

COVER SHEET

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S.E.C. Registration Number

A N G L O P H I L I P P I N E H O L D I N G S

C O R P O R A T I O N

(Company's Full Name)

6 t h F l o o r , Q u a d A l p h a C e n t r u m

B u i l d i n g , 1 2 5 P i o n e e r S t r e e t

M a n d a l u y o n g C i t y

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

Atty. Adrian S. Arias

Contact Person

+63(2)6315139

Company Telephone Number

September 30, 2011 (Amended)

0 9

Month

3 0

Day

1 7-Q

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

3 1 4 4

Total No. of Stockholders

Total Amount of Borrowings

P100 Million

Domestic

P1,969.2 Million

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

STAMPS

LCU

Cashier

Remarks = pls. use black ink for scanning purposes



ANGLO PHILIPPINE HOLDINGS CORPORATION

QUARTERLY REPORT PURSUANT TO SECTION 11
OF THE SECURITIES REGULATION CODE

SEC Reg. No. 14102

Reporting Period: September 30, 2011

SEC Identification Number: 14102

December 21, 2011

Securities and Exchange Commission
SEC building, EDSA Greenhills
City of Mandaluyong

Attention: ATTY. JUSTINA CALLANGAN
Director

Gentlemen:

In reply to your letter dated December 6, 2011, which we received last December 15, 2011, regarding the disclosure being required pursuant under SEC Memorandum Circular No. 3, Series of 2011, we would like to inform you that after consideration of the results of the impact evaluation, the Company has decided not to adopt yet either PFRS 9 (2009) or PFRS (2010) for its 2011 financial reporting. In this regard, we are submitting herewith our Amended SEC Form 17Q report for the quarter ended September 30, 2011.

Thank you.

Very truly yours,

ADRIAN S. ARIAS
Executive Vice President/
Assistant Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q (Amended)**

**QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE**

1. For the Quarterly Period ended: **September 30, 2011**
2. SEC Identification Number: **14102**
3. BIR Tax Identification Number: **041-000-175-630**
4. Exact name of registrant as specified in its charter: **Anglo Philippine Holdings Corp.**
5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**
6. Industry Classification Code : (SEC Use Only)
7. Address of principal office: **6th Floor Quad Alpha Centrum, 125 Pioneer Street,
Mandaluyong City 1550**
8. Registrant's telephone number, including area code: **(632) 631- 5139; (632) 635-6130**
9. Former name, former address, and former fiscal year if changed since last report: N. A.
10. Securities registered pursuant to Section 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock (P1.00 par value)	<u>1,165,000,000 (excluding 13,000,000 shares in Treasury Stock)</u>
Loans Payable and Long Term Debt	<u>P2,069.2 Million</u>

11. Are any or all of these securities listed on the Philippine Stock Exchange: **Yes**
12. Check whether the registrant:
 - a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and Section 26 and 141 of the Corporation Code of the Philippines during the preceding 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 requirement held for the past 90 days.
Yes [X] No []
13. Documents incorporated by reference:
 - a) The Company's 2010 Audited Financial Statements.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements Required Under SRC Rule 68

1. The unaudited Financial Statements of the Company for the quarter ended 30 September 2011 are included in this report. The schedules listed in the accompanying Index to Supplementary Schedules are filed as part of this SEC Form 17-Q.
2. Interim Statements of Comprehensive Income for the current interim period (01 January to 30 September 2011), with comparative Statement of Comprehensive Income for the comparable period (01 January to 30 September 2010) are attached to this report.
3. A statement showing changes in equity cumulatively for the current financial year to date period (01 January to 30 September 2011), with a comparative statement for the comparable year-to-date period of the immediately preceding financial year (01 January to 30 September 2010) are attached to this report.
4. The basic and diluted earnings per share are presented on the face of the attached Statement of Comprehensive Income (01 January to 30 September 2011), as well as the basis of computation thereof.
5. The Company's interim financial report for the 3rd quarter 2011 has been prepared in accordance with Philippine Financial Reporting Standards (PFRS).
6. The Company follows the same accounting policies and methods of computation in its interim financial statements (01 January to 30 September 2011) compared with the most recent annual financial statements (2010), and **NO** policies or methods have been changed.
7. Owing to the nature of the business of the Company as an investments holding firm, there were **NO** seasonal or cyclical aspects that had a material effect on the financial condition or results of interim operations of the Company.
8. There were **NO** unusual items during the interim period (01 January to 30 September 2011), the nature, amount, size or incidents of which have affected the assets, liabilities, equity, net income or cash flows of the Company, **EXCEPT** that on June 30, 2011, The Philodrill Corporation granted the Company a loan to mature in two (2) years amounting to P50 million which was used to pay-off the Company's P50 million Short-Term Loan with Land Bank of the Philippines.
9. There were **NO** changes in the estimates of amounts reported in prior financial years (2010 and 2009) that had a material effect in the current interim period (01 January to 30 September 2011).
10. There were **NO** issuances, repurchases and repayments of debt and equity securities during the current interim period (01 January to 30 September 2011).
11. The Company declared Cash Dividends as of September 30, 2011, as follows:

Cash Dividend	Amount	Declaration Date	Record Date	Payment Date
2011-CD6	P0.05/share	March 25, 2011	April 08, 2011	April 29, 2011
2011-CD7	P0.03/share	September 28, 2011	October 12, 2011	November 08, 2011

12. The Company does not generate revenues from any particular segment and its business (investment holding) is not delineated into any segment, whether by business or geography. The Company is not required to disclose segment information in its financial statements.
13. Up to the time of the filing of this Quarterly Report, there were **NO** material events subsequent to the end of the interim period (01 January to 30 September 2011) that have not been reflected in the financial statements for said interim period. **EXCEPT** that on July 01, 2011, the Company restructured its P467 million loan with Euronote Profits Limited to mature in the next five (5) years.
14. There were **NO** changes in the composition of the Company during the interim period (01 January to 30 September 2011), and there were no business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuance of operations during said interim period.
15. The Company has **NO** contingent liabilities or contingent assets as of its last annual balance sheet date (31 December 2010) and as of the end of the current interim period (30 September 2011).
16. There are **NO** material contingencies and any other events or transactions that are material to an understanding of the current interim period (01 January to 30 September 2011).

