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SEC Registration Number

P A C I F I C O N L I N E S Y S T E M S
C O R P O R A T I O N A N D S U B S I D I A R I E S

(Company's Full Name)

28 t h F l o o r , E a s t T o w e r , P h i l i p p i n e
S t o c k E x c h a n g e C e n t r e , E x c h a n g e
R o a d , O r t i g a s C e n t e r , P a s i g C i t y

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

| | |
|----------------------------------|------------------|
| Ma. Virginia V. Abo-Hamda | 8584-1700 |
|----------------------------------|------------------|

(Contact Person)

(Company Telephone Number)

| | |
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| 1 2 | 3 1 |
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Month Day
(Fiscal Year)

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| 1 7 - Q |
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(Form Type)

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Month Day
(Annual Meeting)

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(Secondary License Type, If Applicable)

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Amended Articles Number/Section

| |
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| 54 |
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Total No. of Stockholders

| | |
|------------------|------------|
| Php75.0 M | n/a |
|------------------|------------|

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2020**
2. SEC Identification Number: **AS093-008809** 3. BIR Tax Identification No. **003-865-392-000**
4. Exact name of registrant as specified in its charter: **PACIFIC ONLINE SYSTEMS CORPORATION**
5. **Metro Manila, Philippines** 6. _____ (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code
Incorporation or organization
7. **28/F, East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City** **1605**
Address of principal office Postal Code
8. **(632) 8584-1700**
Registrant's telephone number, including area code
9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

| Title of Each Class | Number of Shares of Common Stock Outstanding |
|--------------------------------------|--|
| Common Stock, ₱1.00 par value | 895,330,946 |
| | Amount of Debt Outstanding |
| | PhP 75.0 million |

11. Are any or all of these securities listed on the Philippine Stock Exchange
Yes [] No []
12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 1 (a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes [] No []
 - (b) has been subject to such filing requirements for the past 90 days.
Yes [] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited financial statements are submitted as part of this report:

- a.) Consolidated Statements of Income for the six (6) months ended, June 30, 2020 and June 30, 2019;
- b.) Consolidated Statements of Comprehensive Income for the six (6) months, ended June 30, 2020 and June 30, 2019;
- c.) Consolidated Statements of Financial Position as of June 30, 2020 and Audited Statements of Financial Position as of December 31, 2019;
- d.) Consolidated Statements of Changes in Equity for the six (6) months ended, June 30, 2020 and June 30, 2019; and
- e.) Consolidated Statements of Cash Flows for the six (6) months ended, June 30, 2020 and June 30, 2019.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations for the Period Ended June 30, 2020 vs. June 30, 2019

Revenues

For the first half of 2020, Pacific Online Systems Corporation (the "Company") consolidated with its subsidiaries (the "Group"), earned total revenues of P180.1 million, which is P378.6 million, or 68%, lower than last year's revenues of P558.8 million. The decrease in revenues was mainly due to the suspension of lottery sales from March 17 to June 30, 2020 in compliance with the Enhanced Community Quarantine (ECQ) and General Community Quarantine (GCQ) guidelines mandated by the government in response to the Covid-19 Pandemic. Additionally, the sale of its subsidiary Lucky Circle Corporation (LCC) in February and lower rental rate for keno also caused the decrease in revenues.

Costs and Expenses

The Group incurred total operating expenses of P362.4 million, which is 46% or P306.2 million lower than last year's P668.6 million for the six months of the year. The decrease in costs and expenses is attributable mainly to the suspension of the lottery games from March 17 thru June 30, 2020. Company operations was kept at essential skeletal force upon commencement of the ECQ, and the "no work-no pay" policy was implemented starting May. This resulted to double-digit percentage decrease in expenses as follows:

- Personnel costs decreased by P86.9 million (49%);
- Software and license fees decreased by P70.4 million (77%);
- Operating supplies decreased by P24.9 million (80%);
- Communications decreased by P24.9 million (41%);
- Travel and accommodation decreased by P17.8 million (57%);
- Repairs and maintenance decreased by P32.5 million (72%);
- Taxes and licenses decreased by P12.8 million (65%); and
- Other expenses decreased by P8.5 million (63%).

Other Income (Charges)

Other income (net of other charges) of P18.3 million decreased by 24.9 million (58%) for the period ended June 30, 2020 versus last year's P43.2 million. This change is mainly due to the P17.9 million mark to market (MTM) loss on marketable securities, offset by P9.5M net gain on the sale of LCC.

Operating Income, Net Income, Other Comprehensive Income and Total Comprehensive Income

Due to a P378.6 million (68%) decline in revenues, the Group incurred an operating loss of P182.3 million, which is higher by P72.4 million (66%) from last year's P109.9 million operating loss. Said operating loss was incurred in spite of a P306.2 million (46%) decrease in costs and expenses. Other income of P18.3 million

was lower by P24.9 million (58%) from last year's P43.2 million other income, mostly due to a P17.9 million mark to market loss on marketable securities. The Group realized a net loss of P163.9 million, which is higher by P97.3 million (146%), from the P66.7 million net loss during the same period last year,

A P134.8 million fair value loss on investment in stocks resulted to a total comprehensive loss of P298.8 million, this is a P223.8 million decline from last year's total comprehensive loss of P75.0 million.

Financial Condition as of June 30, 2020 vs. December 31, 2019

The Group's total assets of P1.3 billion as of June 30, 2020 decreased by P459.0 million or 27% from P1.7 billion as of December 31, 2019. The decrease in total assets is largely attributable to the following:

- Marketable securities decreased by P67.9 million (48%) due to the redemption of P50.0 million LR preferred shares and P17.9 million mark to market loss for the period;
- Investment in stocks decreased by P134.8 million (39%) due to the fair value loss incurred during the period, and;
- Other current assets decreased by P55.3 million (26%), Right of Use (ROU) assets decreased by P34.3 million (68%), Deferred tax assets decreased by P24.0 million and Other noncurrent assets decreased by P72.5 million (25%) mainly due to the effect of sale of LCC.

