COVER SHEET

AS093-008809

SEC Registration Number

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES

(Company's Full Name)

28th Floor, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City

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

Ma. Virginia V. Abo-Hamda	8584-1700
(Contact Person)	(Company Telephone Number)

12 31	17-Q	
Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

(Secondary License Type, If Applicable)

CFD	
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

57	n/a	n/a
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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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 **March 31, 2021**

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
	n/a

11. Are any or all of these securities listed on the Philippine Stock Exchange
    Yes [x] 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 [x] No [ ]

    (b) has been subject to such filing requirements for the past 90 days.
    Yes [x] 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 three (3) months ended, March 31, 2021 and March 31, 2020;
b.) Consolidated Statements of Comprehensive Income for the three (3) months, ended March 31, 2021 and March 31, 2020;
c.) Consolidated Statements of Financial Position as of March 31, 2021 and Audited Statements of Financial Position as of December 31, 2020;
d.) Consolidated Statements of Changes in Equity for the three (3) months ended, March 31, 2021 and March 31, 2020; and
e.) Consolidated Statements of Cash Flows for the three (3) months ended, March 31, 2021 and March 31, 2020.

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

Results of Operations for the Period Ended March 31, 2021 vs. March 31, 2020

Revenues
For the three months of 2021, Pacific Online Systems Corporation (the "Company") consolidated with its subsidiaries (the "Group"), earned total revenues of P122.8 million, which is P57.3 million, or 32%, lower than last year's revenues of P180.1 million. The decrease in revenues was mainly due to the lower number of lottery agents that reopened to sell lottery tickets and lower volume of players buying tickets brought about by the impact of the Covid-19 pandemic, which resulted to the suspension of lottery sales nationwide from March 17,2020 through July 2020.

Costs and Expenses
The Group incurred total operating expenses of P137.3 million, which is 42% or P99.0 million lower than last year's P236.4 million for the three months of the year. The decrease in costs and expenses is attributable to the streamlined operations of the company after the effects of the Covid-19 pandemic.:

- Personnel costs decreased by P30.7 million (52%);
- Operating supplies decreased by P3.7 million (63%);
- Communications decreased by P8.5 million (32%);
- Travel and accommodation decreased by P2.4 million (27%);
- Rent and utilities decreased by P19.3 million (74%);
- Depreciation and amortization by P24.3 million (39%)
- Taxes and licenses decreased by P1.6 million (29%); and
- Other expenses decreased by P4.2 million (92%).

Other Income (Charges)
Other income (net of other charges) of P1.5 million is lower by P25.9 million (95%) for the period ended March 31, 2021 versus last year's P27.4 million. This change was due mainly to the P9.5M net gain on the sale of LCC and the P29.3 dividend income realized in 2020, which was offset by P10.6 mark-to-market gain on marketable securities and lower finance charges in 2021.

Operating Income, Net Income, Other Comprehensive Income and Total Comprehensive Income
Due to a P57.3 million (32%) decline in revenues, the Group incurred an operating loss of P14.5 million, which is lower by P41.8 million (74%) from last year's P56.2 million operating loss. Said operating loss was incurred in spite of a P99.0 million (42%) decrease in costs and expenses. Due to the slow recover from the impact of the Covid 19 pandemic, the Group realized a net loss of P13.0 million for the first quarter of

2021. This net loss, however, is lower by P15.9 million (55%) from the P28.9 million net loss during the same period last year due to contraction of operating expenses.

A P38.6 million fair value loss on investment in stocks resulted to a total comprehensive loss of P 51.6 million. This is a P122.5 million or 70.3% decline from last year's total comprehensive loss of P174.2 million.

Financial Condition as of March 31, 2021 vs. December 31, 2020

The Group's total assets of P1.0 billion as of March 31, 2021 decreased by P74.5 million or 7% from P1.1 billion as of December 31, 2020. The decrease in total assets is largely attributable to the following:

- Investment in stocks decreased by P38.6 million (14%) due to the fair value loss incurred during the period;
- Property and equipment decreased by P15.9 (19%) and Right of Use (ROU) assets decreased by P4.7 million (46%) due to depreciation expense for the period, and;
- Other noncurrent assets decreased by P22.0 million (22%) due to reclassification to current assets portion.

The above-mentioned decreases were offset by the increase in trade and other receivables of P9.2 million (7%).

