



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 quarterly period ended June 30, 2007
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
- | Title of each Class | Number of shares of common<br>stock outstanding |
|---------------------|---|
| Class A Common      | <u>123,747,707 shares fully paid</u>            |
| Class B Common      | <u>82,498,474 shares fully paid</u>             |
10. Securities listed in the PSE 206,246,181 shares

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FINANCIAL INFORMATION

Please see attached Financial and Management Reports.

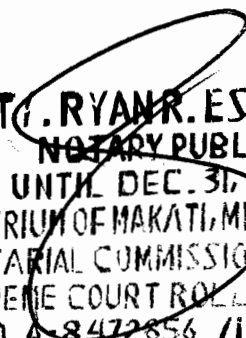
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**SIGNATURES**

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 AUG 13 2007.

  
APOLINARIO L. POSIO  
Head of Internal Audit

**SUBSCRIBED AND SWORN** to before me this AUG 13 2007 day 2007 affiants exhibiting to me his Community Tax Certificates/Passport No. 16949706 issued on February 2, 2007 at Parañaque City.

  
ATTY. RYAN R. ESPINOSA  
NOTARY PUBLIC  
UNTIL DEC. 31, 2007  
G/F ATRIUM OF MAKATI, MKT., MKT. CITY  
NOTARIAL COMMISSION NO. 141  
SUPREME COURT ROLL NO. 47548  
PTR NO. A-8472856 /I-08-07 Q.C.  
IRP NO. 677286 /I-08-07 Q.C.

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

	Unaudited	Audited
	June 30	Dec. 31
	2007	2006
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	12,331	14,804
Trade and other receivables-net	22,181	21,681
Other current assets	1,224	1,279
<b>Total Current Assets</b>	<b>35,736</b>	<b>37,764</b>
Investments and Advances - net	3,153	3,153
Prepaid retirement	26,690	26,690
Other Assets-net	930,322	930,322
	<b>995,901</b>	<b>997,929</b>
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>		
<b>Current Liabilities</b>		
Trade and other payables	323,067	315,473
Restructured loans	930,132	930,132
Loans payable to a stockholder	147,090	147,090
	<b>1,400,289</b>	<b>1,392,695</b>
Deferred tax liability	77,672	77,672
<b>Capital Deficiency</b>		
Capital stock	1,031,231	1,031,231
Additional paid-in-capital	143,590	143,590
Deficit	(1,656,881)	(1,647,259)
	<b>(482,060)</b>	<b>(472,438)</b>
	<b>995,901</b>	<b>997,929</b>

**FILSYN CORPORATION**  
**STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006**

	2007 (Unaudited)		2006 (Unaudited)	
	This Quarter	Year to Date	This Quarter	Year to Date
<b>OPERATING EXPENSES</b>	<b>3,033</b>	<b>6,758</b>	<b>3,464</b>	<b>8,287</b>
<b>OTHER CHARGES - Net</b>	<b>1,539</b>	<b>2,864</b>	<b>1,130</b>	<b>1,182</b>
<b>NET LOSS</b>	<b>4,572</b>	<b>9,622</b>	<b>4,594</b>	<b>9,469</b>

**FILSYN CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006**  
(Amounts in Thousands)

		2007 (Unaudited)	2006 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	P	(9,622) P	(9,469)
Increase in:			
Other current assets		445	656
Trade and other payables		7,594	10,175
Net cash flows generated from operations		(2,473)	50
<b>CASH AT BEGINNING OF PERIOD</b>		14,804	11,303
<b>CASH AT END OF PERIOD</b>	P	12,331 P	11,353

**FILSYN CORPORATION**  
**STATEMENT OF CHANGES IN CAPITAL DEFICIENCY**  
**For the Period ended June 30, 2007 and 2006**  
**(In P000)**

		<u>2007</u> (Unaudited)	<u>2006</u> (Unaudited)
CAPITAL STOCK - P5 par value			
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 -	82,498,494 shares	
		<u>412,492</u>	<u>412,492</u>
		<u>1,031,231</u>	<u>1,031,231</u>
ADDITIONAL PAID-IN CAPITAL		<u>143,590</u>	<u>143,590</u>
DEFICIT			
	Balance	1,647,259	1,642,057
	Net loss for the period	<u>9,622</u>	<u>9,469</u>
		<u>1,656,881</u>	<u>1,651,526</u>
TOTAL CAPITAL DEFICIENCY		<u>P 482,060</u>	<u>476,705</u>

**FILSYN CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS AND DISCLOSURES**  
**June 30, 2007**

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

1. That the said interim financial statements as of June 30, 2007 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, 2006.  
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. These are not regular in nature.  
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, 2006.  
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>
-	-	-	21.5M



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

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.