

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 2005
2. SEC Identification Number 0102415                      3. BIR Tax Identification No. 000-056-514
4. Exact name of issuer as specified in its charter ZEUS HOLDINGS, INC.
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                      Postal Code  
Address of principal office
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 Sec. 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>

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.

P10,933,656.80 as of 31 December 2005

**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 registration number 0102415, as a corporation engaged in garments manufacturing, distribution and export.

On 9 September 1996, the Securities and Exchange Commission 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 Securities and Exchange Commission 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 Tender Offer Rules of the Securities and Exchange Commission ("Commission"), PICOP Holdings, Inc. ("PHI") offered to purchase the 98.18% equity interest of Republic in the Company at a price of P0.04826 per share. PHI 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 PHI 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 PHI. As a result, PHI acquired a 98.533% equity stake in the Company.

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

At present, the Company 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 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 are no material pending legal proceedings to which the Company is a party or of which any of its property is subject.

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

The Annual Stockholders' Meeting ("ASM") of the Company was held on 14 November 2005. 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 2004.
3. Ratification of all acts of the Board of Directors and Officers of the Company carried out in the regular course of business from 14 December 2004 to 14 November 2005.
4. Amendment of By-Laws to Include Provision on Independent Directors pursuant to the Corporation's Manual on Corporate Governance
5. Election of Directors.
6. Appointment of External Auditors.

Items 1 to 4 above were unanimously approved/ratified. In addition, the following were elected as members of the Company's Board of Directors: Felipe U. Yap, Yuen Po Seng, Daisy L. Parker, Ronald P. Sugapong, Ariel T. Lopez, and Jesus Clint O. Aranas.

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

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**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:

		<b>HIGH</b>	<b>LOW</b>
2005	January - March	0.30	0.30
	April - June	0.25	0.20
	July - September	No transactions	No transactions
	October - December	No transactions	No transactions
2004	January – March	0.20	0.20
	April – June	No transactions	No transactions
	July – September	0.20	0.20
	October – December	No transactions	No transactions
2003	January – March	No transactions	No transactions
	April – June	No transactions	No transactions
	July – September	No transactions	No transactions
	October – December	No transactions	No transactions

The Company's stock was last traded at the PSE on 29 June 2005 at the price of PhP 0.20 per share.

### **Holders**

As of 31 December 2005, the Company has a total of eight hundred fifty one (851) stockholders, the top twenty (20) of which are as follows:

	<b><u>Name of Stockholder</u></b>	<b><u>No. of Shares</u></b>	<b><u>Percentage (%) of Shareholding</u></b>
1.	PICOP HOLDINGS, INC.	2,678,795,623	98.00%
2.	PCD NOMINEE CORP. (Filipino)	13,753,736	0.50%
3.	R. COYIUTO SECURITIES, INC.	10,310,000	0.38%
4.	OE HOLDINGS, INC.	8,918,746	0.33%
5.	FAR EAST CEMENT CORPORATION	6,283,906	0.23%
6.	OE ENTERPRISES HOLDINGS, INC.	5,945,830	0.22%
7.	LINDA H. BUGARIN	2,325,006	0.09%
8.	ANTONIO T. VILAR	1,486,000	0.05%
9.	PEREGRINE SEC. PHILS., INC.	592,000	0.02%
10.	JOLLY R. BUGARIN	500,000	0.02%
11.	SY TIONG SHIOU/JUANITA S. TAN	500,000	0.02%
12.	PCD NOMINEE CORP. (Non-Filipino)	312,000	0.01%
13.	MARTIN P. LORENZO	300,000	0.01%
14.	WANDA MICHELLE BUENCAMINO	232,000	0.01%
15.	VICTORIA Z. EGAN	160,000	0.01%
16.	WONG SECURITIES CORPORATION	153,000	0.01%
17.	YAN TO A.. CHUA	100,000	0.00%
18.	FRANCISCO SIY	100,000	0.00%
19.	IMELDA TAN UY	88,000	0.00%
20.	JOSE SIY	85,000	0.00%

### **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 during the past three (3) years.

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

*Year 2005*

### **Plan of Operation**

The Company is in the process of finding other means and resources to address liquidity and capital deficiency problems by way of infusion of property or cash by new investors or introduction of new business to the Company.

Where opportunity permits, the Company is also considering going into consumer-based or consumer related businesses. However, given the present economic conditions and cautious market sentiment, the Company is exercising prudence in embarking on its investment activities.

The Company is not yet in a position to disclose its detailed operational plans at this time. The Company shall inform the relevant government authorities and the investing public as soon as it has decided upon any concrete course of action and steps have been undertaken to implement the same.

Its parent company, PHI, is committed to support the operations of the Company. In the immediate term, PHI 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**

Cash decreased by 29% to P52,430.00 as of the year ended 31 December 2005 from P73,546.00 as of 31 December 2004 to fund operating expenses, while input value added tax increased by 52% from P58,104.00 to P88,252.00 due to purchases. Accrued expenses and other payables increased by 5% due to additional accrual of professional fees. However, total assets increased from P131,650.00 in FY 2004 to P140,682.00 in FY 2005.

On 20 September 2005, the Board of Directors of PHI approved the conversion of its advances to the Company as of the said date into equity in the Company. The Board of Directors of the Company accepted the said conversion on the same date. Thus, as of the year ended 31 December 2005, PHI's advances to the Company was 80% less compared to the same period last year where its total advances amounted to P1,216,009.00.

Operating expenses for the year 2005 increased by 32% due to increase in listing fee, photocopying and reproduction of annual report and out-of-pocket expenses during audit.