The Group's total liabilities at P217.4 million decreased by P22.9 million, or 10% from P240.3 million as of December 31, 2020. The decrease in total liabilities is explained as follows:

- Trade and other current liabilities decreased by P20.7 million (12%), Withholding taxes payable decreased by P0.2 million (9%), and Lease liabilities decreased by P4.7 million (40%) due to lower operating costs and expenses and payments of liabilities;

The decreases above were offset by the increase in defined benefit liability of P2.7 million (6%), resulting from additional accrual of retirement expense for the period.

Total equity as of March 31, 2021 of P811.5 million decreased by P51.6 million from the P863.1 million equity as of yearend 2020. The decrease in total equity resulted from the P38.6 million fair value loss on investment in stocks and the P13.0 million net loss from operations for the period.

Cash Flows for the Nine Months Ended March 31, 2021 vs. March 31, 2020

The Group's cash balance as of March 31, 2021 of P164.6 million was lower by P162.0 million (50%), as compared to P326.5 million in 2020, mainly due to the substantial decrease in revenues.

Discussion and Analysis of Material Events and Uncertainties Known to Management

While the lottery market is still slowly recovering from the impact of last year's COVID 19 pandemic, new variants of the COVID-19 virus hit the Philippines early this year, causing a resurgence in the number of COVID cases in Metro Manila, Laguna, Cavite, Bulacan and Rizal. This caused the government to implement Enhanced Community Quarantine (ECQ) in these areas in March 2021, which was recently extended to April 30, 2021 under a Modified ECQ status. Coupled with several Local Government Units (LGU) outside of this "bubble" area imposing their own version of quarantine restrictions, Lotto and Keno revenues to date have not yet reached the pre-COVID levels seen before March 2020. However, the

Company believes that its lottery revenues will gradually increase, with the roll-out of the COVID 19 vaccines that have begun in the country.

The PCSO has begun the process of rebidding the PCSO Lottery System (PLS) last February 5, 2021. It has since released subsequent Supplemental Bid Bulletins on the matter, the latest of which sets the bid submission and opening date on April 21, 2021. The Company will be joining the PLS 2021 bid as a partner in the Joint Venture with Philippine Gaming Management Corporation (PGMC), which is the current Lotto system provider of PCSO in the Luzon region.

In the event of the final completion of the rebidding process, the Company expects that its lease agreement with PCSO will, nonetheless, be extended further 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 Company's current agreement has been extended through July 31, 2021.

Except for what has been noted 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, 2020 to March 31, 2021;
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.

<u>**Key Performance Indicators**</u>

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	**31 March 2021**	31 December 2020
Current ratio	Current assets over current liabilities	**3.33:1**	2.89:1
Debt to equity ratio	Total liabilities over total equity	**0.27:1**	0.28:1
Asset-to-equity ratio	Total assets over total equity	**1.27:1**	1.28:1
Solvency ratio	Total assets over total liabilities	**4.73:1**	4.59:1

Profitability Ratios	The manner by which the Company calculates the performance indicators	**31 March 2021**	31 March 2020
Operating income (loss) margin	Operating income (loss) over revenues	**(11.8%)**	(31.23%)
Net profit (loss) margin	Net income (loss) over revenues	**(10.6%)**	(16.04%)
Return on equity	Net income (loss) over total equity	**(1.6%)**	(3.35%)
Return on assets	Net income (loss) over total assets	**(1.27%)**	(2.62%)

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, financial assets at FVOCI, 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 March 31, 2021 and December 31, 2020 without taking into account any collateral and other credit enhancements:

	Mar. 31, 2021	Dec. 31, 2020
Cash in banks and cash equivalents*	**P163,864,237**	P161,572,701
Trade and other receivables - net**	**189,758,998**	195,941,148
Marketable securities	**80,678,480**	84,260,926
Refundable deposits	**4,207,019**	4,159,704
Financial assets at FVOCI	**243,194,665**	281,822,365
Guarantee bonds***	**14,500,000**	14,500,000
Total credit exposure	**P696,203,399**	P742,256,844

**Excludes cash on hand amounting to P0.7 million and P0.7 million as at March 31, 2021 and December 31, 2020, respectively.*

***Inclusive of noncurrent portion of accrued license fee income amounting to P59.4 million and P70.3 million and exclusive of advances amounting to P11.4 million and P6.8 million as at March 31, 2021 and December 31, 2020, respectively.*

