------------|----------------------------|---|------------------------------|------------------------|
| 2008 | P | 664,197 | P - | P | 664,197 | 2011 |
| 2007 | | 647,935 | - | | 647,935 | 2010 |
| 2006 | | 498,300 | - | | 498,300 | 2009 |
| 2005 | | <u>542,135</u> | <u>542,135</u> | | <u>-</u> | 2008 |
| | P | <u>2,352,567</u> | P <u>542,135</u> | P | <u>1,810,432</u> | |

The Company's management has assessed that it 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 P543,130 and P590,930 as of December 31, 2008 and 2007, respectively, have not been recognized in the financial statements.

For the years ended December 31, 2008 and 2007, the Company did not recognize minimum corporate income tax (equivalent to 2% of gross income, net of allowable deductions, as defined in the tax regulations) since the Company incurred gross losses in those years.

8. LOSS PER SHARE

The basic loss per share is computed as follows:

| | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|----------------------|----------------------|----------------------|
| Net loss | P 664,322 | P 657,168 | P 498,940 |
| 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 0.00018</u> |

Diluted earnings per share were not determined since the Company does not have dilutive shares as of December 31, 2008 and 2007.

9. CONTINGENCY

As of December 31, 2008, there are pending claims and legal actions by third parties against or involving the Company, which are being contested by the Company and its legal counsel. No provisions for contingency were recognized in the accompanying financial statements since the ultimate outcome of these claims cannot presently be determined. In addition, the Company's management believes that their impact in the financial statements, taken as a whole, will not be material.

APR 01 2009

10. RISK MANAGEMENT OBJECTIVES AND POLICIES

As of December 31, 2008, the Company is not exposed to any financial risks as it has no significant financial instruments.

10.1 Credit Risk Analysis

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

10.2 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 stockholders of the Company.

As of December 31, 2008 and 2007, the Company's maximum liquidity risk is the carrying amount of accounts payable and accrued expenses, which is shown as current liabilities in the balance sheets.

11. 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 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 into capital stock.



**Report of Independent
Certified Public Accountants
to Accompany SEC Schedules Filed
Separately from the Basic
Financial Statements**

20th Floor, Tower 1
The Enterprise Center
6766 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

We have audited the financial statements of Zeus Holdings, Inc. as of and for the year ended December 31, 2008, on which we have rendered our report dated February 24, 2009. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules (see table of contents) of the Company as at December 31, 2008 and for the year then ended, required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in 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.

Our report dated February 24, 2009 on the basic financial statements includes an Emphasis of Matter paragraph that refers to a disclosure in the notes to the financial statements on the uncertainties relating to the ability of the Company to continue as a going concern. The financial statements, as well as the supplementary schedules mentioned above, do not include any adjustments on the recoverability and classification of the assets or the amounts and classification of the liabilities arising from such uncertainties.

PUNONGBAYAN & ARAULLO



By: Mailene Sigue-Bisnar

Partner

CPA Reg. No. 0090230

TIN 120-319-128

PTR No. 1566068, January 5, 2009, Makati City

SEC Accreditation No. 0396-A

BIR AN 08-002511-20-2006 (Sept. 8, 2006 to 2009)

February 24, 2009

Zeus Holdings, Inc.
SEC Supplementary Schedule
December 31, 2008

Table of Contents

| <i>Schedule</i> | <i>Description</i> | <i>Page</i> |
|-----------------|---|-------------|
| A | Marketable Securities - (Current Marketable Equity Securities and Other Short-Term Cash Investments) | <u>N/A</u> |
| B | Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Affiliates) | <u>N/A</u> |
| C | Noncurrent Marketable Equity Securities, Other Long-Term Investments in Stock and Other Investments | <u>N/A</u> |
| D | Indebtedness of Unconsolidated Subsidiaries and Affiliates | <u>N/A</u> |
| E | Intangible Assets - Other Assets | <u>N/A</u> |
| F | Long-Term Debt | <u>N/A</u> |
| G | Indebtedness to Affiliates and Related Parties (Long-Term Loans from Related Companies) | <u>1</u> |
| H | Guarantees of Securities of Other Issuers | <u>N/A</u> |
| I | Capital Stock | <u>2</u> |

