

ASIA PROPERTIES INC  
Form 10-Q  
November 21, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-51048

ASIA PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation or organization)

47-0855301  
(IRS Employer Identification No.)

119 Commercial Street  
Suite 190-115, Bellingham  
Washington 98225

98225  
(Zip Code)

(Address of principal executive offices)

(360) 392-2841

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of 11 November 2011, the issuer had 38,221,362 shares of common stock outstanding.



ASIA PROPERTIES, INC.

Quarterly Report on Form 10-Q  
For the Quarterly Period Ended September 30, 2011

### FORWARD-LOOKING STATEMENTS

This Form 10-Q for the quarterly period ended September 30, 2011 contains forward-looking statements that involve risks and uncertainties. Forward-looking statements in this document include, among others, statements regarding our capital needs, business plans and expectations. Such forward-looking statements involve assumptions, risks and uncertainties regarding, among others, the success of our business plan, availability of funds, government regulations, operating costs, our ability to achieve significant revenues, our business model and products and other factors. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue”, the negative of such terms or other comparable terminology. In evaluating these statements, you should consider various factors, including the assumptions, risks and uncertainties set forth in reports and other documents we have filed with or furnished to the SEC. These factors or any of them may cause our actual results to differ materially from any forward-looking statement made in this document. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding future events, our actual results will likely vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. The forward-looking statements in this document are made as of the date of this document and we do not intend or undertake to update any of the forward-looking statements to conform these statements to actual results, except as required by applicable law, including the securities laws of the United States.

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Asia Properties, Inc.  
Balance Sheets

	September 30, 2011	December 31, 2010
<b>Assets</b>		
<b>Current:</b>		
Cash	\$ 175	\$ 342
<b>Investment</b>		
Property rights	\$ 625,000	\$ -
<b>Total Assets</b>	<b>\$ 625,175</b>	<b>\$ 342</b>
<b>Current:</b>		
Other payables and accrued liabilities	\$ 122,343	\$ 25,441
Short term bank loans	46,481	59,263
Due to related parties	764,869	618,905
<b>Total Current Liabilities</b>	<b>933,693</b>	<b>703,609</b>
<b>Long term liabilities</b>		
Long term loans	47,857	47,879
<b>Stockholders' Equity (Deficit)</b>		
Common Stock, \$0.001 par value; 200,000,000 shares authorized; 38,221,362 and 35,721,362 common shares issued and outstanding at September 30, 2011 and December 31, 2010	11,948	9,448
Additional paid-in capital	3,077,980	2,565,480
Donated capital	345,000	345,000
Deficit accumulated during the development stage	(3,791,303 )	(3,671,074 )
<b>Total Stockholders' Equity (Deficit)</b>	<b>(356,375 )</b>	<b>(751,146 )</b>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b>\$ 625,175</b>	<b>\$ 342</b>

See accompanying notes to the financial statements

Asia Properties, Inc.

Consolidated Statements of Operations  
(Unaudited)

	For The Three Months Ended September 30, 2011	For The Three Months Ended September 30, 2010
Revenue	\$ -	\$ -
Operating expenses		
General and administrative	32,814	21,341
Management fees	15,000	15,000
Professional fees	-	-
Consulting	9,836	-
Total operating expenses	57,650	36,341
Loss from operations	(57,650 )	(36,341 )
Net loss	\$ (57,650 )	\$ (36,341 )

See accompanying notes to the unaudited consolidated financial statements.

Asia Properties, Inc.

Consolidated Statements of Operations  
(Unaudited)

	For The Nine Months Ended September 30, 2011	For The Nine Months Ended September 30, 2010	For The Period From April 6, 1998 (Inception ) Through September 30, 2011
Revenue	\$ -	\$ -	\$ (46,342 )
Operating expenses			
General and administrative	65,393	52,735	1,809,473
Management fees	45,000	45,000	1,208,614
Professional fees	-	-	783,469
Consulting	9,836	45,000	145,082
Total operating expenses	120,229	142,735	3,946,638
Loss from operations	(120,229 )	(142,735 )	(3,992,980 )
Interest income	-	-	3,294
Disposal of subsidiary	-	-	27,120
Gain on settlement of debt	-	-	178,307
Income taxes recovered	-	-	595
Write-down of property and equipment	-	-	(7,639 )
Net loss	\$ (120,229 )	\$ (142,735 )	\$ (3,791,303 )
Weighted average number of shares outstanding – basic and diluted	36,083,999	35,593,157	
Net loss per share - basic and diluted	\$ (0.003 )	\$ (0.004 )	

See accompanying notes to the unaudited consolidated financial statements.