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation

Financial Performance – 3rd Quarter, 2011

Comparative financial highlights for the 3rd quarters of fiscal years 2011 and 2010 are presented below:

	<u>30 September 2011</u>	<u>30 September 2010</u>
Revenues	107,544,937	204,692,629
Net Income/(Loss)	37,258,081	128,688,776
Total Assets	4,789,141,102	4,352,081,772
Total Liabilities	2,299,593,728	2,287,483,871
Net Worth	2,489,547,374	2,064,597,902
Issued and Outstanding Capital	1,165,000,000	1,165,000,000

Changes in Financial Condition – 3rd Quarter 2011 vs. 3rd Quarter 2010

The Company posted lower revenues of P107.5 million for the third quarter of 2011 compared to P204.7 million for the same period in 2010 due to: (i) decrease in fair value changes of financial assets at FVPL resulting from the decrease in market value of Shang Properties, Inc.; (ii) lower interest income due to conversion of Atlas Consolidated Mining and Development Corporation (hereafter, “Atlas”) loan into Atlas shares of stock in the 4th Quarter of 2010. As of September 30, 2011, the Company has a net income of P37.3 million compared to P128.7 million in September 2010.

Total Assets increased from P4.4 billion in September 2010 to P4.8 billion as of September 2011 due to: (i) increase in Cash and Cash Equivalents due to payment of accrued interest receivable from Atlas, (ii) increase in available for sale investment as a result of conversion of Atlas loan into shares of stock during the 4th Quarter of 2010, and (iii) increase in financial assets at FVPL due to purchase of 2.7 billion shares of The Philodrill Corporation (hereafter, “Philodrill”) from Vulcan Industrial and Mining Corporation (hereafter, “Vulcan”) in May 2011.

Total Liabilities remain unchanged at P2.3 billion as of end-September 2010 and September 2011.

Net Worth is higher at P2.5 Billion as of the 3rd quarter of 2011, compared to P2.1 Billion as of the 3rd quarter of 2010, due to the net income generated by the Company during the interim period and the increase in the market price of Atlas resulting in a higher net unrealized valuation gain on AFS investment.

Changes in Financial Condition – 3rd Quarter 2011 vs. Full Year 2010

Comparative financial highlights for the 3rd quarter, 2011 and yearend 2010 are presented below:

	<u>30 September 2011</u>	<u>31 December 2010</u>
Revenues	107,544,937	689,489,995
Net Income/Loss	37,258,081	560,774,028
Total Assets	4,789,141,102	5,172,806,310
Total Liabilities	2,299,593,728	2,398,233,254
Net Worth	2,489,547,374	2,774,573,056
Issued and Outstanding Capital	1,165,000,000	1,165,000,000

As of the 3rd quarter of 2011, the Company posted revenues of P107.5 Million and a net income of P37.3 million, compared to revenues of P689.5 million and a net income of P560.8 million during the year 2010.

The decrease in Total Assets as of end-September 2011 compared to end-December 2010 was due to the decrease in the market price of Atlas shares and the decrease in accounts receivable due to collection accrued interest receivable from Atlas.

Total Liabilities slightly decreased from P2.4 Billion as of end-2010 to P2.3 Billion as of end-September 2011 due to the partial payment of the Company's outstanding loan with Land Bank of the Philippines (LBP) and Euronote Profits Limited (EPL). The Company paid P50 million of its loan with LBP from the proceeds of a P50 million loan from Philodrill.

The Company's Net Worth decreased from P2.8 Billion as of end-2010 to P2.5 Billion as of end-September 2011 due to the decrease in net unrealized valuation gain on AFS investments due to the lower market value of Atlas as of September 30, 2011.

The top five (5) key performance indicators of the Company and its majority-owned subsidiary are as follows:

	<u>30 September 2011</u>	<u>31 December 2010</u>
Current Ratio	2.95 : 1	1.10 : 1
<u>Current Assets</u>	<u>782,354,694</u>	<u>912,626,763</u>
Current Liabilities	265,302,924	829,091,620
 Debt to Equity Ratio	 0.92 : 1	 0.86 : 1
<u>Total Liabilities</u>	<u>2,299,593,728</u>	<u>2,398,233,254</u>
Stockholders Equity	2,489,547,374	2,774,573,056
 Equity to Debt Ratio	 1.08 : 1	 1.16 : 1
<u>Stockholders Equity</u>	<u>2,489,547,374</u>	<u>2,774,573,056</u>
Total Liabilities	2,299,593,728	2,398,233,254
 Book Value per share	 2.14	 2.38
<u>Stockholders Equity</u>	<u>2,489,547,374</u>	<u>2,774,573,056</u>
Total Outstanding Shares	1,165,000,000	1,165,000,000
 Earnings per share	 0.03	 0.48
<u>Net Income/(Loss)</u>	<u>37,258,081</u>	<u>560,774,028</u>
Weighted Average # of shares	1,165,000,000	1,165,000,000

Current Ratio increased from 1.10:1 as of end-2010 to 2.95:1 as of end-September 2011 due to the decrease in current liabilities as a result of the Company's restructured P467 million loan with Euronote Profits Limited to mature in the next five (5) years, which is now under non-current liabilities.

Debt-to-Equity Ratio increased from 0.86:1 as of end-2010 to 0.92:1 as of end-September 2011, while Equity-to-Debt ratio correspondingly decreased from 1.16:1 as of end-2010 to 1.08:1 as of end-September 2011, due to decrease in Stockholders equity arising from lower net unrealized valuation gain on AFS investment.

Book Value per Share decreased due to the decrease in Stockholders' Equity arising from lower net unrealized valuation gain on AFS investment.

Results of Operations – 3rd Quarter 2011

INVESTMENTS IN ASSOCIATES

North Triangle Depot Commercial Corp. (15.79%) – As of end-September 2011, NTDCC posted a net income of P248 million. Lease out and occupancy rates remained steady at 98%.

NTDCC paid the Company P15.79 million in redemption of preferred shares last April 15, 2011.

United Paragon Mining Corporation (25.62%) – UPMC posted a net loss of P41.2 million as of end-September 2011.

UPMC continues to seek funding for the re-opening and rehabilitation of the Longos mine. Meanwhile, the listing application covering UPMC's new shares remains pending with the PSE.

AFS INVESTMENTS

Atlas Consolidated Mining & Development Corp. (9.72%)

As of end-September 2011, Atlas registered a consolidated net income of P2.64 billion, compared to just P47 million for the same period last year.

Berong Nickel Corporation (BNC) has resumed operations last May 18, 2011 and shipped a total of 157,130 wmt of nickel laterite ore as of September 30, 2011 from its existing stockpile.

Carmen Copper Corporation (CCC) has shipped a total of 88,569 dmt of copper concentrate at an average of 27.40% Cu as of September 30, 2011.

FINANCIAL ASSETS AT FVPL

Investee Companies	No. Of Shares	Closing Price 9/30/11	Market Value 9/30/11
Shang Properties, Inc.	214,145,742	1.900	406,876,909
The Philodrill Corporation	3,228,478,022	0.019	*57,282,359
Vulcan Industrial & Mining Corp.	12,250,000	0.830	10,167,500

**Net of 50% subscription payable.*

Shang Properties Inc. (SPI) (4.5%) – SPI posted a consolidated net income of P827.1 million as of end-September 2011. The Company received P15.74 million in dividends from SPI as of September 30, 2011.

