



**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17  
OF THE SRC AND SRC RULE 17 (2) (B) THEREUNDER**

1. For the fiscal year ended **September 30, 2008**
2. Commission identification number **35841**
3. BIR Tax Identification No. **500-000-158-664**
4. Exact name of registrant as specified in its charter **FILSYN CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization **Makati City, Philippines**
6. Industry Classification Code (SEC Use Only)
7. Address of registrant's principal office **14th Floor, Lepanto Building  
Paseo de Roxas, Makati City**
8. Registrant's telephone number, including area code **(02) 815-93-20**
9. Securities registered pursuant to Sections 8 and 12 of the SRC

Number of shares of common  
Title of each Stock outstanding  
Class


- |                |                                      |
|----------------|--------------------------------------|
| Class A Common | <b>123,747,707</b> Shares fully paid |
| Class B Common | <b>82,498,474</b> Shares fully paid  |
10. Securities listed in the PSE **206,246,181** Shares

**FINANCIAL INFORMATION**

**Please see attached Financial and Management Reports.**

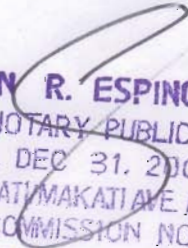
**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on NOV 10 2008.

  
**APOLINARIO L. POSIO**  
Chief Financial Officer

**SUBSCRIBED AND SWORN** to before me this NOV 10 2008 affiants exhibiting to me his Community Tax Certificates/Passport No. 19910026 issued on January 15, 2008 at Paranaque City.

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**RYAN R. ESPINOSA**  
NOTARY PUBLIC  
UNTIL DEC 31, 2008  
TRIUM OF MAKATI/MAKATI AVE. MAKATI CITY  
NOTARIAL COMMISSION NO. M-30  
ROLL NO. 47548  
IBP NO. 688752/11-22-2007/O.C.  
PTR NO. 0987178/01-4-2008/MAKATI CITY

**FILSYN CORPORATION**

**Financial Statements**

**September 30, 2008 and December 31, 2007**

**and for the Periods Ended September 30, 2008 and 2007**

**FILSYN CORPORATION**  
**BALANCE SHEETS**  
**(IN P000)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>Sept. 30</b>	<b>Dec. 31</b>
	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	34,761	12,996
Trade and other receivables-net	3,898	22,916
Other current assets	1,543	1,030
<b>Total Current Assets</b>	<b>40,202</b>	<b>36,942</b>
Investments and Advances - net	3,153	3,153
Prepaid retirement	28,557	28,557
Other Assets-net	930,322	930,322
	<b>1,002,234</b>	<b>998,974</b>
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>		
<b>Current Liabilities</b>		
Trade and other payables	347,751	333,784
Restructured loans	930,132	930,132
Loans payable to a stockholder	123,840	123,840
	<b>1,401,723</b>	<b>1,387,756</b>
Deferred tax liability	78,325	78,325
<b>Capital Deficiency</b>		
Capital stock	1,031,231	1,031,231
Additional paid-in-capital	143,590	143,590
Deficit	(1,652,634)	(1,641,928)
	<b>(477,814)</b>	<b>(467,107)</b>
	<b>1,002,234</b>	<b>998,974</b>

**FILSYN CORPORATION**  
**STATEMENTS OF INCOME**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007**

	<b>2008</b> <b>(Unaudited)</b>		<b>2007</b> <b>(Unaudited)</b>	
	<b>This Quarter</b>	<b>Year to Date</b>	<b>This Quarter</b>	<b>Year to Date</b>
<b>REVENUES</b>	<b>5,354</b>	<b>15,263</b>	<b>4,443</b>	<b>10,992</b>
<b>COSTS AND EXPENSES:</b>				
<b>OPERATING EXPENSES</b>	<b>3,830</b>	<b>11,991</b>	<b>4,706</b>	<b>11,464</b>
<b>FINANCIAL CHARGES - Net</b>	<b>4,623</b>	<b>13,978</b>	<b>4,741</b>	<b>14,154</b>
	<b>8,453</b>	<b>25,969</b>	<b>9,447</b>	<b>25,618</b>
<b>NET LOSS</b>	<b>3,099</b>	<b>10,706</b>	<b>5,004</b>	<b>14,626</b>