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

Ratios	Formula	31 Dec 05	31 Dec 04
Current ratio	Current Assets/Current Liabilities	0.15:1 140,682/925,169	0.07:1 131,650/1,877,214

Debt to equity ratio	Total Liabilities / Stockholders' Equity	(1.18):1 925,169/(784,487)	(1.08):1 1,877,214/(1,745,564)
Equity to debt ratio	Stockholders' Equity/Total Liabilities	(0.85):1 (784,487)/925,169	(0.93):1 (1,745,564)/1,877,214
Book value per share	Stockholders' Equity/Total # of shares	-0.00029 (784,487)/2,733,463,907	-0.00064 (1,745,564)/2,733,463,907
Loss per share	Net Loss/Total # of shares	-0.00021 (554,657)/2,733,463,907	-0.00015 (421,293)/2,733,463,907

### **Full Fiscal Years**

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

- (i) *Any known trends, demands, commitments, events or uncertainties known to management that would address the past and would have a material impact on issuer's liability:*

There are no known trends, demands, commitments, events or uncertainties that will result in or will reasonably be likely to result in a material increase or decrease in the liquidity of the Company or its subsidiaries.

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

Liabilities in 2001 amounting to P10.8 million were offset against receivables of equivalent amount as no third party made any claims against the Company for such receivables and liabilities.

Please refer to Note 4 of the Company's Financial Statements as of December 31, 2005 and 2004 for the detailed information on these loans.

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

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

- (iv) *Material commitments for capital expenditure*

The Company has not entered into any material commitments 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 2004*

The Company incurred a net loss of P421,293.00 in FY 2004 compared to the FY 2003 net loss of P404,301.00. The slight increase in net loss is due primarily to increases in the Company's operating expenses, particularly payment of professional fees. The Company also posted an increase in total current assets from P101,040.00 in FY 2003 to P131,650.00 in FY 2004.

*Years 2003 and 2002*

The Company incurred a net loss of P404,301.00 as compared to the FY 2002 net loss of P685,734.00. The decrease in net loss was due to the significant decrease in the operating expenses of the Company in FY 2003. Notably, the Company posted a loss of P200,000.00 in FY 2002 due to the write off of its minimum corporate income tax (MCIT). There was no such write-off in FY 2003 which accounts in large part to the lower net loss posted in the said year. The Company also posted an increase in assets from P63,224.00 in FY 2002 to P101,040.00 in FY 2003.

Except for the decrease in net loss and increase in assets discussed above, there have been no material changes in the results of operations of the Company in FY 2004 as compared to FY 2003.

**Item 7. Financial Statements**

The Audited Consolidated Financial Statements of the Company as of December 31, 2005 is attached hereto.

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

There are no disagreements with the Company's accountants on accounting and financial disclosures.

**Audit and Audit-Related Fees**

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

	2005	2004	2003
Professional Fees	80,000.00	65,000.00	60,000.00
Value Added Tax	8,000.00	6,500.00	6,000.00
Total Audit Fees	88,000.00	71,500.00	66,000.00

Aside from the annual review of financial statements and review of advances as a requirement for the conversion of PHI's advances into equity, the external auditor did not render any other services to the Company, and the Company did not pay the external auditor any other fees aside from those indicated above.

**PART III - CONTROL AND COMPENSATION INFORMATION**

**Item 9. Directors and Executive Officers of the Issuer**

As of 31 December 2005, 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 14 November 2005:

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

- 68 (Filipino), *Chairman and 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 and Chairman* of Prime Orion Philippines, Inc., FLT Prime Insurance Corporation, Lepanto Ceramics, Inc., Orion Land, Inc., Tutuban Properties, Inc., Orion I Holdings Philippines, Inc., Orion Brands International, Inc., Pepsi-Cola Products Philippines, Inc., and Yapster e-Conglomerate;
- *Director* of Cyber Bay Corporation, Manila Peninsula Hotel, Inc., Philippine Associated Smelting & Refining Corp., Philippine Fire & Marine Insurance Corporation, South China Petroleum & Exploration, Inc. and Orion Property Development, Inc. and BA-Lepanto Condominium Corporation

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

- 47 (Malaysian), *Director/President/CEO* of Prime Orion Philippines, Inc., FLT Prime Insurance Corporation, Lepanto Ceramics, Inc., Orion I Holdings Philippines, Inc., and Orion Maxis, Inc.;
- *Director, Chairman, President and CEO* of Picop Holdings, Inc., Orion Solutions, Inc., OE Enterprises Holdings, Inc., Genex Investments Corporation, and Treasure-House Holdings Corporation;
- *Chairman of HLG Philippines, Inc.*;
- *Director and Treasurer* of Guoco Assets (Phils.), Inc. and Hong Way Holdings, Inc.;
- *Director* of Pepsi-Cola Products Philippines, Inc., Orion Brands International, Inc., Cyber Bay Corporation, Orion Land, Inc., Tutuban Properties, Inc., Orion Property Development, Inc., OPDI Holdings Corporation, DHG Capital Holdings, Inc., BIB Aurora Insurance Brokers, Inc., OE Holdings, Inc., Guoco Securities (Philippines), Inc., MAA Mutualife Philippines, Inc., and OTi Consulting Philippines, Inc.

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

- 42 (Filipino), *Director/Vice President/Corporate Secretary* of Prime Orion Philippines, Inc.;
- *Director/ Corporate Secretary* of Picop Holdings, Inc., Guoco Assets (Philippines), Inc., Orion Land, Inc., Tutuban Properties Inc., Orion Property Development, Inc., OPDI Holdings Corporation Orion I Holdings Philippines, Inc., Lepanto Ceramics, Inc., Orion Brands International, Inc., DHG Capital Holdings, Inc., FLT Prime Insurance Corporation, BIB Aurora Insurance Brokers, Inc., Orion Solutions, Inc., OE Holdings, Inc., OE Enterprises Holdings, Inc., and HLG Philippines, Inc.
- *Director* of Hong Way Holdings, Inc.;
- *Corporate Secretary* of Pepsi-Cola Products Philippines, Inc., Orion Maxis, Inc., Genex Investments Corporation, and Treasure-House Holdings, Inc.,

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

- 40 (Filipino), *Vice President/Group Financial Controller* of Prime Orion Philippines, Inc.; *Director/Treasurer* of Orion Land, Inc., Tutuban Properties, Inc., Orion Property Development, Inc., OPDI Holdings Corporation, Guoman Philippines, Inc., Luck Hock Venture Holdings, Inc., Orion I Holdings Philippines, Inc., Lepanto Ceramics, Inc., Picop 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., and OE Holdings, Inc.;
- Director of Guoco Assets (Philippines), Inc., Hume Philippines, Inc., Hume Holdings, Inc.