The Philodrill Corporation (1.7%) posted a consolidated net income of P957 million as of end-September 2011. The Company received cash dividends from Philodrill amounting to P214,000 last April 15, 2011 and P1.614 million last September 30, 2011.

Vulcan Industrial & Mining Corporation (2.0%) – Vulcan posted a consolidated net income of P83.06 million as of end-September 2011 mainly attributable to gains derived from the sale of its Philodrill shares to various parties, including Anglo.

PROJECT INVESTMENTS

The Company continues to maintain a 15.79% interest in **MRT Development Corp.** (MRTDC), which owns the development rights over the perimeter lot pads around the Trinoma commercial center. MRTDC generates revenues from concessionaire rentals and advertising fees in the MRT stations.

The Company continues to maintain 18.6% equity in **MRT Holdings, Inc.**, the majority owner of MRT Holdings II, Inc. which, in turn, owns 100% of Metro Rail Transit Corporation. As of end-September 2011, average ridership stood at about 540,000 passengers per day.

Oil Exploration – In *SC 6A (Octon)*, the Farmin Agreement (FIA) and Deed of Assignment between the consortium and Pitkin Petroleum were executed last July 11, 2011. The Company now holds 3.33% interest (from the original 11.11% interest) after the farmout.

In *SC 14 (Tara)*, the corresponding Deed of Assignment implementing the farmin of Peak Oil, Blade Petroleum and Venturoil into the block is being circulated for execution by the consortium members.

In *SC 53 (Mindoro)*, Pitkin continues with the interpretation of onshore seismic data and processing of the offshore seismic data in Singapore.

Aquatlas, Inc. – The Company's transfer of certain intellectual property rights and other assets over its water supply projects to Aquatlas, Inc. (AAI) in exchange for shares of the latter remains pending. AAI is an Atlas subsidiary.

The Company has a minority investment in **Brightnote Assets Corporation** (formerly, Batangas Assets Corporation), a holding company organized for the purpose of investing in the Calabarzon area.

Filipinas Energy Corporation (FEC) has not undertaken any business operation since its incorporation due to the deferment of the transfer of the Company's petroleum and mineral assets.

NO bankruptcy, receivership or similar proceeding has been filed by or against the Company and/or its subsidiary during the last three (3) years.

NO material reclassification, merger, consolidation, or purchase/sale of a significant amount of assets, not in the ordinary course of business, has been undertaken by the Company and/or its subsidiary during the last three (3) years, *EXCEPT* for the following:

In 2009, the Company restated its prior year financial statements with respect to accounting for investments and financial liabilities in conformity with the provisions of PAS 39 and PAS 28. The effects of the restatements are as follows,

- (1) Reclassification of investment in Atlas Consolidated and Mining Corporation (ACDMC) from Investment in Associate to a quoted AFS Investment (see Notes 7 and 8, 2009 Audited Financial Statements).
- (2) Reclassification of investments in Shang Properties Inc. (SPI) and The Philodrill Corporation (TPC) from Investments in Associates in 2008 to Financial Assets at Fair Value through Profit and Loss (FVPL). In addition, the financial assets at FVPL were revalued based on their bid market prices as of December 31, 2008, December 31, 2007 and January 1, 2007 (see Notes 5 and 8, 2009 Audited Financial Statements).
- (3) Recognition of gain on debt restructuring as a result of the loan restructuring and conversion agreement entered into by the Company and Euronote Profits Limited (EPL) in 2008 (see Note 12, 2009 Audited Financial Statements).
- (4) Recognition of day 1 difference arising from the off-market interest rate of the EPL loan (see Note 12, 2009 Audited Financial Statements).

The above has been disclosed in our Audited Financial Statements for the year ended December 31, 2009.

Discussion and Analysis of Material Events and Uncertainties

Except as discussed below, Management is not aware of any material event or uncertainty that has affected the current interim period and/or would have a material impact on future operations of the Company.

The Company will continue to be affected by the Philippine business environment as may be influenced by any local/regional financial and political crises.

1. There are **NO** known trends, demands, commitments, events or uncertainties that have or are reasonably likely to have a material impact on the Company's short-term or long-term liquidity.
2. The Company's internal source of liquidity comes, primarily, from revenues generated from operations. The Company's external source of liquidity comes, primarily, from loans/financing obtained from financial institutions and, alternatively, may also come from the collection of its accounts receivables.

3. The Company has **NO** material commitments for capital expenditures but is expected to contribute its equity share in the capital expenditures of its investee companies. However, the bulk of the funding for such expenditures will be sourced from project financing.
4. There are **NO** known trends, events or uncertainties that have had or are reasonably expected to have a material impact on the revenues or income from continuing operations, save as stated in paragraph 1 above.
5. There are **NO** significant elements of income or loss that did not arise from the Company's continuing operations.
6. There have been **NO** material changes from 31 December 2010 to 30 September 2011 in one or more line items of the Company's financial statements, EXCEPT as disclosed below:
 - (a) Cash and cash equivalents decreased from P165.1 million as of end 2010 to P90.6 million as of end-September 2011 due to (i) payment of loans to EPL and LBP and (ii) purchase of Philodrill shares from Vulcan.
 - (b) Financial assets at fair value through FVPL increased due to purchase of Philodrill shares from Vulcan in May 2011.
 - (c) Accounts receivable decreased from P277.9 million as of end 2010 to P214.7 million as of end September 2011 due to collection of accrued interest receivable from Atlas and due to write-off of the Company's receivable from Vulcan amounting to P2.1 million.
 - (d) The value of Available-for-Sale investments decreased from P3.0 billion to P2.8 billion due to decrease in the market value of Atlas shares as of end-September 2011.
 - (e) Short Term Loans payable decreased from P125 million to P50 million due to partial payment of LBP loan.
 - (f) Accounts Payable decreased from P232.7 million as of end 2010 to P211.8 million as of end September 2011 due to payment of other accrued expenses.
 - (g) Income Tax Payable decreased due to payment of income tax.
 - (h) Net Unrealized valuation gain/(loss) on AFS investments decreased due to decrease in the market value of Atlas shares.
 - (i) Retained Earnings decreased due to payment of cash dividends to stockholders.
7. There are **NO** events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

8. There are **NO** material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

Item 3. Management's Assessment and Evaluation of Financial Risk Exposures

A. Financial Risk Exposures

The Company has exposure to credit risk, liquidity risk, market risk, interest rate risk, foreign exchange risk and equity price risk from the use of its financial instruments. The Board reviews and approves the policies for managing each of these risks and they are summarized below.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents and receivables.

