



111072012000836

**SECURITIES AND EXCHANGE COMMISSION**

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Company Information

SEC Registration No. AS93009289
Company Name SINOPHIL CORP.
Industry Classification Oil & Gas Extraction Activities On Contract Basis
Company Type Stock Corporation

Document Information

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|------------------|---------------------------------------|
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COVER SHEET

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S.E.C. Registration Number

S I N O P H I L C O R P O R A T I O N A N D S U B S I -
D I A R I E S

(Company's Full Name)

5 t h F l o o r , T o w e r A , T w o E - C o m
C e n t e r , P a l m C o a s t A v e n u e , M a i l
o f A s i a C o m p l e x , C B P - 1 A , P a s a y
C i t y

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

MANUEL A. GANA

Contact Person

(632) 662-8888

Company Telephone Number

1 2

Month

3 1

Day

1 7 - Q

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

597

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 -Q**

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

1. For quarterly period ended September 30, 2012
2. SEC Identification Number AS093-009289
3. BIR Tax Identification No. 003-457-827
4. Exact name of registrant as specified in its charter: **SINOPHIL CORPORATION**
5. Province, Country or other jurisdiction of incorporation/organization : Philippines
6. (SEC Use Only)
7. Address of Principal Office: 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue,
Mall of Asia Complex, CBP-1A, Pasay City
8. Registrant's telephone number, including area code: (632) 662-8888
9. Former name, former address, and former fiscal year, if changed since last report.
Not applicable
10. Securities registered pursuant to Sections 4 and 8 of the SRC

| Title of Each Class | Number of Shares of Common Stock Outstanding |
|--|---|
| Common Stock, P1.00 ¹ par value | 7,927,310,000 |

On June 3, 1997, the Securities and Exchange Commission (SEC) approved the Company's application for an increase in authorized capital stock from P2 billion, divided into 200 billion shares at P0.01 par value a share, to P20 billion, divided into 14 billion common shares and 6 billion preferred shares both with par value of P1.

Subscriptions receivable on the 7,927,310,000 outstanding shares amounted to P4,962,655,586.

11. Are any or all of these securities listed on the Philippine Stock Exchange (PSE).
Yes [x] No []

Out of a total of 7,927,310,000 outstanding shares, only 4,410,416,085 shares are listed on the PSE. With the exception of shares initially offered to the public in August 1995, only fully paid shares were allowed to be listed in the PSE under PSE Circular No. 562 dated November 27, 1995.

¹New par value of P1.00 was implemented in the Philippine Stock Exchange on December 8, 1997.

12. Check whether the issuer:

- a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and under 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 ☒ No ☐

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

Yes ☒ No ☐

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited financial statements are submitted as part of this report:

- Consolidated Statements of Financial Position as of September 30, 2012 and December 31, 2011;
- Consolidated Statements of Comprehensive Income for the Nine Months ended September 30, 2012 and September 30, 2011;
- Consolidated Statements of Changes in Equity for the Nine Months Ended September 30, 2012 and September 30, 2011;
- Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2012 and September 30, 2011.

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

| (Amounts in Pesos, except percentages) Nine Months Ended September 30 | | | Horizontal Analysis | | Vertical Analysis | |
|--|-------------|---------------|---------------------|----------|-------------------|---------------|
| | 2012 | 2011 | Increase (Decrease) | | 2012 | 2011 |
| | | | Amount | % | | |
| INTEREST INCOME | 765 | 409 | 356 | 87.02% | 100.00% | 100.00% |
| GENERAL AND ADMINISTRATIVE EXPENSES | (3,811,731) | (5,248,846) | (1,437,115) | -27.38% | -498311.05% | -1283336.43% |
| NET LOSS | (3,810,966) | (5,248,437) | (1,437,471) | -27.39% | -498211.05% | -1283236.43% |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Realized gains (losses) arising from changes in market value of available-for-sale investments | 2,474,811 | (115,889,700) | 118,364,511 | -102.14% | 323534.32% | -28334889.98% |
| TOTAL COMPREHENSIVE LOSS | (1,336,155) | (121,138,137) | 119,801,982 | -98.90% | -174676.74% | -29618126.41% |