**f. *ARIEL T. LOPEZ***– Director/Assistant Corporate Secretary (25 June 2004 to present)

- 42 (Filipino), Director/Assistant Corporate Secretary of Lepanto Ceramics, Inc., OE Enterprises Holdings, Inc. and Picop Holdings, Inc.
- Assistant Corporate Secretary of Pepsi-Cola Products Philippines, Inc., Orion I Holdings Philippines, Inc., Orion Brands International, Inc. and Orion Beverages, Inc.

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

- 38 (Filipino), *Managing Partner* of Aranas Consunji Barleta Law Offices;
- Director and Chairman of Rural Bank of Magallon; Director of WCL Solutions (Philippines) Corporation and Legal Information Network Corporation;
- Director/Corporate Secretary of Philippines Epson Property Holdings, Inc.;
- *Corporate Secretary* of Epson Precision (Philippines), Inc., Sanyo Epson Imaging Devices (Philippines), Inc. and Philippines Epson Optical, Inc.

The Nomination and Election Committee of the Company was constituted on 27 November 2003 and is currently composed of Messrs. Felipe U. Yap, Yuen Po Seng and Jesus Clint O. Aranas, all of whom are members of the Company's Board of Directors. Mr. Aranas was re-elected as an independent director during the ASM of the Company held on 14 November 2005. 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. Felipe U. Yap, Yuen Po Seng and Jesus Clint O. Aranas while the second is composed of Messrs. Ronald P. Sugapong, Ariel T. Lopez and Jesus Clint O. Aranas.

The Aranas Consunji Barleta Law Offices has not been engaged as legal counsel by the Company 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.

**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 2005)

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	Picop Holdings, Inc. ("PHI")/ 20/F, LKG Tower, 6801 Ayala Ave., Makati City/ Parent Company of Zeus; together with:		Filipino	2,678,795,623 (r) 1 (b)	98%
	Felipe U. Yap	PHI / Nominating Corporation	Filipino	1 (r)	
	Yuen Po Seng		Malaysian	1 (r)	
	Ronald P. Sugapong		Filipino	1 (r)	
	Daisy L. Parker	* PHI is owned	Filipino	1 (r)	
	Ariel T. Lopez	60% by Orion I	Filipino	1 (r)	
	c/o 20/F, LKG Tower, 6801 Ayala Avenue, Makati City / Directors	Holdings Phils., Inc. and 40% by HLI Holdings, Inc.			

##### B. Security Ownership of Management (other than as Nominees)

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%

	Ronald P. Sugapong	1 *(i)	Filipino	0%
	Daisy L. Parker	1 *(i)	Filipino	0%
	Ariel T. Lopez	1 *(i)	Filipino	0%
	Jesus Clint O. Aranas		Filipino	0%
		Total 6		

*Natural persons owning more than 5% of the registrant's voting shares and who have the power to vote the same:* NONE

*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 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, 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.

The conversion of PHI's advances into additional paid-in capital in the Company discussed earlier has been submitted for approval of the Securities and Exchange Commission.

Apart from the foregoing, no related party 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 arms' 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 of 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, its parent company, PHI, remains committed to supporting the Company operations while it has limited transactions.

**PART IV – CORPORATE GOVERNANCE**

Pursuant to the Company's Manual on Corporate Governance ("Manual"), the stockholders of Zeus have been, for the past three (3) years, electing an independent director to the Board. 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, through the Board, has also created the following committees pursuant to the provisions of the Manual: (1) nomination and election committee, (2) compensation and remuneration committee, and (3) audit committee. The Company has also designated a Compliance Officer who oversees compliance with the Company's Manual. For purposes of evaluating compliance with its Manual, the Company has adopted the self-rating form prescribed by the Securities and Exchange Commission. The Company, however, is working on its systems and procedures to improve compliance with its Manual.

To date, the Company has substantially complied with the Manual. However, given the current minimal operations of the Company, it is still in the process of finalizing its Financial and Operational Plan. The Company's compliance with its Manual will be firmed up as soon as its Financial and Operational Plan is finalized.

## 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. Postponement of the Company's ASM from any day in June as provided in its By-Laws to a later date (12 May 2005)
- b. Setting the date of the ASM on 14 November 2005 and record date for stockholders entitled to vote at said meeting on 4 October 2005 (20 September 2005)
- c. At the ASM of 14 November 2005: Election of Directors of the Company and Amendment of By-Laws to Include Provision on Independent Directors pursuant to the Corporation's Manual on Corporate Governance (14 November 2005)
- d. At the organizational meeting of the Board of Directors on 14 November 2005: election of officers of the Company, election of Compliance Officer, and 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 (14 November 2005)

## 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 \_\_\_\_ day of \_\_\_\_\_ 2006.

By:

**YUEN PO SENG**  
President/Director

**RONALD P. SUGAPONG**  
Director/Treasurer

**ARIEL T. LOPEZ**  
Director/Asst. Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2006, affiants exhibiting to me their Community Tax Certificates, as follows:

<u>Names</u>	<u>Res. Cert. No.</u>	<u>Date/Place Issued</u>
Yuen Po Seng	24333033	7 March 2006/ Makati City
Ronald P. Sugapong	24327548	2 March 2006/ Makati City
Ariel T. Lopez	24813817	16 January 2006/ Makati City

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2006.

# 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

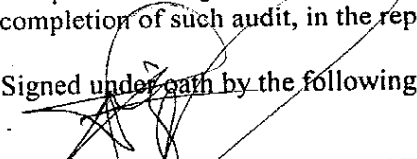
The management of Zeus Holdings, Inc. is responsible for all information and representations contained in the financial statements as of 31 December 2005 and 2004 and for the years ended 31 December 2005 2004 and 2003. The financial statements have been prepared in conformity with generally accepted 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 that transaction 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 APR 17 2006 day of April, 2006. affiants exhibiting to me their Comm. Tax Certificates, to wit:

Name	CTC No.	Date/Place Issued
Felipe U. Yap	20545225	1-04-06/Davao City
Yuen Po Seng	24333033	3-07-06/Makati City
Ronald P. Sugapong	24327548	3-02-06/Makati City

Doc. No. 96 ;  
Page No. 16 ;  
Book No. 14 ;  
Series of 2006.