Receivables balances are monitored on an ongoing basis with the result that the Company's exposure to credit risk is not significant. No receivables are past due and all receivables are assessed to be collectible and in good standing as of September 30, 2011 and December 31, 2010. There were no impaired receivable as of September 30, 2011 and December 31, 2010, EXCEPT that the Company wrote-off its receivable from Vulcan amounting to P2.1 million as of June 30, 2011.

The Company's maximum exposure to credit risk is equal to the aggregate carrying amount of its financial assets.

Cash with banks are deposits made with reputable banks duly approved by the Company's Board of Directors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Company's credit standing.

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

Anglo Philippine Holdings Corporation

As of September 30, 2011, the Company's cash and cash equivalents may be withdrawn anytime while its financial assets at FVPL and AFS investments are traded in the stock exchange and may be converted to cash by selling them during the normal trading hours on any business day.

The tables below summarize the maturity profile of the Company's financial liabilities as of September 30, 2011 and December 31, 2010 based on contractual undiscounted payments:

30 September 2011	Within 6 months	6 to 12 months	1 to 2 years	2 to 4 years	Total
Accounts payable and accrued expenses	7,936,558	108,226,005	95,341,994	-	211,504,557
Short-term loans payable					
Principal	P50,000,000		-	-	P50,000,000
Future Interest	2,062,500		-	-	2,062,500
Long-term debt					
Principal		846,105,746	50,000,000	1,187,703,207	2,083,808,953
Future Interest	17,253,567	17,253,567	20,815,548	17,815,548	73,138,230
	P77,252,625	P971,585,318	P166,157,542	P1,205,518,755	P2,420,514,240

31 December 2010	Within 6 months	6 to 12 months	1 to 2 years	2 to 4 years	Total
Accounts payable and accrued expenses	P26,084,878	P105,573,227	P99,887,804	-	P231,545,909
Short-term loans payable					
Principal	125,000,000	-	-	-	P125,000,000
Future interest	5,156,250	-	-	-	5,156,250
Long-term debt					
Principal	467,027,152	-	846,105,746	769,001,078	2,082,133,976
Future interest	15,616,005	12,113,301	35,761,619	5,069,701	68,560,626
	P638,884,285	P117,686,528	P981,755,169	P774,070,779	P2,512,396,761

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

The Company's exposure to the risk for changes in market interest rate relates primarily to its short-term loans payable and long-term debt obligations with fixed interest rates. Most of the Company's existing debt obligations are based on fixed interest rates with relatively small component of the debts that are subject to interest rate fluctuation. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The short-term loans payable with LBP are subject to monthly repricing.

Foreign Exchange Risk

The Company's exposure to foreign exchange risk results from its business transactions denominated in foreign currencies. It is the Company's policy to ensure that capabilities exist for active and prudent management of its foreign exchange.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The non-trading equity price risk exposure arises from the Company's investment in financial assets at FVPL and quoted AFS investments.

Fair Values of Financial Instruments

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The table below represents a comparison by category of carrying amounts and estimated fair values of the Company's financial assets and liabilities as of September 30, 2011 and December 31, 2010, follows:

	30 September 2011		31 December 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	P90,629,923	P90,629,923	P165,129,013	P165,129,013
Financial Assets at FVPL	474,326,767	474,326,767	466,608,314	466,608,314
Receivables	214,670,160	214,670,160	277,946,757	277,946,757
Available-for-sale investments	2,768,269,706	2,768,269,706	3,033,803,476	3,033,803,476
Accounts payable and accrued expenses	211,504,557	211,504,557	232,674,250	232,909,915
Short-term loans payable	50,000,000	50,000,000	125,000,000	125,000,000
Long-term debt	2,019,180,475	2,019,180,475	2,021,058,455	2,033,715,887

Estimation of Fair Values

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table:

Cash and Cash Equivalents, Receivables, Accounts Payable, Short Term Loans Payable and Accrued Expenses

The carrying amount cash and cash equivalents, receivables, accounts payable and accrued expenses and short-term loans payable approximate their fair values due to short-term maturities.

Financial Assets at FVPL and AFS Investments.

The fair values of publicly traded instruments & similar investments are estimated based on quoted bid market prices at the balance sheet date. Unquoted AFS equity investments are carried at cost since their fair values cannot be determined reliably.

Long-term Debt

The fair value of the long term-debt is based on the discounted value of future cash flows using the applicable rates for similar types of loans. The discounted rates were \$ and P risk free rates plus appropriate credit spread.

PART II – OTHER INFORMATION

There were items for disclosure that were made under SEC Form 17-C during the current interim period (01 January to 30 September 2011).

SIGNATURES

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

Anglo Philippine Holdings Corporation
Registrant
(through its duly authorized representatives):



Date: 21 DEC 2011
Christopher M. Gotanco
President/Director/COO



Date: 21 DEC 2011
Adrian S. Arias
Executive Vice President/
Assistant Corporate Secretary



Date: 21 DEC 2011
Iluminada P. Rodriguez
Vice President-Finance and Admin.

ANGLO PHILIPPINE HOLDINGS CORPORATION
BALANCE SHEET

	September 2011 Unaudited	December 2010 AUDITED
ASSETS		
Current Assets		
Cash & cash equivalents	90,629,923	165,129,012
Financial assets at fair value through profit or loss (FVPL)	474,326,767	466,608,314
Accounts Receivable - net	214,670,160	277,946,758
Derivative Assets	-	-
Prepaid expenses and other current assets	2,727,844	2,942,679
Total Current Assets	782,354,694	912,626,763
Non-current Assets		
Available-for-sale investments	2,768,269,706	3,033,803,476
Investment in associates	1,064,521,339	1,051,710,422
Property and equipment-net	16,965,556	18,047,144
Deferred exploration costs	156,930,711	156,519,409
Retirement benefit plan asset	99,096	99,096
Total Noncurrent Assets	4,006,786,408	4,260,179,547
TOTAL ASSETS	4,789,141,102	5,172,806,310
LIABILITIES AND STOCKHOLDERS EQUITY		
LIABILITIES:		
Current Liabilities		
Short term loan payable	50,000,000	125,000,000
Current portion of long-term debt	-	467,027,152
Accounts Payable and accrued expenses	211,504,557	232,674,250
Income tax payable	3,798,367	4,390,218
Total Current Liabilities	265,302,924	829,091,620
Non-Current Liabilities		
Long-term debt-net of current portion	2,019,180,475	1,554,031,303
Retirement benefit obligation	-	-
Deferred income tax liabilities-net	15,110,330	15,110,331
Total Noncurrent Liabilities	2,034,290,805	1,569,141,634
TOTAL LIABILITIES	2,299,593,728	2,398,233,254
STOCKHOLDERS' EQUITY		
Capital stock-P1 par value		
Authorized - 2,000,000,000 shares		
Issued - 1,170,616,970 shares as of Sept 2011 and December 2010		
Subscribed - 7,383,030 shares as of Sept 2011 and December 2010 (net of subscriptions receivable amounting to P1,367,688)	1,176,632,312	1,176,632,312
Additional paid-in-capital	4,658,460	4,658,460
Net unrealized valuation gain/(loss) on AFS investments	698,649,309	962,683,079
Retained Earnings	637,173,368	658,165,280
Cost of 13,000,000 shares in Sept 2011 and December 2010	2,517,113,449	2,802,139,131
Total Stockholders' Equity	2,489,547,374	2,774,573,056
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4,789,141,102	5,172,806,310

