

# COVER SHEET

AS093009289  
SEC Registration Number

SINOPHIL CORPORATION  
(Company's Full Name)

5 F TOWER A TWO E-COM CENTER  
PALM COAST MOA PASAY CITY  
(Business Address: No. Street City / Town / Province)

ANNA FRANCESCA C. RESPICIO

632-0905

1 2 3 1

Month Day  
Annual Meeting

AMENDED PRELIMINARY 20-1S

Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

## **NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

**TO: ALL STOCKHOLDERS**

NOTICE is hereby given that the annual meeting of the stockholders of Sinophil Corporation shall be on **Tuesday, 18 June 2013** at 2:00 in the afternoon, at Meeting Rooms 14 and 15, SMX Convention Center, Seashell Lane, Mall of Asia Complex, Pasay City, Metro Manila, to consider the following:

### **AGENDA**

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders
5. Approval of 2012 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Decrease in Number of Directors from eleven (11) to seven (7)
8. Decrease in par value of common and preferred shares from One Peso (P1.00) to Twenty Five Centavos (P0.25)
9. Election of Directors
10. Appointment of SyCip Gorres Velayo & Co. as External Auditors
11. Other Matters
12. Adjournment

The close of business on **17 May 2013** has been fixed as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

Registration for those who are personally attending the meeting will start at 1:30 p.m. and end promptly at 2:00 p.m. All stockholders who will not, are unable, or do not expect to attend the meeting in person are encouraged to fill out, date, sign and send a proxy to the Corporation at 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City. All proxies should be received by the Corporation **at least three (3) days** before the meeting, or on or before **15 June 2013**. Proxies submitted shall be validated by a Committee of Inspectors on **17 June 2013** at 10:00 a.m. at 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

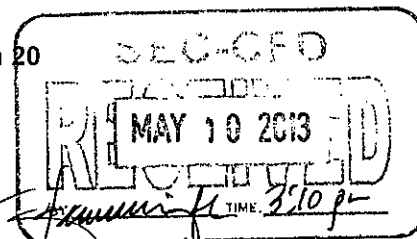
To avoid inconvenience in registering your attendance at the meeting, you or your proxy is requested to bring identification paper(s) containing a photograph and signature, e.g. passport, driver's license, or credit card.

City of Pasay, Metro Manila, 17 May 2013.

**A. BAYANI K. TAN**  
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS

Information Statement Pursuant to Section 20  
of the Securities Regulation Code



1. Check the appropriate box  
☒ Preliminary Information Statement  
☐ Definitive Information Statement
2. Name of Registrant as specified in its charter: SINOPHIL CORPORATION
3. Province, country or other jurisdiction of incorporation or organization:  
Philippines
4. SEC Identification Number: AS093-009289
5. BIR Tax Identification Number: 003-457-827
6. Address of principal office and Postal Code:  
5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City
7. Registrant's telephone number, including area code: (632) 662-8888
8. Date, time, and place of the meeting of security holders:  
  
Date : 18 June 2013 (Tuesday)  
Time : 2:00 p.m.  
Venue : Meeting Rooms 14 and 15, SMX Convention Center, Seashell Lane, Mall of Asia Complex, Pasay City, Metro Manila
9. Approximate date on which the Information Statement is to be sent or given to security holders:  
27 May 2013
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):  

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, 1.00 par value	7,927,310,000 (As of 30 April 2013)
11. Are any or all of Registrant's securities listed on a Stock Exchange?  

Common Shares	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Preferred Shares	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

  
If so disclose name of the Exchange: The Philippine Stock Exchange, Inc.

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

## GENERAL INFORMATION

### Date, time and place of meeting of security holders

- (a)
- |       |   |   |
|-------|---|---|
| Date  | - | 18 June 2013 (Tuesday)  |
| Time  | - | 2:00 p.m.   |
| Place | - | Meeting Rooms 14 and 15, SMX Convention Center, Seashell Lane, Mall of Asia Complex, Pasay City, Metro Manila |

The approximate date on which the Information Statement will be sent or given to security holders is on **27 May 2013**.

- (b) The complete mailing address of the principal office of Sinophil Corporation ("the Company") is:

**5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City**

### Dissenters' Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on **18 June 2013** are not among the instances enumerated in Section 42 and 81, Title X of the Corporation Code whereby the right of appraisal, defined to be the right of any stockholder to dissent and demand payment of the fair value of his shares, may be exercised. The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
3. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

In case the right of appraisal will be exercised, Section 82 of the Corporation Code provides for the appropriate procedure, viz:

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

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested

persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: and Provided, further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

#### **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) No person who has been a director or officer or a nominee for election as director of the Company or associate of such persons, has a substantial interest, direct or indirect, in any matter to be acted upon other than the election of directors for the year 2013-2014.
- (b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the Registrant during the stockholders' meeting.

#### **CONTROL AND COMPENSATION INFORMATION**

##### **Voting Securities and Principal Holders Thereof**

- (a) As of 30 April 2013, the Registrant had 7,927,310,000 common shares outstanding and each share is entitled to one vote.
- (b) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is **17 May 2013**.
- (c) With respect to the election of eleven (11) directors, each stockholder may vote such number of shares for as many as eleven (11) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by eleven (11) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by eleven (11).
- (d) Security ownership of certain record and beneficial owners and management.

##### **(1) Security Ownership of Certain Record and Beneficial Owners**

The persons or groups identified in the table below are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 30 April 2013:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizen-ship	No. of Shares Held	Percent
Common	Belle Corporation  5/F Tower A, Two E-Com Center Palm Coast Ave., Mall of Asia Complex, CPB-1A Pasay City (a)	Belle Corporation	Filipino	3,492,916,824*	44.06*
Common	PCD Nominee Corp. (Filipino)  G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City (b)	(please see footnote)	Filipino	1,543,632,741	19.50%

Common	PCD Nominee Corp. (Other) G/F Makati Stock Exchange, 6767 Ayala Avenue, Makati City (b)	(please see footnote)	Non-Filipino	1,154,347,375	14.60%
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The shares held by Belle Corporation, being a corporate shareholder, shall be voted or disposed of, by the persons who shall be duly authorized by these record or beneficial shareholders for the purpose. The natural person/s that has/have the power to vote on the shares of the foregoing company shall be determined upon the submission of its proxy form to the Company, which is not later than three (3) days before the date of the meeting.

PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in Belle are to be voted. As of 30 April 2013, there are no participants of PCD who own more than 5% of the Company's outstanding capital.

## (2) Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 30 April 2013:

Title of Class	Name of Beneficial Owner	Amount* and Nature of Beneficial Ownership	Citizenship	Percent
Common	Frederic C. Dybuncio	1 Direct	Filipino	-
Common	Manuel A. Gana	1 Direct	Filipino	-
Common	Ricardo Leong	2 Direct	Filipino	-
Common	Willy N. Ocier	1 Direct	Filipino	-
Common	Jerry C. Tiu	1 Direct	Filipino	-
Common	A.Bayani K. Tan	1 Direct	Filipino	-
Common	Edmundo L. Tan	1 Direct	Filipino	-
Common	Arthur A. Sy	20,001 Direct	Filipino	-
Common	Virginia A. Yap	10,001 Direct	Filipino	-
Common	Elizabeth Anne C. Uychaco	10,001 Direct	Filipino	-
Common	Rogelio R. Cabuñag	20,001 Direct	Filipino	-

\*Number of shares

## (3) Voting Trust Holders of 5% or More

The Company is not aware of any party which holds any voting trust or any similar agreement for 5% or more of Sinophil's voting securities.

## Changes in Control

There is no arrangement known to the Company which may result in a change in control of the Company.