The above-mentioned decreases were offset by the increase in trade and other receivables of P35.9 million (21%).

The Group's total liabilities at P208.9 million decreased by P190.6 million, or 48% from P399.4 million as of December 31, 2019. The decrease in total liabilities is explained as follows:

- Trade and other current liabilities decreased by P74.0 million (51%), Withholding taxes payable decreased by P2.9 million (84%), Income taxes payable decreased by P4.3 million (100%) and Lease liabilities decreased by P40.5 million (69%) due to lower operating costs and expenses during the period under ECQ and GCQ plus the sale of LCC in February 2020;
- Loans payable decreased by P75.0 million (50%) due to payments made during the first half of 2020.

The decreases above were offset by the increase in defined benefit liability of P6.5 million (22%), resulting from the P3.0 million additional accrual of retirement expense and exclusion of retirement benefit asset of LCC.

Total equity as of June 30, 2020 of P1.044 billion decreased by P268.5 million from the P1.313 billion equity as of yearend 2019. The decrease in total equity resulted from the P134.8 million fair value loss on investment in stocks and the P163.9 million net loss from operations for the period. However, said decrease was offset by the exclusion of LCC's P23.6 million deficit and P6.7 million reserve for retirement benefits, as LCC was sold in February 2020. Refer to Consolidated Statement of Changes in Equity for details.

Cash Flows for the Six Months Ended June 30, 2020 vs. June 30, 2019

The Group's cash balance as of June 30, 2020 of P236.7 million was lower by P327.1 million (58%), as compared to P563.8 million in 2019, mainly due to the exclusion of LCC cash, payments made for the company's bank loan, capital expenditures and reduced collection of rental revenues from PCSO.

Discussion and Analysis of Material Events and Uncertainties Known to Management

With PCSO's lottery operations still suspended, it is most likely that PCSO will not be able to commence the process of rebidding the Philippine Lottery System (PLS) in 2020. The Company is now in the process of drawing up with PCSO an extension of its existing agreement which is due to expire end of July 2020. Furthermore, in the event of the final completion of the rebidding process, the Company expects that its lease agreement with PCSO will, nonetheless, be extended by at least eighteen (18) months after the contract award to serve as a transition period to the new system of the winning bidder.

The suspension of the lottery operations of PCSO for over four (4) months had a major impact on the Company's financial results, and this will continue to do so until full lottery operations resume, and the community quarantine conditions are eased up.

Except for what has been noted in the above, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

1. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
2. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
3. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
4. Significant elements of income or loss that did not arise from the Group's continuing operations;
5. Seasonal aspects that had a material impact on the Group's results of operations;
6. Material changes in the financial statements of the Group for the periods ended December 31, 2019 to June 30, 2020, except those mentioned above;
7. Any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation; and
8. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

Key Performance Indicators

The Group monitors its performance and benchmarks itself to prior year's results in terms of the following indicators:

| Liquidity & Financial Leverage Ratios | The manner by which the Company calculates the performance indicators | 30 June 2020 | 31 December 2019 |
|--|---|---------------------|------------------|
| Current ratio | Current assets over current liabilities | 4.14:1 | 2.40:1 |
| Debt to equity ratio | Total liabilities over total equity | 0.20:1 | 0.30:1 |
| Asset-to-equity ratio | Total assets over total equity | 1.20:1 | 1.30:1 |
| Solvency ratio | Total assets over total liabilities | 6.00:1 | 4.29:1 |

| Profitability Ratios | The manner by which the Company calculates the performance indicators | 30 June 2020 | 30 June 2019 |
|--------------------------------|---|---------------------|--------------|
| Operating income (loss) margin | Operating income (loss) over revenues | (101.19%) | (19.66%) |
| Net profit (loss) margin | Net income (loss) over revenues | (91.01%) | (13.66%) |
| Return on equity | Net income (loss) over total equity | (15.69%) | (5.81%) |
| Return on assets | Net income (loss) over total assets | (13.08%) | (4.46%) |

PART II - OTHER INFORMATION

Financial Instruments

Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash in banks, cash equivalents, trade and other receivables, marketable securities, investments in stocks, refundable deposits, guarantee bonds, trade and other current liabilities, loan payable, lease liabilities, obligations under finance lease and installment payable. The main purpose of these financial instruments is to provide financing for the Group's capital expenditures and operations. The Group has various other financial assets and liabilities such as trade and other receivables, refundable deposits, guarantee bonds, trade and other current liabilities, which arise directly from its operations. The main risks arising from the Group's financial instruments are credit risk, equity price risk, liquidity risk and foreign currency risk. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The Group's BOD and management review and agree on the policies for managing each of these risks as summarized below:

Credit Risk

The Group's receivables arise mainly from the ELA with PCSO and the license agreement with PGEC. Since the Group has significant concentration of credit risk on its receivable from PCSO and PGEC, it is the Group's policy that all credit terms specified in the ELA and the license agreement are complied with and payment terms are observed. With respect to other receivables, the Group manages credit risk by transacting only with recognized, creditworthy third parties. It is the Group's policy that the BOD approves the major transactions with third parties. Receivable balances are monitored on an ongoing basis with the objective that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which are composed of cash in banks, marketable securities, investments in stocks, refundable deposits and guarantee bonds, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The table below shows the maximum exposure to credit risk for the Group's financial assets as at June 30, 2020 and December 31, 2019 without taking into account any collateral and other credit enhancements:

| | Jun. 30, 2020 | Dec. 31, 2019 |
|------------------------------------|----------------------|----------------|
| Cash in banks and cash equivalents | P235,710,457 | P332,880,313 |
| Trade and other receivables - net* | 260,051,282 | 212,881,594 |
| Marketable securities | 72,586,417 | 140,456,581 |
| Refundable deposits | 6,040,577 | 35,424,154 |
| Investments in stocks | 212,794,875 | 347,630,880 |
| Guarantee bonds** | 12,000,000 | 12,000,000 |
| Total credit exposure | P799,183,608 | P1,081,273,522 |

The table below shows the aging analysis of receivables other financial assets as at June 30, 2020 and December 31, 2019:

| | June 30, 2020 | | |
|-----------------------------------|-------------------------------------|------------|---------------------|
| | Neither Past Due nor Impaired | Impaired | Total |
| Trade and other receivables - net | P59,932,155 | P - | P59,932,155 |
| Accrued receivable* | 130,123,122 | - | 130,123,122 |
| Note receivable | 68,400,000 | - | 68,400,000 |
| Guarantee bonds** | 12,000,000 | - | 12,000,000 |
| Refundable deposits | 6,040,577 | - | 6,040,577 |
| Other receivables | 1,596,005 | - | 1,596,005 |
| | P278,091,859 | P - | P278,091,859 |

* Inclusive of noncurrent portion of license fee income of P89.6 million and exclusive of advance payments of P38.0 million.

** Includes the cash bond under "Other current assets" in the consolidated statements of financial position.

| | December 31, 2019 | | |
|-----------------------------------|----------------------------------|------------|---------------------|
| | Neither Past Due nor Impaired | Impaired | Total |
| Trade and other receivables - net | P75,106,370 | P - | P75,106,370 |
| Accrued receivable* | 136,615,655 | - | 136,615,655 |
| Guarantee bonds** | 12,000,000 | - | 12,000,000 |
| Refundable deposits | 35,424,154 | - | 35,424,154 |
| Other receivables | 1,159,570 | - | 1,159,570 |
| | P260,305,748 | P - | P260,305,748 |

* Inclusive of noncurrent portion of license fee income of P96.6 million and exclusive of advance payments of P56.2 million.

** Includes the cash bond under "Other current assets" in the consolidated statements of financial position.

Receivables that are past due but not impaired are still collectible based on the assessment of debtor's ability to pay and collection agreement.

The table below shows the credit quality of the Group's neither past due nor impaired financial assets based on their historical experience with the corresponding third parties:

| | June 30, 2020 | | | Total |
|------------------------------------|---------------------|---------------------|--------------------|---------------------|
| | Grade A | Grade B | Grade C | |
| At amortized cost: | | | | |
| Cash in banks and cash equivalents | P235,710,457 | P - | P - | P235,710,457 |
| Trade and other receivables - net* | 129,928,160 | 130,123,122 | - | 260,051,282 |
| Refundable deposits | - | 6,040,577 | - | 6,040,577 |
| Guarantee bonds | - | - | 12,000,000 | 12,000,000 |
| At FVPL: | | | | |
| Marketable securities | 72,586,417 | - | - | 72,586,417 |
| At FVOCI: | | | | |
| Investments in stocks | 212,794,875 | - | - | 212,794,875 |
| | P651,019,909 | P136,163,699 | P12,000,000 | P799,183,608 |

* Inclusive of noncurrent portion of accrued license fee income amounting to P89.6 million and exclusive of advance payments of P38.0 million.

| | December 31, 2019 | | | |
|------------------------------------|-------------------|--------------|-------------|----------------|
| | Grade A | Grade B | Grade C | Total |
| At amortized cost: | | | | |
| Cash in banks and cash equivalents | P332,880,313 | P - | P - | P332,880,313 |
| Trade and other receivables - net* | 76,265,939 | 136,615,655 | - | 212,881,594 |
| Refundable deposits | - | 35,424,154 | - | 35,424,154 |
| Guarantee bonds | - | - | 12,000,000 | 12,000,000 |
| At FVPL: | | | | |
| Marketable securities | 140,456,581 | - | - | 140,456,581 |
| At FVOCI: | | | | |
| Investments in stocks | 347,630,880 | - | - | 347,630,880 |
| | P897,233,714 | P172,039,809 | P12,000,000 | P1,081,273,522 |

* Inclusive of noncurrent portion of accrued license fee income amounting to P96.6 million and exclusive of advance payments of P56.2 million.

Grade A pertains to those cash in banks and guarantee bonds that are deposited in reputable banks, investments with reputable publicly listed companies and receivables from PCSO which are consistently collected before the maturity date. Grade B pertains to receivables that are collected on their due dates even without an effort from the Group to follow them up. Grade C pertains to receivables which are collected on their due dates provided that the Group made a persistent effort to collect them.

Equity Price Risk

Equity price risk is the risk that the fair value of equity investments decreases as a result of changes in the value of individual stock. The Group's current exposure to equity price risk relates primarily to the Group's quoted marketable securities and investments in stocks. The Group monitors the equity investments based on market expectations. Significant investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's consolidated income before income tax and equity:

Marketable Securities

| | Increase (Decrease) in Equity Price | Effect on Consolidated Income before Income Tax |
|----------------------|-------------------------------------|---|
| June 30, 2020 | 5% | P3,629,321 |
| | (5%) | (3,629,321) |
| December 31, 2019 | 5% | P7,022,829 |
| | (5%) | (7,022,829) |

Investments in Stocks

| | Increase (Decrease) in Equity Price | Effect on Comprehensive Net Income |
|----------------------|-------------------------------------|------------------------------------|
| June 30, 2020 | 8% | P17,023,590 |
| | (8%) | (17,023,590) |
| December 31, 2019 | 8% | P27,810,470 |
| | (8%) | (27,810,470) |

Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances and equity securities. To limit this risk, the Group closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due. The Group also has a committed line of credit that it can access to meet liquidity needs.

