
**TRANSPACIFIC BROADBAND GROUP
INTERNATIONAL, INC.**

(Company)

9th Floor Summit One Tower
530 Shaw Boulevard, Mandaluyong City

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

SEC Form 17Q

(Form Type)

Amendment Designation (if applicable)

September 30, 2023

(Period Ended Date)

(Secondary License Type and File Number)

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 September 30, 2023
2. Commission identification no. AS095-006755 3. BIR Tax Identification No. 004-513-153
4. **TRANSPACIFIC BROADBAND GROUP INT'L., INC.**
5. Philippines
6. Industry Classification Code:
7. Bldg. 1751 Chico St. Clark Special Economic Zone, Angeles, Pampanga
(Satellite Center)
8. Telephone No. (0632)7 717-0523
9. The Company did not change its name, address or fiscal year during the period covered by this report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

| Title of each Class | Number of shares of common stock outstanding and amount of debt outstanding |
|---------------------|---|
| Common | P380,000,000 |

11. These securities are listed on the Philippine Stock Exchange.
 - (a) The company 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 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
 - (b) The company has been subject to such filing requirements for the past ninety (90) days.

I. Financial Statements.

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

| | Notes | | (Unaudited) 30-Sep 2023 | | (Audited) 31-Dec 2022 |
|---------------------------------------|-------|---|-------------------------------|---|-----------------------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 5 | P | 10,533,841 | P | 46,339,082 |
| Receivables - net | 6 | | 4,115,760 | | 2,918,240 |
| Other current assets | 7 | | 133,368 | | 42,000 |
| Total Current Assets | | | 14,782,969 | | 49,299,322 |
| Noncurrent Assets | | | | | |
| Investment in an associate | 8 | | 407,998,864 | | 407,998,864 |
| Franchise - net | 9 | | 1,456,245 | | 1,503,225 |
| Property and equipment - net | 11 | | 75,239,245 | | 86,359,238 |
| Investment properties | 12 | | 61,568,800 | | 61,568,800 |
| Other non-current assets | 10 | | 70,375,938 | | 33,823,547 |
| | | | 616,639,092 | | 591,253,674 |
| | | P | 631,422,060 | P | 640,552,996 |
| Current Liabilities | | | | | |
| Accounts payable and accrued expenses | 13 | P | 799,717 | P | 542,963 |
| Short-term loans | 14 | | 3,745,125 | | 5,450,000 |
| Income tax payable | | | - | | 208,936 |
| Total Current Liabilities | | | 4,544,842 | | 6,201,899 |
| Noncurrent Liabilities | | | | | |
| Deposits | 16 | | 1,185,156 | | 1,185,156 |
| Pension liability | | | 766,535 | | 766,535 |
| Advances from related parties | 22 | | 33,735,207 | | 42,356,098 |
| Deferred tax liabilities-net | | | 716,337 | | 716,337 |
| Total Noncurrent Liabilities | | | 36,403,235 | | 45,024,126 |
| Total Liabilities | | | 40,948,077 | | 51,226,025 |
| Equity | | | | | |
| Share Capital | 17 | | 380,000,000 | | 380,000,000 |
| Share premium | | | 103,947,352 | | 103,947,352 |
| Share options outstanding | 17 | | 8,921,814 | | 8,921,814 |
| Retained earnings | | | 98,042,618 | | 96,895,605 |
| Treasury shares | | | (437,800) | | (437,800) |
| Total Equity | | | 590,473,984 | | 589,326,971 |
| | | P | 631,422,060 | P | 640,552,996 |