## Directors and Executive Officers

### **Directors and Executive Officers**

The names and ages of all the incumbent Directors elected on 23 April 2012 during the Annual Stockholders' Meeting and who are to serve for a term of one (1) year until their successors shall have been duly elected and qualified, and the Executive Officers are:

Name	Citizenship	Age	Position	Period
Willy N. Ocier	Filipino	56	Chairman of the Board	6/25/99 - present
Manuel A. Gana	Filipino	55	President, COO & Director	7/28/10 - present
A. Bayani K. Tan	Filipino	57	Director & Corporate Sec.	6/23/98 - present
Frederic C. Dybuncio	Filipino	53	Director	4/23/12 - present
Ricardo Leong	Filipino	78	Independent Director	5/29/99 - present
Edmundo L. Tan	Filipino	66	Director	6/25/99 - present
Jerry C. Tiu	Filipino	55	Independent Director	6/08/06 - present
Elizabeth Anne C. Uychaco	Filipino	57	Director	7/19/11 - present
Virginia A. Yap	Filipino	61	Director	7/19/11 - present
Rogelio R. Cabuñag	Filipino	64	Director	7/19/11 - present
Arthur A. Sy	Filipino	44	Director & Asst. Corp. Sec.	7/19/11 - present
<i>Other Officers</i>				
Jackson Ongsip	Filipino	39	Comptroller	4/23/12 - present

### **BOARD OF DIRECTORS**

The following are brief descriptions of the business experiences over the past five (5) years of the incumbent members of the Board.

All of the incumbent members of the Board have been nominated for re-election by the Nomination Committee.

#### **Willy N. Ocier**

Mr. Ocier is the Chairman of the Board of Sinophil. He is also the Chairman of the Board and Chief Executive Officer of APC Group, Inc., Tagaytay Midlands Golf Club, Inc. and Sinophil Leisure and Resorts Corporation, and the Chairman and President of Pacific Online Systems Corporation. He is one of the Vice Chairpersons of Belle Corporation and Highlands Prime, Inc. He is also the Vice Chairman of Tagaytay Highlands International Golf Club, Inc. Previously, he was the President and Chief Operating Officer of Eastern Securities Development Corporation.

#### **Manuel A. Gana**

Mr. Gana is a Director, and the President and Chief Operating Officer, of Sinophil. He is also concurrently the Executive Vice President and Chief Financial Officer of Belle, having joined Belle in 1997 as Vice President for Corporate Development and Special Projects. During 1997, Mr. Gana was also assigned to Sinophil, at which time he was appointed as the Vice President-Finance and Chief Financial Officer for MagiNet Corporation, a subsidiary of the Company at that time. He is a Director of Tagaytay Highlands International Golf Club, Inc. and Woodland Development Corporation, as well as a Director of Sinophil Leisure and Resorts Corporation.

Previously, he was Director of Investment Banking at Nesbitt Burns Securities Inc. in New York. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York), and for Procter & Gamble Philippine Manufacturing Corporation. Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

#### **A. Bayani K. Tan**

Atty. Tan is a Director and the Corporate Secretary of Sinophil. He is currently a Director, Corporate Secretary or both of the following reporting and/or listed companies: Belle Corporation, Coal Asia Holdings, Inc., Destiny Financial Plans, Inc., First Abacus Financial Holdings Corporation, I-Remit, Inc., Pacific Online Systems Corporation, Philequity Balanced Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity Foreign Currency Fixed Income Fund, Inc., Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Resources Fund, Inc., Philequity Strategic Growth Fund, Inc., TKC Steel Corporation, Tagaytay Highlands International Golf Club, Inc., Tagaytay Midlands Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., The Spa and Lodge at Tagaytay Highlands, Inc., Touch Solutions, Inc., Vantage Equities, Inc. and Yehey! Corporation. Atty. Tan is also the Corporate Secretary and a Director of Sterling Bank of Asia Inc.. He is also a Director, Corporate Secretary, or both for the following private companies: Destiny LendFund, Inc., Monte Oro Resources & Energy, Inc., Palm Concepcion Power Corporation, Pharex HealthCorp., Southern Visayas Property Holdings, Inc., among others. Atty. Tan is Managing Partner of the law offices of Tan Venturanza Valdez and Managing Director/President of Shamrock Development Corporation. He is currently the legal counsel of Xavier School, Inc.

Atty. Tan holds a Master of Laws degree from New York University USA (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Atty. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

#### **Frederic C. Dybuncio**

Mr. DyBuncio a Director of Sinophil. He is currently a Senior Vice President of SM Investments Corporation. Prior to holding this post, he was a career banker who spent over 20 years with JPMorgan Chase and its predecessor institutions. During his stint in the banking industry, he was assigned to various managerial/executive positions where he gained substantial professional experience in the areas of credit, relationship management and origination, investment banking, capital markets, and general management. He has worked and lived in several major cities including New York, Seoul, Bangkok, Hong Kong and Manila. He is concurrently the Vice Chairman of the Board and Chairman of the Executive Committee of Atlas Consolidated Mining and Development Corporation and Carmen Copper Corporation, the Chairman and CEO of Philippine Geothermal Production Company, Inc., the President, CEO and Director of APC Group Inc., Director of Pacific Online Systems Corporation, and Director of Indophil Resources.

#### **Ricardo Leong**

Mr. Leong is an Independent Director of Sinophil. He obtained his Bachelor of Science degree in Mathematics from Fordham University, New York. He is currently a member of the Board of Directors of Flexo Manufacturing Corporation.



**Jerry C. Tiu**

Mr. Tiu is an Independent Director of Sinophil. He is also the President of Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., The Spa & Lodge at Tagaytay Highlands, Inc., and Tagaytay Highlands Community Condominium Association, Inc. Concurrently, he is the Chairman of Mega Magazine Publishing, Inc., and former Director of the Manila Polo Club. He holds a Bachelor of Science degree in Commerce (Marketing) from the University of British Columbia.

**Edmundo L. Tan**

Atty. Tan is a Director of Sinophil. He is also the Corporate Secretary of Banco de Oro Unibank, Inc. from 2007 to present. He is currently Chairman of EBC Investments, Inc. He was likewise appointed as Chairman and President of EBC Strategic Holdings Corp. in 2007. He serves as Director and Corporate Secretary of APC Group, Inc. and Philippine Global Communications, Inc. from 2000 to present and Aragorn Power & Energy Corporation from 2005 to date. He concurrently holds directorship in BDO Leasing and Finance Inc. (formerly PCI Leasing and Finance, Inc.) and serves as Corporate Secretary of APC Mining Corp. and Aragorn Coal Corporation. Atty. Tan is the Managing Partner of Tan Acut & Lopez Law Offices. He graduated with a Bachelor of Arts degree from De La Salle College, Bacolod and Bachelor of Laws degree from the University of the Philippines.

**Rogelio R. Cabuñag**

Mr. Cabuñag is a Director of Sinophil. He is also the President and a Director of Belle Corporation. He was the President and Director of SM Development Corporation and Executive Vice President and Director of SM Synergy Properties Holdings Corporation, prior to his retirement therefrom in 2011. Currently, he serves as a Director of the following companies: Highlands Prime Inc., Keppel Philippines Holdings, PremiumLeisure and Amusement, Inc. and Tagaytay Highlands International Golf Club, Inc. He has 42-years experience in banking, finance and real estate development.

**Arthur A. Sy**

Atty. Sy is a Director and Assistant Corporate Secretary of the Company. He is also the Vice President, Corporate Legal Affairs of SM Investments Corporation and serves as the Corporate Secretary of various corporations within the SM Group of Companies. He is also the Corporate Secretary of the National University. He holds a Juris Doctor degree from Ateneo de Manila University and is a member of the New York Bar. He has been with the SM Group for the last 12 years.