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Asia Properties, Inc.

Statements of Stockholders' Deficit

From December 31, 2004 Through September 30, 2011

	Common Stock		Additional	Donated	Deficit	Total
	Number of	Amount	Paid In	Capital		
	shares	\$	Capital	\$	\$	\$
Balance December 31, 2004	7,519,028	7519	1,729,509	270,000	(2,064,981)	(57,953 )
Issued for services at \$0.26 per share	40,000	40	10,360	-	-	10,400
Issued for services at \$0.50 per share	50,000	50	24,950	-	-	25,000
Issued for properties at \$0.50 per share	600,000	600	299,400	-	-	300,000
Issued for properties at \$1.45 per share	45,000	45	159,955	-	-	160,000
Issued for properties at \$2.55 per share	350,000	350	899,650	-	-	900,000
Issued for cash at \$0.50 per share	1,050,000	1,050	523,950	-	-	525,000
Finders fee paid	-	-	(25,000 )	-	-	(25,000 )
Donated capital	-	-	-	60,000	-	60,000
Net loss for the year	-	-	-	-	(247,792 )	(247,792 )
Balance, December 31, 2005	9,654,028	9,654	3,622,774	330,000	(2,312,773)	1,649,655
Option exercised for cash at \$1.00 per share	40,000	40	39,960	-	-	40,000
Issued for cash at \$1.00	105,000	105	104,895	-	-	105,000
Donated capital	-	-	-	15,000	-	15,000
Net loss for the year	-	-	-	-	(252,278 )	(252,278 )
Balance December 31, 2006	9,799,028	9,799	3,767,629	345,000	(2,565,051)	1,557,377
Issued for cash at \$1.00	55,000	55	54,945	-	-	55,000
Finders fee paid	2,750	3	2,747	-	-	2,750
4 for 1 split on 16 April	29,570,334	-	-	-	-	-
Net loss for the year	-	-	-	-	(298,260 )	(298,260 )
Balance December 31, 2007	39,427,112	9,857	3,825,321	345,000	(2,863,311)	1,316,867
Issued for cash at \$0.20	225,000	225	44,775	-	-	45,000
Finders fee paid	11,250	11	2,239	-	-	2,250
Cancelled due to unsuccessful transfer of property rights	(3,940,000 )	(985 )	(1,323,460)	-	-	(1,324,445)
Net loss for the year	-	-	-	-	(513,977 )	(513,977 )
Balance December 31, 2008	35,723,362	9,108	2,548,875	345,000	(3,377,288)	(474,305 )



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Cancelled due to unsuccessful transfer of property rights	(40,000 )	(10 )	(35,545 )	-	-	(35,555 )
Net loss for the period	-	-	-	-	(114,528 )	(114,528 )
Balance December 31, 2009	35,371,362	9,098	2,513,330	345,000	(3,491,816)	(624,388 )
Issued for services	350,000	350	52,150	-	-	52,500
Net loss for the period	-	-	-	-	(179,258 )	(179,258 )
Balance December 31, 2010	35,721,362	9,448	2,565,480	345,000	(3,671,074)	(751,146 )
Issued for properties at \$0.05 per share	500,000	500	24,500	-	-	25,000
Issued for properties at \$0.245 per share	2,000,000	2,000	488,000	-	-	490,000
Net loss for the period	-	-	-	-	(120,229 )	(120,229 )
Balance September 30, 2011	38,221,362	11,948	3,077,980	345,000	(3,791,303)	(356,375 )

See accompanying notes to the unaudited consolidated financial statements.