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME

| | Notes | Quarter Ending | | Nine (9) month ending | |
|---|-------|--------------------|-------------------|-----------------------|-------------------|
| | | 30-Sep-23 | 30-Sep-22 | 30-Sep-23 | 30-Sep-22 |
| REVENUES | | | | | |
| Service income | 18 | P9,592,680 | P9,675,329 | P25,311,480 | P27,402,092 |
| Other income | 20 | 221,115 | 213,158 | 664,791 | 1,923,580 |
| | | 9,813,795 | 9,888,487 | 25,976,271 | 29,325,672 |
| COST AND EXPENSES | | | | | |
| Direct cost | 19 | 9,992,076 | 5,919,201 | 22,643,359 | 18,132,941 |
| Administrative expenses | 21 | 1,116,690 | 1,306,989 | 1,900,430 | 2,288,236 |
| Finance cost | | 111,280 | 71,375 | 266,645 | 234,580 |
| | | 11,220,046 | 7,297,565 | 24,810,434 | 20,655,757 |
| INCOME (LOSS) FROM OPERATION | | (1,406,251) | 2,590,922 | 1,165,837 | 8,669,915 |
| EQUITY IN NET LOSS OF AN ASSOCIATE | | - | - | - | 0 |
| PROFIT (LOSS) BEFORE INCOME TAX | | (1,406,251) | 2,590,922 | 1,165,837 | 8,669,915 |
| INCOME TAX EXPENSE | | (156,619) | 198,307 | 18,825 | 558,633 |
| PROFIT (LOSS) FOR THE PERIOD | | (1,249,631) | 2,392,615 | 1,147,013 | 8,111,282 |
| OTHER COMPREHENSIVE INCOME | | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME | | (1,249,631) | P2,392,615 | P1,147,013 | P8,111,282 |
| EARNINGS PER SHARE | | | | 0.0003 | 0.0021 |

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CHANGES IN EQUITY

| | Nine (9) months ending | |
|------------------------------------|-------------------------------|----------------------|
| | 30-Sep-23 | 30-Sep-22 |
| SHARE CAPITAL | P 380,000,000 | P 380,000,000 |
| SHARE PREMIUMS | 103,947,352 | 103,947,352 |
| SHARE OPTIONS OUTSTANDING | | |
| Balance, January 1 | 8,921,814 | 8,921,814 |
| Options granted | - | - |
| Balance, Sept 30 | 8,921,814 | 8,921,814 |
| RETAINED EARNINGS (DEFICIT) | | |
| Balance, January 1 | 96,895,605 | 84,379,801 |
| Profit (loss) | 1,147,013 | 8,111,282 |
| | 98,042,618 | 92,491,083 |
| TREASURY SHARES | (437,800) | (437,800) |
| | P 590,473,984 | P 584,922,449 |

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CASH FLOWS

| | Quarter Ending | | | Nine (9) month ending | |
|---|---------------------|--------------------|---------------------|-----------------------|--|
| | 30-Sep-23 | 30-Sep-22 | 30-Sep-23 | 30-Sep-22 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit (Loss) before income tax | P (1,406,251) | P 2,032,288 | P 1,165,837 | P 8,111,282 | |
| Adjustments for: | | | | | |
| Depreciation and amortization | 3,873,350 | 3,873,351 | 11,918,052 | 11,620,053 | |
| Amortization of franchise | 15,660 | 15,660 | 46,980 | 46,980 | |
| Interest expense | 111,280 | | 266,645 | | |
| Interest income | (428) | 3,158 | (2,728) | (20,080) | |
| Operating income before working capital changes | 2,593,612 | 5,924,457 | 13,394,786 | 19,758,235 | |
| Decrease (increase) in Operating Assets: | | | | | |
| Receivables - net | 3,110,063 | (1,828,625) | (1,197,520) | (2,054,668) | |
| Other current assets | (129,571) | 7,172 | (91,368) | 85,668 | |
| Increase/(decrease) in Operating liabilities | | | | | |
| Accounts payable and accrued expenses | 173 | (253) | 256,754 | (5,766,300) | |
| Income taxes paid | 103,893 | 379,766 | (227,761) | (570,891) | |
| Interest receives | 428 | (3,158) | 2,728 | 20,080 | |
| Net Cash Provided by/(Used in) Operating Activities | 5,678,598 | 4,479,359 | 12,137,620 | 11,472,124 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Acquisition of property and equipment | - | - | (798,059) | (23,873,926) | |
| Increase (decrease) in: | | | | | |
| Deposit | - | - | - | 522,326 | |
| Advances made to related parties | (18,659,749) | 828,926 | (36,552,391) | (25,075,175) | |
| Net Cash Used in Investing Activities | (18,659,749) | 828,926 | # (37,350,450) | (48,426,775) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Payment of loan | | | | | |
| Principal | (1,654,875) | | (1,704,875) | | |
| Interest expense | (111,280) | | (266,645) | | |
| Availment of advances from related parties | (1,000,000) | 287,829 | (8,620,891) | 18,595,207 | |
| Net Cash Provided by(used in) Financing Activities | (1,000,000) | 287,829 | (10,592,411) | 18,595,207 | |
| NET INCREASE (DECREASE) IN CASH EQUIVALENTS | (13,981,151) | P 5,596,114 | (35,805,241) | (18,359,444) | |
| CASH AT THE BEGINNING OF THE YEAR | | | 46,339,082 | 55,249,289 | |
| CASH AT END OF YEAR | | | P 10,533,841 | P 36,889,845 | |