**FILSYN CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007**  
(Amounts in Thousands)

		2008 (Unaudited)		2007 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	P	(10,706)	P	(14,626)
Increase (Decrease) in:				
Other current assets		(18,504)		491
Trade and other payables		13,967		12,963
Net cash flows generated from operating activities		21,765		(2,154)
<b>CASH AT BEGINNING OF PERIOD</b>		<b>12,996</b>		<b>14,804</b>
<b>CASH AT END OF PERIOD</b>	<b>P</b>	<b>34,761</b>	<b>P</b>	<b>12,650</b>

**FILSYN CORPORATION**  
**STATEMENT OF CHANGES IN CAPITAL DEFICIENCY**  
**For the Period ended September 30, 2008 and 2007**  
**(In P000)**

			<u>2008</u>		<u>2007</u>
			(Unaudited)		(Unaudited)
<b>CAPITAL STOCK - P5 par value</b>					
Class A:					
	Authorized -	144,000,000 shares			
	Issued -	123,747,707 shares	P	618,739	P
					618,739
Class B:					
	Authorized -	96,000,000 shares			
	Issued -	82,488,494 shares		412,492	412,492
				<u>1,031,231</u>	<u>1,031,231</u>
<b>ADDITIONAL PAID-IN CAPITAL</b>				<u>143,590</u>	<u>143,590</u>
<b>DEFICIT</b>					
	Balance, beginning			1,641,928	1,646,445
	Net loss for the period			10,706	14,626
				<u>1,652,634</u>	<u>1,661,071</u>
<b>TOTAL CAPITAL DEFICIENCY</b>			P	<u>477,814</u>	<u>486,250</u>



**FILSYN CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS AND DISCLOSURES**  
**September 30, 2008**

**BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

1. That the said interim financial statements as of September 30, 2008 have been prepared in accordance with accounting principles generally accepted in the Philippines as set forth in Philippine Standards Reporting Standards (PFRS)
2. a) That the accounting policies and methods adopted in said interim financial statements are the same as those used in the annual financial statements as of December 31, 2007.
  - b) The company is not in commercial operations.
  - c) The main sources of funds consist mainly of sale of old machinery and equipment and parts and warehouse rental income.
  - d) There was no major change in the financial interim statements reported.
  - e) There were no issuances, repurchases and repayments of debt and equity securities.
  - f) There were no dividends paid during the period.
  - g) There were no changes in the composition of the issuer during the interim period.
  - h) There were no changes in contingent liabilities and contingent assets since December 31, 2007.
  - i) There are no material contingencies and any other credits or transactions existing that will materially affect interim financial statements.

3. Aging Receivables:

<u>1-60 days</u>	<u>61-90 days</u>	<u>91-120 days</u>	<u>over 120 days</u>
-	-	-	3.9M

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

There has been no significant development on the status of negotiations with the creditors of the first and second Mortgage Trust Indenture. The Company has no formal communication with the creditors through the trustee.

The Company can satisfy its cash requirement for the next 12 months. The Company will not raise additional funds in the next 12 months.

The Company has no product research and developments for the term of the plan.

The Company cannot yet determine if its plant and significant equipment will be sold within the next 12 months. The Company will not purchase any plant or equipment within the next 12 months.

The Company does not expect any significant changes in the number of employees.

The Company's losses were due to non-commercial operations. The Company has no plan yet to resume commercial operations. In view of the non-commercial operation of the Company, there are no material key variable and other qualitative and quantitative factors nor performance indicators nor any major risks to consider.

There can be no comparable discussions to assess material changes during the interim period because of the non-commercial operation of the Company.

There are no events that will trigger direct or contingent financial obligation that is material to the Company. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) nor any other relationships with unconsolidated entities or other persons. There are no material commitments for capital expenditures.

There are no seasonal aspects that have material effect to the financial statements.