[mgt-responsibilityfor2005]  
c:len:zeus

  
ATTY. SOCRATES G. MARANAN  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2007  
PTR. NO. 454-00V MANILA JAN. 2, 2006  
TIN. 133-552-514  
ROA # 31925-05-07-82



## REPORT OF INDEPENDENT AUDITORS

**The Board of Directors  
Zeus Holdings, Inc.**

20<sup>th</sup> Floor, LKG Tower  
6801 Ayala Avenue  
Makati City

We have audited the accompanying balance sheets of Zeus Holdings, Inc. as of December 31, 2005 and 2004, and the related statements of income, changes in capital deficiency and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the Philippines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2005 financial statements referred to above present fairly, in all material respects, the financial position of Zeus Holdings, Inc. as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles in the Philippines.



Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates that the Company incurred a net loss of P554,657 for the year ended December 31, 2005 and, as of that date, the Company's current liabilities exceeded its total assets by P784,487. For the last few years, the Company has not been engaged in any investing and operating activity. Its capital deficiency resulting from losses incurred in prior years and the absence of any investing and operating activity, raise substantial doubts about its ability to continue as going concern. The Company's management, however, is continuing to assess 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 and classification of recorded assets or the amounts or the classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

**PUNONGBAYAN & ARAULLO**

**By: Lilian S. Linsangan**  
Partner

CPA Reg. No. 0046660

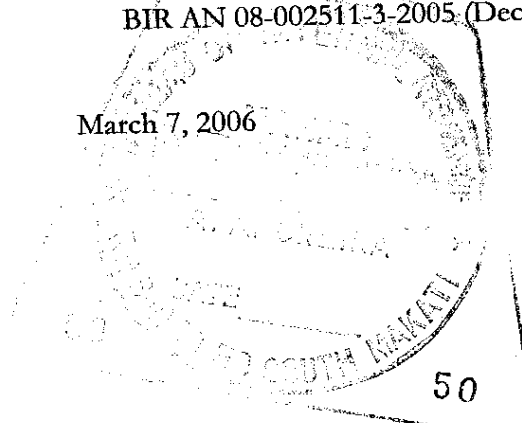
TIN 109-228-234

PTR No. 4182120, January 4, 2006, Makati City

Partner SEC Accreditation No. 0008-AR - 1

BIR AN 08-002511-3-2005 (Dec. 27, 2005 to 2008)

March 7, 2006



17 MAR 2006

**ZEUS HOLDINGS, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2005 AND 2004**  
*(Amounts in Philippine Pesos)*

	Notes	2005	2004
<b><u>A S S E T S</u></b>			
<b>CURRENT ASSETS</b>			
Cash		P 52,430	P 73,546
Input value added tax		88,252	58,104
<b>TOTAL ASSETS</b>		<b>P 140,682</b>	<b>P 131,650</b>
<b><u>LIABILITIES AND CAPITAL DEFICIENCY</u></b>			
<b>CURRENT LIABILITIES</b>			
Accrued expenses and other payables	4	P 691,218	P 661,206
Due to related parties	5	233,951	1,216,009
Total Current Liabilities		925,169	1,877,215
<b>CAPITAL DEFICIENCY</b>			
Capital stock		2,733,463,907	2,733,463,907
Additional paid-in capital	5	33,393,941	31,878,206
Deficit		( 2,767,642,335 )	( 2,767,087,678 )
Capital Deficiency		( 784,487 )	( 1,745,565 )
<b>TOTAL LIABILITIES AND CAPITAL DEFICIENCY</b>		<b>P 140,682</b>	<b>P 131,650</b>

*See Notes to Financial Statements.*

**ZEUS HOLDINGS, INC.**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
<b>OPERATING EXPENSES</b>			
Professional fees		<b>P 189,000</b>	P 193,444
Taxes and licenses		<b>207,175</b>	117,150
Photocopying and reproduction		<b>99,132</b>	52,409
Transportation and travel		<b>1,921</b>	1,183
Other operating expenses		<u><b>57,429</b></u>	<u>57,107</u>
<b>NET LOSS</b>	1	<u><b>P 554,657</b></u>	<u>P 421,293</u>
<b>Loss Per Share</b>	6	<u><b>P 0.00020</b></u>	<u>P 0.00015</u>

*See Notes to Financial Statements.*

**ZEUS HOLDINGS, INC.**  
**STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY**  
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**  
*(Amounts in Philippine Pesos)*

	Notes	2005	2004
<b>CAPITAL STOCK</b> - P1 par value			
Authorized - 3 billion shares			
Issued and outstanding - 2,733,463,907 shares		<b><u>P 2,733,463,907</u></b>	<b><u>P 2,733,463,907</u></b>
 <b>ADDITIONAL PAID-IN CAPITAL</b>			
Balance at beginning of year		31,878,206	31,878,206
Advances converted to additional paid in capital	5	<u>1,515,735</u>	<u>-</u>
Balance at end of year		<b><u>33,393,941</u></b>	<b><u>31,878,206</u></b>
 <b>DEFICIT</b>			
Balance at beginning of year		( 2,767,087,678 )	( 2,766,666,385 )
Net loss		<u>( 554,657 )</u>	<u>( 421,293 )</u>
Balance at end of year		<b><u>( 2,767,642,335 )</u></b>	<b><u>( 2,767,087,678 )</u></b>
 <b>CAPITAL DEFICIENCY</b>		 <b><u>( P 784,487 )</u></b>	 <b><u>( P 1,745,565 )</u></b>

*See Notes to Financial Statements.*

**ZEUS HOLDINGS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**  
*(Amounts in Philippine Pesos)*

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss representing operating loss before working capital changes	( P 554,657 )	( P 421,293 )
Increase in input value added tax	( 30,148 )	( 26,536 )
Increase (decrease) in accrued expenses and other payables	<u>30,012</u>	<u>696</u>
Net Cash Used in Operating Activities	( 554,793 )	( 448,525 )
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Advances from stockholders - net	<u>533,677</u>	<u>452,599</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	( 21,116 )	4,074
<b>CASH AT BEGINNING OF YEAR</b>	<u>73,546</u>	<u>69,472</u>
<b>CASH AT END OF YEAR</b>	<u>P 52,430</u>	<u>P 73,546</u>

**Supplemental Information on Noncash Investing Activity**

On September 20, 2005, the respective Board of Directors of the Company's various shareholders approved to convert the balances of their advances into equity. Total advances converted into equity amounted to P1,515,735. The Company recorded the conversion as additional paid-in capital (see Note 5).