The Group maintains sufficient cash to finance its operations. Any excess cash is invested in short-term money market placements and equity securities. These are maintained to meet the requirements for additional capital expenditures, maturing obligations and cash dividends.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| | June 30, 2020 | | | | Total |
|--------------------------------------|-----------------------|--------------------|--------------------|------------------------|---------------------|
| | Less than 3 Months | 3 - 6 Months | 6 - 12 Months | More than 12 Months | |
| Trade and other current liabilities* | | P | | | |
| | P 28,954,345 | P7,898,184 | P 4,575,447 | P27,730,620 | P69,158,596 |
| Loans payable | 37,500,000 | 37,500,000 | - | - | 75,000,000 |
| Lease liabilities | 7,702,475 | 12,993,902 | 6,045,982 | - | 26,742,359 |
| | P74,156,820 | P58,392,086 | P10,621,429 | P27,730,620 | P170,900,955 |

* Excluding statutory liabilities amounting to P1.0 million.

| | December 31, 2019 | | | | Total |
|--------------------------------------|-----------------------|---------------------|--------------------|------------------------|---------------------|
| | Less than 3 Months | 3 - 6 Months | 6 - 12 Months | More than 12 Months | |
| Trade and other current liabilities* | | | | | |
| | P61,145,801 | P52,988,151 | P634,800 | P27,627,805 | P142,396,558 |
| Loans payable | 37,500,000 | 75,000,000 | 37,500,000 | - | 150,000,000 |
| Lease liabilities | 9,736,270 | 18,392,707 | 30,244,143 | 9,248,884 | 67,602,005 |
| | P108,382,072 | P146,380,859 | P68,358,943 | P36,876,689 | P359,998,563 |

* Excluding statutory liabilities amounting to P1.8 million.

Foreign Currency Risk

The Group has transactional currency exposures. Such exposure arises from cash in banks and payables to certain suppliers which are denominated in U.S. dollar (US\$). The Group's financial instruments which are denominated in foreign currency include cash and consultancy and software and license fees payable. The Group maintains a US\$ account to match its foreign currency requirements.

As at June 30, 2020 and December 31, 2019, assets and liabilities denominated in US\$ include cash in banks amounting to P12.6 million (\$252,111) and P51.8 million (\$1,022,373), and consultancy and software and license fees payable amounting to P4.6 million (\$92,070) and P17.2 million (\$339,792), respectively.

In translating foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were P49.86 and P50.64 to US\$1, the Php to US\$ exchange rates, as at June 30, 2020 and December 31, 2019, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Php-US\$ exchange rates, with all other variables held constant, of the Group's consolidated income before tax. There is no other impact on the Group's equity other than those already affecting profit or loss.

| Increase (Decrease) in US\$ Exchange Rate | Effect on Income before Income Tax | Effect on Equity |
|--|---|-------------------------|
| June 30, 2020 | | |
| 5% | P398,982 | P279,287 |
| (5%) | (398,982) | (279,287) |
| December 31, 2019 | | |
| 5% | (P691,698) | (P484,188) |
| (5%) | 691,698 | 484,188 |

The increase in US\$ rate means stronger US\$ against Php while the decrease in US\$ means stronger Php against the US\$.

Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, reacquire its own shares, or issue new shares. The Group monitors capital on the basis of current ratio and debt-to-equity ratio. The Group's strategy, which was unchanged from prior year, was to maintain current ratio and debt-to-equity ratio at manageable levels.

There were no changes in the Group's approach to capital management during the year.

As at June 30, 2020 and December 31, 2019, the Group is compliant with the minimum public float requirement by the PSE.

The Group defines capital as capital stock, additional paid-in capital, treasury stock dividend distributable and retained earnings. Other components of equity are excluded from capital for purposes of capital management.

There were no changes in the Company's approach to capital management during the period. As at June 30, 2020 and December 31, 2019, the Company is compliant with the minimum public float requirement by PSE.

The Group's current ratio, calculated as total current assets over total current liabilities, and debt-to-equity ratio, calculated as total liabilities over equity, as at June 30, 2020 and December 31, 2019 are as follows:

Current Ratio

| | Jun. 30, 2020 | Dec. 31, 2019 |
|---------------------|----------------------|---------------|
| Current assets | 676,765,244 | P864,695,033 |
| Current liabilities | 163,595,292 | 360,318,424 |
| Current ratio | 4.14:1.00 | 2.40:1.00 |

Debt-to-Equity Ratio

| | Jun. 30, 2020 | Dec. 31, 2019 |
|----------------------|----------------------|----------------------|
| Total liabilities | P208,855,553 | P399,410,077 |
| Total equity | 1,044,934,204 | 1,313,419,353 |
| Debt-to-equity ratio | 0.20:1.00 | 0.30:1.00 |

To address the prohibition in maintaining excess retained earnings over the paid in capital under Sec. 43 of the Corporation Code, the Group intends to continuously declare dividends and is considering various options in line with its business objectives and strategies and state of the gaming industry.