Zeus Holdings, Inc.
Schedule G. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2008

| <i>Name of related party</i> | <i>Balance at beginning of period</i> | <i>Balance at end of period</i> |
|-------------------------------|---|---------------------------------|
| ZHI Holdings, Inc. | P 1,175,600 | - |
| Advances from shareholder | P 305,000 | - |
| Prime Orion Philippines, Inc. | 93,056 | - |
| | <u>P 1,573,656</u> | <u>-</u> |

Zeus Holdings, Inc.
Schedule I - Capital Stock
December 31, 2008

| <i>Title of Issue</i> | <i>Number of shares authorized</i> | <i>Number of shares issued and outstanding as shown under the related balance sheet caption</i> | <i>Number of shares reserved for options, warrants, conversion and other rights</i> | <i>Number of shares held by</i> | | |
|-----------------------|------------------------------------|---|---|---------------------------------|--|---------------|
| | | | | <i>Related parties</i> | <i>Directors, officers and employees</i> | <i>Others</i> |

Common shares - P1 par value
Authorized - 3,000,000,000 shares
2,733,463,907 shares issued
and outstanding

3,000,000,000

2,733,463,907

-

929,377,728

-

1,804,086,179

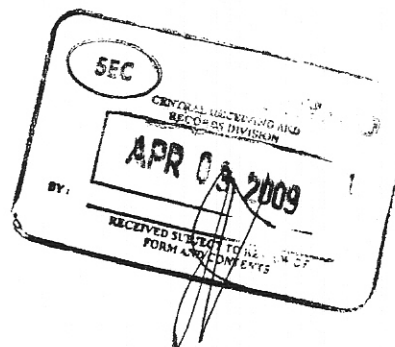
ZEUS HOLDINGS, INC.

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

CERTIFICATION

Securities and Exchange Commission

SEC Building
EDSA, Greenhills
Mandaluyong City

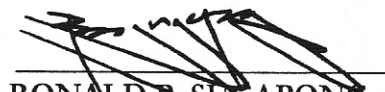


Gentlemen:

In compliance with Memorandum Circular No. 02 dated March 12, 2001, issued by the Securities and Exchange Commission (SEC), requiring the submission by registered corporations of SEC reportorial requirements we submit herewith the Audited Financial Statements (AFS) diskette of Zeus Holdings, Inc. for the years ended December 31, 2008 and 2007 consisting of the following:

| | |
|-----------|---|
| Table 1. | Balance Sheets |
| Table 2. | Income Statements/(Profit and Loss Statement) and Retained Earnings Statement |
| Table 2b. | Statements of Cash Flows |


I certify that the AFS diskette of the Company contains the basic and material data in the hard copies of the financial statements of the Company for the years ended December 31, 2008 and 2007.


RONALD P. SUGAPONG
Treasurer

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

SUBSCRIBED AND SWORN to before me this _____ day of MAR 30 2009 2009, affiants exhibiting to me his Community Tax Certificate No. 27218473 issued on February 9, 2009 at Makati City.

Doc. No. 143
Page No. 30
Book No. III
Series of 2009


ATTY. GERVACIO B. ORTIZ JR.
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2009
PTR NO. 0017551-1/05/09 AT MAKATI CITY
IBP NO. 656155-LIFETIME MEMBER
APPT M-24/2009 ROLL NO. 4009

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.: 884-1106

FAX NO.: 884-1409

COMPANY TYPE: Holding Company

PSIC:

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

Table 1. Balance Sheet

| FINANCIAL DATA | 2008 (in P'000) | 2007 (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) | 1,009 | 302 |
| A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5) | 1,009 | 302 |
| A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3) | 777 | 127 |
| A.1.1.1 On hand | - | - |
| A.1.1.2 In domestic banks/entities | 777 | 127 |
| A.1.1.3 In foreign banks/entities | - | - |
| 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: ZEUS HOLDINGS, INC.