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

The table below shows the aging analysis of receivables other financial assets as at March 31, 2021 and December 31, 2020:

	March 31, 2021		
	Neither Past Due nor Impaired	**Impaired**	**Total**
Trade and other receivables - net	**P113,517,018**	**P -**	**P113,517,018**
Accrued receivable*	**75,995,195**	**-**	**75,995,195**
Guarantee bonds**	**14,500,000**	**-**	**14,500,000**
Refundable deposits	**4,207,019**	**-**	**4,207,019**
Other receivables	**246,785**	**-**	**246,785**
	P208,466,017	**P -**	**P208,466,017**

**Inclusive of noncurrent portion of license fee income of P59.4 million and exclusive of advance payments of P11.4 million.*
*** Includes the cash bond under "Other current assets" in the consolidated statements of financial position.*

	December 31, 2020		
	Neither Past Due nor Impaired	Impaired	Total
Trade and other receivables - net	P109,459,998	P -	P109,459,998
Accrued receivable*	86,206,043	-	86,206,043
Guarantee bonds**	14,500,000	-	14,500,000
Refundable deposits	4,159,704	-	4,159,704
Other receivables	275,108	-	275,108
	P214,600,852	P -	P214,600,852

** Inclusive of noncurrent portion of license fee income of P70.3 million and exclusive of advance payments of P6.8 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:

	March 31, 2021			
	Grade A	**Grade B**	**Grade C**	**Total**
At amortized cost:				
Cash in banks and cash equivalents	**P163,864,237**	**P -**	**P -**	**P163,864,237**
Trade and other receivables - net*	**113,763,803**	**75,995,195**	**-**	**189,758,998**
Refundable deposits	**-**	**4,207,019**	**-**	**4,207,019**
Guarantee bonds	**-**	**-**	**14,500,000**	**14,500,000**
At FVPL:				
Marketable securities	**80,678,480**	**-**	**-**	**80,678,480**
At FVOCI:				
Financial assets at FVOCI	**243,194,665**	**-**	**-**	**243,194,665**
	P601,501,185	**P80,202,214**	**P14,500,000**	**P696,203,399**

**Inclusive of noncurrent portion of accrued license fee income amounting to P59.4 million and exclusive of advance payments of P11.4 million.*

	December 31, 2020			
	Grade A	Grade B	Grade C	Total
At amortized cost:				
Cash in banks and cash equivalents	P161,572,701	P -	P -	P161,572,701
Trade and other receivables - net*	109,735,105	86,206,043	-	195,941,148
Refundable deposits	-	4,159,704	-	4,159,704
Guarantee bonds	-	-	14,500,000	14,500,000
At FVPL:				
Marketable securities	84,260,926	-	-	84,260,926
At FVOCI:				
Financial assets at FVOCI	281,822,365	-	-	281,822,365
	P637,391,097	P90,365,747	P14,500,000	P742,256,844

** Inclusive of noncurrent portion of accrued license fee income amounting to P70.3 million and exclusive of advance payments of P6.8 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.

Estimating ECL

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets as at March 31, 2021 by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	Financial Assets at Amortized Cost				
March 31, 2021	**12-Month ECL**	**Lifetime ECL not Credit Impaired**	**Total**	**ECL**	**Carrying Amount**
Cash in banks and cash equivalents	**P163,864,237**	**P -**	**P163,864,237**	**P -**	**P163,864,237**
Trade and other receivables - net*	**331,584,003**	**-**	**331,584,003**	**(141,825,004)**	**189,758,998**
Refundable security deposits	**4,207,019**	**-**	**4,207,019**	**-**	**4,207,019**
Guarantee bonds	**14,500,000**	**-**	**14,500,000**	**-**	**14,500,000**
	P514,155,259	**P -**	**P514,155,259**	**(P141,825,004)**	**P372,330,254**

**Inclusive of noncurrent portion of accrued license fee income amounting to P59.4 million and exclusive of advance payments of P11.4 million.*

	Financial Assets at Amortized Cost				
December 31, 2020	12-Month ECL	Lifetime ECL not Credit Impaired	Total	ECL	Carrying Amount
Cash in banks and cash equivalents	P161,572,701	P -	P161,572,701	P -	P161,572,701
Trade and other receivables - net*	337,766,154	-	337,766,154	(141,825,004)	195,941,149
Refundable security deposits	4,159,704	-	4,159,704	-	4,159,704
Guarantee bonds	14,500,000	-	14,500,000	-	14,500,000
	P517,998,559	P -	P517,998,559	(P141,825,004)	P376,173,555

