

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
Sep 30, 2019
2. SEC Identification Number
ASO93-008809
3. BIR Tax Identification No.
003-865-392-000
4. Exact name of issuer as specified in its charter
PACIFIC ONLINE SYSTEMS CORPORATION
5. Province, country or other jurisdiction of incorporation
METRO MANILA
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
28/F EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, EXCHANGE ROAD,
ORTIGAS CENTER, PASIG CITY
Postal Code
1605
8. Issuer's telephone number, including area code
(632) 584 1700
9. Former name or former address, if changed since last report
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK	895,330,946

11. Indicate the item numbers reported herein
Item 9

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



Pacific Online Systems Corporation

LOTO

PSE Disclosure Form 4-13 - Clarification of News Reports
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Clarification of News Article posted in PHILSTAR.COM (30 September 2019)

Source	PHILSTAR.COM
Subject of News Report	"House probe set on Malaysian firm's P8.3-billion PCSO deal"
Date of Publication	Sep 30, 2019

Clarification of News Report

We write in response to the Exchange's request for clarification/confirmation with regard to the news article entitled "House probe set on Malaysian firm's P8.3-billion PCSO deal" posted in philSTAR.com on September 30, 2019. The article reported as follows:

"An administration congressman has filed a resolution in the House of Representatives that seeks to investigate a Malaysian firm's P8.3-billion lottery system contract with the Philippine Charity Sweepstakes Office (PCSO).

House Resolution 359, authored by Ang Probinsiyano party-list Rep. Ronnie Ong, questioned Kuala Lumpur's Berjaya Corp. and Pacific Online Systems Corp. (Pacific Online) for its National Online Lottery System (NOLS) with the charity organization's contract.

The congressman disclosed that PCSO forged an agreement with the Philippine Gaming Management Corp. (PGMC) that is under Malaysia, and rented out lottery equipment even if there was no need for such.

Ong, vice chairman of the House committee on games and amusements, questioned how PGMC-Berjaya and Pacific Online have managed to secure and keep their Equipment Lease Agreements (ELA) with the PCSO for the past 24 years despite various irregularities.

He cited a 2011 report of the Senate Blue Ribbon committee, questioning the terminal lease.

'It was found out that PCSO was renting equipment from PGMC-Berjaya for \$148 million when it can buy the same equipment for \$25 million,' he pointed out, noting that lease of lotto terminals for the operation of online lottery in Luzon was unnecessary.

Ong said no less than the Senate said the deal was 'disadvantageous to the government.'

The legislator said he was also surprised that PCSO's ELA was extended from Aug. 2015 to 2018, even if the revenue-generating agency was already sued by Berjaya in a 'costly and expensive legal battle.'

And even if PGMC-Berjaya succeeded in winning an injunction in 2017 stopping the PCSO from bidding its P10.9 billion NOLS, the government agency still continuously paid millions to PGMC-Berjaya in its rental fees.

'We're paying them so much money so they can sue us. We have to fight this kind of abuse' Ong said."

First, we note that the only reference to Pacific Online in the statements attributed to Representative Ong is with regard to an P8.3 Billion lease agreement. We assume that this refers to the contract for a Philippine Lottery System (PLS) for which the PCSO conducted a public bidding which it initiated earlier this year. As we stated in our prior disclosures to the Exchange, however, the two bidders which participated, including Pacific Online, were declared ineligible due to documentary deficiencies, and a "failure of bidding" was eventually declared. Thus, no contract emanated from the PLS bidding process.

Second, the remainder of the article talks solely about complaints or issues about PCSO's equipment lessor for Luzon, Philippine Gaming Management Corporation, and have nothing to do with Pacific Online.

Other Relevant Information

Not Applicable.

Filed on behalf by:

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Designation	ASSISTANT CORPORATE SECRETARY