CURRENT ADDRESS: 20th Floor LKG Tower, 6801 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 1. Balance Sheet

| FINANCIAL DATA | 2008 (in P'000) | 2007 (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) | 232 | 174 |
| A.1.5.1 Prepaid insurance | - | 1 |
| A.1.5.2 Input tax | 232 | 173 |
| A.1.5.3 | - | - |
| 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 item/s, 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: ZEUS HOLDINGS, INC.
CURRENT ADDRESS: 20th Floor LKG Tower, 6801 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 1. Balance Sheet

| FINANCIAL DATA | 2008 (in P'000) | 2007 (in P'000) |
|--|--------------------|--------------------|
| 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 Advance/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/bad accounts (negative entry) | - | - |
| B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5) | 683 | 2,242 |
| 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) | 683 | 2,242 |
| B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6) | 683 | 2,242 |
| B.1.1.1 Loans/Notes Payables | - | - |
| B.1.1.2 Trade Payables | 592 | 572 |
| B.1.1.3 Payables to Related Parties | - | 1,574 |
| 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) | 85 | 80 |
| B.1.1.5.1 Audit fee | 85 | 80 |
| B.1.1.5.2 | - | - |
| 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) | 6 | 16 |
| B.1.1.6.1 Other accounts payable | 6 | 16 |
| 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 Acceptances Payable | - | - |
| B.1.7.3 Liabilities under Trust Receipts | - | - |
| B.1.7.4 Portion 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

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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 1. Balance Sheet

| FINANCIAL DATA | 2008 (in P'000) | 2007 (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.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9 + C.10) | 326 | (1,940) |
| 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 | 3,000,000 | 3,000,000 |
| C.1.2 Preferred Shares | - | - |
| 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) | 2,733,464 | 2,733,464 |
| C.3.1 Common shares | 2,733,464 | 2,733,464 |
| C.3.2 Preferred Shares | - | - |
| C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus | 33,394 | 33,394 |
| C.5 Minority Interest | - | - |
| C.6 Others, specify (C.6.1 + C.6.2 + C.6.3) | 2,931 | - |
| C.6.1 Deposit for future subscription | 2,931 | - |
| C.6.2 | - | - |
| C.6.3 | - | - |
| C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus | - | - |
| C.8 Retained Earnings (C.8.1 + C.8.2) | (2,769,462) | (2,768,798) |
| C.8.1 Appropriated | - | - |
| C.8.2 Unappropriated | (2,769,462) | (2,768,798) |
| C.9 Head / Home Office Account (for Foreign Branches only) | - | - |
| C.10 Cost of Stocks Held in Treasury (negative entry) | - | - |
| TOTAL LIABILITIES AND EQUITY (B + C) | 1,009 | 302 |

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.: 884-1106

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 | 2008 (in P'000) | 2007 (in P'000) | 2006 (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 comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

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

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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 | 2008 (in P'000) | 2007 (in P'000) | 2006 (in P'000) |
|---|----------------------|----------------------|----------------------|
| E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4) | 664 | 657 | 498 |
| E.1 Selling or Marketing Expenses | - | - | - |
| E.2 Administrative Expenses | - | - | - |
| E.3 General Expenses | 664 | 657 | 498 |
| 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) | (664) | (657) | (498) |
| H. INCOME TAX EXPENSE (negative entry) | - | - | - |
| I. INCOME(LOSS) AFTER TAX | (664) | (657) | (498) |
| 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) | (0.00018) |
| M.2 Diluted | - | - | - |

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

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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 3. Cash Flow Statements

| FINANCIAL DATA | 2008 (in P'000) | 2007 (in P'000) | 2006 (in P'000) |
|---|--------------------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net Income (Loss) Before Tax and Extraordinary Items | (664) | (657) | (498) |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | | |
| Depreciation | - | - | - |
| Amortization, specif | - | - | - |
| Others, specify: | - | - | - |
| Write-down of Property, Plant, and Equipment | - | - | - |
| Changes in Assets and Liabilities: | | | |
| Decrease (Increase) in: | | | |
| Receivables | - | - | - |
| Inventories | - | - | - |
| Other Current Assets | (58) | (48) | (38) |
| Others, specify: | - | - | - |
| Increase (Decrease) in: | | | |
| Trade and Other Payables | 14 | (20) | (3) |
| Income and Other Taxes Payable | - | - | - |
| Others, specify: | - | - | - |
| A. Net Cash Provided by (Used in) Operating Activities (sum of above rows) | (708) | (726) | (539) |
| 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: Increase (decrease) in amounts owed to related parties | 667 | 811 | 529 |
| Deposit for future subscriptions received | 690 | - | - |
| 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) | 1,357 | 811 | 529 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C) | 649 | 85 | (10) |
| Cash and Cash Equivalents | | | |
| Beginning of year | 127 | 42 | 52 |
| End of year | 777 | 127 | 42 |