* *Inclusive of noncurrent portion of accrued license fee income amounting to P70.3 million and exclusive of advance payments of P6.8 million.*

The Group computes impairment loss on trade and other receivables based on past collection experiences, current circumstances and the impact of future economic conditions, if any, available at the reporting period. Loss rates are based on actual credit loss experience. Any adjustments to the loss rates for forecasts of future economic conditions are not expected to be material. The Group applies the simplified approach in providing for ECL prescribed by PFRS 9, which permits the use of the lifetime expected loss provision and applies a provision matrix.

Cash in banks and cash equivalents are considered of good quality as these pertain to deposits in reputable banks.

Impairment on cash has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash has low credit risk based on the external credit ratings of the counterparties.

Receivables and refundable security deposits are considered of good quality since these are transacted with counterparties with high external credit ratings. the credit quality of these financial assets is considered to be high grade.

Marketable Securities and Investment in Stocks are considered good quality since these are invested in companies listed in the PSE.

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 financial assets at FVOCI. 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
March 31, 2021		
	5%	**P4,033,924**
	(5%)	**(4,033,924)**
December 31, 2020		
	5%	P4,213,046
	(5%)	(4,213,046)

Financial assets at FVOCI

	Increase (Decrease) in Equity Price	Effect on Comprehensive Net Income
March 31, 2021		
	8%	**P19,455,573**
	(8%)	**(19,455,573)**
December 31, 2020		

8%	P22,545,789
(8%)	(22,545,789)

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:

	March 31, 2021				
	Less than 3 Months	**3 - 6 Months**	**6 - 12 Months**	**More than 12 Months**	**Total**
Trade and other current liabilities*	**P66,197,900**	**P26,538,911**	**P32,915,814**	**P30,788,908**	**P156,441,534**
Lease liabilities**	**2,952,185**	**1,482,055**	**1,129,543**	**1,349,677**	**6,913,461**
	P69,150,086	**P28,020,966**	**P34,045,357**	**P32,138,586**	**P163,354,994**

** Excluding statutory liabilities amounting to P1.1 million*

	December 31, 2020				
	Less than 3 Months	3 - 6 Months	6 - 12 Months	More than 12 Months	Total
Trade and other current liabilities*	P68,152,272	P69,757,566	P7,087,656	P31,766,804	P176,764,298
Lease liabilities**	4,691,906	2,952,185	2,311,204	1,650,071	11,605,367
	P72,844,178	P72,709,751	P9,398,860	P33,416,876	P188,369,665

** Excluding statutory liabilities amounting to P1.5 million*
***Inclusive of noncurrent portion*

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 March 31, 2021 and December 31, 2020, assets and liabilities denominated in US$ include cash in banks amounting to P9.3 million ($190,807) and P19.6 million ($409,091), and trade and software and license fees payables amounting to P69.8 million (US$1,440,277) and P80.3 million ($1,672,996), respectively.

In translating foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were P48.49 and P48.00 to US$1, the Php to US$ exchange rates, as at March 31, 2021 and December 31, 2020, 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 that those already affecting profit or loss.

Increase (Decrease) in US$ Exchange Rate	Effect on Income before Income Tax	Effect on Equity
March 31, 2021		
5%	**(P3,029,340)**	**(P2,120,538)**
(5%)	**3,029,340**	**2,120,538**
December 31, 2020		
5%	(P3,033,372)	(P2,123,361)
(5%)	3,033,372	2,123,361

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 March 31, 2021 and December 31, 2020, 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, and dividend distributable. Other components of equity are excluded from capital for purposes of capital management.

There were no changes in the Group's approach to capital management during the year. As at March 31, 2021 and December 31, 2020, the Group 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 March 31, 2021 and December 31, 2020 are as follows:

Current Ratio

	Mar. 31, 2021	Dec. 31, 2020
Current assets	**P550,265,643**	P543,642,892
Current liabilities	**165,019,631**	187,891,134
Current ratio	**3.33:1.00**	2.89:1.00

Debt-to-Equity Ratio

	Mar. 31, 2021	Dec. 31, 2020
Total liabilities	P217,374,050	P240,263,487
Total equity	811,491,623	863,140,552
Debt-to-equity ratio	0.27:1.00	0.28:1.00

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/or set aside funds for new projects that are in line with its business strategies with due consideration for the state of the gaming industry and national economy.