ANGLO PHILIPPINE HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Jan to Sept 2011	July to Sept 2011	Jan to Sept 2010	July to Sept 2010
REVENUES				
Gains/(Loss) on:				
Fair value changes of financial assets at FVPL	(27,404,396)	(20,146,520)	28,481,766	1,693,078
Sale of investment	-	-	11,510,959	-
Interest income	17,856,646	5,666,095	73,480,550	24,199,351
Foreign Exchange gains - net	4,448,873	(41,997)	(676,968)	(50,679)
Equity share in net/(loss) earnings of associates	28,600,916	15,873,729	21,113,622	9,557,334
Other revenues	84,042,898	36,339,536	70,782,701	24,026,601
	107,544,937	37,690,842	204,692,629	59,425,684
COST AND EXPENSES				
Interest expenses and bank charges	34,239,009	10,718,173	38,879,423	12,689,307
Impairment loss on receivable	2,130,186	-	-	-
General and administrative expenses	27,826,652	9,354,908	16,582,189	4,405,676
	64,195,847	20,073,081	55,461,612	17,094,983
INCOME BEFORE INCOME TAX	43,349,090	17,617,761	149,231,017	42,330,701
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Income Tax paid for the first half of 2011	2,292,643	-	7,024,893	7,024,893
Provision for income tax	3,798,366	3,798,366	13,517,347	-
	6,091,009	3,798,366	20,542,240	7,024,893
NET INCOME	37,258,081	13,819,395	128,688,776	35,305,808
OTHER COMPREHENSIVE INCOME				
Unrealized valuation gain (loss) on AFS investments	(264,033,770)	(816,104,380)	738,100,000	641,300,000
TOTAL COMPREHENSIVE INCOME (LOSS)	(226,775,689)	(802,284,985)	866,788,776	676,605,808
Basic and Diluted Earnings Per Share	0.03	0.01	0.11	0.03

ANGLO PHILIPPINE HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
September 30, 2011

	Capital stock			Add'tl Paid-in Capital	Net Unrealized Valuation Gain/(Loss) on AFS Investments	Retained Earnings	Treasury Stock	Total
	Issued	Subscribed	Subscriptions Receivable					
Balances at January 1, 2011	1,170,616,970	7,383,030	(1,367,688)	4,658,460	962,683,079	658,165,277	(27,566,075)	2,774,573,053
Net Income as of third quarter 2011	-	-	-	-	-	37,258,081	-	37,258,081
Other Comprehensive as of third quarter 2011	-	-	-	-	(264,033,770)	-	-	(264,033,770)
Total Comprehensive Income, as of third quarter 2011	-	-	-	-	(264,033,770)	37,258,081	-	(226,775,689)
Cash Dividends	-	-	-	-	-	(58,249,991)	-	(58,249,991)
Balances at September 30, 2011	1,170,616,970	7,383,030	(1,367,688)	4,658,460	698,649,309	637,173,368	(27,566,075)	2,489,547,374

September 30, 2010

	Capital stock			Add'tl Paid-in Capital	Net Unrealized Valuation Gain/(Loss) on AFS Investments	Retained Earnings	Treasury Stock	Total
	Issued	Subscribed	Subscriptions Receivable					
Balances at January 1, 2010	1,170,611,970	7,388,030	(1,367,688)	4,658,460	(53,306,821.00)	132,341,244	(27,566,075)	1,232,759,120
Net Income as of third quarter 2010	-	-	-	-	-	128,688,776	-	128,688,776
Other Comprehensive as of third quarter 2010	-	-	-	-	738,100,000	-	-	738,100,000
Total Comprehensive Income, as of third quarter 2010	-	-	-	-	738,100,000	128,688,776	-	866,788,776
Cash Dividends	-	-	-	-	-	(34,949,995)	-	(34,949,995)
Balances at September 30, 2010	1,170,611,970	7,388,030	(1,367,688)	4,658,460	684,793,179	226,080,026	(27,566,075)	2,064,597,902

ANGLO PHILIPPINE HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS

FOR THE PERIOD

	Jan. 1 to Sept. 30 2011	July 1 to Sept. 30 2011	Jan. 1 to Sept. 30 2010	July 1 to Sept. 30 2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss/incidental income	37,258,081	13,819,395	128,688,776	35,305,808
Adjustment to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	1,123,721	369,474	1,175,620	393,626
Decrease (increase) in:				
Receivables	64,776,598	(33,277,823)	(40,258,923)	9,620,067
Prepayments and other current assets	214,835	(125,334)	1,568,908	(201,039)
Increase (decrease) in:				
Accounts payable and accrued expenses	(21,169,696)	(12,263,964)	18,051,642	9,480,395
Income Taxes Payable	(591,851)	3,435,962	4,841,965	(207,666)
Pension Liability	-	-	(3,541,060)	-
Net cash used in operating activities	81,611,688	(28,042,290)	110,526,928	54,391,189
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Financial assets at FVPL	(7,718,454)	20,146,520	11,045,894	(1,693,078)
Investment in associates	(12,810,916)	(15,873,729)	(5,323,622)	(9,557,335)
Addition to property and equipment	(42,134)	(32,946)	(133,911)	(133,911)
Deferred exploration	(411,302)	(229,083)	(347,998)	(155,264)
Net cash used in investing activities	(20,982,806)	4,010,762	5,240,363	(11,539,587)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of borrowings	(76,877,981)	(3,740,610)	(118,958,058)	(60,593,537)
Cash dividends paid to stockholders	(58,249,991)	-	(34,949,995)	-
Net cash provided by financing activities	(135,127,971)	(3,740,610)	(153,908,053)	(60,593,537)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(74,499,089)	(27,772,138)	(38,140,762)	(17,741,935)
CASH AND CASH EQUIVALENTS, BEGINNING	165,129,012	118,402,061	79,588,042	59,189,215
CASH AND CASH EQUIVALENTS, END	90,629,923	90,629,923	41,447,280	41,447,280

