

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 - Q

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

For the quarterly period ended June 30, 2012

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

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

FINANCIAL INFORMATION

Please see attached Financial and Management Reports.

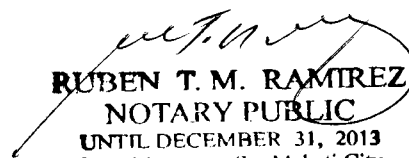
SIGNATURES

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 _____.


APOLINARIO L. POSIO
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this AUG 13 2012
affiants exhibiting to me his Community Tax Certificate/Passport No. 00642738 issued on February 2, 2012 at Parañaque City.

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RUBEN T. M. RAMIREZ
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
2734 M. Aurora St., Makati City
IBP O.R. NO. 868792 CY-2012
ROLL NO. 28947 / Appt. No. M-44
PTR No. 3173245 / 01-02-12 / Makati City

FILSYN CORPORATION
STATEMENTS OF FINANCIAL POSITION
(IN P000)

	Unaudited	Audited
	June 30	Dec. 31
	2012	2011
ASSETS		
Current Assets		
Cash and Cash Equivalents	62,332	62,101
Trade and other receivables-net	9,026	8,296
Other current assets	2,734	1,191
Total Current Assets	74,092	71,588
Investments and Advances - net	3,153	3,153
Prepaid retirement	29,103	29,103
Other Assets-net	898,746	899,086
	1,005,094	1,002,930
LIABILITIES AND CAPITAL DEFICIENCY		
Current Liabilities		
Trade and other payables	464,235	458,918
Restructured loans	930,132	930,132
Loans payable to a stockholder	131,520	131,520
	1,525,887	1,520,570
Deferred tax liability	8,731	8,731
Capital Deficiency		
Capital stock	1,031,231	1,031,231
Additional paid-in-capital	143,590	143,590
Deficit	(1,704,345)	(1,701,192)
	(529,524)	(526,371)
	1,005,094	1,002,930

FILSYN CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(IN THOUSANDS)

		2012 (Unaudited)			2011 (Unaudited)	
		This Quarter	Year to Date		This Quarter	Year to Date
REVENUES	P	8,590	14,051	P	4,497	9,526
COSTS AND EXPENSES:						
OPERATING EXPENSES		3,680	7,837		3,447	7,121
FINANCIAL CHARGES - Net		4,683	9,366		4,683	9,366
		8,363	17,203		8,130	16,487
NET INCOME (LOSS)	P	227	(3,152)	P	(3,633)	(6,961)
TOTAL NUMBER OF SHARES ISSUED & OUTSTANDING		206,246	206,246		206,246	206,246
INCOME (LOSS) PER SHARE		0.0011001	(0.015283)		(0.017615)	(0.033751)

FILSYN CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(IN THOUSANDS)

		2012 (Unadited)		2011 (Unadited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	P	3,152	P	6,961
Increase in:				
Other assets		1,933		595
Trade and other payables		5,316		11,219
Net cash flows from operating activities		231		3,663
CASH AT BEGINNING OF PERIOD		62,101		58,141
CASH AT END OF PERIOD	P	62,332	P	61,804

FILSYN CORPORATION
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
For the Period ended JUNE 30, 2012 and 2011
(IN THOUSANDS)

			<u>2012</u>		<u>2011</u>
			(Unaudited)		(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		1,701,193		1,675,753
	Net loss for the period		<u>3,152</u>		<u>9,526</u>
			<u>1,704,345</u>		<u>1,685,279</u>
TOTAL CAPITAL DEFICIENCY			<u>P 529,524</u>	<u>P</u>	<u>510,458</u>

FILSYN CORPORATION
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2012

BASIS OF PREPARATIONS, STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

Basis of Preparation

The accompanying interim financial statements as of June 30, 2012 have been prepared under the historical cost basis. These statements are presented in Philippine peso which is the company's functional and presentation currency under the Philippine Financial Reporting Standard (PFRS). All values are in (P000).

Statement of Compliance

- » The accompanying interim financial statements are presented in compliance with PFRS.
- » The accounting policies and methods adopted in said interim financial statements are the same as those in the annual financial statements for the year ended December 31, 2011.
- » The adoption of PAS 34 in the interim financial statements did not have any material impact on the financial position or performance of the company.
- » That the company is still not in commercial operation.
- » There were no transactions unusual in nature, size or incidents during the period that will have a material effect in the interim financial statements.
- » There were no issuances, repurchases, and repayment of debts and equity securities.
- » There were no dividends declared/paid during the period.
- » There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- » There were no changes in the composition of the issuer during the interim period.
- » There were no changes in contingent liabilities and contingent assets since December 31, 2011.
- » There were no material contingencies and any other credits or transactions existing that will materially affect the interim financial statements for the period ended June 30, 2012.
- » The main sources of funds consist mainly of warehouse rental income and disposal of old buildings and equipments.

	JUNE 30	
	2012	2011
	<hr/>	
Current Ratio	0.04855:1	0.04845:1
Debt-to-equity Ratio	CAPITAL DEFICIENCY	
Asset-to-equity Ratio	CAPITAL DEFICIENCY	
Profitability Ratio	NET LOSS	

- » Aging of Receivables
- | | 1-60 days | 61-90 days | 91-120 days | over 120 days |
|--|-----------|------------|-------------|---------------|
| | <hr/> | | | |
| | - | - | - | 9 M |

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Filsyn Corporation continued to operate, sustained by the income generated from warehouse rental and disposal of old buildings and equipment which was sufficient to cover administrative costs and expenses, hence, there was no need for any outside financing.

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 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 up to now is how to settle the debt issue.

On December 10, 2009, the BOD of the Company approved to offer the property in Sta. Rosa, Laguna as dacion in payment of the entire obligation to Chinatrust, and in case of the latter's acceptance, to offer to manage the property in trust, in consideration of management fees and trustee fees, until such time as may be agreed by the parties.

On November 2, 2010, Chinatrust accepted the proposal of the Company to fully settle its outstanding loan obligation amounting to P1.20 billion through the Sta. Rosa property as dacion in payment. Chinatrust agreed that the Group 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, 2012, the parties have not yet formally executed the "Dacion En Pago" arrangement.