**Elizabeth Anne C. Uychaco**

Ms. Uychaco is a Director of Sinophil. She is also one of the Vice Chairpersons of Belle Corporation, and is the Senior Vice President, Corporate Services of SM Investments Corporation. She was formerly Senior Vice President and Chief Marketing Officer of the Philippine American Life Insurance Company. She was also Board Director of the Philamlife Call Center. Prior to that, she was Vice-President of Globe Telecom, Inc. and was responsible for National and International Sales and Distribution as well as Retail Marketing and Management of the Globe Business Centers. She was previously President of Fontana Properties and Executive Vice President of Fontana Resort and Leisure Club. She was Director of Kuok Properties and served as consultant of Shangrila Mall and was seconded as CEO to manage EPRC, a Kuok joint venture company. She also served as Board Director, Vice President and Managing Director of Transnational Diversified Group. Ms. Uychaco graduated from St. Scholastica's College in 1978 with Bachelor of Arts Degree. She obtained a Master's Degree in Business Economics from the

University of Asia and the Pacific in 1988, and a Master's Degree in Business Administration from the Ateneo Business School in 1992.

#### **Virginia A. Yap**

Ms. Yap is a Director of Sinophil. She is also a Director of Belle Corporation and a member of the Belle's Executive and Nomination Committees. Ms. Yap holds key positions in the SM Group of Companies, including being Treasurer of SM Development Corporation and Vice President – Office of the Chairman of the Board of Directors of SM Investments Corporation, SM Land, Inc. (formerly Shoemart, Inc.) and SM Retail Inc. She is also the Treasurer of Highlands Prime Inc. since August 22, 2002, as well as member of the Board of Directors since January 25, 2010, and a member of the Executive, Compensation and Remuneration, and Audit Committees therein. She holds a Bachelor of Science in Commerce (Major in Accounting) degree from the University of Mindanao. She has been connected with the SM Group of Companies for the last twenty-five years.

#### **Independent Directors**

Messrs. Ricardo Leong and Jerry C. Tiu were elected as independent directors during the 23 April 2012 annual stockholders meeting to comply with the requirements set forth in Section 38 of the Securities Regulation Code.

The nomination, pre-screening and election of independent directors were made in compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws.

The Nomination Committee constituted by the Company's Board of Directors, indorsed their respective nominations for re-election as independent directors given in favor of Messrs. Leong (by Mr. Willy N. Ocier), and Tiu (by Mr. Manuel A. Gana). The Nomination Committee, composed of Willy N. Ocier (Chairman), Ricardo Leong and Manuel A. Gana, has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Company's Manual on Corporate Governance and Rule 38 of the Implementing Rules of the Securities Regulation Code (SRC).

The nominees, whose required information are discussed above (Board of Directors section), are in no way related to the stockholders who nominated them and have signified their acceptance of the nominations. These nominees are expected to attend the scheduled Annual Stockholders' Meeting.

#### **Corporate Officer**

##### **Jackson Ongsip**

Mr. Ongsip is the Comptroller of the Company. He graduated from the University of Santo Tomas with a Bachelor of Science in Accountancy. He is a Certified Public Accountant. He is currently an Assistant Vice President- Portfolio Investments of SM Investments Corporation. He is also the Comptroller of APC Group, Inc., an affiliate of Sinophil Corporation.

#### **Significant Employees**

There are no other significant employees.

### **Family Relationships**

No director and/or executive officer of Sinophil are related up to the fourth degree by affinity or consanguinity.

### **Involvement in Certain Legal Proceedings**

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc. (ULC), some of its members have initiated legal actions against ULC, the Universal Rightfield Property Holdings, Inc. (URPHI) and the Universal Leisure Corporation (ULCorp), as well as their respective incumbent and former officers and directors, including their former Corporate Secretary, Mr. A. Bayani K. Tan. The cases filed include a Complaint for Estafa (docketed as I.S. No. 08-K-19713) filed before the City Prosecutor of Manila. A Counter-Affidavit has already been filed before the City Prosecutor seeking to dismiss the Complaint for lack of cause of action.

Except as provided above, the Company is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter or control person were involved during the past five (5 years):

- (a) any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officers either at the time of the bankruptcy or within two years prior to that time;
- (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any of the above persons;
- (c) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and,
- (d) any finding a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

### **Certain Relationships and Related Transactions**

No director or executive officer or any member of their immediate family has, during the last two years, had a direct or indirect, material interest in a transaction or proposed transaction to which the Company was a party.

As summarized and disclosed in the corporation's consolidated financial statements, in the ordinary course of business, the Company has transactions with related parties which consist mainly of extension or availment of noninterest-bearing advances to Belle Corporation and Belle Bay City. The Company's advances for Belle Bay City, a company currently in liquidation, were in payment for cash calls made by the latter to cover payment of real estate taxes and other costs relating to the Company's prospective share in the remaining assets of Belle Bay City; while the advances for Belle Corporation was a result of an off-setting arrangement among the Company, Belle Corporation and the lessor of Belle Corporation's offices. The outstanding balances at year-end are due and demandable. There have been no guarantees provided or received for any related party receivables or payables. Aside from these transactions, the Company has no other significant transactions that need to be disclosed.

The related party transactions are described in Note 15 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

The Company does not have a parent company.

### **Disagreement with Director**

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Company on any matter relating to the latter's operations, policies, or practices.

### **Compensation of Directors and Executive Officers**

#### **Summary of Annual Compensation**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary</b>	<b>Other Annual Compensation</b>	<b>Total Annual Compensation</b>
Willy N. Ocier, Chairman of the Board Manuel A. Gana, President and COO Margaret Y. Hernando, VP and CFO**				
All officers and directors as a Group (Unnamed)	2013*	1,179,878	161,607	1,341,485
	2012	1,179,878	161,607	1,341,485
	2011	1,294,765	143,697	1,438,462

\* Resigned as of April 30, 2012

\*\* 2013 compensation is based on estimates only.

**Except as provided above, there are no other officers of the Company receiving compensation.**

#### **Compensation of Directors**

All independent directors get a per diem of ₱30,000.00 each while other directors get a per diem of ₱5,000.00 each per meeting.

#### **Employment Contracts and Termination of Employment and Change in Control Arrangements**

There was no compensatory plan or arrangement with respect to named executive officers that resulted or will result from the resignation, retirement or termination of such executive officer or from a change-in-control in the Company.

#### **Warrants and Options Outstanding**

None.

#### **Independent Public Accountants**

- (a) The Company's external auditors for 2012-2013, SyCip, Gorres, Velayo & Co. (SGV) and the partner-in-charge Ms. Claima T. Manangey, will be recommended for re-appointment as such for the current year subject to the rotation of audit partner requirement.
- (b) Representatives of SGV are expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.
- (c) There was no event in the past five (5) years where SGV and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

- (d) In compliance with SRC Rule 68 3 (b) (iv), the assignment of SGV's engagement partner for the Company shall not exceed five (5) consecutive years.
- (e) The aggregate fees paid by the Company for professional services (including Value Added Tax) rendered by the external auditor for the audit of financial statements for the years ended December 31, 2012 and 2011 follow:

	(P000's omitted)
2012	P295
2011	P295

There were no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements. The rotation of independent auditors and the two-year cooling off period has been observed in the audit of the Company's financial statements for the period 2012 and 2011.