ANGLO PHILIPPINE HOLDINGS CORPORATION

Aging of Accounts Receivable

As of September 30, 2011

Types of Accounts Receivable	TOTAL	1 month	2 - 3 months	4-6 months	7 mos. To 1 year	1-2 years	3-5 years	5 yrs. & above
a. Trade receivable	-	-	-	-	-	-	-	-
b. Non Trade Receivable								
1. Receivable from Affiliated Co.	136,779,167	-	5,000,000	-	8,000,000	123,779,167	-	-
2. Accrued Interest Receivable	48,206,654	5,504,106	5,283,998	4,998,217	18,049,913	14,370,420	-	-
3. Others	29,684,339	23,946	27,749,771	1,910,622	-	-	-	-
Sub-total	214,670,160	5,528,052	38,033,769	6,908,839	26,049,913	138,149,587	-	-
Less: Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-
Net Non-trade receivable	214,670,160	5,528,052	38,033,769	6,908,839	26,049,913	138,149,587	-	-
Net Receivable	214,670,160	5,528,052	38,033,769	6,908,839	26,049,913	138,149,587	-	-

ANGLO PHILIPPINE HOLDINGS CORPORATION

SCHEDULE E - PROPERTY AND EQUIPMENT

September 30, 2011

Classification	Beginning Balance	Additions	Retirements	Other Charges		Ending Balance
				Additions	Deductions	
Condominium Units and Improvements	22,091,617	-	-			22,091,617
Office Equipment	2,102,096	42,134	-			2,144,230
Furnitures and Fixtures	475,229	-	-			475,229
	24,668,941	42,134	-	-		24,711,075

ANGLO PHILIPPINE HOLDINGS CORPORATION

SCHEDULE F - ACCUMULATED DEPRECIATION

September 30, 2011

Classification	Beginning Balance	Additions	Retirements	Other Charges		Ending Balance
				Additions/ (Deductions)		
Condominium Units and Improvements	4,634,894	828,908	-	-		5,463,802
Office Equipment	1,606,721	223,528	-			1,830,249
Furnitures and Fixtures	380,183	71,284				451,467
	6,621,797	1,123,721	-	-		7,745,518

ANGLO PHILIPPINE HOLDINGS CORPORATION

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE

SEC FORM 17-Q (Amended)

Financial Statements	Page
Balance Sheets as of September 30, 2011, and December 31, 2010	16
Statement of Comprehensive Income as of September 30, 2011, and December 31, 2010	17
Statement of Changes in Equity as of September 30, 2011, and December 31, 2010	18
Statement of Cash Flows as of September 30, 2011, and December 31, 2010	19
Notes to Financial Statements	
Supplementary Schedules	
A. Marketable Securities – (Current Marketable Equity Securities and Other Short-Term Cash Investments)	*
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Stockholders (Other Than Affiliates)	*
C. Long Term Investment in Shares of Stock	*
D. Advances to Unconsolidated Subsidiaries and Affiliates	*
E. Property, Plant and Equipment	20
F. Accumulated Depreciation	20
G. Intangible Assets-Other Assets	N/A
H. Accumulated Amortization of Intangibles	N/A
I. Long-term Debt	*
J. Indebtedness to Affiliates and Related Parties	N/A
K. Guarantees of Securities of Other Issuers	N/A
L. Reserves	*
M. Aging of Accounts Receivable	21
N. Summary of Accounting Policies	23

*These Schedules, which are required by Part IV (e) of RSA Rule 48, have been omitted because the information required to be presented is included in the Company's financial statements or the notes to financial statements.

Summary of Significant Accounting Policies

Basis of Preparation

The accompanying financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss (FVPL), available-for-sale (AFS) investments and derivative financial instruments, which are carried at fair value. The financial statements are presented in Philippine peso (₱), which is the Company's functional and presentation currency. All values are rounded off to the nearest ₱ except when otherwise indicated.

Statement of Compliance

The accompanying financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies and Disclosures

New, Revised and Amended Standards and Interpretations and Improved PFRS Adopted in Calendar Year 2010

Revised PFRS 3, *Business Combinations*, and Amendments to Philippine Accounting Standards

(PAS) 27, Consolidated and Separate Financial Statements

The revised PFRS 3 introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. The revised PAS 27 requires, among others, that (a) change in ownership interests of a subsidiary (that do not result in loss of control) will be accounted for as an equity transaction and will have no impact on goodwill nor will it give rise to a gain or loss; (b) losses incurred by the subsidiary will be allocated between the controlling and non-controlling interests (previously referred to as "minority interests"), even if the losses exceed the non-controlling equity investment in the subsidiary; and (c) on loss of control of a subsidiary, any retained interest will be remeasured to fair value and this will impact the gain or loss recognized on disposal. The changes introduced by the revised PFRS 3 and PAS 27 will affect future acquisitions and transactions with non-controlling interests. Revised PFRS 3 will be applied prospectively while PAS 27 will be applied retrospectively with few exceptions. The revised standards are effective for annual periods beginning on or after July 1, 2009.

Amendments to PFRS 2, *Share-based Payment - Group Cash-settled Share-based Payment*

Transactions

The amendments to PFRS 2, effective for annual periods beginning on or after January 1, 2010, clarify the scope and the accounting for group cash-settled share-based payment transactions.

Amendment to PAS 39, *Financial Instruments: Recognition and Measurement - Eligible*

Hedged Items

Amendment to PAS 39 will be effective for annual periods beginning on or after July 1, 2009, which addresses only the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item.

Philippine Interpretation IFRIC 17, *Distributions of Non-cash Assets to Owners*

This Interpretation is effective for annual periods beginning on or after July 1, 2009 with early application permitted. It provides guidance on how to account for non-cash distributions to owners. The Interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability.

Improvements to PFRS Effective 2010

The omnibus amendments to PFRS issued in 2009 were issued primarily with a view to removing inconsistencies and clarifying wording. The following improvements are effective for annual period financial years beginning January 1, 2010 except if otherwise stated.

PFRS 2, Share-based Payment

- Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of PFRS 2 even though they are out of scope of PFRS 3.
- The amendment is effective for financial years beginning on or after July 1, 2009.

PFRS 5, Non-current Assets Held for Sale and Discontinued Operations

- Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in PFRS 5. The disclosure requirements of other PFRS only apply if specifically required for such non-current assets or discontinued operations.

PFRS 8, Operating Segments

- Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

PAS 1, Presentation of Financial Statements

- Clarifies that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

PAS 7, Statement of Cash Flows

- Explicitly states that only expenditure that results in a recognized asset can be classified as a cash flow from investing activities.

PAS 17, Leases

- Removes the specific guidance on classifying land as a lease. Prior to the amendment, leases of land were classified as operating leases. The amendment now requires that leases of land are classified as either “finance” or “operating” in accordance with the general principles of PAS 17. The amendments will be applied retrospectively.