*See Notes to Financial Statements.*

**ZEUS HOLDINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**  
*(Amounts in Philippines Pesos)*

**1. CORPORATE INFORMATION AND STATUS OF OPERATIONS**

Zeus Holdings, Inc. (the "Company") was incorporated in the Philippines to engage in the purchase and sale of investments. The Company is 98% owned by PICOP Holdings, Inc., (PHI), a company incorporated and domiciled in the Philippines.

The registered office of the Company is located at 20th Floor, LKG Tower, 6801 Ayala Avenue, Makati City.

Starting in 2002, the finance and administrative affairs of the Company were being handled by related party.

The financial statements of the Company for the year ended December 31, 2005 (including the comparatives for the year ended December 31, 2004) were authorized for issue by the Company's Board of Directors on March 7, 2006.

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.

The Company incurred a net loss of P554,657 for the year ended December 31, 2005 and, as of that date, the Company's current liabilities exceeded its total assets by P784,487. For the last few years, the Company has not been engaged in any investing and operating activity.

Its capital deficiency resulting from losses incurred in prior years and the absence of any investing and operating activity, raise substantial doubt about its ability to continue as a going concern. The Company's management, however, is continuing to assess 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 and classification of recorded assets or the amounts or the classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

## 2. **TRANSITIONING TO PHILIPPINE FINANCIAL REPORTING STANDARDS**

The Accounting Standards Council (ASC), the accounting standards-setting body in the Philippines, started a program in 1997 to move fully to the International Accounting Standards (IASs) issued by the then International Accounting Standards Committee (IASC). In April 2001, IASC was succeeded by the International Accounting Standards Board (IASB) which since then has issued revised IASs and new International Financial Reporting Standards (IFRSs).

To correspond better with the issuances of the IASB, the ASC re-named the Standards it issues as Philippine Financial Reporting Standards or PFRSs (previously referred to as Statements of Financial Accounting Standards or SFASs). PFRSs consist of:

- a. PFRSs (corresponding to IFRSs);
- b. PASs (corresponding to IASs); and,
- c. Interpretations (corresponding to IFRICs and SICs).

In compliance with the pronouncements of the ASC and the regulations of the Securities and Exchange Commission (SEC), the Company has adopted all the relevant PFRSs for the first time in its financial statements for the year ended December 31, 2005, with January 1, 2004 as its transition date. The transition from the previous generally accepted accounting principles (GAAP) in the Philippines to PFRSs has been made in accordance with PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*.

Because of the status of the Company's operations, the transitioning to PFRS did not result to any adjustments in the opening financial statements as of January 1, 2004 and the comparatives prepared for the year ended December 31, 2004.

## 3. **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.

### ***3.1 Basis of Preparation of Financial Statements***

The financial statements have been prepared in accordance with generally accepted accounting principles in the Philippines.

The financial statements have been prepared on a historical cost basis.

It should be noted that accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.



The financial statements are presented in Philippine pesos, the Company's functional currency, and all values represent absolute amounts except when otherwise indicated.

### ***3.2 Impact of New and Revised Accounting Standards Effective Subsequent to 2005***

There are new and revised accounting standards, amendments and interpretations to existing standards that have been published by IASB and adopted by the ASC which are mandatory for accounting periods beginning on or after January 1, 2006. These standards, which the Company has not opted to adopt early, are as follows:

2006

PAS 39 (Amendment) :	The Fair Value Option
PAS 39 and PFRS 4 (Amendment) :	Financial Guarantee Contracts
PFRS 1 (Amendment) :	First-time Adoption of Philippine Financial Reporting Standards
IFRIC 4 :	Determination whether an Arrangement Contains a Lease
IFRIC 6 :	Liabilities Arising from a Participating in a Specific Market

2007

PAS 1 (Amendment) :	Presentation of Financial Statements
PFRS 7 :	Financial Instruments: Disclosures

The Company will apply the relevant new accounting standards in 2006 and 2007 in accordance with their transitional provisions. It is currently evaluating the impact of those standards on its financial statements and has initially determined that they will not result in significant effects on the financial statements for 2006, as well as for prior and future periods.

### ***3.3 Financial Instruments***

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial assets, financial liabilities and equity instruments are set out below.

#### Financial assets

Financial assets of the Company include cash. Derecognition of financial assets occur when the rights to recover cash flows from the financial instruments expire or are transferred and substantially all of the risk and rewards of ownership have been transferred.

### Financial Liabilities

Accrued expenses and other payables are initially measured at fair value, and are subsequently measured at amortized cost less settlement payment, using the effective interest rate method. Financial liabilities are derecognized from the balance sheet only when the obligations are extinguished either through discharge, cancellation and expiration.

### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### ***3.4 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 issuing of capital stock. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

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

### ***3.5 Loss Per Share***

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

## **4. ACCRUED EXPENSES AND OTHER PAYABLES**

In 2001, liabilities amounting to P10,838,055, outstanding since 1996, were offset against receivables of equivalent amount as no third party made any claims against the Company for such receivables and liabilities. The remaining unclaimed liabilities amounting to P558,426 are presented as part of Accrued Expenses and Other Payables account in the balance sheets as of December 31, 2005 and 2004.

