

Remarks

C07667-2021

- The transactions and corporate actions disclosed by Filsyn Corporation ("FYN") as approved by its Board of Directors and stockholders are subject to further evaluation by the Exchange. The Exchange will require FYN to submit a full and comprehensive disclosure on the foregoing and will update the Trading Participants and the investing public accordingly.

SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Nov 11, 2021
2. SEC Identification Number
35841
3. BIR Tax Identification No.
000-158-664-000
4. Exact name of issuer as specified in its charter
FILSYN CORPORATION
5. Province, country or other jurisdiction of incorporation
MAKATI CITY
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
UNIT 8 5B PEARLBANK CENTRE, 146 VALERO ST., SALCEDO VILLAGE, MAKATI CITY
Postal Code
1227
8. Issuer's telephone number, including area code
(02) 7752-3133 / 7752-3611
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
CLASS A COMMON	123,747,707
CLASS B COMMON	82,498,474

11. Indicate the item numbers reported herein

2

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Filsyn Corporation FYN

PSE Disclosure Form 4-30 - Material Information/Transactions
*References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

RESULTS OF SPECIAL BOARD MEETING HELD ON NOVEMBER 11, 2021

Background/Description of the Disclosure

At the Special Board Meeting of Filsyn Corporation (the "Company") held on November 11, 2021 (before the Annual Stockholders' Meeting), the following corporate actions were approved by the Board of Directors:

1. Financial Restructuring Project

2. Setting of the Date for the 2022 Annual Stockholders' Meeting

The 2022 Annual Stockholders' Meeting of the Corporation shall be held on September 15, 2022 at 4:00PM at Unit 8 5B Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, and the record date for the said stockholders' meeting shall be on August 16, 2022.

3. Authorization for the Holding of 2021 and the 2022 Stockholders' Meetings by Videoconference/Teleconference

The Board of Directors of the Corporation confirmed, authorized and ratified, the holding by the stockholders of the Corporation of their annual meetings for 2021 and for 2022 by videoconference/teleconference and the voting by the stockholders through remote communication or in absentia during the annual meetings for 2021 and 2022.

.

Other Relevant Information

NONE

Filed on behalf by:

Name	Apolinario Posio
Designation	Senior Vice President - Accounting, Auditor and Compliance Officer, Chief Audit Executive and Chief Risk Officer



November 11, 2021

SECURITIES AND EXCHANGE COMMISSION

Ground Floor, Secretariat Building
Philippine International Convention Center
PICC Complex, Pasay City

Attention : **Ms. Rachel Esther J. Gumtang-Remalante**
Director, Corporate Governance and Finance Department

THE PHILIPPINE STOCK EXCHANGE

5th Avenue cor. 28th Street
Taguig, Kalakhang Maynila

Attention: **Atty. Marigel M. Baniqued-Garcia**
Head, Disclosures Department

Re : **FILSYN CORPORATION**

Ladies and Gentlemen:

At the Special Board Meeting of Filsyn Corporation (the "Company") held on November 11, 2021 (before the Annual Stockholders' Meeting), the following corporate actions were approved by the Board of Directors:

1. Financial Restructuring Project

- a. Amendments to the Seventh Article of the Articles of Incorporation of the Corporation to:
 - (i) reduce the par value of common shares from ₱5.00 to ₱0.50 per share,
 - (ii) decrease the authorized capital stock from ₱1,200,000,000 to ₱120,000,000,
 - (iii) reclassify 33,426,498 Class B common shares held by Malaysia Garment Manufacturers (Pte) Ltd. into 33,426,498 Preferred Shares, and
 - (iv) provide for the features of the Preferred Shares.

In connection with item (iv) above, the Preferred Shares shall have the following features:

- a. Preemptive Right - The Preferred Shareholders shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios; provided that the names and addresses of such shareholders shall be registered



accordingly as of the date designated by the Company in the public notice made two (2) weeks prior thereto;

- b. Dividends – The Preferred Shareholders shall bear preferential dividends at the rate of 5% *per annum* of total debt converted in the amount of PHP1,389,961,828.00. Dividends in respect of the common shares shall not be paid, declared, set apart for payment, or distributed unless cash dividends shall have been declared and paid in full to all holders of the preferred shares.

The preferential dividends declared shall be payable annually in cash. The dividends on the preferred shares shall be cumulative from and after the issue date of the preferred shares, whether or not in any period the amount thereof is covered by available unrestricted retained earnings, so long as at the time of payment the Company has sufficient retained earnings.