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023 and December 31, 2022

1. Corporate Information

Transpacific Broadband Group International, Inc. (TBGI or the Company), a corporation duly organized and existing under the laws of Republic of the Philippines, was **incorporated and registered with Securities and Exchange Commission ("SEC") on July 14, 1995**, primarily to engage in the business of public commercial radio, terrestrial, cable, and satellite broadcast.

The Company holds a 25-year Congressional Franchise to construct, establish, install, maintain, and operate communications systems for the reception and transmission of messages within the Philippines.

On July 23, 2021, the President of the Philippines signed into law, the Republic Act No. 11581 granting franchise renewal to the company for another 25 years.

The Company also has an approved Provisional Authority to transmit radio signals to satellites granted by the National Telecommunications Commission (NTC) on April 7, 1999.

In 2007, the Company received from NTC its Certificate of Registration as a value added services provider and offer Voice Over Internet Protocol (VOIP) service. In the same year, NTC granted Frequency Supportability to the Company.

The Company is a duly registered Clark Special Economic Zone (CSEZ) enterprise and has committed to operate, manage, and maintain a satellite earth station with broadcast production and postproduction facilities and other related activities, located at Clark Field, Pampanga. Pursuant to its registration with CSEZ, the Company is subject to a special tax rate of 5% of gross income on registered activities.

2. Summary of Significant Accounting Policies

Basis of Preparation

The interim financial statements as at September 30, 2023 and for the nine-month periods ended September 30, 2023 and September 30, 2022 have been prepared on a historical cost basis, except for building and improvements, uplink equipment, leasehold improvements and data equipment, and investment properties that are carried at fair value.

The interim financial statements are presented in Philippine Peso (P) which is the functional and presentation currency of Company, and all amounts are rounded to the nearest Philippine Peso, unless otherwise indicated.

Statement of Compliance

The accompanying unaudited interim financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

New Standards, Interpretations and Amendments adopted by the Company

The accounting policies adopted in the preparation of the interim financial statements are **consistent with those followed in the preparation of the Company's** annual financial statements for the year ended December 31, 2022 except for the adoption of new standards effective as at January 1, 2023.

3. Significant Judgements Estimates and Assumptions

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

There were no significant changes in the significant accounting judgments, estimates, and assumptions used by the Company for the period ended June 30, 2023.

4. Financial Risk Management Objectives and Policies

Financial Risk

The **Company's activities expose it to** a variety of financial risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to **general and specific market movements**. The **Company's overall risk management** program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below:

- *Credit Risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The table below shows the gross maximum exposure to credit risk of the Company as at September 30, 2023 and December 31, 2022.

| | Gross Maximum Exposure | | | |
|-----------------------------|------------------------|------------|------|------------|
| | Sept. 30, 2023 | | 2022 | |
| Cash and cash equivalents * | P | 10,533,841 | P | 46,339,082 |
| Receivables | | 4,115,760 | | 2,918,240 |
| Other non current assets | | 133,368 | | 42,000 |
| | P | 14,782,969 | P | 49,299,322 |

The credit risk on cash and cash equivalents are limited since funds are held in financial institutions with high credit ratings.

Trade receivables are accounts with its customer where appropriate trade relations have been established including billings and collections processes.

The credit risk on other non-current assets are considered minimal.