## 5. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company and other related parties.

The Company receives non-interest bearing advances from PHI. Net advances received from PHI amounted to P627,150 and P434,157 in 2005 and 2004, respectively.

On September 20, 2005, the respective Board of Directors of the Company's various shareholders approved to convert the balances of their advances to the Company into equity. Total advances converted into equity amounted to P1,515,735. The Company recorded the conversion as additional paid-in capital.

The breakdown of Due to Related Parties as of December 31, 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Due to PHI	<b>P 170,000</b>	P 1,058,585
Due to DHG Capital Holdings, Inc.	-	112,150
Due to Prime Orion Philippines, Inc.	<u>63,951</u>	<u>45,274</u>
	<b><u>P 233,951</u></b>	<b><u>P 1,216,009</u></b>

## 6. LOSS PER SHARE

The basic loss per share is computed as follows:

	<u>2005</u>	<u>2004</u>
Net loss	<b>P 554,657</b>	P 421,293
Divided by the weighted average number of outstanding common shares	<u>2,733,463,907</u>	<u>2,733,463,907</u>
	<b><u>P 0.00020</u></b>	<b><u>P 0.00015</u></b>

## 7. CONTINGENCY

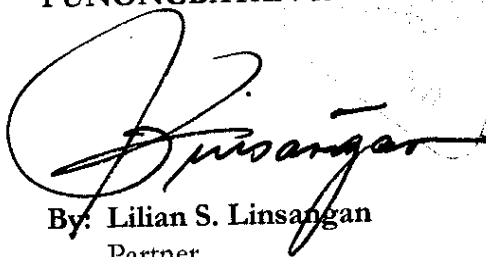
The Philippines continues to experience economic difficulties relating to currency fluctuations, volatile stock markets and slowdown in growth. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY FROM THE BASIC  
FINANCIAL STATEMENTS**

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

We have audited the financial statements of Zeus Holdings, Inc. for the year ended December 31, 2005, on which we have rendered our report dated March 7, 2006. 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 of December 31, 2005 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 the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**PUNONGBAYAN & ARAULLO**



**By: Lilian S. Linsangan**

Partner

CPA Reg. No. 0046660

TIN 109-228-234

PTR No. 4182120, January 4, 2006, Makati City

Partner SEC Accreditation No. 0008-AR-1

BIR AN 08-002511-5-2005 (Dec: 27, 2005 to 2008)

March 7, 2006

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  
W www.punongbayan-araullo.com

BOA/PRC Cert. of Reg. No. 0002  
SEC Accreditation No. 0002-F

Offices in Cebu, Davao, Cavite

**Member of Grant Thornton International**

**Zeus Holdings, Inc.**  
**SEC Supplementary Schedule**  
**December 31, 2005**

**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, 2005**

<i>Name of related party</i>	<i>Balance at beginning of period</i>		<i>Balance at end of period</i>	
PICOP Holdings, Inc.	P	1,058,585	P	170,000
DHG Capital Holdings, Inc.		112,150		
Prime Orion Philippines, Inc.		45,274		63,951
	<b>P</b>	<b><u>1,216,009</u></b>	<b>P</b>	<b><u>233,951</u></b>

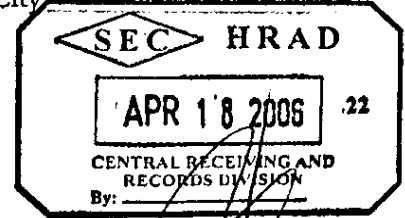
Zeus Holdings, Inc.  
Schedule I - Capital Stock  
December 31, 2005

<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	-	2,678,795,623	-	54,668,284

# ZEUS HOLDINGS, INC.

20<sup>th</sup> Floor LKG Tower, 6801 Ayala Avenue, Makati City

## CERTIFICATION



Securities and Exchange Commission

SEC Building

EDSA, Greenhills

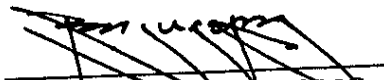
Mandaluyong City

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, 2005 and 2004 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, 2005 and 2004.

  
RONALD P. SUGAPONG  
Treasurer

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

SUBSCRIBED AND SWORN to before me this APR 17 2006 2006,  
affiants exhibiting to me his Community Tax Certificate No.24327548 issued on March 2,  
2006 at Makati City.

Doc. No. 211  
Page No. 93  
Book No. XII  
Series of 00

  
ATTY. GERVACIO B. ORTIZ JR.  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2006  
PTR NO. 4177668 AT MAKATI JAN. 2, 2006  
IBP NO. 656155 JAN. 2, 2006  
LIFETIME MEMBER  
DIL NO. 40091



**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.: 8841106 FAX NO.: 8841409  
 COMPANY TYPE : Holding Company PSIC: \_\_\_\_\_

**Table 1. Balance Sheet**

FINANCIAL DATA	2005 (in P'000)	2004 (in P'000)
<b>A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6)</b>	141	132
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	52	74
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)		
A.1.1.1 On hand		
A.1.1.2 In domestic banks/entities	52	74
A.1.1.3 In foreign banks/entities		
A.1.2 Financial Assets other than Cash/Trade Receivables/investments accounted for using the Equity Method (A.1.2.1 + A.1.2.2 + A.1.2.3 + A.1.2.4)		
A.1.2.1 Short-term placements or investments in securities issued by domestic entities: (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4 + A.1.2.1.5)		
A.1.2.1.1 National Government		
A.1.2.1.2 Public Financial Institutions		
A.1.2.1.3 Public Non-Financial Institutions		
A.1.2.1.4 Private Financial Institutions		
A.1.2.1.5 Private Non-Financial Institutions		
A.1.2.2 Short-term placements or investments in securities issued by foreign entities		
A.1.2.3 Others, specify		
_____		
_____		
_____		
A.1.2.4 Allowance for decline in market value (negative entry)		
A.1.3 Trade and Other Receivables (A.1.3.1 + A.1.3.2)		
A.1.3.1 Due from domestic entities (A.1.3.1.1 + A.1.3.1.2 + A.1.3.1.3 + A.1.3.1.4)		
A.1.3.1.1 Due from customers (trade)		
A.1.3.1.2 Due from related parties		
A.1.3.1.3 Others, specify		
Due from unaffiliated companies		
_____		
A.1.3.1.4 Allowance for doubtful accounts/bad debts/probable losses (negative entry)		
A.1.3.2 Due from foreign entities, specify (A.1.3.2.1 + A.1.3.2.2 + A.1.3.2.3 + A.1.3.2.4 + A.1.3.2.5)		
A.1.3.2.1		
A.1.3.2.2		
A.1.3.2.3		
A.1.3.2.4		
A.1.3.2.5 Allowance for doubtful accounts/bad debts/probable losses (negative entry)		
A.1.4 Inventories (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 Raw materials and supplies		
A.1.4.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		
A.1.4.3 Finished goods/factory supplies		
A.1.4.4 Merchandise/Goods in transit		
A.1.4.5 Labor and other costs of personnel (in case of service providers)		
A.1.4.6 Revaluation surplus (includes spoilage, losses due to fire and changes in prices)		
A.1.5 Other Current Assets	88	58