Asia Properties, Inc.  
Statements of Cash Flows

(Stated in US Dollars)

	For the 9 months ended		Cumulative total
	30 September 2011	For the year ended 31 December 2010	since inception
<b>Cash flows used in operating activities</b>			
Net loss	(120,229 )	(179,258 )	(3,791,303 )
<b>Adjustments to reconcile net loss to net cash used in operating activities</b>			
Amortized property rights	-	-	97,309
Cancellation of shares issued for property rights	-	-	(1,360,000 )
Deferred assets amortized	-	-	12,507
Depreciation	-	-	12,599
Donated management services	-	-	345,000
Gain on settlement of debt	-	-	(178,307 )
Gain on disposal of subsidiary	-	-	-
Investment written off	-	-	20,000
Property rights written off	-	-	1,637,900
Shares issued for services rendered	-	52,500	808,776
Write down of investment to NRV	-	-	37,400
Write down of property and equipment	-	-	7,639
<b>Changes in operating assets and liabilities</b>			
Increase/ (decrease) in short term loans	(12,782 )	(16,637 )	34,882
Increase in prepaid expenses and deposits	-	-	-
Increase in payables and accruals	96,902	7,634	455,258
Net cash used in operating activities	(36,109 )	(135,761 )	(1,860,340 )
<b>Cash flow used in investing activities</b>			
Property rights acquired for resale	-	-	(375,209 )
Increase in deferred assets	-	-	(12,507 )
Purchase of property and equipment	-	-	(20,238 )
Purchase of securities	-	-	(20,000 )
Purchase of investment	(625,000 )	-	(652,000 )
Net cash used in investment activities	(625,000 )	-	(1,079,954 )
<b>Cash flows from financing activities</b>			
Issuance of stock	515,000	-	1,921,600
Increase in long term loan	(22 )	(9 )	59,474
Advances from related party	145,964	132,484	959,413
Net cash provided by financing activities	660,942	132,475	2,940,469
Net increase/ (decrease) in cash	(167 )	(43,286 )	175
Cash, beginning of year	342	3,628	-
Cash, end of year	175	342	175

See accompanying notes to the financial statements.



Asia Properties, Inc.

Notes to the Financial Statements

September 30, 2011

(Unaudited)

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1. **Basis of Presentation**

The accompanying unaudited interim financial statements of Asia Properties, Inc., have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in Asia Properties' Annual Report filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal 2010 as reported in the form 10-KSB have been omitted.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Asia Properties and its 100% owned subsidiary, Asia Properties (HK) Limited that was registered in Hong Kong on November 7, 2007, after elimination of all significant inter-company accounts and transactions.

2. **Going Concern**

Planned principal activities have begun but Asia Properties has not generated significant revenues to date. The company had a net loss of \$120,229 and had a working capital and stockholders' deficit of \$356,375 at September 30, 2011. These matters raise substantial doubt about Asia Properties' ability to continue as a going concern. Continuation of Asia Properties' existence depends upon its ability to obtain additional capital. Management's plans in regards to this matter include receiving continued financial support from directors and raising additional equity financing in 2011. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

3. **Related Party Transactions**

For the nine months ended September 30, 2011, Asia Properties accrued \$45,000 salary to its CEO. As of September 30, 2011, Asia Properties owed its CEO \$764,869 in expense reimbursements and unpaid salary.

Notes to the Financial Statements (continued)

4. Shareholders' Equity

The following table summarizes common stock issuances and retirements as of September 30, 2011:

	Number of Shares	Common Stock Amount
Balance as of December 31, 2008	39,411,362	\$ 9,108
Shares cancelled	(40,000 )	(10 )
Balance as of December 31, 2009	35,371,362	\$ 9,098
Shares issued for services	350,000	350
Balance as of December 31, 2010	35,721,362	\$ 9,448
Shares issued for properties acquired	2,500,000	2,500
Balance as of September 30, 2011	38,221,362	11,948

a) On August 30, 2011 the Company issued 2,000,000 shares for another fifty-three gold claims in Newfoundland, Canada.

b) On July 18, 2011 the Company issued 500,000 shares for sixteen gold claims in Quebec, Canada.

c) On April 10, 2010 the Company issued 350,000 shares for services rendered.

d) On December 31, 2009 the Company cancelled 40,000 shares issued in 2005 for the Thailand land purchase as a result of the non-delivery of title.

5. Commitments

The Company is committed to pay C\$100,000 for fifty-three gold claims in Newfoundland, Canada that it acquired on August 30h 2011.

6. Subsequent Events

The Company has engaged consultants to oversee mineral exploration work on its sixty-nine Canadian claim sites, namely Banroy and King's Point.

The Company is also actively seeking to acquire mining properties in the Philippines and has signed a Non-disclosure agreement for 42,000 hectares of gold claims in Mindanao.