- (f) The Audit Committee, composed of Jerry C. Tiu (Chairman), Manuel A. Gana, Frederic C. Dybuncio, Virginia A. Yap, and Arthur A. Sy, recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Executive Committee approves the audit fees as recommended by the Management Committee.

## **OTHER MATTERS**

### **Amendment of Articles of Incorporation**

The Articles of Incorporation of the Company, specifically Article Six will be amended to reflect the decrease in the number of directors from eleven (11) to seven (7), conformably with the observation that an 11-man Board may be too big considering the Company's present operations and financial condition.

Likewise, Article Seven of the Company's charter shall be amended to reflect the reduction of the par value of the Company's common and preferred shares of stock from One Peso (P1.00) to Twenty Five Centavos (P0.25) which will have the effect of helping reduce the Company's deficit and shall significantly expedite the Company's ability to declare dividends to its shareholders.

These amendments were approved by the Board of Directors on 9 May 2013 and the approval of the shareholders on record showing at least two-thirds (2/3) of outstanding capital stock shall be solicited pursuant to Section 16 of the Corporation Code.

### **Action with Respect to Reports**

The Company will seek the approval by the stockholders of the Minutes of the 23 April 2012 Stockholders' Meeting during which the following matters were taken up: (1) Call to Order, (2) Proof of Notice of Meeting, (3) Certification of Quorum, (4) Approval of the Minutes of the Previous Stockholders Meeting, (5) Approval of 2011 Operations and Results, (6) Ratification or all Acts of the Board of Directors and Officers (7) Election of Directors, (8) the Appointment of SyCip Gorres Velayo & Co. as External Auditors, (9) Other Matters and (10) Adjournment.

The Company will also seek approval by the stockholders of the 2012 Operations and Reports, contained and discussed in the annual report attached and made part of this Information Statement. Approval of the reports will constitute approval and ratification of the acts of management and of the Board of Directors for the past year.

### **Matters Not Required to be Submitted**

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

### **Other Proposed Actions**

The following are to be proposed for approval during the stockholders' meeting:

1. Minutes of the Previous Meeting of Stockholders;
2. 2012 Operations and Results;
3. Ratification of all Acts of the Board of Directors and Officers;
4. Election of Directors for 2013-2014;
5. Appointment of SyCip Gorres Velayo & Co. as External Auditors;
6. Other Matters.

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business with those of significance are covered by appropriate disclosures such as: membership in the relevant committees such as the Executive Committee, designation of authorized signatories, financing activities, opening of accounts, appointments in compliance with corporate governance policies and funding support of the projects.

### **Voting Procedures**

- (a) The amendment of the Articles of Incorporation requires the vote of two-thirds (2/3) of the Company's outstanding capital stock while other actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.
- (b) Two inspectors, who shall be officers or employees of the Corporation, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place; if no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend then the appointment shall be made by the presiding officer of the meeting.
- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the corporation; provided, however, that in the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law.
- (d) The By-Laws of the Company is silent as to the method by which votes are to be counted. In practice, however, the same is done by the raising of hands or *viva voce*.
- (e) With respect to the election of eleven (11) directors, each stockholder may vote such number of shares for as many as eleven (11) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by eleven (11) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by eleven (11).
- (f) Upon confirmation by the inspectors that there is a mathematical impossibility for certain nominees to be elected into office based on proxies held and votes present/represented in the meeting, the actual casting and counting of votes for the election of Directors may be dispensed with.

**Omitted Items**

Items 8, 9, 10, 11, 12, 13, 14 and 17 are not responded to in this report, the Company having no intention to take any action with respect to the information required therein.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I hereby certify that the information set forth in this report is true, complete and correct.

This report is signed in the City of Pasay, Metro Manila on 10 May 2013.

**MANUEL A. GANA**  
President

## **MANAGEMENT REPORT**

### **SINOPHIL CORPORATION**

#### **BUSINESS AND GENERAL INFORMATION**

##### **Business**

Sinophil Corporation ("Sinophil" or the "Company") was incorporated as Sinophil Exploration Co., Inc. on November 26, 1993. Sinophil was organized with oil and gas exploration and development as its primary purpose. The Company and other companies (Contractors), were participants in several Geophysical Survey and Exploration Contracts and Non-Exclusive Geophysical Permits entered into with the Philippine Government, through the Department of Energy, covering certain petroleum contract areas in various locations. It also had passive equity investments in Dragon Oil Plc (Dragon Oil) and Sinoil Asia Limited (Sinoil). In 1996, with investor interest in oil exploration and mining companies remaining generally soft, the Company's management recommended conversion of Sinophil from an oil exploration company to an investment holding company. In line with the Company's decision to change its primary purpose, the Company assigned its interests in Dragon Oil and Sinoil to Belle Corporation ("Belle") and/or its subsidiaries. To finance the Company's projects, acquisitions and investments in 1997, private placements of Sinophil's shares were made to several investors, both in the country and overseas.

On June 3, 1997, the Securities and Exchange Commission (SEC) approved the Company's application for a change in primary purposes from oil and gas exploration and development to being an investment holding company. As an investment holding firm, it shall engage in the acquisition (by purchase, exchange, assignment or otherwise), ownership and use for investment any and all properties and other assets of every kind and description.

##### **Investments**

As an investment holding firm, the Company has invested in various companies involved in gaming, property development, pay-per-view entertainment and information systems.

1. 40% equity in Legend International Resorts (H.K.) Limited ("LIR-HK")

Legend International Resorts (H.K.) Limited ("LIR-HK") was the owner and operator of the Subic Legend Resorts & Casinos and The Subic Legenda Hotel, and had a franchise to operate casinos in the Subic Bay Special Economic Zone, prior to 2006. However, in May 2006, the Philippine Amusement and Gaming Corporation (PAGCOR), ordered the immediate discontinuance of LIR-HK's casino operations. In 2009, the Subic Bay Metropolitan Authority (SBMA) revoked LIR-HK's lease on The Subic Legenda Hotel.

In March 1997, the Company entered into a Share Swap Agreement ("Swap Agreement") with Paxell Limited and Metroplex Berhad (Malaysian companies collectively referred to as "Metroplex"). Metroplex is a listed company in Malaysia that was involved in property development and casino operations in the Philippines through its subsidiary, LIR-HK. Through the Swap Agreement with Metroplex, the Company acquired forty (40%) percent equity in LIR-HK and other minority shareholders of LIR-HK, resulting in these investors owning 35.5% of Sinophil. Under the parties' agreement, the Company and Metroplex were to jointly pursue future casino and casino-related activities in the Philippines.

A dispute on the terms of the Swap Agreement ensued, which subsequently caused Metroplex to withhold financial information of LIR-HK from fiscal 1999 onwards. As a result of such dispute, on March 31, 1998, Metroplex advised the Company that it deemed the 1997



Swap Agreement terminated and will cause the cancellation of the shares covering the LIR-HK shares and the return of the Company's shares, all of which acts Sinophil, together with Belle, objected to at that time. Because of the dispute and the uncertainties related thereto, the Company recorded such investment in LIR-HK at cost in 1997.

On August 4, 1998, the Company, Belle and Metroplex entered into an agreement ("Agreement") to confirm the validity of the aforementioned Swap Agreement. The terms of the Agreement again included among others, an unconditional guarantee by Metroplex that the combined net income after tax of LIR-HK's wholly-owned subsidiaries for the year ended January 31, 1999 will be at least US\$43 million. Further, should the committed net income not be met, Metroplex shall make up for the shortfall by way of a cash payment to LIR-HK or by way of offset against any amount legitimately owed by LIR-HK to Metroplex such that the said payment can be properly booked by LIR-HK as income for said fiscal year. Such payment must be made before the completion of the audit of LIR-HK's financial statements or ninety (90) days after the end of its fiscal year ended January 31, 1999. Consequently, the Company began accounting for its investment in LIR-HK using the equity method.

