

# COVER SHEET

SEC Registration Number

F I L S Y N C O R P O R A T I O N

(Company's Full Name)

U N I T 8 5 B P E A R L B A N K C E N T R E

1 4 6 V A L E R O S T M A K A T I C I T Y

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

**Mr. Apolinario L. Posio**

Contact Person

**752-3133 / 752-3611**

Company Telephone Number

## SEC FORM 17-Q

JUNE 30, 2010

Month

Day

Fiscal Year

Month

Day

Annual Meeting

**Not Applicable**

Secondary License Type, if Applicable

Dept. Requiring this Doc.

**Not Applicable**

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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### To be accomplished by SEC Personnel concerned

File Number

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LCU

Document I.D.

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Cashier

**STAMPS**

Remarks = please Use Black Ink for scanning purposes

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, 2010

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)

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7. Address of registrant's principal office Unit 8 5B Pearlbank Centre  
146 Valero St., Salcedo Village, Makati City

8. Registrant's telephone number, including area code 752-3133 / 752-3611

9. Securities registered pursuant to Sections 8 and 12 of the SRC

Title of each Class	Number of shares of common 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**

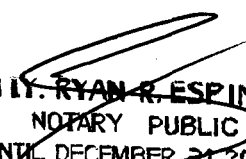
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on

AUG 10 2010

  
APOLINARIO L. POSIO  
Chief Financial Officer

**SUBSCRIBED AND SWORN** to before me this AUG 10 2010  
affiants exhibiting to me his Community Tax Certificate No. 33216793 issued on February 12, 2010 at Parañaque City.

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Book No. 25  
Series of 2010

  
ATTY. RYAN R. ESPINOSA  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2011  
TRIUM OF MAKATI, MAKATI AVE., MAKATI CI.  
NOTARIAL COMMISSION NO. M-136  
MCLE COMPLIANCE NO. 000465 / ROLL NO. 475  
IBP NO. 803606 / 12-22-2009 / G.C  
PTR NO. 2092247 / 1-7-2010 / MAKATI

**FILSYN CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**(IN P000)**

	Unaudited	Audited
	June 30	Dec. 31
	2010	2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	42,575	39,338
Trade and other receivables-net	16,208	18,739
Other current assets	1,845	2,095
<b>Total Current Assets</b>	<b>60,628</b>	<b>60,172</b>
Investments and Advances - net	3,153	3,153
Prepaid retirement	29,999	29,999
Other Assets-net	930,322	930,322
	<b>1,024,102</b>	<b>1,023,646</b>
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>		
<b>Current Liabilities</b>		
Trade and other payables	380,054	377,340
Restructured loans	930,132	930,132
Loans payable to a stockholder	138,600	138,600
	<b>1,448,786</b>	<b>1,446,072</b>
Deferred tax liability	77,330	77,330
<b>Capital Deficiency</b>		
Capital stock	1,031,231	1,031,231
Additional paid-in-capital	143,590	143,590
Deficit	(1,676,835)	(1,674,577)
	<b>(502,014)</b>	<b>(499,756)</b>
	<b>1,024,102</b>	<b>1,023,646</b>

**FILSYN CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009**  
**(IN THOUSANDS)**

		2010 (Unaudited)			2009 (Unaudited)	
		This Quarter	Year to Date		This Quarter	Year to Date
<b>REVENUES</b>	<b>P</b>	<b>4,027</b>	<b>14,962</b>	<b>P</b>	<b>4,132</b>	<b>8,585</b>
<b>COSTS AND EXPENSES:</b>						
<b>OPERATING EXPENSES</b>		<b>3,560</b>	<b>7,481</b>		<b>3,851</b>	<b>7,922</b>
<b>FINANCIAL CHARGES - Net</b>		<b>5,051</b>	<b>5,224</b>		<b>4,011</b>	<b>8,543</b>
		<b>8,611</b>	<b>12,705</b>		<b>7,862</b>	<b>16,465</b>
<b>NET LOSS</b>	<b>P</b>	<b>4,584</b>	<b>2,257</b>	<b>P</b>	<b>3,730</b>	<b>7,880</b>
<b>TOTAL NUMBER OF SHARES ISSUED &amp; OUTSTANDING</b>		<b>206,246</b>	<b>206,246</b>		<b>206,246</b>	<b>206,246</b>
<b>LOSS PER SHARE</b>		<b>0.022226</b>	<b>0.010943</b>		<b>0.018085</b>	<b>0.038207</b>

**FILSYN CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009**  
**(IN THOUSANDS)**

		<b>2010</b>		<b>2009</b>
		<b>(Unaudited)</b>		<b>(Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	P	(2,257)	P	(7,880)
Increase (Decrease) in:				
Other current assets		(2,781)		1,189
Trade and other payables		2,713		9,636
Net cash flows from operating activities		3,237		567
<b>CASH AT BEGINNING OF PERIOD</b>		39,338		33,674
<b>CASH AT END OF PERIOD</b>	P	42,575	P	34,241

**FILSYN CORPORATION**  
**STATEMENT OF CHANGES IN CAPITAL DEFICIENCY**  
**For the Period ended June 30, 2010 and 2009**  
**(IN THOUSANDS)**

		<u>2010</u> (Unaudited)	<u>2009</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, beginning	1,674,578	1,659,533
	Net loss for the period	<u>2,257</u>	<u>7,880</u>
		<u>1,676,835</u>	<u>1,667,413</u>
TOTAL CAPITAL DEFICIENCY		<u>P 502,014</u>	<u>P 492,592</u>

**FILSYN CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS AND DISCLOSURES**  
**JUNE 30, 2010**

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

1. That the said interim financial statements as of June 30, 2010 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, 2009.  
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, 2009.  
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>
-	-	-	16M



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

Filsyn Corporation continued to generate income mainly from warehouse rentals and sale of remaining equipment which was sufficient to cover all expenses, hence, there was no need for any outside financing to sustain its operations.

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 remaining 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 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.

The main concern of the Company is how to settle the debt issue. Through the years, the Company has continuously explored all available options and finally decided to offer the Sta. Rosa property as Dacion in payment of the entire obligation to The Mortgage Trust Indenture (MTI) Creditors. The Company hopes that there will be soon a closure to this debt issue. The Company has no formal communication with the creditors through the trustees.