Fair Value of Financial Instruments

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments as at June 30, 2020 and December 31, 2019:

| | June 30, 2020 | | December 31, 2019 | |
|-----------------------------|---------------------|---------------------|-------------------|----------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| At Amortized Cost: | | | | |
| Cash and cash equivalents | P236,740,457 | P236,740,457 | P337,471,529 | P337,471,529 |
| Trade and other receivable* | 260,051,282 | 260,051,282 | 212,881,594 | 212,881,594 |
| Refundable deposits | 6,040,577 | 6,040,577 | 35,424,154 | 35,424,154 |
| Guarantee bonds | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 |
| At FVPL: | | | | |
| Marketable securities | 72,586,417 | 72,586,417 | 140,456,581 | 140,456,581 |
| At FVOCI: | | | | |
| Investments in stocks | 212,794,875 | 212,794,875 | 347,630,880 | 347,630,880 |
| | P800,213,608 | P800,213,608 | P1,085,864,738 | P1,085,864,738 |

| | June 30, 2020 | | December 31, 2019 | |
|---|---------------------|---------------------|-------------------|--------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Liabilities | | | | |
| At Amortized Cost: | | | | |
| Trade and other current liabilities** | P69,158,596 | P69,158,596 | P142,396,558 | P142,396,558 |
| Loan payable | 75,000,000 | 75,000,000 | 150,000,000 | 150,000,000 |
| Lease liabilities (inclusive of noncurrent portion) | 26,742,359 | 26,742,359 | 67,602,005 | 67,602,005 |
| | P170,900,955 | P170,900,955 | P359,998,563 | P359,998,563 |

*Inclusive of noncurrent portion of accrued license fee income amounting to P89.6 million and P96.6 million and exclusive of advances amounting to P38.0 million and P56.2 million as at June 30, 2020 and December 31, 2019, respectively.

**Excluding statutory liabilities of P1.0 million and P1.8 million as at June 30, 2020 and December 31, 2019, respectively.

The carrying amounts of cash and cash equivalents, trade and other receivables (excluding accrued license fee income), deposits, trade and other current liabilities and loan payable approximate their fair values due to the relatively short-term maturities of the financial instruments.

The carrying amount of accrued license fee income is based on present value using a discount rate that approximates the prevailing market rate.

The fair values of marketable securities and investments in stocks are based on quoted market prices.

The carrying amounts of guarantee bonds, deposits, lease liabilities, obligations under finance lease, and installment payable approximate their fair values since the Group does not anticipate that the effect of discounting using the prevailing market rate is significant.

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|--------------------|------------|------------|--------------------|
| Marketable Securities | | | | |
| Jun. 30, 2020 | P72,586,417 | P - | P - | P72,586,417 |
| Dec. 31, 2019 | 155,704,892 | - | - | 155,704,892 |
| Investments in Stocks | | | | |
| Jun. 30, 2020 | 212,794,875 | | | 212,794,875 |
| Dec. 31, 2019 | 455,705,930 | - | - | 455,705,930 |

There were no transfers between Levels as at June 30, 2020 and December 31, 2019.

Other Required Disclosures

- The attached interim financial reports were prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Group entities, except for the changes in accounting policies as explained below.

Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Group has adopted the following amendments to standards starting January 1, 2019 and accordingly, changed its accounting policies. Except as otherwise stated, the adoption did not have a material impact on the Group's consolidated financial statements.

- PFRS 16 Leases supersedes PAS 17 Leases* and the related Philippine Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognized on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low-value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgmental thresholds that affect the identification, classification and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgments at each reporting date were introduced.

The Group has adopted PFRS 16 on the date of initial application, January 1, 2019. When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The average rate applied for lease contracts with duration of 13 months to 23 months is 6% and the rate applied for lease contracts with duration of 24 months to 35 months is 6.5%.

The following amended standards and interpretations are relevant but did not have a significant impact on the Group's consolidated financial statements.

- Philippine Interpretation IFRIC-23 Uncertainty over Income Tax Treatments
- Prepayment Features with Negative Compensation (Amendments to PFRS 9 Financial Instruments).

- Long-term Interests in Associates and Joint Ventures (Amendments to PAS 28 Investments in Associates and Joint Ventures).
- Plan Amendment, Curtailment or Settlement (Amendments to PAS 19 Employee Benefits).
- Annual Improvements to PFRSs 2015 - 2017 Cycle.

Standards Issued but Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2019. However, the Group has not applied the following new or amended standards in preparing these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective January 1, 2020

- *Amendments to References to Conceptual Framework in PFRS Standards sets*
 - *Definition of Material (Amendments to PAS 1 Presentation of Financial Statements and PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).*
 - *Definition of a Business (Amendments to PFRS 3 Business Combinations).*
2. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD & A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
 3. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
 4. Except as disclosed in the MD & A, there were no other issuance, repurchases and repayments of debt and equity securities.
 5. Except as disclosed in the MD & A, there were no material events that occurred subsequent to June 30, 2020 and up to the date of this report that need disclosure herein.
 6. Except as disclosed in the MD & A, there were no changes in the composition of the Group since June 30, 2020, such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations.
 7. There were no changes in contingent liabilities or contingent assets since June 30, 2020
 8. There exist no material contingencies and other material events or transactions affecting the current interim period.