On August 23, 2001, with respect to Sinophil's investment in 40% of the equity of LIR-HK, a Memorandum of Agreement was entered into by and among the Company, Belle, Metroplex and LIR-HK rescinding the Swap Agreement entered into by them in 1997, cancelling all obligations stated therein, reversing all the relevant transactions, and cancelling or returning all the shares of Sinophil and LIR-HK exchanged thereby (the "LIR-HK Unwinding"). To effect the cancellation of Metroplex Group's investment, Sinophil's shareholders, during their meeting on February 18, 2002 approved the reduction of its capital stock to the extent of 3,870,000,000 shares held by the former. However, due to Metroplex's failure to deliver for cancellation the stock certificates covering 2,000,000,000 shares of their total shareholdings, Sinophil again presented to its shareholders the reduction of its authorized capital stock to the extent of 1,870,000,000 shares, which were the shares already delivered by Metroplex pursuant to the LIR-HK Unwinding. The shareholders, during Sinophil's annual meeting on June 3, 2005, approved the capital reduction, and the cancellation and delisting of said shares, with the SEC. A partial LIR-HK Unwinding cancelling the 1,870,000,000 shares was formally approved by the SEC as of March 28, 2006. In view of the LIR-HK Unwinding, Sinophil discontinued using the equity method in accounting for its investments in LIR-HK starting February 1, 1999.

On March 30, 2007, Sinophil acquired the loan obligation (the "Loan") of LIR-HK from Union Bank of the Philippines, which was secured by one billion shares of the Company's stock registered under the name of Metroplex. These shares were cancelled as of June 24, 2008. As of February 28, 2013, the remaining one billion undelivered Sinophil shares were still being held by a creditor of Metroplex. The Company has been negotiating for the release of such shares to be able to carry out the terms of the LIR-HK Unwinding. However, in view of the possibility that the Company may be unable to obtain such remaining one billion undelivered shares, Sinophil booked an impairment loss provision of ₱1,501,521,316 for 2012, representing the remaining net book value of its investment in LIR-HK.

2. 3.75% equity in Metro Manila Turf Club, Inc. ("MMTC")

MMTC, incorporated in 1993, has a congressional franchise for horseracing, which was granted in 1995, and is still in its pre-operating stage. Belle and Sinophil owned a combined 100% of MMTC as of December 31, 2007. As of December 31, 2009, Belle and Sinophil had sold a combined 87.5% of MMTC to a group of investors who are working towards the activation of MMTC's congressional horse racing franchise, and seeking financing for the construction of a race track. Sinophil's ownership interest in MMTC was 3.75% as of December 31, 2011. Prior to 2006, MMTC was to receive approximately 121 hectares of land in Tanauan, Batangas, which was originally intended as the site for a racetrack (the "Land"). However, the construction activity on the racetrack never commenced and the Land

was retained by Belle and Sinophil. Belle and Sinophil plan to use the Land for real estate projects in the future. In 2010, the new majority shareholders of MMTC unveiled a plan to build a racetrack on another tract of land in Malvar, Batangas.

### 3. 3.9% equity in Belle Bay City Corporation ("BBCC")

In March 1997, the Company acquired 4.5% interest in BBCC, a landholding company that owned approximately 14 hectares in net land area in a reclaimed seafront site along Roxas Boulevard in Parañaque City, which was intended to be the site of a mixed use real estate project. However, the subsequent Asian Financial Crisis made the plans regarding this project unfeasible, and the shareholders of BBCC thereafter decided to cancel the project. In February 2002, BBCC issued an additional 253,684,622 common shares for P1 per share. The Company did not subscribe to the additional issuance, resulting in the dilution of its equity interest in BBCC from 4.5% to 3.9%.

Land and development costs amounted to ₱1,490,475,921 as of December 31, 2007. Based on appraisal reports prepared by independent appraisers, the appraised value of such property has always been in excess of the carrying cost.

On June 27, 2003, the Board of Directors of BBCC approved the resolution to amend its articles of incorporation to shorten the corporate term and thus allow BBCC to distribute its land as liquidating dividends to its shareholders. The stockholders of BBCC ratified the resolution on July 10, 2003. On January 27, 2005, the SEC approved the Company's application for dissolution. BBCC has been in the process of subdividing its undeveloped land and distributing the same and other assets to its shareholders, and it will be formally dissolved after this process has been completed and all assets have been distributed.

On November 2012, the Company received its assigned land, with 4,348 square meters in area valued at P108.7 million, from BBCC as liquidating dividend. The receipt of its land as a liquidating dividend resulted in the cancellation of Sinophil's investments in BBCC and recognition of a gain on the liquidating dividend of P33.3 million.

### 4. Foundation Capital Resources, Inc. ("FCRI") – 100% subsidiary

FCRI was registered with the SEC on February 8, 1994 primarily to invest in, purchase, or otherwise acquire and own, hold, use, develop, lease, sell, assign, transfer, mortgage, pledge, exchange, operate, enjoy or otherwise dispose of, securities and other investments as may be permitted by law. It is presently still inactive.

### 5. Sinophil Leisure and Resorts Corporation ("SLRC") – 100% subsidiary

SLRC was registered with the SEC on December 27, 2007 primarily to conduct, maintain, operate and/or invest in amusement, entertainment and recreation businesses, including games of chance and skills, which may be allowed by law within the territorial jurisdiction of the Philippines. It is presently still inactive.

## Financial Performance

The Company derives its revenues primarily from investment activities, as follows:

	Year ended December 31	
	2012	2011
Interest	P 1,160	P 615
Gain on liquidating dividend	33,324,175	-
	<b>P 33,325,335</b>	<b>P 615</b>

## **Employees**

The Company is a holding company whose business is not manpower intensive; hence, its transactions are extremely manageable through temporary secondment of personnel from its affiliates on an as needed basis. This arrangement is also resorted to in keeping with austerity measures adopted due to present economic conditions. These personnel seconded to the Company are not subject to Collective Bargaining Agreements.

## **Competition**

Sinophil is an investment holding company. In the past, the Company has had past investments in various entities involved in gaming, property development, and pay-per-view entertainment and information systems.

### Gaming:

The Company has been historically involved in gaming and gaming-related activities within the Philippines through certain associates. Its interests include the following:

a) LIR-HK owned and operated Subic Legend Resorts and Casinos, which had a franchise to operate two casinos in the Subic Bay Special Economic Zone prior to 2006. However, on 10 May 2006, the Philippine Amusement and Gaming Corporation ordered the immediate stop to the operation of LIR's casinos, and since then revoked LIR's casino franchises.

b) Metro Manila Turf Club, Inc. ("MMTC") is the owner of a congressional franchise to engage in horse racing operations. It was still in its pre-operating stage as of 31 December 2011. Should MMTC operate its horse racing franchise and/or a racetrack in the future, it will compete with other companies which are presently operating racetracks in the country, such as the Philippine Racing Club and Manila Jockey Club.

## **Properties**

The Company and its subsidiaries have real estate properties recorded as an investment property. These properties are not subject to mortgage, lien and encumbrances. Please refer to Note 10 of Notes to Financial Statements.

## **Legal Proceedings**

To the best of the Company's knowledge, aside from what has already been mentioned in the preceding Item 1 ("Business") and in Item 11.4 ("Change in Control"), neither the Company nor any of its subsidiaries or affiliates is a party to, nor are they involved in, any litigation that will materially affect its interests.

## **Submission of Matters to a Vote of Security Holders**

There were no matters submitted to a vote of security holders during the calendar year covered by this report.