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 of March 31, 2021 and December 31, 2020:

	March 31, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At Amortized Cost:				
Cash and cash equivalents	P163,864,237	P163,864,237	P161,572,701	P161,572,701
Trade and other receivable*	189,758,998	189,758,998	195,941,148	195,941,148
Refundable deposits	4,207,019	4,207,019	4,159,704	4,159,704
Guarantee bonds	14,500,000	14,500,000	14,500,000	14,500,000
At FVPL:				
Marketable securities	80,678,480	80,678,480	84,260,926	84,260,926
At FVOCI:				
Financial Assets at FVOCI	243,194,665	243,194,665	281,822,365	281,822,365
	P696,203,400	P696,203,400	P742,256,844	P742,256,844

	March 31, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
At Amortized Cost:				
Trade and other current liabilities**	P156,441,534	P156,441,534	P176,764,298	P176,764,298
Lease liabilities (inclusive of noncurrent portion)	6,913,461	6,913,461	11,605,367	11,605,367
	P163,354,995	P163,354,995	P188,369,665	P188,369,665

**Inclusive of noncurrent portion of accrued license fee income amounting to P59.4 million and P70.3 million and exclusive of advances amounting to P11.4 million and P6.8 million as at March 31, 2021 and December 31, 2020, respectively.*

***Excluding statutory liabilities of P1.1 million and P1.5 million as at March 31, 2021 and December 31, 2020, 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 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				
March 31, 2021	**P80,678,480**	**P -**	**P -**	**P80,678,480**
December 31, 2020	84,260,926	-	-	84,260,926

Financial Assets at FVOCI				
March 31, 2021	**P243,194,665**	-	-	**P243,194,665**
December 31, 2020	281,822,365	-	-	281,822,365

There were no transfers between Levels as of March 31, 2021 and December 31, 2020.

Other Required Disclosures

1. 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.

   <u>Adoption of Revised Standards, Amendments to Standards and Interpretations</u>
   The Group has adopted the following revised standards starting January 1, 2020 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Group's consolidated financial statements.

   - *Amendments to References to Conceptual Framework in PFRS Standards* sets out amendments to PFRS Standards, their accompanying documents and PFRS practice statements to reflect the issuance of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework). The 2018 Conceptual Framework includes:

     - a new chapter on measurement;
     - guidance on reporting financial performance;
     - improved definitions of an asset and a liability, and guidance supporting these definitions; and
     - clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

   Some Standards, their accompanying documents and PFRS practice statements contain references to, or quotations from, the International Accounting Standards Committee (IASC)'s Framework for the Preparation and Presentation of Financial Statements adopted by the International Accounting Standards Board (IASB) in 2001 or the Conceptual Framework for Financial Reporting issued in 2010. The amendments update some of those references and quotations so that they refer to the 2018 Conceptual Framework, and makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

   - *Definition of Material (Amendments to PAS 1 Presentation of Financial Statements and PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).* The amendments refine the definition of material. The amended definition of material states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify the definition of material and its application by:

     (a) raising the threshold at which information becomes material by replacing the term 'could influence' with 'could reasonably be expected to influence';

     (b) including the concept of 'obscuring information' alongside the concept of 'omitting' and 'misstating' information in the definition;

     (c) clarifying the explanatory paragraphs accompanying the definition; and

(d) aligning the wording of the definition of material across PFRS Standards and other publications.

The amendments are expected to help entities make better materiality judgements without substantively changing existing requirements.

Standard Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2020. However, the Group has not adopted 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 June 1, 2020

- *COVID-19-Related Rent Concessions (Amendment to PFRS 16 Leases).* The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient apply if:

    - the revised consideration is substantially the same or less than the original consideration;
    - the reduction in lease payments relates to payments due on or before June 30, 2021; and
    - no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Effective January 1, 2022

- *Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16 Property, Plant and Equipment).* The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2 *Inventories.*

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of a company's ordinary activities, the amendments require the Company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statements of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statements of comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

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 March 31, 2021 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 March 31, 2021, 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 March 31, 2021.