SIGNATURES

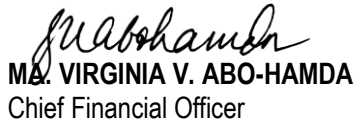
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **PACIFIC ONLINE SYSTEMS CORPORATION**



WILLY N. OCIER
Chairman of the Board
and President

Date: July 30, 2020



MA. VIRGINIA V. ABO-HAMDA
Chief Financial Officer

Date: July 30, 2020

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Position

| | June 30, 2020 | December 31, 2019 |
|--|-----------------------|-----------------------|
| | Unaudited | Audited |
| ASSETS | | |
| Current Assets | | |
| Cash | P236,740,457 | P337,471,529 |
| Marketable securities | 72,586,417 | 140,456,581 |
| Trade and other receivables – net | 208,451,079 | 172,501,609 |
| Other current assets | 158,987,291 | 214,265,314 |
| Total Current Assets | 676,765,244 | 864,695,033 |
| Noncurrent Assets | | |
| Investments in stocks | 212,794,875 | 347,630,880 |
| Property and equipment – net | 102,004,511 | 107,415,991 |
| Right of use asset - net | 15,972,524 | 50,298,070 |
| Deferred tax asset-net | 28,496,446 | 52,501,395 |
| Other noncurrent assets | 217,756,157 | 290,288,060 |
| Total Noncurrent Assets | 577,024,513 | 848,134,396 |
| TOTAL ASSETS | P1,253,789,757 | P1,712,829,429 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Trade and other current liabilities | P70,202,960 | P144,231,951 |
| Withholding taxes payable | 554,399 | 3,458,412 |
| Income tax payable | 6,043 | 4,274,940 |
| Loan payable | 75,000,000 | 150,000,000 |
| Lease liabilities | 17,831,890 | 58,353,121 |
| Total Current Liabilities | 163,595,292 | 360,318,424 |
| Noncurrent Liabilities | | |
| Defined benefit liability | 36,349,791 | 29,842,768 |
| Lease liabilities - net of current portion | 8,910,470 | 9,248,885 |
| Total Noncurrent Liabilities | 45,260,261 | 39,091,653 |
| TOTAL LIABILITIES | 208,855,553 | 399,410,077 |
| Equity Attributable to Equity Holders of the Parent Company | | |
| Capital stock | 895,330,946 | 895,330,946 |
| Additional paid-in capital | 257,250,677 | 257,250,677 |
| Treasury shares | (285,267,558) | (285,267,558) |
| Fair value reserve | (531,637,976) | (396,801,971) |
| Retirement benefits reserve | (10,932,033) | (17,614,609) |
| Retained earnings | 715,643,782 | 855,178,424 |
| | 1,040,387,838 | 1,308,075,910 |
| Non-controlling Interests | 4,546,366 | 5,343,443 |
| Total Equity | 1,044,934,204 | 1,313,419,353 |
| TOTAL LIABILITIES AND EQUITY | P1,253,789,757 | P1,712,829,429 |

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income (Unaudited)
For the six months ended June 30, 2020 and 2019

| | Six Months Ended Jun 30 | | This Quarter | |
|---|-------------------------|----------------------|-----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| REVENUE | | | | |
| Equipment rental | P134,004,360 | P369,046,428 | P - | P169,440,109 |
| Commission and distribution income | 46,118,254 | 189,716,658 | 14,362 | 95,520,256 |
| | 180,122,614 | 558,763,086 | 14,362 | 264,960,365 |
| COSTS AND EXPENSES | | | | |
| Personnel costs | 90,540,796 | 177,464,796 | 31,799,932 | 89,141,585 |
| Software and license fees | 20,582,546 | 91,017,845 | - | 44,390,036 |
| Operating supplies | 6,066,184 | 30,943,447 | 176,879 | 14,387,034 |
| Depreciation and amortization | 129,275,534 | 109,052,102 | 66,932,145 | 53,469,489 |
| Communications | 35,491,044 | 60,415,857 | 8,920,654 | 27,767,814 |
| Travel and accommodation | 13,212,566 | 31,002,630 | 4,345,815 | 15,816,266 |
| Rent, utilities and outside services | 32,376,414 | 76,332,544 | 6,242,950 | 39,709,914 |
| Management fees | - | 1,634,426 | - | 756,067 |
| Repairs and maintenance | 12,538,359 | 45,086,727 | 3,187,692 | 17,011,473 |
| Taxes and licenses | 6,796,877 | 19,599,060 | 1,358,560 | 8,189,370 |
| Entertainment, amusement and recreation | 3,591,837 | 3,822,712 | 131,178 | 193,853 |
| Professional fees | 3,569,804 | 6,520,129 | 1,210,019 | 3,959,995 |
| Marketing and promotions | 3,278,889 | 2,152,559 | 1,192,885 | 952,166 |
| Others | 5,070,328 | 13,585,240 | 541,857 | 8,272,405 |
| | 362,391,178 | 668,630,073 | 126,040,568 | 324,017,469 |
| OPERATING INCOME (LOSS) | (182,268,564) | (109,866,987) | (126,026,206) | (59,057,104) |
| OTHER INCOME (CHARGES) | | | | |
| Dividend income | 29,623,944 | 26,947,224 | 321,720 | - |
| Interest income | 176,863 | 987,938 | 60,703 | 513,335 |
| Finance charges | (4,183,212) | (2,747,585) | (1,842,725) | (1,551,210) |
| Mark-to-market gain (loss) on marketable securities | (17,870,164) | 8,973,711 | (3,644,947) | 6,498,161 |
| Gain (loss) on sale of Property and equipment | 850 | 39,998 | - | 19,998 |
| Foreign exchange gain (loss) | (207,569) | (379,439) | (2,047) | (616,311) |
| Others – net | 10,792,286 | 9,364,232 | (3,912,129) | 4,648,605 |
| | 18,332,999 | 43,186,080 | (9,019,426) | 9,512,578 |
| INCOME (LOSS) BEFORE INCOME TAX | (163,935,565) | (66,680,906) | (135,045,632) | (49,544,526) |
| INCOME TAX EXPENSE (BENEFIT) | | | | |
| Current | - | 9,656,471 | - | 4,424,537 |
| Deferred | - | - | - | 3,030,718 |
| | - | 9,656,471 | - | 7,455,255 |
| NET INCOME (LOSS) | (P163,935,565) | (P76,337,377) | (P135,045,632) | (P56,999,781) |
| Attributable to: | | | | |
| Equity holders of the Parent Company | (163,138,488) | (75,493,015) | (134,930,732) | (56,143,967) |
| Non-controlling interests | (797,077) | (844,362) | (114,900) | (855,814) |
| | (P163,935,565) | (P76,337,377) | (P135,045,632) | (P56,999,781) |
| Attributable to Equity Holders of the Parent Company | | | | |
| Basic Earnings Per Share | (P0.1931) | (P0.0894) | (P0.1597) | (P0.0665) |
| Diluted Earnings Per Share | (P0.1931) | (P0.0894) | (P0.1597) | (P0.0665) |