The consolidated net loss of Sinophil Corporation ("Sinophil" or the "Company.") amounted to P3.81 million for the nine months ended September 30, 2012, which is lower (by P1.44 million) compared to a consolidated net loss of P5.25 million for the nine months ended September 30, 2011. The lower net loss in 2012 was accounted for by a decrease in general and administrative expenses by P1.44 million (27%) to P3.81 million in 2012, from P5.25 million for 2011. The decrease in operating expenses was mainly due to lower taxes & licenses and professional fees incurred during the period. Aside from what has been mentioned in the foregoing, there were no significant elements that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations of Sinophil during the nine months ended September 30, 2012.

| | September | December | Horizontal Analysis | | Vertical Analysis | |
|---|----------------------|----------------------|---------------------|---------------|-------------------|----------------|
| | 2012 | 2011 | Increase (Decrease) | | 2012 | 2011 |
| | | | Amount | % | | |
| ASSETS | | | | | | |
| Cash | 846,479 | 418,612 | 427,867 | 102.21% | 0.02% | 0.01% |
| Receivables and others | 40,968,190 | 88,256,346 | (47,288,156) | -53.58% | 1.17% | 2.52% |
| Available-for-sale Investments | 3,167,579,346 | 3,122,252,656 | 45,326,690 | 1.45% | 90.63% | 89.30% |
| Investment Property | 285,510,452 | 285,510,452 | (0) | 0.00% | 8.17% | 8.17% |
| Total Assets | 3,494,904,467 | 3,496,438,066 | (1,533,599) | -0.04% | 100.00% | 100.00% |
| LIABILITIES AND EQUITY | | | | | | |
| Liabilities | | | | | | |
| Accrued expenses and other current liabilities | 53,093,147 | 53,118,841 | (25,694) | -0.05% | 1.52% | 1.52% |
| Due to Belle | 105,650,145 | 105,650,145 | 0 | 0.00% | 3.02% | 3.02% |
| Total Liabilities | 158,743,292 | 158,768,986 | (25,694) | -0.02% | 4.54% | 4.54% |
| Equity | | | | | | |
| Capital stock | 7,927,310,000 | 7,927,310,000 | (0) | 0.00% | 226.82% | 226.73% |
| Additional paid-in capital | 2,039,218,549 | 2,039,727,799 | (509,250) | -0.02% | 58.35% | 58.34% |
| Subscription receivable | (4,962,655,586) | (4,962,993,086) | 337,500 | -0.01% | -142.00% | -141.94% |
| Cost of Parent Company shares held by a subsidiary | (512,594,197) | (512,594,197) | - | 0.00% | -14.67% | -14.66% |
| Other reserves | 244,393,853 | 241,919,042 | 2,474,811 | 1.02% | 6.99% | 6.92% |
| Deficit | (1,399,511,444) | (1,395,700,478) | (3,810,966) | 0.27% | -40.04% | -39.92% |
| Net Equity | 3,336,161,175 | 3,337,669,080 | (1,507,905) | -0.05% | 95.46% | 95.46% |
| Total Liabilities and Equity | 3,494,904,467 | 3,496,438,066 | (1,533,599) | -0.04% | 100.00% | 100.00% |

Sinophil's total assets amounted to P3.495 billion as of September 30, 2012, which is lower by P1.53 billion (0.04%) compared to P3.496 billion as of December 31, 2011. The Company's total liabilities were virtually unchanged at P158.74 million as of September 30, 2012, compared to P158.77 million as of December 31, 2011. The Company's equity decreased by P1.51 million (0.05%), to P3.336 billion as of September 30, 2012 from P3.338 billion as of December 31, 2011. During the nine months ended September 30, 2012, the Company collected P47.29 million in receivables, and the funds therefrom were used to acquire additional available-for-sale investments of P42.85 million. The additional increase in the available-for-sale investments and other reserves (part of equity) was due to the unrealized mark-to-market gains of P2.47 million. There were no issuances of additional shares of stock, nor payment or declaration of dividends made, during the third quarter of 2012.