## OPERATIONAL AND FINANCIAL INFORMATION

### Market for Registrant's Common Equity and Related Stockholder Matters

#### MARKET INFORMATION

The principal market where the registrant's common equity is traded is the Philippine Stock Exchange (PSE). The high and low sales prices for each quarter within the last two fiscal years of the registrant's common shares, as quoted on the PSE, are as follows:

#### STOCK PRICES

	HIGH	LOW
<b>2012</b>		
First Quarter	0.420	0.335
Second Quarter	0.365	0.300
Third Quarter	0.370	0.300
Fourth Quarter	0.375	0.310
<b>2011</b>		
First Quarter	0.465	0.315
Second Quarter	0.440	0.335
Third Quarter	0.490	0.290
Fourth Quarter	0.590	0.285

As of 30 April 2013 Sinophil's market capitalization on 3,410,416,085 shares listed in the PSE amounted to 1,261,853,951.45 based on the closing price of 0.37 per share.

#### SECURITY HOLDERS

The number of shareholders of record as of 30 April 2013 was 562. Common shares outstanding as of 30 April 2013 were 7,927,310,000.

#### Top 20 shareholders as of 30 April 2013:

Rank	Name	Citizen-ship	Total	Percentage of Ownership
1	BELLE CORPORATION	FILIPINO	3,492,916,824.00	44.062%
2	PCD NOMINEE CORP. (FILIPINO)	FILIPINO	1,543,632,741.00	19.472%
3	PCD NOMINEE CORP. (OTHERS)	OTHERS	1,154,347,375.00	14.562%
4	INTEGRATED HOLDINGS, INC.	FILIPINO	320,000,000.00	4.037%
5	COMPACT HOLDINGS, INC.	FILIPINO	190,000,000.00	2.397%
6	TIMPANI INTERNATIONAL LIMITED	FILIPINO	158,460,000.00	1.999%
7	FOUNDATION CAPITAL RESOURCES, INC.	FILIPINO	156,530,000.00	1.975%
8	ELITE HOLDINGS, INC.	FILIPINO	151,400,000.00	1.910%
9	INPILCOM, INC.	FILIPINO	150,000,000.00	1.892%
10	SYSMART CORPORATION	FILIPINO	128,270,000.00	1.618%
11	APC GROUP, INC.	FILIPINO	100,000,000.00	1.261%
12	RICHOLD INVESTOR CORPORATION	FILIPINO	100,000,000.00	1.261%
13	SYSMART DEVELOPMENT CORP.	FILIPINO	100,000,000.00	1.261%
14	EASTERN SEC. DEV. CORP.	FILIPINO	20,932,000.00	0.264%
15	EAST PACIFIC CORP. (2)	FILIPINO	16,600,000.00	0.209%
16	PARKORAM DEVELOPMENT LIMITED	FILIPINO	14,264,119.00	0.180%
17	PHILIPPINE REALTY AND HOLDINGS CORP.	FILIPINO	14,264,119.00	0.180%
18	PARALLAX RESOURCES, INC.	FILIPINO	13,823,500.00	0.174%
19	OSCAR S. CU ITF ANTHONY CU	FILIPINO	10,430,000.00	0.132%
20	OSCAR S. CU	FILIPINO	9,070,000.00	0.114%

## DIVIDENDS

No dividends were declared from the date of incorporation to the date of this report. The Company's ability to pay dividends on common equity depends on the existence of unrestricted retained earnings.

## RECENT SALES OF UNREGISTERED SECURITIES

There were no unregistered securities sold within the past three (3) years and there were also no sales of reacquired securities, as well as new issuances of additional shares of stock, securities issued in exchange of property, services, other securities, and new securities resulting from the modification of outstanding securities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE AND FINANCIAL CONDITION

### Analysis of Results of Operation and Financial Condition - 2012 compared to 2011

(Amounts in Pesos, except percentages)	For the year ended December 31		Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2012	2011
			Amount	%		
INTEREST INCOME	1,160	615	545	88.63%	100.00%	100.00%
GAIN ON LIQUIDATING DIVIDEND	33,324,175	-	33,324,175	0.00%	100.00%	100.00%
GENERAL AND ADMINISTRATIVE EXPENSES	(6,913,678)	(6,437,543)	476,135	7.40%	-595955.32%	-1046754.96%
PROVISION FOR IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS	(1,585,088,316)	(240,000)	-	0.00%	-136633765.69%	-39024.39%
INCOME (LOSS) BEFORE INCOME TAX	(1,558,676,659)	(6,676,928)	1,551,999,731	23244.22%	-134357095.00%	-1085679.35%
TAX	9,276,530	-	(9,276,530)	0.00%	799631.93%	0.00%
NET INCOME (LOSS)	(1,567,953,189)	(6,676,928)	1,561,276,261	23383.15%	-135156726.92%	-1085679.35%
OTHER COMPREHENSIVE INCOME						
Realized gains (losses) arising from changes in market value of available-for-sale investments	94,833,460	27,937,804	66,895,656	239.44%	8174593.60%	4542732.36%
TOTAL COMPREHENSIVE LOSS	(1,473,119,729)	21,260,876	(1,494,380,605)	-7028.78%	-126982133.32%	3457053.01%

Sinophil Corporation ("Sinophil" or the "Company") incurred a consolidated net loss of ₱1,568.0 million for the year ended December 31, 2012, compared to a consolidated net loss of ₱6.7 million for the year ended December 31, 2011. The net loss for 2012 resulted predominantly from a loss provision of ₱1,501.5 million on the remaining net book value of its investment in Legend International Resorts (HK) Limited. The Company also booked an impairment loss provision of ₱85.6 million on its available-for-sale investments in 220 shares of Tagaytay Midlands Golf Club, Inc., as a conservative accounting measure. The foregoing loss of the Company in 2012 was partially offset by gain from the liquidating dividend on its investment in Belle Bay City Corporation amounting to ₱33.3 million. In November 2012, the Company received a parcel of land with an area of 4,348 square meters from Belle Bay City as liquidating dividend. The receipt of the said parcel of land from Belle Bay City cancels the Company's net investments in Belle Bay City amounting to ₱73.2 million as well as its advances amounting to ₱2.2 million. As a result of

the liquidation of investments in and advances to Belle Bay City, the Company received a parcel of land amounting ₱108.7 million and recognized a gain on liquidating dividend amounting to ₱33.3 million.