PAS 36, Impairment of Assets

- Clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in PFRS 8 before aggregation for reporting purposes.

PAS 38, Intangible Assets

- Clarifies that if an intangible asset acquired in a business combination is identifiable only with another intangible asset, the acquirer may recognize the group of intangible assets as a single asset provided the individual assets have similar useful lives. Also clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used.

PAS 39, Financial Instruments: Recognition and Measurement: clarifies the following:

- that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.
- that the scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken.
- that gains or losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss.

Philippine Interpretation IFRIC 9, Reassessment of Embedded Derivatives

- Clarifies that it does not apply to possible reassessment at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities or businesses under common control or the formation of a joint venture.

Philippine Interpretation IFRIC 16, Hedge of a Net Investment in a Foreign Operation

- States that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of PAS 39 that relate to a net investment hedge are satisfied.

New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to December 31, 2010

The Company will adopt the standards and interpretations enumerated below when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, PAS and Philippine Interpretations from IFRIC to have significant impact on its financial statements.

Effective in 2011:

Amendment to PAS 24, Related Party Disclosures

The amended standard is effective for annual periods beginning on or after January 1, 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

Amendment to PAS 32, Financial Instruments: Presentation - Classification of Rights Issues

The amendment to PAS 32 is effective for annual periods beginning on or after February 1, 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

Amendment to Philippine Interpretation IFRIC 14, Prepayments of a Minimum Funding Requirement

The amendment to Philippine Interpretation IFRIC 14 is effective for annual periods beginning on or after January 1, 2011, with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

Philippine Interpretation IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

Philippine Interpretation IFRIC 19 is effective for annual periods beginning on or after July 1, 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss.

Improvements to PFRS Effective 2011

The omnibus amendments to PFRSs issued in 2010 were issued primarily with a view to removing inconsistencies and clarifying wording. The amendments are effective for annual periods beginning on or after January 1, 2011 except otherwise stated. The Company has not yet adopted the following amendments and anticipates that these changes will have no material effect on the financial statements.

- Revised PFRS 3, *Business Combinations*
 - PFRS 7, *Financial Instruments: Disclosures*
 - PAS 1, *Presentation of Financial Statements*
 - PAS 27, *Consolidated and Separate Financial Statements*
- Philippine Interpretation IFRIC 13, *Customer Loyalty Programmes*

Effective in 2012:

Amendment to PFRS 7, Financial Instruments: Disclosures - Disclosures - Transfers of Financial Assets

The amendments to PFRS 7 are effective for annual periods beginning on or after July 1, 2011. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate

This Interpretation, effective for annual periods beginning on or after January 1, 2012, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion.

Amendment to PAS 12, Income Taxes (Amendment) - Deferred Tax: Recovery of Underlying Assets

The amendment to PAS 12 is effective for annual periods beginning on or after January 1, 2012. It provides a practical solution to the problem of assessing whether recovery of an asset will be through use or sale. It introduces a presumption that recovery of the carrying amount of an asset will normally be through sale.

Effective in 2013:

- *PFRS 9, Financial Instruments: Classification and Measurement*
PFRS 9, as issued in 2010, reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The standard is effective for annual periods beginning on or after January 1, 2013. In subsequent phases, hedge accounting and derecognition will be addressed. The completion of this project is expected in early 2011. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

After consideration of the result of its impact evaluation, the Company has decided not to early adopt either PFRS 9 (2009) or PFRS 9 (2010) for its 2011 annual financial reporting. It shall conduct in early 2012 another impact evaluation using balances of financial statements as of December 31, 2011.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized:

Interest Income

Interest income from bank deposits and short-term investments are recognized as they accrue using the effective interest rate (EIR) method.

Management Fees

Management fees, which are included as part of the "Other revenues" account in the statement of comprehensive income, are recognized when services are rendered based on the contractual agreement between the parties.

Dividend Income

Dividend income, which is included as part of the "Other revenue" account in the statement of comprehensive income, is recognized when the shareholder's right to receive payment is established.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. General and administrative expenses are generally recognized when the services are used or the expenses arise while interest expenses are accrued in the appropriate period. Employee-related expenses are provided in the period when services are rendered.

Cash and Cash Equivalents

Cash includes cash on hand and with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Financial Instruments

Date of Recognition

Financial instruments are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Initial Recognition of Financial Instruments

Financial instruments are recognized initially at fair value. The initial measurement of financial instruments, except for those classified at FVPL, includes transaction cost.

The Company classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) financial assets, loans and receivables and AFS financial assets. The Company classifies its financial liabilities as financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the financial assets were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate,

re-evaluates such designation at every balance sheet date. As of December 31, 2010 and 2009, the Company has no HTM investments and financial liabilities at FVPL.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

Determination of Fair Value

The fair value of financial instruments traded in active market at the reporting date is based on their quoted market price or dealer market price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which observable prices exist, option pricing models and other relevant valuation models.

Day 1 Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (Day 1 difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the Day 1 difference amount.

Financial Assets at FVPL

Financial assets at FVPL include financial assets held for trading purposes, financial assets designated upon initial recognition as at FVPL and derivative instruments.

Financial assets are classified as held for trading if they are acquired for the purpose of selling and repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Fair value gains or losses are recognized in statement of comprehensive income. Interest and dividend income or expense is recognized in the statement of comprehensive income, according to the terms of the contract, or when the right to the payment has been established.

Financial assets may be designated as at FVPL by management on initial recognition when any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

As at December 31, 2010, the Company's financial assets at FVPL consist of investments in quoted equity shares.

Derivative Financial Instruments

Derivative financial instruments (including bifurcated embedded derivatives) are initially recognized at fair value on the date in which a derivative transaction is entered into and are subsequently re-measured at fair value. Changes in fair value of derivative instruments not accounted for as hedges are recognized in the statement of comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Embedded Derivatives

An embedded derivative is separated from hybrid or combined contract if all of the following conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

- the hybrid or combined instrument is not recognized at FVPL.

The Company assesses whether embedded derivatives are required to be separated from host contracts when the Company first becomes a party to the contract. Reassessment is only done when there are changes in the terms of the contract that significantly modifies the contractual cash flows.

Changes in fair values of bifurcated derivatives are recognized in “Mark-to-market changes in derivative asset” in the statement of comprehensive income.

As of December 31, 2009, the Company has bifurcated embedded derivative relating to its equity call option on the loan extended to ACMDC (see Note 22).

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held for trading, designated as AFS financial asset or designated as at FVPL. This accounting policy relates to the Company’s “Cash and cash equivalents” and “Receivables” accounts, which arise primarily from advances to related parties and other types of receivables.