8. Except as disclosed in the MD & A, 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: April 20, 2021

MA. VIRGINIA V. ABO-HAMDA
Chief Financial Officer

Date: April 20, 2021

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Position

	March 31, 2021 Unaudited	December 31, 2020 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	P164,556,369	P162,274,833
Marketable securities	80,678,480	84,260,926
Trade and other receivables – net	141,643,671	132,373,468
Other current assets	163,387,123	164,733,666
Total Current Assets	550,265,643	543,642,892
Noncurrent Assets		
Financial assets at fair value through other comprehensive income	243,194,665	281,822,365
Property and equipment – net	67,623,625	83,495,388
Right of use asset - net	5,463,309	10,119,536
Deferred tax asset-net	82,414,559	82,414,559
Other noncurrent assets	79,903,872	101,909,299
Total Noncurrent Assets	478,600,030	559,761,148
TOTAL ASSETS	P1,028,865,673	P1,103,404,039
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other current liabilities	P157,545,774	P178,225,993
Withholding taxes payable	1,802,793	1,982,170
Income tax payable	6,146	6,146
Lease liabilities	5,664,918	7,676,824
Total Current Liabilities	165,019,631	187,891,134
Noncurrent Liabilities		
Defined benefit liability	51,105,876	48,443,811
Lease liabilities - net of current portion	1,248,543	3,928,543
Total Noncurrent Liabilities	52,354,419	52,372,354
TOTAL LIABILITIES	217,374,050	240,263,487
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	(501,238,186)	(462,610,486)
Retirement benefits reserve	(14,014,805)	(14,014,805)
Retained earnings	457,220,327	469,987,087
Sub-total	809,281,401	860,675,861
Non-controlling Interests	2,210,222	2,464,690
Total Equity	811,491,623	863,140,552
TOTAL LIABILITIES AND EQUITY	P1,028,865,673	P1,103,404,039

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income (Unaudited)
For the three months ended March 31, 2021 and 2020

	Three Months Ended Mar 31		This Quarter	
	2021	2020	2021	2020
REVENUES				
Equipment rentals	P122,816,181	P134,004,360	P122,816,181	P134,004,360
Commission and distribution income	-	46,103,893	-	46,103,893
Total Revenues	**122,816,181**	**180,108,253**	**122,816,181**	**180,108,253**
COSTS AND EXPENSES				
Personnel costs	28,049,766	58,740,864	28,049,766	58,740,864
Software and license fees	20,544,420	20,582,546	20,544,420	20,582,546
Operating supplies	2,179,663	5,889,305	2,179,663	5,889,305
Depreciation and amortization	37,995,614	62,343,389	37,995,614	62,343,389
Communications	18,118,817	26,570,390	18,118,817	26,570,390
Travel and accommodation	6,481,188	8,866,750	6,481,188	8,866,750
Rent, utilities and outside services	6,840,252	26,133,464	6,840,252	26,133,464
Repairs and maintenance	11,116,365	9,350,667	11,116,365	9,350,667
Taxes and licenses	3,856,123	5,438,317	3,856,123	5,438,317
Entertainment, amusement and recreation	184,603	3,460,658	184,603	3,460,658
Professional fees	1,559,045	2,359,784	1,559,045	2,359,784
Marketing and promotions	14,929	2,086,003	14,929	2,086,003
Others	363,856	4,528,471	363,856	4,528,471
Total Costs and Expenses	137,304,641	236,350,610	137,304,641	236,350,610
OPERATING INCOME (LOSS)	**(14,488,460)**	**(56,242,356)**	**(14,488,460)**	**(56,242,356)**
OTHER INCOME (CHARGES)				
Dividend income	-	29,302,224	-	29,302,224
Interest income	3,475	116,161	3,475	116,161
Finance charges	(318,795)	(2,340,487)	(318,795)	(2,340,487)
Mark-to-market gain (loss) on marketable securities	(3,582,445)	(14,225,217)	(3,582,445)	(14,225,217)
Gain (loss) on sale of Property and equipment	-	850	-	850
Foreign exchange gain (loss)	399,103	(205,522)	399,103	(205,522)
Others – net	4,965,893	14,704,415	4,965,893	14,704,415
Total Other Income (Charges)	1,467,231	27,352,424	1,467,231	27,352,424
INCOME (LOSS) BEFORE INCOME TAX	**(13,021,229)**	**(28,889,932)**	**(13,021,229)**	**(28,889,932)**
INCOME TAX EXPENSE (BENEFIT)				
Current	-	-	-	-
Deferred	-	-	-	-
	-	-	-	-
NET INCOME (LOSS)	**(P13,021,229)**	**(P28,889,932)**	**(P13,021,229)**	**(P28,889,932)**
Attributable to:				
Equity holders of the Parent Company	(12,766,760)	(28,207,755)	(12,766,760)	(28,207,755)
Non-controlling interests	(254,469)	(682,177)	(254,469)	(682,177)
	(P13,021,229)	**(P28,889,932)**	**(P13,021,229)**	**(P28,889,932)**
Attributable to Equity Holders of the Parent Company				
Basic Earnings Per Share	(P0.0151)	(P0.0334)	(P0.0151)	(P0.0334)
Diluted Earnings Per Share	(P0.0151)	(P0.0334)	(P0.0151)	(P0.0334)