On August 23, 2001, with respect to Sinophil's investment in 40% of the equity of Legend International Resorts (HK) Limited ("LIR"), a Memorandum of Agreement was entered into by and among the Company, Belle, Metroplex and LIR rescinding the Swap Agreement entered into by them in 1997, canceling all obligations stated therein, reversing all the relevant transactions, and canceling or returning all the shares of Sinophil and LIR exchanged thereby (the "LIR Unwinding Agreement"). To effect the cancellation of Metroplex's investment under the LIR Unwinding Agreement, Sinophil's shareholders, during their meeting on February 18, 2002, approved the reduction of its capital stock to the extent of 3.87 billion shares held by the former. However, due to Metroplex's failure to fully comply with the LIR Unwinding Agreement in the delivery for cancellation of stock certificates covering 2.0 billion shares of their total shareholdings at that time, Sinophil again presented to its shareholders, during its meeting on June 3, 2005, a reduction in its authorized capital stock to the extent of 1.87 billion shares (the "Partial LIR Unwinding"). On March 28, 2006, the SEC formally approved the Partial LIR Unwinding and the 1.87 billion cancelled Sinophil shares were then delisted with the Philippine Stock Exchange. The one billion Sinophil shares used as collateral by LIR for their loan from Union Bank of the Philippines ("Union Bank") were delivered by Union Bank to the Company in 2007, and formal approval by the SEC for cancellation thereof was obtained on June 24, 2008. As of September 30, 2012, one billion Sinophil shares still remained outstanding from Metroplex, under the terms of the LIR Unwinding Agreement.

On August 28, 2009, a Memorandum of Agreement (MOA) was executed between Belle Corporation and the Company relative to the proposed settlement of the 1 billion Belle Preferred shares held by Sinophil and dividends receivable therefrom. The MOA provides, among other things, the following: (i) the transfer by Belle Corporation and its designee to Sinophil of 220 shares of Tagaytay Midlands Golf Club, Inc.

("TMGC") and 220 saleable lots in a future project in Tanauan, Batangas at prevailing market rates; (ii) in consideration of the TMGC shares, Sinophil renounced all past, present and future dividends on Belle preferred shares held by it; and (iii) the eventual cancellation of the Belle preferred shares held by the Company upon receipt by it of the saleable lots, which are to be completed by Belle by August 2014.

Below are the comparative key performance indicators of the Company and its subsidiaries:

| | Manner by which the Company calculates the key performance indicators | September 30, 2012 (unaudited) | September 30, 2011 (unaudited) | December 31, 2011 (audited) |
|------------------------------|--|---|---|--|
| Current ratio | Current assets over current liabilities | 0.79:1.00 | 1.69:1.00 | 1.67:1.00 |
| Return on assets | Annualized net loss over average total assets during the period | (0.15%) | (0.20%) | (0.19%) |
| Return on equity | Annualized net loss over average stockholders' equity during the period | (0.15%) | (0.21%) | (0.20%) |
| Asset-to-equity ratio | Total assets over total equity | 1.05:1.00 | 1.05:1.00 | 1.05:1.00 |
| Debt to equity ratio | Not applicable | - | - | - |
| Interest rate coverage ratio | Not applicable | - | - | - |

The Company does not foresee any liquidity problem over the next 12 months. The key performance indicators of the Company have not changed materially as compared to the same period last year.

As of September 30, 2012, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended December 31, 2011 and September 30, 2012, except those mentioned above.