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Unaudited)
For the six months ended June 30, 2020 and 2019

| | Six Months Ended Jun 30 | | This Quarter | |
|--|-------------------------|----------------------|-----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 |
| NET INCOME (LOSS) | (P163,935,565) | (P76,337,377) | (P135,045,632) | (P56,999,781) |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will never be reclassified to profit or loss | | | | |
| Fair value gain (loss) on investment in shares of stock | (134,836,005) | 1,333,260 | 10,437,730 | (19,523,780) |
| Remeasurements of retirement benefits, net of tax | - | - | - | - |
| | (134,836,005) | 1,333,260 | 10,437,730 | (19,523,780) |
| TOTAL COMPREHENSIVE INCOME (LOSS) | (P298,771,570) | (P75,004,117) | (P124,607,902) | (P76,523,561) |
| Attributable to: | | | | |
| Owners of the Parent Company | (297,974,493) | (74,159,755) | (124,493,002) | (75,667,747) |
| Non-controlling interests | (797,077) | (844,362) | (114,900) | (855,814) |
| | (P298,771,570) | (P75,004,117) | (P124,607,902) | (P76,523,561) |

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
For the six months ended June 30, 2020 and 2019

| | For the six months ended Jun. 30 | |
|---|----------------------------------|---------------------|
| | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income (Loss) before income tax | (P163,935,565) | (P66,680,906) |
| Adjustments for: | | |
| Depreciation and amortization | 129,275,534 | 109,052,102 |
| Dividend income | (29,623,944) | (26,947,224) |
| Retirement cost | 3,600,000 | 2,385,530 |
| Finance charges | 4,183,212 | 2,747,585 |
| Unrealized foreign exchange loss (gain) | 207,569 | 379,439 |
| Interest income | (176,863) | (987,938) |
| Fair value gain on marketable securities | 17,870,164 | (8,973,711) |
| Gain on sale of: | | |
| Subsidiary | (9,547,745) | - |
| Property and equipment | (850) | (39,998) |
| Operating income before working capital changes | (48,148,488) | 10,934,878 |
| Decrease (increase) in: | | |
| Trade and other receivables | (39,833,709) | 63,071,493 |
| Other current assets | (40,656,026) | (393,372) |
| Right of use assets | 8,724,428 | (12,028,883) |
| Other noncurrent assets | (1,685,646) | 22,765,956 |
| Increase (decrease) in: | | |
| Trade and other payables | 83,668,945 | (73,834,716) |
| Withholding taxes payable | (1,126,216) | (1,629,272) |
| Interest received | 176,863 | 987,938 |
| Income tax paid | (1,294,285) | (18,402,467) |
| Retirement contributions paid | (0) | 1,260,000 |
| Net cash flows provided by operating activities | (40,174,134) | (7,268,445) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of | | |
| Property and equipment | (56,885,303) | (17,891,746) |
| Proceeds from sale of: | | |
| Subsidiary | 137,413,892 | - |
| Marketable securities | 50,000,000 | - |
| Property and equipment | 850 | 39,998 |
| Dividends received | 29,623,944 | 26,947,224 |
| Net cash flows provided by investing activities | 160,153,383 | 9,095,476 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payment of: | | |
| Loan payable | (75,000,000) | - |
| Lease liabilities | (13,785,104) | (8,583,695) |
| Increase (decrease) in | | |
| Obligation under capital lease | - | 1,112,696 |
| Installment payable | - | 1,305,902 |
| Finance charges paid | (4,183,212) | (2,747,585) |
| Net cash flows used in financing activities | (92,968,316) | (8,912,682) |
| NET INCREASE (DECREASE) IN CASH | 27,010,933 | (7,085,650) |
| CASH AT BEGINNING OF YEAR | 209,937,094 | 571,260,258 |
| EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (207,569) | (379,439) |
| CASH AT END OF PERIOD | P236,740,457 | P563,795,169 |

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity (Unaudited)