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

Asia Properties, Inc was established to seek opportunities to invest in real estate and develop resorts in South East Asia. The Company has in July, 2011 restructured itself into a junior mining exploration company

At the moment, it intends to deploy Asian based capital to develop and acquire mining assets in North America and other favorable mining jurisdictions.

The Company is not highly leveraged and expects to be able to capitalize on suitable possibilities when identified.

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### Limited Operating History; Need for Additional Capital

There is no historical financial information about us upon which to base an evaluation of our performance. We have no revenue generating assets. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns due to price and cost increases in services.

We will require additional financing to cover our costs that we expect to incur over the next twelve months. We believe that debt financing will not be an alternative for funding our operations as we do not have tangible assets to secure any debt financing. We anticipate that additional funding will be in the form of equity financing from the sale of our common stock. However, we cannot provide any assurance that we will be able to raise sufficient funding from the sale of our common stock to fund our plan of operations. In the absence of such financing, we will not be able to continue and our business plan will fail.

### Results of Operations

#### Revenues

We have not generated any revenues from our operations during the nine-month period ended September 30, 2011 or during last two years.

#### Expenses

We incurred general and administrative expenses of \$65,393 for the nine-month period ended September 30, 2011, as compared to \$52,735 for the same period in 2010, an increase of \$12,658 or 24%.

Our management fees remained the same at \$45,000 for the nine-months ended September 30, 2011 as for last year.

We did not incur any consulting or professional fees during either quarter.

### Liquidity and Capital Resources

As at September 30, 2011, we had cash of \$175.

#### Cash Used in Operating Activities

Net cash used in operating activities was \$36,109 for the nine-month period ended September 30, 2011. For the same period in 2010, there was net cash used of \$43,662. For the period from April 6, 1998 (inception) to September 30, 2011, net cash used in operating activities was \$1,860,340.

#### Cash Used in Investing Activities

Net investing activities was \$625,000 during the quarter under review and \$1,079,954 for the period from April 6, 1998 (inception) to September 30, 2011.

#### Cash from Financing Activities

We have funded our business to date primarily from sales of our common stock but did not sell any common stock during the nine months ended September 30, 2011. There are no assurances that we will be able to achieve further

sales of our common stock or any other form of additional financing. If we are unable to achieve the financing necessary to continue our plan of operations, then we will not be able to continue our operations and our business will fail.

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### Going Concern

We are a development stage company. In a development stage company, management devotes most of its activities to developing a market for its products and services. Planned principal activities have begun, but we have not generated revenues to date.

### Future Financing

We anticipate continuing to rely on equity sales of our common stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing shareholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned operations.

### Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

### Item 4. Controls and Procedures.

#### Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed by us in reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the our Chief Executive Officer (as our chief executive officer and chief financial officer), to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. As of the end of the period covered by this report, and under the supervision and with the participation of management, including our Chief Executive Officer, who is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, such persons conducted an evaluation of the effectiveness of the design and operation of these disclosure controls and procedures. Based on this evaluation and subject to the foregoing, our Chief Executive Officer concluded that these controls are not effective because there are material weaknesses in our internal controls over financial reporting. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over reporting such that there is a reasonable possibility that that a material misstatement our annual or interim financial statements will not be prevented or detected on a timely basis.

#### Changes in Internal Control Over Financial Reporting

During the period covered by this report, there have not been any changes in the our internal controls that have materially affected or are reasonably likely to materially affect, the our internal control over financial reporting. However, please note the discussion above.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We are not presently a party to any legal proceedings and, to our knowledge, no such proceedings are threatened or pending.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

No stock was sold for valuable consideration during the nine months ended September 30, 2011.

Item 3. Defaults Upon Senior Securities.

None.

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

No matters were submitted to our security holders for a vote during the nine months ended September 30, 2011.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are attached hereto:

Exhibit No.	Description of Exhibit
10.7	Claim Acquisition Agreement between Asia Properties, Inc. and Banroy Resources dated July 18, 2011
31.1	Certification of principal executive officer pursuant to Rule 13a-15(e) and 15d-15(e), promulgated under the Securities and Exchange Act of 1934, as amended, filed herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith
99.1	Official Claims Certificate No. 87311 issued by the Province of Quebec, Canada dated September 22, 2100

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ASIA PROPERTIES, INC.

By:

/s/ Daniel Mckinney  
Daniel Mckinney  
Chief Executive Officer

and

/s/ Gilbert Loke  
Gilbert Loke  
Chief Financial Officer)

November 21, 2011

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