The Preferred Shareholder shall be entitled to participate and share in the retained earnings remaining after payment of the preferential dividends;

- c. Exercise of Voting Right - The Preferred Shareholders shall not have a right to vote, except on matters specified in Section 6 of the Revised Corporation Code of the Philippines and those relative to the development of the Sta. Rosa Property; and
- d. Convertibility – The Preferred Shareholders shall, at their option, have the right to convert their preferred shares to common shares using 16.78:1 conversion ratio at PHP0.50 per share. The Preferred Shareholders are thus entitled to subscribe to a total of 560,896,636 Common Stock upon conversion.

The Preferred Shareholder shall have the right to assign its right of conversion to its nominee or qualified transferee, to allow the latter to subscribe to such number of common shares as is allowed by Philippine laws.

Upon the conversion of THIRTY THREE MILLION FOUR HUNDRED TWENTY SIX THOUSAND FOUR HUNDRED NINETY EIGHT (33,426,498) Preferred Shares to Common Stock, the Corporation shall issue 733,716,319 Common Stock, broken down as follows: (1) 440,229,812 Class "A" Common Stock, with a par value of PHP 0.50 per share; and (2) 293,486,507 Class "B" Common Stock, with a par value of PHP 0.50 per share.

No issuance, conversion or transfer of shares of stock of the Corporation which would reduce the stock ownership of Filipino citizens to less than the percentage of the outstanding capital stock required by law to be owned by Filipino citizens, shall be allowed or permitted to be recorded in the books of



the Corporation. This restriction shall be printed or indicated in all the certificates of stock to be issued by the Corporation.

- c. Further amendments to the Seventh Article of the Articles of Incorporation of the Company to increase of the Company's authorized capital stock from ₱120,000,000 to ₱647,306,477.22 which consists of:
 - (i) 440,229,812 Class "A" common shares with par value of ₱0.50 per share, or an aggregate par value of ₱220,114,906;
 - (ii) 293,486,507 Class "B" common shares with a par value of ₱ 0.50 per share, or an aggregate par value of ₱146,743,253.50; and
 - (iii) 33,426,498 Preferred Shares, with a par value of ₱8.39 per share (increased from ₱0.50, or an aggregate par value of ₱280,448,318.22.

The Board of Directors approved the subscription by Malaysia Garment Manufacturers (Pte) Ltd. to the increase in the par value of the 33,426,498 Preferred Shares amounting to ₱263,735,069.22, and the conversion of debt owed to it by the Corporation as of December 31, 2020 amounting to PHP1,389,961,828 to equity as payment for the aforesaid 33,426,498 Preferred Shares with the excess of the debt over the par value of preferred shares recorded as Additional Paid In Capital.

- d. Use of the Additional Paid In Capital in the amount of PHP2,197,924,318.28 resulting from (1) the existing Additional Paid in Capital, (2) the decrease of capital through the reduction of par value, and (3) the conversion of the existing liability to Malaysia Garment Manufacturers (Pte) Ltd., to wipe out all the accumulated deficit of the Company.
- e. File with all governmental agencies and self-regulatory organizations, including without limitation, the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE"), any and all such documents as may be necessary to effect the foregoing amendments to the Articles of Incorporation and otherwise in connection with the foregoing resolutions. Without limiting the generality of the authority granted in this paragraph, these documents include the documents required by the SEC to approve the foregoing amendments to the Articles of Incorporation of the Corporation, the amendments to the registration statement of the Corporation as filed with the SEC, and documents as may be required by the PSE in connection with the foregoing amendments (including in respect of the 33,426,498 Class B Common Shares which are to be converted or reclassified to Preferred Shares).

2. Setting of the Date for the 2022 Annual Stockholders' Meeting

The 2022 Annual Stockholders' Meeting of the Corporation shall be held on September 15, 2022 at 4:00PM at Unit 8 5B Floor Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City, and the record date for the said stockholders' meeting shall be on August 16, 2022.



The Board of Directors confirmed the power and authority of the President of the Corporation to move or change the schedule of the 2022 Annual Stockholders' Meeting of the Corporation, the venue and time for the meeting, and the record date for such meeting, as circumstances may warrant.

3. Authorization for the Holding of 2021 and the 2022 Stockholders' Meetings by Videoconference/Teleconference

The Board of Directors of the Corporation confirmed, authorized and ratified, the holding by the stockholders of the Corporation of their annual meetings for 2021 and for 2022 by videoconference/teleconference and the voting by the stockholders through remote communication or in absentia during the annual meetings for 2021 and 2022.

Very truly yours,

A handwritten signature in black ink, appearing to read "Melyjane G. Bertillo-Ancheta", with a long, sweeping flourish extending upwards and to the right.

Melyjane G. Bertillo-Ancheta
Corporate Secretary
Filsyn Corporation