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Unaudited)
For the three months ended March 31, 2021 and 2020

	Three Months Ended Mar 31		This Quarter	
	2021	2020	2021	2020
NET INCOME (LOSS)	**(P13,021,229)**	**(P28,889,932)**	**(P13,021,229)**	**(P28,889,932)**
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Fair value gain (loss) on investment in shares of stock	(38,627,700)	(145,273,735)	(38,627,700)	(145,273,735)
Remeasurements of retirement benefits, net of tax	-	-	-	-
	(38,627,700)	(145,273,735)	(38,627,700)	(145,273,735)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(P51,648,929)**	**(P174,163,667)**	**(P51,648,929)**	**(P174,163,667)**
Attributable to:				
Owners of the Parent Company	(51,394,460)	(173,481,490)	(51,394,460)	(173,481,490)
Non-controlling interests	(254,469)	(682,177)	(254,469)	(682,177)
	(P51,648,929)	**(P174,163,667)**	**(P51,648,929)**	**(P174,163,667)**

PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
For the three months ended March 31, 2021 and 2020

	For the three months ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (Loss) before income tax	(P13,021,229)	(P28,889,933)
Adjustments for:		
Depreciation and amortization	37,995,614	31,882,753
Dividend income	-	(29,302,224)
Retirement cost	2,662,065	1,500,000
Finance charges	318,795	2,340,487
Unrealized foreign exchange loss (gain)	(399,103)	205,522
Interest income	(3,475)	(116,161)
Fair value gain on marketable securities	3,582,445	14,225,217
Gain on sale of:		
Subsidiary	-	(9,547,745)
Property and equipment	-	(850)
Operating income before working capital changes	31,135,113	(17,702,934)
Decrease (increase) in:		
Trade and other receivables	(9,270,203)	(80,761,311)
Other current assets	(15,358,003)	(27,193,504)
Other noncurrent assets	22,005,427	28,417,399
Increase (decrease) in:		
Trade and other payables	(20,680,219)	102,406,399
Withholding taxes payable	(179,377)	(1,133,457)
Interest received	3,475	116,161
Net cash flows provided by operating activities	7,656,212	3,791,899
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of		
Property and equipment	(763,079)	(57,118,506)
Proceeds from sale of:		
Subsidiaries	-	137,413,892
Marketable securities	-	50,000,000
Property and equipment	-	850
Dividends received	-	29,302,224
Net cash flows provided by investing activities	(763,079)	159,598,460
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of:		
Loan payable	-	(37,500,000)
Lease liabilities	(4,691,906)	(6,733,048)
Finance charges paid	(318,795)	(2,340,487)
Net cash flows used in financing activities	(5,010,701)	(46,573,535)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,882,432**	**116,816,824**
CASH AT BEGINNING OF YEAR	162,274,833	209,937,094
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	399,103	(205,522)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P164,556,369**	**P326,548,396**

Attachment 4

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

	Capital Stock	Additional Paid-in Capital	Treasury Shares	Fair Value Reserve	Reserve for Retirement Benefits	Retained Earnings	Total	Non-Controlling Interest	Total Equity
January 1, 2020	**P895,330,946**	**P257,250,677**	**(P285,267,558)**	**(P396,801,971)**	**(P17,614,609)**	**P855,178,424**	**P1,308,075,910**	**P5,343,443**	**P1,313,419,353**
Other comprehensive income (loss)	-	-	-	(145,273,735)	-	-	(145,273,735)	-	(145,273,735)
Net income (loss) for the period	-	-	-	-	-	(28,207,755)	(28,207,755)	(682,177)	(28,889,932)
Total comprehensive income (loss) for the period	-	-	-	(145,273,735)	-	(28,207,755)	(173,481,490)	(682,177)	(174,163,667)
Sale of subsidiaries	-	-	-	-	6,682,576	23,603,846	30,286,421	-	30,286,421
Total transactions with owners in their capacity as owners	-	-	-	(145,273,735)	6,682,576	(4,603,909)	(143,195,069)	(682,177)	(143,877,246)
March 31, 2020	**P895,330,946**	**P257,250,677**	**(P285,267,558)**	**(P542,075,706)**	**(P10,932,033)**	**P850,574,515**	**P1,164,880,841**	**P4,661,266**	**P1,169,542,107**