| | Capital Stock | Additional Paid-in Capital | Treasury Shares | Stock Dividend Payable | Fair Value Reserve | Reserve for Retirement Benefits | Retained Earnings | Total | Non- Controlling Interest | Total Equity |
|--|---------------------|----------------------------------|-----------------------|------------------------------|-----------------------|---------------------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| January 1, 2019 | P447,665,473 | P257,250,677 | (P285,267,558) | P422,431,981 | (P288,726,921) | P538,390 | P1,199,822,935 | P1,753,714,977 | P6,904,799 | P1,760,619,776 |
| Change in fair value of investments in stocks | - | - | - | - | 1,333,260 | - | - | 1,333,260 | - | 1,333,260 |
| Remeasurements of retirement benefits net of tax | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income (loss) | - | - | - | - | 1,333,260 | - | - | 1,333,260 | - | 1,333,260 |
| Net income (loss) for the year | - | - | - | - | - | - | (75,493,015) | (75,493,015) | (844,362) | (76,337,377) |
| Total comprehensive income (loss) for the year | - | - | - | - | 1,333,260 | - | (75,493,015) | (74,159,755) | (844,362) | (75,004,117) |
| Stock dividends | 447,665,473 | - | - | (422,431,981) | - | - | (25,233,492) | - | - | - |
| Total transactions with owners in their capacity as owners | 447,665,473 | - | - | (422,431,981) | 1,333,260 | - | (100,726,507) | (74,159,755) | (844,362) | (75,004,117) |
| June 30, 2019 | P895,330,946 | P257,250,677 | (P285,267,558) | P - | (P287,393,661) | P538,390 | P1,099,096,428 | P1,679,555,222 | P6,060,437 | P1,685,615,659 |
| January 1, 2020 | P895,330,946 | P257,250,677 | (P285,267,558) | P - | (P396,801,971) | (P17,614,609) | P855,178,424 | P1,308,075,910 | P5,343,443 | P1,313,419,353 |
| Change in fair value of investments in stocks | - | - | - | - | (134,836,005) | - | - | (134,836,005) | - | (134,836,005) |
| Remeasurements of retirement benefits net of tax | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income (loss) | - | - | - | - | (134,836,005) | - | - | (134,836,005) | - | (134,836,005) |
| Net income (loss) for the year | - | - | - | - | - | - | (163,138,488) | (163,138,488) | (797,077) | (163,935,565) |
| Total comprehensive income (loss) for the year | - | - | - | - | (134,836,005) | - | (163,138,488) | (297,974,493) | (797,077) | (298,771,570) |
| Sale of subsidiary | - | - | - | - | - | 6,682,576 | 23,603,846 | 30,286,421 | - | 30,286,421 |
| Total transactions with owners in their capacity as owners | - | - | - | - | (134,836,005) | 6,682,576 | 23,603,846 | 30,286,421 | - | 30,286,421 |
| June 30, 2020 | P895,330,946 | P257,250,677 | (P285,267,558) | P - | (P531,637,976) | (P10,932,033) | P715,643,782 | P1,040,387,838 | P4,546,366 | P1,044,934,204 |

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Trade and Other Receivables
As of June 30, 2020

1.) Aging of Trade and Other Receivables

| | Neither Past Due nor Impaired | Impaired | Total |
|--|-------------------------------------|------------|---------------------|
| a.) Trade Receivables | | | |
| 1.) PCSO – Equipment rentals | P52,307,287 | P - | P52,307,287 |
| 2.) Note receivable | 68,400,000 | - | 68,400,000 |
| 3.) Accounts receivable | 42,953,524 | - | 42,953,524 |
| 4.) Accrued license fee income-current | 40,510,762 | - | 40,510,762 |
| | 204,171,573 | - | 204,171,573 |
| b.) Non-Trade Receivables | | | |
| 1.) Advances to officers and employees | 2,037,649 | - | 2,037,649 |
| 2.) Contractors and suppliers | 645,852 | - | 645,852 |
| 3.) Other receivables | 1,596,005 | - | 1,596,005 |
| | 4,279,506 | - | 4,279,506 |
| Total | P208,451,079 | P - | P208,451,079 |

2.) Description of receivables

| <i>Types of Receivables</i> | <i>Nature and Description</i> | <i>Collection / Liquidation Period</i> |
|---|---|--|
| 1.) Advances to officers and employees | Company loan and other advances granted to officers and employees | Within one (1) year |
| 2.) Advances to contractors and suppliers | Receivables from / advances to contractors and suppliers | Within one (1) year |
| 3.) Other receivables | Other advances | Within one (1) year |

3.) Normal operating cycle: 365 days

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Segment Information
For the period ended June 30, 2020

The primary segment reporting format is presented based on business segments in which the Group's risks and rates of return are affected predominantly by differences in the products and services provided. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is engaged in the businesses of leasing gaming equipment to PCSO (leasing activity) and sale of lottery tickets (distribution and retail activities), among others.

Financial information about the Group's business segments are shown below:

| | For the Six Months ended June 30, 2020 | | | |
|--|---|---|-----------------------|--------------------------|
| | Equipment Leasing Activities | Distribution and Retail Activities | Eliminations | Consolidate d |
| Revenue | | | | |
| Equipment rental | P134,004,360 | P - | P - | P134,004,360 |
| Commission and distribution income | - | 46,118,254 | - | 46,118,254 |
| Total revenue | P134,004,360 | 46,118,254 | P - | P180,122,614 |
| Segments Results | | | | |
| Income (loss) before income tax | (168,112,587) | (28,121,848) | 32,298,870 | (163,935,565) |
| Income tax expense (benefit) | - | - | - | - |
| Net income (loss) | (168,112,587) | (28,121,848) | 32,298,870 | (163,935,565) |
| Segment assets | P1,533,186,043 | P95,982,184 | (P375,378,470) | P1,253,789,757 |
| Deferred tax assets – net | 27,277,145 | 542,893 | 676,408 | 28,496,446 |
| Segments assets (excluding deferred tax assets - net) | 1,505,908,899 | 95,439,291 | (376,054,879) | 1,225,293,311 |
| Segment liabilities | 206,538,305 | 35,869,105 | (33,551,857) | 208,855,553 |
| Other Information | | | | |
| Capital expenditures | 56,885,303 | - | - | 56,885,303 |
| Depreciation and amortization | 125,599,250 | 3,676,284 | - | 129,275,534 |
| Finance charges | (4,183,212) | - | - | (4,183,212) |
| Interest income | 163,132 | 13,731 | - | 176,863 |

End of Report