	December	December	Horizontal Analysis		Vertical Analysis	
	2012	2011	Increase (Decrease)		2012	2011
			Amount	%		
<b>ASSETS</b>						
Cash	789,884	418,612	371,272	88.69%	0.04%	0.01%
Receivables and others	30,036,723	88,256,346	(58,219,623)	-65.97%	1.48%	2.52%
Available-for-sale						
Investments	1,601,621,537	3,122,252,656	(1,520,631,119)	-48.70%	79.03%	89.30%
Investment Property	394,210,452	285,510,452	108,700,000	38.07%	19.45%	8.17%
<b>Total Assets</b>	<b>2,026,658,596</b>	<b>3,496,438,066</b>	<b>(1,469,779,470)</b>	<b>-42.04%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Liabilities</b>						
Accrued expenses and						
other current liabilities	53,367,070	53,118,841	248,229	0.47%	2.63%	1.52%
Income tax liability	2,754,530	-	2,754,530	0.00%	0.14%	0.00%
Due to Belle	105,650,145	105,650,145	0	0.00%	5.21%	3.02%
<b>Total Liabilities</b>	<b>161,771,745</b>	<b>158,768,986</b>	<b>3,002,759</b>	<b>1.89%</b>	<b>7.98%</b>	<b>4.54%</b>
<b>Equity</b>						
Capital stock	7,927,310,000	7,927,310,000	(0)	0.00%	391.15%	226.73%
Additional paid-in capital	2,039,727,799	2,039,727,799	(0)	0.00%	100.64%	58.34%
Subscription receivable	(4,962,655,586)	(4,962,993,086)	337,500	-0.01%	-244.87%	-141.94%
Cost of Parent Company shares						
held by a subsidiary	(512,594,197)	(512,594,197)	-	0.00%	-25.29%	-14.66%
Other reserves	336,752,502	241,919,042	94,833,460	39.20%	16.62%	6.92%
Deficit	(2,963,653,667)	(1,395,700,478)	(1,567,953,189)	112.34%	-146.23%	-39.92%
<b>Net Equity</b>	<b>1,864,886,851</b>	<b>3,337,669,080</b>	<b>(1,472,782,229)</b>	<b>-44.13%</b>	<b>92.02%</b>	<b>95.46%</b>
<b>Total Liabilities and Equity</b>	<b>2,026,658,596</b>	<b>3,496,438,066</b>	<b>(1,469,779,470)</b>	<b>-42.04%</b>	<b>100.00%</b>	<b>100.00%</b>

Total assets as of December 31, 2012 were ₱2,026.7 million, with shareholders' equity being ₱1,864.9 million. Comparatively, total assets and shareholders' equity as of December 31, 2011 were ₱3,496.4 million and ₱3,337.7 million, respectively. There was a decrease in the ending balances of assets and equity from 2011 to 2012, due mainly from a decrease in available-for-sale (AFS) investments of ₱1,520.6 million and collection of receivables from related parties and securities broker of ₱58.2 million, from ₱3,122.3 million as of December 31, 2011 to ₱1,601.6 million as of December 31, 2012. The decrease in the AFS investments balance was due to the impairment loss recognized on its AFS investments in LIR- HK and Tagaytay Midlands shares. The decrease in available-for-sale investments was partially offset by the acquisition of additional Belle shares amounting to ₱42.9 million and unrealized mark-to-market gains on Belle shares amounting to ₱94.8 million. During the year, the Company also received land with an area of 4,348 square meters and a valuation of ₱108.7 million, as a gain from the liquidating dividend from its investment in Belle Bay City Corporation. The increase in deficit of 1,568.0 million, from ₱1,395.7 million as of December 31, 2011 to ₱2,963.7 million as of December 31, 2012, was due to the impairment loss recognized on AFS investments in LIR-HK and Tagaytay Midlands shares. The unrealized mark-to-market gains on AFS investments increased by ₱94.8 million due to the increase in market value of its investment in 85.7 million Belle shares. Aside from what has been mentioned in the foregoing, there were no significant elements of income or loss that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations, of Sinophil during 2012.

On August 23, 2001, with respect to Sinophil's investment in 40% of the equity of LIR-HK, the LIR-HK Unwinding was agreed into by and among the Company, Belle, Metroplex and LIR-HK, thereby 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. To effect cancellation of the Metroplex's investment,

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 deliver for cancellation the stock certificates covering 2.0 billion shares of their total shareholdings at that time, Sinophil again presented to its shareholders on its meeting on June 3, 2005 a reduction in its authorized capital stock to the extent of 1.87 billion shares (the "Partial LIR-HK Unwinding"). On March 28, 2006, the SEC formally approved the Partial LIR-HK 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-HK for a loan from 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 December 31, 2012, one billion Sinophil shares still remained outstanding from Metroplex.

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 others, the following: (i) the transfer by Belle Corporation or 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 for 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 majority-owned subsidiaries:

	<b>Manner by which the key performance indicators are computed</b>	<b>Dec. 31, 2012</b>	<b>Dec. 31, 2011</b>
Current ratio	<u>Current assets</u> Current Liabilities	<b>0.55 : 1.00</b>	1.67 : 1.00
Return on assets	<u>Net loss</u> Average Total assets during the period	<b>(56.78%)</b>	(0.19%)
Return on equity	<u>Net loss</u> Average equity during the period	<b>(60.28%)</b>	(0.20%)
Asset-to-equity ratio	<u>Total Assets</u> Total Equity	<b>1.09:1.00</b>	1.05:1.00
Debt to equity ratio	<u>Total Debt</u> Total Equity	<b>Not applicable</b>	Not applicable
Interest rate coverage ratio	<u>Earnings Before Interest and Taxes</u> Interest Expense	<b>Not applicable</b>	Not applicable

The Company does not foresee any cash flow or liquidity problems over the next 12 months. The Company has no borrowings.

No material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities were created during the year.

As of December 31, 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:

- (a) Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- (b) Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- (c) 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;
- (d) Significant elements of income or loss that did not arise from the Company's continuing operations;
- (e) Seasonal aspects that had a material impact on the Company's results of operations; and
- (f) Material changes in the financial statements of the Company during the years ended December 31, 2011 and December 31, 2012.

### 2013 Plan of Operation

By virtue of the Settlement Agreement entered into by the Company with Belle Corporation on 28 August 2009, the Company now owns (i) 220 shares in Tagaytay Midlands Golf Club, Inc., and (ii) 235,583 square meters of developed land located in Tanauan, Batangas. The Tagaytay Midlands shares owned by the Company are immediately disposable, while the developed land is planned to be made part of a new subdivision project to be co-developed with Belle Corporation. In addition to the foregoing, the Company also owns property at the Manila Bay Reclamation Area which it is also planning to co-develop with Belle or other third-party property developers.

In addition to continued efforts towards the completion of the full LIR-HK Unwinding, Sinophil's management is considering various opportunities relative to new business ventures, the implementation of which will depend on economic conditions in the future.

### Analysis of Results of Operation and Financial Condition - 2011 compared to 2010

	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2011	2010	Increase (Decrease)		2011	2010
INTEREST INCOME	615	314	301	95.9%	100.0%	100.0%
GENERAL AND ADMINISTRATIVE EXPENSES	(6,437,543)	(7,283,773)	846,230	-11.6%	-1046755.0%	-2319672.9%
PROVISION FOR IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS	(240,000)	(120,000)	(120,000)	100.0%	-39024.4%	-38216.6%
NET LOSS	(6,676,928)	(7,403,459)	726,531	-9.8%	-1085679.3%	-2357789.5%

Sinophil Corporation ("Sinophil" or the "Company") incurred a consolidated net loss of ₱6.7 million for the year ended 31 December 2011, compared to a consolidated net loss of ₱7.4 million for the year ended 31 December 2010. The lower net loss during 2011 is due to a decrease in general and administrative expenses by ₱0.8 million (12%), to ₱6.4 million during the 2011 period, from ₱7.3 million for the same period last year, due to lower realty taxes and salaries and wages during 2011.