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 COMPANY TYPE : Holding Company PSIC: \_\_\_\_\_

**Table 1. Balance Sheet**

FINANCIAL DATA	2005 (in P'000)	2004 (in P'000)
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.2.1 Land (incl. land for future plant expansion, unused land and improvements)		
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 equipmen		
A.2.5 Others, specify		
Computer software		
_____		
_____		
_____		
A.2.6 Appraisal increase, specify		
_____		
_____		
_____		
A.2.7 Accumulated Depreciation (negative entry)		
A.3 Investments excluding that which is recorded in current assets(net of allowance for decline in value) (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.3.4 Allowance for decline in market value (negative entry)		
A.4 Intangible Assets		
A.5 Long-term receivables		
A.5.1 Long-term receivables (net of current portion) (A.5.1 + A.5.2 + A.5.3)		
A.5.1.1 From domestic entities, specify		
_____		
_____		
_____		
A.5.1.2 From foreign entities, specify		
_____		
_____		
_____		
A.5.1.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.6 Other Assets (A.6.1 + A.6.2 + A.6.3 + A.6.4)		
A.6.1 Deferred charges - net of amortization		
A.6.2 Advance/Miscellaneous deposits		
A.6.3 Others, specify		
_____		
_____		
_____		
A.6.4 Allowance for write-down of deferred charges (negative entry)		
<b>B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5 + B.6)</b>	<b>925</b>	<b>1,878</b>
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3)	925	1,878
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)		
B.1.1.1 Trade Payables	564	562
B.1.1.2 Payables to Subsidiaries		
B.1.1.3 Payables to Related Parties	234	1,216
B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders		
B.1.1.5 Accruals	128	100

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 TEL. NO.: 8841106 FAX NO.: 8841409  
 COMPANY TYPE: Holding Company PSIC: \_\_\_\_\_

**Table 1. Balance Sheet**

FINANCIAL DATA	2005 (in P'000)	2004 (in P'000)
B.1.1.6 Others, specify		
B.1.2 Trade and Other Payables to Foreign Entities, specify		
B.1.3 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) Dividends declared and not paid at balance sheet date Acceptances Payable Liabilities under Trust Receipts Portion of Long-term Debt Due within one year Deferred Income Any other current liability in excess of 5% of Total Current Liabilities, specify		
B.2 Tax Liabilities and Assets		
B.3 Provisions		
B.4 Long-term Debt - Non-current Interest-bearing Liabilities (B.4.1 + B.4.2 + B.4.3 + B.4.4 + B.4.5)		
B.4.1 Domestic Public Financial Institutions		
B.4.2 Domestic Public Non-Financial Institutions		
B.4.3 Domestic Private Financial Institutions		
B.4.4 Domestic Private Non-Financial Institutions		
B.4.5 Foreign Financial Institutions		
B.5 Indebtedness to Affiliates and Related Parties (Non-Current)		
B.6 Other Liabilities (B.6.1 + B.6.2)		
B.6.1 Deferred Income Tax		
B.6.2 Others, specify		
<b>C. MINORITY INTEREST</b>		
<b>D. EQUITY (D.3 + D.4 + D.5 + D.6 + D.7 + D.8 + D.9)</b>	<b>(784)</b>	<b>(1,746)</b>
D.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (D.1.1+D.1.2+D.1.3)		
D.1.1 Common shares, P1 par value per share	3,000,000	3,000,000
D.1.2 Preferred Shares		
D.1.3 Others		
D.2 Subscribed Capital Stock (no. of shares, par value and total value) (D.2.1 + D.2.2 + D.2.3)		
D.2.1 Common shares		
D.2.2 Preferred Shares		
D.2.3 Others		
D.3 Paid-up Capital Stock (D.3.1 + D.3.2)		
D.3.1 Common shares	2,733,464	2,733,464
D.3.2 Preferred Shares		
D.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus	33,394	31,878
D.5 Others, specify		
D.6 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		
D.7 Retained Earnings (D.7.1 + D.7.2)		
D.7.1 Appropriated		
D.7.2 Unappropriated	(2,767,642)	(2,767,088)
D.8 Head / Home Office Account (for Foreign Branches only)		
D.9 Cost of Stocks Held in Treasury (negative entry)		
<b>TOTAL LIABILITIES AND EQUITY (B + C + D)</b>	<b>141</b>	<b>132</b>

Control No.: \_\_\_\_\_  
 Form Type: PHFS1

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 COMPANY TYPE : Holding Company PSIC: \_\_\_\_\_