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 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: 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 4. Statement of Changes in Equity

| FINANCIAL DATA | (Amount in P'000) | | | | | |
|---|-------------------|----------------------------|-----------------------|-------------------------|-------------------|---------|
| | Capital Stock | Additional Paid-in Capital | Revaluation Increment | Translation Differences | Retained Earnings | TOTAL |
| A. Balance, 2006 | 2,733,464 | 33,394 | - | - | (2,768,141) | (1,283) |
| A.1 Correction of Error(s) | | | | | | - |
| A.2 Changes in Accounting Policy | | | | | | - |
| B. Restated Balance | 2,733,464 | 33,394 | - | - | (2,768,141) | (1,283) |
| C. Surplus | | | | | | |
| C.1 Surplus (Deficit) on Revaluation of Properties | | | | | | - |
| C.2 Surplus (Deficit) on Revaluation of Investments | | | | | | - |
| C.3 Currency Translation Differences | | | | | | - |
| C.4 Other Surplus (specify) | | | | | | - |
| C.4.1 | | | | | | - |
| C.4.2 | | | | | | - |
| C.4.3 | | | | | | - |
| C.4.4 | | | | | | - |
| C.4.5 | | | | | | - |
| D. Net Income (Loss) for the Period | | | | | (657) | (657) |
| E. Dividends (negative entry) | | | | | | - |
| 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, 2007 | 2,733,464 | 33,394 | - | - | (2,768,798) | (1,940) |
| H.1 Correction of Error (s) | | | | | | - |
| H.2 Changes in Accounting Policy | | | | | | - |
| I. Restated Balance | 2,733,464 | 33,394 | - | - | (2,768,798) | (1,940) |
| J. Surplus | | | | | | |
| J.1 Surplus (Deficit) on Revaluation of Properties | | | | | | - |
| J.2 Surplus (Deficit) on Revaluation of Investments | | | | | | - |
| J.3 Currency Translation Differences | | | | | | - |
| J.4 Other Surplus (specify) | | | | | | - |
| J.4.1 Deposit for future subscription | | | | | 2,931 | 2,931 |
| J.4.2 | | | | | | - |
| J.4.3 | | | | | | - |
| J.4.4 | | | | | | - |
| J.4.5 | | | | | | - |
| K. Net Income (Loss) for the Period | | | | | (654) | (664) |
| L. Dividends (negative entry) | | | | | | - |
| 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, 2008 | 2,733,464 | 33,394 | - | - | (2,766,531) | 326 |

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.: 884-1106

FAX NO.: 884-1409

COMPANY TYPE: Holding Company

PSIC:

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

Table 5. Details of Income and Expenses, by source
(applicable to corporations transacting with foreign corporations/entities)

| FINANCIAL DATA | 2008 (in P'000) | 2007 (in P'000) | 2006 (in P'000) |
|---|----------------------|----------------------|----------------------|
| A. REVENUE / INCOME (A.1 + A.2) | | | |
| A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity) (A.1.1 + A.1.2) | | | |
| A.1.1 Domestic | | | |
| A.1.2 Foreign | | | |
| A.2 Other Revenue (A.2.1 + A.2.2) | | | |
| A.2.1 Domestic | | | |
| A.2.2 Foreign, specify (A.2.2.1+A.2.2.2+ A.2.2.3+ A.2.2.4+ A.2.2.5+ A.2.2.6+ A.2.2.7+ A.2.2.8+A.2.2.9+A.2.2.10) | | | |
| A.2.2.1 | | | |
| A.2.2.2 | | | |
| A.2.2.3 | | | |
| A.2.2.4 | | | |
| A.2.2.5 | | | |
| A.2.2.6 | | | |
| A.2.2.7 | | | |
| A.2.2.8 | | | |
| A.2.2.9 | | | |
| A.2.2.10 | | | |
| B. EXPENSES (B.1 + B.2) | | | |
| B.1 Domestic | | | |
| B.2 Foreign, specify (B.2.1+B.2.2+B.2.3+B.2.4+B.2.5+B.2.6+B.2.7+B.2.8+B.2.9+B.2.10) | | | |
| B.2.1 | | | |
| B.2.2 | | | |
| B.2.3 | | | |
| B.2.4 | | | |
| B.2.5 | | | |
| B.2.6 | | | |
| B.2.7 | | | |
| B.2.8 | | | |
| B.2.9 | | | |
| B.2.10 | | | |