PART II - OTHER INFORMATION

Financial Risk Management

The Company's principal financial instruments comprise cash and AFS investments. The main purpose of these financial instruments is to help finance the Company's operations. The Company has other financial assets and liabilities such as receivables and accrued expenses and other current liabilities, which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and equity price risk. The Company is not exposed to any other type of market risk as the Company has no outstanding foreign currency-denominated accounts and interest-bearing loans and borrowings as of September 30, 2012 and December 31, 2011.

The Board of Directors reviews and approves the policies for managing credit, liquidity and equity price risks and they are summarized below:

Credit Risk. Credit risk arises from the Company's financial assets which are composed of cash, receivables and AFS investments. It is the Company's policy that all credit terms are subject to credit verification and/or approval procedures. The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company's credit risk is primarily with Belle, a major stockholder, of which outstanding balance covers at least 93% and 56% of the Company's total receivables as of September 30, 2012 and December 31, 2011, respectively.

Liquidity Risk. Liquidity risk arises from the possibility that the Company may encounter difficulties in meeting obligations associated with its accrued expenses and other current liabilities.

The Company seeks to manage its liquidity profile to be able to finance its investments and pay its outstanding liabilities. To cover its financing requirements, the Company uses internally generated funds.

The Company's accrued expenses and other current liabilities are payable on demand.

Fair Value of Financial Instruments

Set out below is a comparison by category of carrying values and fair values of all the Company's financial instruments.

| | September 30, 2012 | | December 31, 2011 | |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Loans and Receivables | | | | |
| Cash | P846,479 | P846,479 | P418,612 | P418,612 |
| Receivables and others: | | | | |
| Advances to related parties | 40,099,787 | 40,099,787 | 51,061,859 | 51,061,859 |
| Nontrade and others | 868,403 | 868,403 | 37,194,487 | 37,194,487 |
| | P41,814,669 | P41,814,669 | P88,674,958 | P88,674,958 |
| AFS Investments | | | | |
| Unquoted shares | P2,574,767,559 | P2,574,767,559 | P2,574,767,558 | P2,574,767,558 |
| Quoted shares | 592,811,787 | 592,811,787 | 547,485,098 | 547,485,098 |
| | 3,167,579,346 | 3,167,579,346 | 3,122,252,656 | 3,122,252,656 |
| | P3,209,394,015 | P3,209,394,015 | P3,210,927,614 | P3,210,927,614 |

| | September 30, 2012 | | December 31, 2011 | |
|--|--------------------|-------------|-------------------|-------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Loans and Borrowings | | | | |
| Accrued expenses and other current liabilities | P53,093,147 | P53,093,147 | P53,118,841 | P53,118,841 |

Fair value is defined as the amount at which the financial instrument 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 Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts of cash, receivables and others and accrued expenses and other current liabilities approximate their fair values due to the short-term nature of the transactions.

The fair values of AFS investments in quoted equity shares are based on quoted prices in the Philippine Stock Exchange as of reporting date. There are no quoted market prices for the unlisted shares of stock and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss.

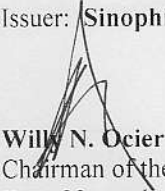
Other Required Disclosures

- A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2011. The adoption of PFRS 9, Financial Instruments: *Classification and Measurement*, will have an effect on the classification and measurement of financial assets and liabilities. The Company will quantify the effect in conjunction with the other phases when issued, to present a comprehensive picture. As at September 30, 2012, the Company has decided not to early adopt PFRS 9 on its consolidated financial statements.
- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuance, repurchases and repayments of debt and equity securities.
- E.) There were no material events that occurred subsequent to September 30, 2012 and up to the date of this report that need disclosure herein.
- F.) There were no changes in the composition of the Company during the interim period such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations.
- G.) There were no changes in contingent liabilities or contingent assets since December 31, 2011.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