December		Horizontal Analysis		Vertical Analysis	
		Increase (Decrease)			
		Amount	%		
	2011	2010		2011	2010
<b>ASSETS</b>					
Cash	418,612	253,590	165,022	65.1%	0.0%
Receivables and others	88,256,346	94,220,972	(5,964,626)	-6.3%	2.5%
Available-for-sale Investments	3,122,252,656	3,094,554,852	27,697,804	0.9%	89.3%
Investment Property	285,510,452	285,510,452	-	0.0%	8.2%
<b>Total Assets</b>	<b>3,496,438,066</b>	<b>3,474,539,866</b>	<b>21,898,200</b>	<b>0.6%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Liabilities</b>					
Accrued expenses and other current liabilities	53,118,841	52,556,517	562,324	1.1%	1.5%
Due to Belle	105,650,145	105,650,145	-	0.0%	3.0%
<b>Total Liabilities</b>	<b>158,768,986</b>	<b>158,206,662</b>	<b>562,324</b>	<b>0.4%</b>	<b>4.5%</b>
<b>Equity</b>					
Capital stock	7,927,310,000	7,927,310,000	-	100.0%	226.7%
Additional paid-in capital	2,039,727,799	2,039,727,799	-	100.0%	58.3%
Subscription receivable	(4,962,993,086)	(4,963,068,086)	75,000	0.0%	-141.9%
Parent Company shares held by a subsidiary	(512,594,197)	(512,594,197)	-	100.0%	-14.7%
Other reserves	241,919,042	213,981,238	27,937,804	13.1%	6.9%
Deficit	(1,395,700,478)	(1,389,023,550)	(6,676,928)	0.5%	-39.9%
<b>Net Equity</b>	<b>3,337,669,080</b>	<b>3,316,333,204</b>	<b>21,335,876</b>	<b>0.6%</b>	<b>95.5%</b>
	<b>3,496,438,066</b>	<b>3,474,539,866</b>	<b>21,898,200</b>	<b>0.6%</b>	<b>100.0%</b>

Total assets as of December 31, 2011 were P3,496.4 million, with shareholders' equity being P3,337.7 million. Comparatively, total assets and shareholders' equity as of December 31, 2010 were P3,474.5 million and P3,316.3 million, respectively. There was no significant movement in the ending balances of assets and equity from 2010 to 2011, except for unrealized mark-to-market gains on available-for-sale investments amounting to P27.9 million, mainly from the increase in market value of the Company's 85.7 million Belle shares, from P4.60 per share as of December 31, 2010 to P5.08 per share as of December 31, 2011. Note that, under accounting rules, this mark-to-market gain cannot be recognized in Sinophil's net income until the shares are sold. Thus, the net book value of Sinophil's Belle shares thus remains at P0.55 per share due to the loss provision that was booked during 2008. Aside from what has been mentioned in the foregoing, there were no significant elements of income or loss that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations, of Sinophil during 2011.

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

	Manner by which the key performance indicators are computed	Dec. 31, 2011	Dec. 31, 2010
Current ratio	<u>Current assets</u> Current Liabilities	1.67 : 1.00	1.80 : 1.00

Return on assets	<u>Net Loss</u> Average Total Assets during the period	(0.19%)	(0.22%)
Return on equity	<u>Net Loss</u> average equity during the period	(0.20%)	(0.23%)
Asset-to-equity ratio	<u>Total assets</u> Total equity	1.05:1.00	1.05:1.00
Debt to equity ratio	<u>Total Debt</u> Total Equity	Not applicable	Not applicable
Interest rate coverage ratio	<u>Earnings Before Interest and Taxes</u> Interest Expense	Not applicable	Not applicable

The Company does not foresee any cash flow or liquidity problems over the next 12 months. The Company has no borrowings.

No material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities were created during the year.

As of December 31, 2011, 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:

- (a) Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- (b) Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- (c) 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;
- (d) Significant elements of income or loss that did not arise from the Company's continuing operations;
- (e) Seasonal aspects that had a material impact on the Company's results of operations; and
- (f) Material changes in the financial statements of the Company during the years ended December 31, 2010 and December 31, 2011.

#### **2012 Plan of Operation**

In addition to continued efforts towards the completion of the full LIR-HK Unwinding, Sinophil's management is considering various opportunities relative to new business ventures, the implementation of which will depend on economic conditions in the future.

#### **Key Variables and other Qualitative and Quantitative Factors**

The Company expects no material commitments for capital expenditures and expected funds in 2013. To the best of the Company's knowledge, aside from what has already been mentioned in the preceding, there are no known trends, events or uncertainties that will have a material impact on sales; no significant elements of income or loss that did not arise from continuing operations aside from those disclosed in the Notes to the Audited Financial Statements; and no seasonal aspects with material effect on results of operations.

Sinophil maintains sufficient cash balances to meet minimum operational requirements, as determined by management from time to time. Additional cash requirements are sourced from affiliates. To the best of the Company's knowledge, there are no known trends, events or uncertainties that will have a material impact on its liquidity.

### **Information on Independent Accountant and Other Related Matters**

#### **a. External Audit Fees**

##### **a.1. Audit and Audit-Related Fees**

The aggregate fees paid by the Company for professional services (including Value Added Tax) rendered by the external auditor for the audit of financial statements for the years ended 31 December 2012 and 2011 follow:

	(P000's omitted)
2012	P295
2011	P295

a.2. There were no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements.

#### **b. Tax Fees**

There were no professional services rendered by the external auditor for tax accounting compliance, advice, planning and any other form of tax services in each of the last two years.

#### **c. All Other Fees**

There were no other professional services rendered by the external auditors for each of the last two years other than item (a) and (b) above.

#### **d. The Audit Committee's approval policies and procedures for the above services**

The Audit Committee has the oversight responsibility over the audit function and activities of the Company's internal and external auditors. It provides assurance that financial disclosures made by the management as presented in the Auditor's report reasonably reflect (a) the financial condition; the result of operation; and the plans and long-term commitments; and (b) internal controls are operating as intended.

The Audit Committee has the responsibility to recommend an external auditor to be selected and appointed by the stockholders during each annual stockholder's meeting.

It reviews the audit coverage of the External Auditors and deliberates on their audit report prior to endorsement to the Board of Directors and presented to the stockholder's for approval.

### **DIRECTORS AND EXECUTIVE OFFICERS**

Please refer to the portion of this Information Statement on "Directors and Executive Officers".

### **COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES**

Sinophil Corporation has formalized its commitment to good corporate governance in compliance with the initiative of the Securities and Exchange Commission (SEC). The Company has adopted its Manual on Corporate Governance which provides for, among others, a compliance officer

specifically for corporate governance, the duties and responsibilities of a director and the creation of board committees. These committees are comprised of a nomination committee for selecting directors and passing upon their qualifications, compensation and remuneration committee to look into an appropriate rewards system and an audit committee to review financial and accounting matters. The current members of the aforesaid committees for the calendar year 2012 were appointed on 23 April 2012.

As proof of its compliance with the leading practices and principles in good corporate governance, Sinophil regularly submits to the SEC the Compliance Officer's report on (i) the Corporation's Compliance with its Manual on Corporate Governance, and (ii) the directors' attendance records. It also submits its annual Corporate Governance Self-Rating reports to the SEC and PSE.

Sinophil continues to welcome the nomination and election of independent directors, abiding by the requirements of law, as well as to help guarantee proper decision-making at the board level. The composition of the rest of the board further assures that decisions are based on objective assessments, reasonable appraisals, open discussions and principled consensus, all in the best interest of the corporation and its stakeholders.

The Company is not aware of any non-compliance with its Manual of Corporate Governance, by any of its officers or employees. Under the Manual of Corporate Governance of the Company, the Compliance Officer is responsible for monitoring compliance with the provisions and requirements, as well as violations of the Manual of Corporate Governance.

The Company's Manual of Corporate Governance shall be subject to annual review unless the same frequency is amended by the Board.

**UNDERTAKING TO PROVIDE COPIES OF THE INFORMATION STATEMENT  
AND THE ANNUAL REPORT**

**UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT (ON SEC FORM 20-IS) AND ANNUAL REPORT (ON SEC FORM 17-A) WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:**

THE CORPORATE SECRETARY  
SINOPHIL CORPORATION  
5F TOWER A, TWO E-COM CENTER,  
PALM COAST AVENUE,  
MALL OF ASIA COMPLEX, PASAY CITY