After initial measurement, loans and receivables are measured at amortized cost using EIR method, less allowance for doubtful accounts. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in the “Interest income” account in the statement of comprehensive income. Losses arising from impairment of loans and receivables, if any, are reported as provision for impairment losses.

Loans and receivables are classified as current assets when they are expected to be realized within 12 months after the balance sheet date or within the normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

AFS Investments

AFS investments are those nonderivative financial assets designated as such or are not classified as at FVPL, HTM investments or loans and receivables. These are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions.

After initial measurement, AFS financial assets are measured at fair value. The unrealized gains and losses arising from the fair valuation of AFS investments are excluded net of tax from reported earnings and are reported as “Net unrealized valuation gain (loss) on AFS investments” in the equity section of the balance sheet and as part of other comprehensive income, net of deferred income taxes in the statement of comprehensive income. When the investment is disposed of, the cumulative gains or losses previously recognized in equity is recognized as income in the statement of comprehensive income. Dividends earned on holding AFS investments are recognized when the right of payment has been established. The losses arising from impairment of such investments are recognized as provision for impairment losses.

The fair value of AFS investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. AFS investments whose fair value cannot be reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value of unquoted equity instruments, are carried at cost.

The Company’s AFS investments are presented as noncurrent assets in the balance sheets (see Note 7).

Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. Any effects of restatement of foreign currency-denominated liabilities are recognized in the “Foreign exchange gains - net” and “Foreign exchange losses - net” account in the statement of comprehensive income.

Other financial liabilities are classified as current liabilities when they are expected to be settled within twelve (12) months from the balance sheet date or the Company does not have an unconditional right to defer settlement for at least 12 months from balance sheet date. Otherwise, they are classified as noncurrent liabilities.

This accounting policy applies primarily to the Company's "Accounts payable and accrued expenses", "Short-term loans payable", "Long-term debt" and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as retirement benefit plan obligation and income tax payable).

Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial asset is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has or have occurred after initial recognition of the asset (an incurred "loss event") and that loss has an impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated.

Objective evidence includes observable data that comes to the attention of the Company about loss events such as but not limited to significant financial difficulty of the counterparty, a breach of

contract, such as a default or delinquency in interest or principal payments, probability that borrower will enter bankruptcy or other financial reorganization.

Loans and Receivables

For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset is reduced through use of allowance account and the amount of loss is charged to profit or loss. Interest income continues to be recognized. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the parent company statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics such as customer type, payment history, past-due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any difference between loss estimates and actual loss experience.

AFS Investments

For AFS investments, the Company assesses at each reporting date whether there is objective evidence that an AFS investment is impaired.

In the case of an AFS equity investment, this would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is to be evaluated against cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. If an AFS investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in net income, is transferred from other comprehensive income to income in the statement of comprehensive income. Impairment losses on equity investments are not reversed through the consolidated statement of income. Increases in fair value after impairment are recognized directly in equity through the consolidated statement of comprehensive income.

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

1. the rights to receive cash flows from the asset have expired; or
2. the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
3. the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a “pass-through” arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

Investments in Associates

The Company’s investments in associates are accounted for using the equity method. An associate is an entity in which the Company has significant influence. Under the equity method, the investments in associates are carried in the balance sheet at cost plus post acquisition changes in the Company’s share of net assets of the associate. The statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on the Company’s investment in associates. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the statement of comprehensive income.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, nonrefundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to income in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is computed using the straight-line method over the estimated useful lives of the asset or its significant components. The estimated useful lives of property and equipment are as follows:

Category	Number of Years
Condominium units and improvements	20
Office equipment	5
Furniture and fixtures	5

The assets residual values, useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and any impairment in value are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated property and equipment are retained in the accounts until these are no longer in use.

Impairment of Property and Equipment

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

Recovery of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recorded in the statement of comprehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

Deferred Exploration Costs

Deferred exploration costs include costs incurred after the Company has obtained legal rights to explore in a specific area, including the determination of the technical feasibility and commercial viability of extracting mineral resources. Deferred exploration costs include, among others, acquisition of rights to explore, topographical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resources. All exploration costs and related expenses are carried as deferred exploration costs, net of impairment losses, if any.

The costs and expenses for exploration activities which do not result in the discovery of petroleum or mineral deposits that are commercially productive are recognized in the statement of comprehensive income after the project is abandoned and when management expects no further recovery. When the results of exploration costs are determined to be negative, the accumulated costs are written off. If the results are positive, the deferred exploration costs shall be capitalized and amortized based on the unit of production method from the start of commercial operations.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax amount that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when receipt of reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

Capital Stock and Additional Paid-in Capital

The Company has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock or options are shown in equity as a deduction, net of tax, from the proceeds. Amount of contribution in excess of par value is accounted for as an additional paid-in capital.

Where the Company purchases the Company's capital stock (treasury shares), the consideration paid, including any directly attributable incremental costs (net of applicable taxes) is deducted from equity attributable to the Company's stockholders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the Company's stockholders.

Retained Earnings

The amount included in retained earnings includes profit attributable to the Company's stockholders and reduced by dividends. Dividends are recognized as a liability and deducted from equity when they are declared. Interim dividends are deducted from equity when they are paid.

Retained earnings are appropriated for the cost of treasury shares acquired. When the appropriation is no longer needed, it is reversed. Dividends for the year that are approved after the balance sheet date are dealt with as an event after the balance sheet date. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed based on the weighted average number of shares outstanding and subscribed for each respective period with retroactive adjustments for stock dividends declared, if any. When shares are dilutive, the unexercised portion of stock options is included as stock equivalents in computing diluted earnings per share.

Diluted earnings (loss) per share amounts are calculated by dividing the net profit (loss) by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares.

Segment Reporting

An operating segment is a component of an entity that: (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available.

The Company's segments pertain to its investments in associates. This segment is carried by North Triangle Depot Commercial Corporation (NTDCC) and United Paragon Mining Corporation (UPMC), the Company's associates. The summarized financial and other relevant information of the Company's associates are disclosed in Notes 8 and 24 to the financial statements.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the balance sheet date.

Deferred Income Tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that is 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.

Retirement Benefit Plan

The Company has a defined retirement benefit plan which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for the plan at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The defined benefit liability (asset) is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognized reduced by past service cost not yet recognized and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognized immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognized immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognized immediately.

Operating Leases

Operating leases represent those leases under which substantially all risks and rewards of ownership of the leased assets remain with the lessors. Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the rate of exchange at the balance sheet date. Exchange gains and losses arising from foreign currency transactions and translations of foreign currency denominated monetary assets and liabilities are credited to or charged against current operations. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Balance Sheet Date

Post year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.