	Capital Stock	Additional Paid-in Capital	Treasury Shares	Fair Value Reserve	Reserve for Retirement Benefits	Retained Earnings	Total	Non-Controlling Interest	Total Equity
January 1, 2021	**P895,330,946**	**P257,250,677**	**(P285,267,558)**	**(P462,610,486)**	**(P14,014,805)**	**P469,987,087**	**P860,675,861**	**P2,464,690**	**P863,140,552**
Other comprehensive income (loss)	-	-	-	(38,627,700)	-	-	(38,627,700)	-	(38,627,700)
Net income (loss) for the period	-	-	-	-	-	(12,766,760)	(12,766,760)	(254,469)	(13,021,229)
Total comprehensive income (loss) for the period	-	-	-	(38,627,700)	-	(12,766,760)	(51,394,460)	(254,469)	(51,648,929)
Dividends paid	-	-	-	-	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	-	(38,627,700)	-	(12,766,760)	(51,394,460)	(254,469)	(51,648,929)
March 31, 2021	**P895,330,946**	**P257,250,677**	**(P285,267,558)**	**(P501,238,186)**	**(P14,014,805)**	**P457,220,327**	**P809,281,401**	**P2,210,222**	**P811,491,623**

PACIFIC ONLINE SYSTEMS CORPORATION
Attachments to Unaudited Financial Statements
Trade and Other Receivables
As of March 31, 2021

1.) Aging of Trade and Other Receivables

	Neither Past Due nor Impaired	Impaired	Total
a.) Trade Receivables			
1.) PCSO – Equipment rentals	P44,115,076	P -	P44,115,076
2.) Accounts receivable	46,675,441	-	46,675,441
3.) Accrued license fee income-current	42,592,489	-	42,592,489
	133,383,007	-	133,383,007
b.) Non-Trade Receivables			
1.) Advances to officers and employees	5,389,581	-	5,389,581
2.) Contractors and suppliers	2,624,298	-	2,624,298
3.) Other receivables	246,785	-	246,785
	8,260,664	-	8,260,664
Total	**P141,643,671**	**P -**	**P141,643,671**

2.) Description of receivables

Types of Receivables	*Nature and Description*	*Collection / Liquidation Period*
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 March 31, 2021

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 business of leasing lottery equipment to PCSO (leasing activity) and sale of lottery tickets (distribution and retail activities), which was discontinued during the first half of the year.

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

	For the Three Months ended March 31, 2021			
	Equipment Leasing Activities	**Distribution and Retail Activities**	**Eliminations**	**Consolidated**
Revenue				
Equipment rental	P122,816,181	P -	P -	P122,816,181
Commission and distribution income	-	-	-	-
Total revenue	**P122,816,181**	**P -**	**P -**	**P122,816,181**
Segments Results				
Income (loss) before income tax	(16,553,918)	-	3,532,689	(13,021,229)
Income tax expense (benefit)	-	-	-	-
Net income (loss)	**(16,553,918)**	**-**	**3,532,689**	**(13,021,229)**
Segment assets	**P1,158,995,370**	**P103,306,512**	**(P233,436,209)**	**P1,028,865,673**
Deferred tax assets – net	**81,738,151**	**-**	**676,408**	**82,414,559**
Segments assets (excluding deferred tax assets - net)	**1,077,257,219**	**103,306,512**	**(234,112,617)**	**946,451,114**
Segment liabilities	**228,046,081**	**23,051,656**	**(33,723,685)**	**217,374,052**
Other Information				
Capital expenditures	763,079	-	-	763,079
Depreciation and amortization	37,995,614	-	-	37,995,614
Finance charges	(318,795)	-	-	(318,795)
Interest income	3,475	-	-	3,475

End of Report