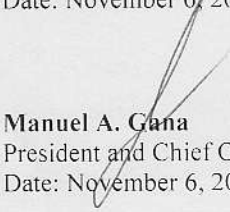
SIGNATURE

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

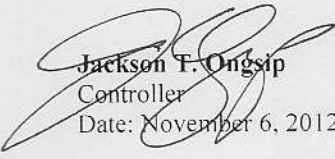
Issuer: **Sinophil Corporation**



Willy N. Ocier
Chairman of the Board
Date: November 6, 2012



Manuel A. Gana
President and Chief Operating Officer
Date: November 6, 2012



Jackson T. Ongsip
Controller
Date: November 6, 2012

SINOPHIL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Position

| | September 30, 2012 | December 31, 2011 |
|--|--------------------|-------------------|
| | (Unaudited) | (Audited) |
| ASSETS | | |
| Current Assets | | |
| Cash | P 846,479 | P 418,612 |
| Receivables and others | 40,968,190 | 88,256,346 |
| Total Current Assets | 41,814,669 | 88,674,958 |
| Noncurrent Assets | | |
| Available-for-Sale investments | 3,167,579,346 | 3,122,252,656 |
| Investment property | 285,510,452 | 285,510,452 |
| Total Noncurrent Assets | 3,453,089,798 | 3,407,763,108 |
| | P 3,494,904,467 | P 3,496,438,066 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Accrued expenses and other current liabilities | P 53,093,147 | P 53,118,841 |
| Noncurrent Liability | | |
| Due to Belle | 105,650,145 | 105,650,145 |
| Total Liabilities | P 158,743,292 | P 158,768,986 |
| Equity | | |
| Capital Stock | 7,927,310,000 | 7,927,310,000 |
| Additional paid-in capital | 2,039,218,549 | 2,039,727,799 |
| Subscription receivable | (4,962,655,586) | (4,962,993,086) |
| Cost of Parent company shares held by a subsidiary | (512,594,197) | (512,594,197) |
| Other reserves | 244,393,853 | 241,919,042 |
| Deficit | (1,399,511,444) | (1,395,700,478) |
| Net Equity | 3,336,161,175 | 3,337,669,080 |
| | P 3,494,904,467 | P 3,496,438,066 |

SINOPHIL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Nine Months Ended September 30 | | This Quarter | |
|---|--------------------------------|---------------------|---------------------|---------------------|
| | 2012 (Unaudited) | 2011 (Unaudited) | 2012 (Unaudited) | 2011 (Unaudited) |
| INTEREST INCOME | P 765 | P 409 | P 349 | P 233 |
| GENERAL AND ADMINISTRATIVE EXPENSES | (3,811,731) | (5,248,846) | (833,905) | (2,092,951) |
| NET LOSS | (3,810,966) | (5,248,437) | (833,556) | (2,092,718) |
| OTHER COMPREHENSIVE INCOME | | | | |
| Unrealized gains (losses) arising from changes in market value of available-for-sale investments | 2,474,811 | (115,889,700) | (30,396,807) | (123,373,412) |
| TOTAL COMPREHENSIVE LOSS | P (1,336,155) | P (121,138,137) | P (31,230,363) | P (125,466,130) |
| Basic Loss Per Common Share | Nine Months Ended September 30 | | | |
| | (Unaudited) | (Unaudited) | | |
| Basic Loss Per Common Share | P (0.00049) | P (0.00068) | | |

