

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, 2011

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 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

	Number of shares of common Title of each Class 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

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 AUG 10 2011.


APOLINARIO L. POSIO
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this AUG 10 2011
affiants exhibiting to me his Community Tax Certificate No. 20776206 issued on March 8, 2011 at Parañaque City.

~~ATTY. RYAN R. ESPINOSA~~
NOTARY PUBLIC
UNTIL DEC 31, 2011
ATRIUM BUILDING, MAKATI, MAKATI CITY
IBP O.R. No. 845118/1-5-11
PTR No. MKT 2667030/1-5-11/MAKATI CITY
ROLL No. 47548/APPT. No. M-136

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FILSYN CORPORATION
STATEMENTS OF FINANCIAL POSITION
(IN P000)

	Unaudited	Audited
	June 30	Dec. 31
	2011	2010
ASSETS		
Current Assets		
Cash and Cash Equivalents	61,804	58,141
Trade and other receivables-net	6,689	6,143
Other current assets	1,572	1,521
Total Current Assets	70,065	65,805
Investments and Advances - net	3,153	3,153
Prepaid retirement	29,172	29,172
Other Assets-net	910,322	930,322
	1,012,712	1,028,452
LIABILITIES AND CAPITAL DEFICIENCY		
Current Liabilities		
Trade and other payables	384,436	393,217
Restructured loans	930,132	930,132
Loans payable to a stockholder	131,520	131,520
	1,446,088	1,454,869
Deferred tax liability	77,082	77,082
Capital Deficiency		
Capital stock	1,031,231	1,031,231
Additional paid-in-capital	143,590	143,590
Deficit	(1,685,279)	(1,678,320)
	(510,458)	(503,499)
	1,012,712	1,028,452

FILSYN CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(IN THOUSANDS)

		2011 (Unaudited)			2010 (Unaudited)	
		This Quarter	Year to Date		This Quarter	Year to Date
REVENUES	P	4,497	9,526	P	4,027	14,962
COSTS AND EXPENSES:						
OPERATING EXPENSES		3,447	7,121		3,560	7,481
FINANCIAL CHARGES - Net		4,683	9,366		5,051	5,224
		8,130	16,487		8,611	12,705
NET LOSS	P	3,633	6,961		4,584	2,257
TOTAL NUMBER OF SHARES ISSUED & OUTSTANDING		206,246	206,246		206,246	206,246
INCOME (LOSS) PER SHARE		0.017615	0.033751		0.022226	0.010943

FILSYN CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(IN THOUSANDS)

		2011 (Unaudited)	2010 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	P	(6,961) P	(2,257)
Increase (Decrease) in:			
Other current assets		595	(2,781)
Trade and other payables		11,219	2,713
Net cash flows from operating activities		3,663	3,237
CASH AT BEGINNING OF PERIOD		58,141	39,338
CASH AT END OF PERIOD	P	61,804 P	42,575

FILSYN CORPORATION
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
For the Period ended June 30, 2011 and 2010
(IN THOUSANDS)

			<u>2011</u> <u>(Unaudited)</u>		<u>2010</u> <u>(Unaudited)</u>
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	412,492		412,492
	Issued -	82,498,494 shares	<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		1,675,753		1,674,578
	Net income (loss) for the period		<u>9,526</u>		<u>2,257</u>
			<u>1,685,279</u>		<u>1,676,835</u>
TOTAL CAPITAL DEFICIENCY			<u>P 510,458</u>	<u>P</u>	<u>502,014</u>

FILSYN CORPORATION
NOTES TO FINANCIAL STATEMENTS AND DISCLOSURES
JUNE 30, 2011

BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

1. That the said interim financial statements as of June 30, 2011 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, 2010.
 - b) The company is still not in commercial operations.
 - c) The main sources of funds consist mainly of sale of remaining 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, 2010.
 - 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>
-	-	6.7M	

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Filsyn Corporation continued to generate income mainly from warehouse rentals and sale of remaining equipment and other materials which was sufficient to cover administrative costs and 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. On November 2, 2010, Chinatrust accepted the proposal of the Group to fully settle its outstanding loan obligation amounting to P1.2 billion through the Sta. Rosa property as dacion in payment. Chinatrust agreed that the Company shall not be liable for any deficiency between the amount of the outstanding loan obligation and the value of the Sta. Rosa property. As at June 30, 2011, the parties have not yet finally executed the "Dacion En Pago" arrangement.