**Table 2. Income Statement**

FINANCIAL DATA	2005 (in P'000)	2004 (in P'000)
<b>A. REVENUE / INCOME (A.1 + A.2 + A.3)</b>	-	-
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)		
A.2 Other Revenue (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5)		
A.2.1 Rental Income from Land and Buildings		
A.2.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)		
A.2.3 Sale of Real Estate		
A.2.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)		
A.2.5 Others, specify		
Rental Income, Equipment		
A.3 Other Income (non-operating) (A.3.1 + A.3.2 + A.3.3 + A.3.4)	-	-
A.3.1 Interest Income		
A.3.2 Dividend Income		
A.3.3 Gain / (Loss) from selling of Assets, specify		
A.3.4 Others, specify		
Gain / (Loss) on Foreign Exchange		
<b>B. COST OF GOODS SOLD (B.1 + B.2 + B.3)</b>		
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)		
<b>C. COST OF SALES (C.1 + C.2 + C.3)</b>		
C.1 Purchases		
C.2 Merchandise Inventory, Beginning		
C.3 Merchandise Inventory, End (negative entry)		
<b>D. GROSS PROFIT (A - B - C)</b>	-	-

Control No.: \_\_\_\_\_  
 Form Type: PHFS1

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

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 COMPANY TYPE : Holding Company PSIC: \_\_\_\_\_

Table 2. Income Statement

FINANCIAL DATA	2005 (in P'000)	2004 (in P'000)
<b>E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)</b>	555	421
E.1 Selling or Marketing Expenses		
E.2 Administrative Expenses		
E.3 General Expenses	555	421
E.4 Other Expenses, specify		
_____		
_____		
_____		
_____		
<b>F. FINANCE COSTS (F.1 + F.2 + F.3)</b>		
F.1 Interest		
F.2 Amortization		
F.3 Other interests, specify		
_____		
_____		
_____		
<b>G. Share of Income (Losses) of Associates and Joint Ventures accounted for using the Equity Method</b>		
<b>H. Net Income (Loss) Before Tax (D - E - F + G)</b>	(555)	(421)
<b>I. Income Tax Expense (negative entry)</b>		
<b>J. Income After Tax</b>	(555)	(421)
<b>K. Minority Interest (negative entry)</b>		
<b>L. Net Income (Loss - negative entry) from Ordinary Activities (J - K)</b>	(555)	(421)
<b>M. Extraordinary Items</b>		
<b>N. Net Income (Loss - negative entry) for the Year (L + M)</b>	(555)	(421)
<b>O Earnings (Loss) Per Share</b>		
O.1 Basic	(0.00020)	(0.00015)
O.2 Diluted		

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Table 3. Cash Flow Statements

FINANCIAL DATA	2005 (in P'000)	2004 (in P'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss) Before Tax and Extraordinary Items	(555)	(421)
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
Depreciation		
Amortization, specify: _____		
Others, specify: <u>Loss on nonrecoverability of MCIT</u>		
<u>Loss on disposal of investment</u>		
<u>Interest income</u>		
<u>Gain on sale of land</u>		
<u>Write-down of Property, Plant, and Equipment</u>		
<b>Changes in Assets and Liabilities:</b>		
Decrease (Increase) in:		
Receivables		
Inventories		
Other Current Assets	(30)	(26)
Others, specify: _____		
_____		
Increase (Decrease) in:		
Trade and Other Payables	30	(1)
Income and Other Taxes Payable		
Others, specify: _____		
_____		
Minimum Corporate income tax paid		
<b>A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)</b>	<b>(556)</b>	<b>(448)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) Decrease in Long-Term Receivables		
(Increase) Decrease in Investment		
Reductions/(Additions) to Property, Plant, and Equipmen		
Others, specify: <u>Additional investment in subsidiary</u>		
<u>Interest received</u>		
<b>B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from:		
Loans		
Long-term Debt		
Issuance of Securities		
Others, specify: <u>Advances from stockholders</u>	534	453
_____		
Payments of:		
(Loans)		
(Long-term Debt)		
(Stock Subscriptions)		
Others, specify ( <b>negative entry</b> ): <u>Advances from stockholders</u>		
_____		
<b>C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)</b>	<b>534</b>	<b>453</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(22)</b>	<b>5</b>
Cash and Cash Equivalents		
Beginning of year	74	69
End of year	52	74

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

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COMPANY TYPE : Holding Company PSIC: \_\_\_\_\_

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, 2003						
A.1 Correction of Fundamental Error						
A.2 Changes in Accounting Policy						
B. Restated Balance						
B.1 Surplus (Deficit) on Revaluation of Properties						
B.2 Surplus (Deficit) on Revaluation of Investments						
B.3 Currency Translation Differences (negative entry)						
C. Net Gains (Losses) not recognized in the Income Statement						
C.1 Net Income (Loss) for the Period						
C.2 Dividends (negative entry)						
C.3 Current Appropriation for Contingencies						
C.4 Issuance of Capital Stock						
C.4.1 Common Stock						
C.4.2 Preferred Stock						
C.4.3 Others						
D. Balance, 2004	2,733,464	31,878			(2,767,088)	(1,746)
D.1 Correction of Fundamental Error						
D.2 Changes in Accounting Policy						
E. Restated Balance	2,733,464	31,878			(2,767,088)	(1,746)
E.1 Surplus (Deficit) on Revaluation of Properties						
E.2 Surplus (Deficit) on Revaluation of Investments						
E.3 Currency Translation Differences (negative entry)						
F. Net Gains (Losses) not recognized in the Income Statement						
F.1 Net Income (Loss) for the Period					(555)	(555)
F.2 Dividends (negative entry)						
F.3 Current Appropriation for Contingencies						
F.4 Issuance of Capital Stock						
C.4.1 Common Stock						
C.4.2 Preferred Stock						
C.4.3 Others		1,516				1,516
F. Balance, 2005	2,733,464	33,394	0	0	(2,767,642)	(784)

Table 4a. Statement of Recognized Gains and Losses

FINANCIAL DATA	(Amount in P'000)		
	2005	2004	2003
A. Surplus (Deficit) on Revaluation of Properties			
B. Surplus (Deficit) on Revaluation of Investments			
C. Exchange Differences on Translation of the Financial Statements of Foreign Entities			
D. Net Gains (Losses) not recognized in the Income Statement			
E. Net Loss for the Period	(555)	(421)	
Total Recognized Gains (Losses) (A + B + C + D + E)	(555)	(421)	
Effect of Changes in Accounting Policy	0	0	