SINOPHIL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Nine Months Ended September 30 | |
|---|--------------------------------|-----------------|
| | 2012 | 2011 |
| | (Unaudited) | (Unaudited) |
| CAPITAL STOCK - P1 par value | | |
| Authorized: | | |
| Preferred - 6,000,000,000 shares | | |
| Common - 11,130,000,000 shares | | |
| Issued: | | |
| Balance at beginning of year | P 3,096,440,785 | P 3,096,340,785 |
| Issuances | 450,000 | 100,000 |
| Balance at end of period | 3,096,890,785 | 3,096,440,785 |
| Subscribed: | | |
| Balance at beginning of year | 4,830,869,215 | 4,830,969,215 |
| Issuances | (450,000) | (100,000) |
| Balance at end of period | 4,830,419,215 | 4,830,869,215 |
| Subscription receivable: | | |
| Balance at beginning of year | (4,962,993,086) | (4,963,068,086) |
| Collections | 337,500 | 75,000 |
| Balance at end of period | (4,962,655,586) | (4,962,993,086) |
| | 2,964,654,414 | 2,964,316,914 |
| ADDITIONAL PAID-IN CAPITAL | 2,039,218,549 | 2,039,727,799 |
| OTHER RESERVES | | |
| Net Unrealized Mark-to-Market Gain on Available-for-Sale Investments | | |
| Balance at beginning of year | 300,238,030 | 272,300,226 |
| Net Unrealized Mark-to-Market Gain on Available-for-Sale Investments for the period | 2,474,811 | (115,889,700) |
| Balance at end period | 302,712,841 | 156,410,526 |
| Share in Cumulative Translation Adjustments of an Associate | (58,318,988) | (58,318,988) |
| Balance at end of period | 244,393,853 | 98,091,538 |
| COST OF PARENT COMPANY SHARES HELD BY A SUBSIDIARY | (512,594,197) | (512,594,197) |
| DEFICIT | | |
| Balance at beginning of year | (1,395,700,478) | (1,389,023,551) |
| Net loss | (3,810,966) | (5,248,437) |
| Balance at end of period | (1,399,511,444) | (1,394,271,988) |
| | P 3,336,161,175 | P 3,195,270,066 |

SINOPHIL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Nine Months Ended September 30 | | | |
|--|--------------------------------|--------------|---|-------------|
| | | 2012 | | 2011 |
| | | (Unaudited) | | (Unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net Loss | P | (3,810,966) | P | (5,248,437) |
| Adjustments for: | | | | |
| Provisions for impairment of receivables and others | | 118,336 | | 216,973 |
| Provisions for impairment of available-for-sale investments | | - | | - |
| Interest income | | (765) | | (409) |
| Loss before working capital changes | | (3,693,395) | | (5,031,873) |
| Decrease in receivables and others | | 47,169,820 | | 4,556,169 |
| Increase (decrease) in accrued expenses and other current liabilities | | (25,694) | | 570,762 |
| Interest received | | 765 | | 409 |
| Net cash provided by operating activities | | 43,451,496 | | 95,467 |
| CASH FLOW USED IN INVESTING ACTIVITY | | | | |
| Acquisition of available-for-sale investments | | (42,851,879) | | - |
| CASH FLOW FROM FINANCING ACTIVITY | | | | |
| Collection of subscription receivable | | 337,500 | | 75,000 |
| Payment of transaction costs associated with the issuance of capital stock | | (509,250) | | |
| Net cash provided by (used in) financing activity | | (171,750) | | 75,000 |
| NET INCREASE IN CASH | | 427,867 | | 170,467 |
| CASH AT BEGINNING OF PERIOD | | 418,612 | | 253,590 |
| CASH AT END OF PERIOD | P | 846,479 | P | 424,057 |

SINOPHIL CORPORATION
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
September 30, 2012

| NAME | AMOUNT |
|------------------------------------|--------------------------|
| Advances to Affiliates | 40,099,787 |
| Belle Corporation | 37,999,522 |
| Belle Bay City Corp | 2,100,265 |
| Total | <u>40,099,787</u> |
| Parallax Resources, Inc. | 766,884 |
| Others | 18,255 |
| Total Receivables | <u>40,884,926</u> |
| Other Current Assets | <u>83,264</u> |
| Total Receivables and Other Assets | <u><u>40,968,190</u></u> |