The **credit quality of the Company's** assets as at September 30, 2023 and December 31, 2022 is as follows:

| Sept. 30, 2023 | | | | | | |
|---------------------------|-------------------------------|----------------|---------------------------|-----------------------|-------|--------------|
| | Neither past due nor impaired | | Past due but not impaired | Past due and impaired | Total | |
| | High grade | Standard grade | | | | |
| Cash and cash equivalents | P 10,533,841 | P - | P - | P - | P - | P 10,533,841 |
| Trade receivables | - | 4,115,760 | - | 4,436,227 | - | 8,551,987 |
| Other non-current assets | - | 133,368 | - | - | - | 133,368 |
| | P 10,533,841 | P 4,249,127 | P - | P 4,436,227 | P - | P 19,219,195 |

| December 31, 2022 | | | | | | |
|---------------------------|-------------------------------|----------------|---------------------------|-----------------------|-------|--------------|
| | Neither past due nor impaired | | Past due but not impaired | Past due and impaired | Total | |
| | High grade | Standard grade | | | | |
| Cash and cash equivalents | P 46,339,082 | P - | P - | P - | P - | P 46,339,082 |
| Trade receivables | - | 2,918,240 | - | 4,436,227 | - | 7,354,467 |
| Other non-current assets | - | 42,000 | - | - | - | 42,000 |
| | P 46,339,082 | P 2,960,240 | P - | P 4,436,227 | P - | P 53,735,549 |

High-grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Either liquidity risk may result from the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

The Company manages its liquidity profile to (i) ensure that adequate funding is available at all times; (ii) meet commitments as they arise without incurring unnecessary costs; (iii) to be able to access funding when needed at the least possible cost, and (iv) maintain an adequate time spread of financing maturities.

The table below summarizes the maturity profile of the Company's financial liabilities at September 30, 2023 and December 31, 2022.

| Sept. 30, 2023 | | | | | | |
|---------------------------------------|-----------|------------------------|-----------------------|----------------------|-------|-------------|
| | < 1 month | > 1 month & < 3 months | > 3 months & < 1 year | > 1 year & < 3 years | Total | |
| Accounts payable and accrued expenses | P 799,717 | P - | P - | P - | P - | P 799,717 |
| Interest-bearing liabilities | | | | | | |
| Loans payable | - | - | 3,745,125 | - | - | 3,745,125 |
| | P 799,717 | P - | P 3,745,125 | P - | P - | P 4,544,842 |

| December 31, 2022 | | | | | | |
|---------------------------------------|-----------|------------------------|-----------------------|----------------------|-------|-------------|
| | < 1 month | > 1 month & < 3 months | > 3 months & < 1 year | > 1 year & < 3 years | Total | |
| Accounts payable and accrued expenses | P 542,963 | P - | P - | P - | P - | P 542,963 |
| Short-term loans | - | - | 5,450,000 | - | - | 5,450,000 |
| | P 542,963 | P - | P 5,450,000 | P - | P - | P 5,992,963 |

Market Risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk is the risk to an institution's financial condition from volatility in the price movements of the assets contained in a portfolio. Market risk represents what the Company would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

i. Currency risk

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the US Dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a **currency that is not the company's functional currency. Significant fluctuations in the exchanges rates could significantly affect the Company's** financial position.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at reporting date are as follows:

| | Sept. 30, 2023 | | 2022 | |
|---------------------------|----------------|-----------------|------------|-----------------|
| | US Dollar | Peso Equivalent | US Dollar | Peso Equivalent |
| Cash and cash equivalents | \$ 82,277 | P 4,607,512 | \$ 616,592 | P 34,603,143 |

The following table demonstrates the sensitivity to a reasonable change in the US\$ exchange rate, with all other variables held constant, the Company's income before tax as at September 30, 2023 for the years ended December 31, 2022:

| Increase/decrease in Peso to US Dollar Rate | Effect on Income Before Taxes | | | |
|---|-------------------------------|-----------|------|-------------|
| | Sept. 30, 2023 | | 2022 | |
| +P5.00 | P | 411,385 | P | 3,082,960 |
| -P5.00 | | (411,385) | P | (3,082,960) |

There is no other impact on the Company's equity other than those affecting profit and loss.

ii. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating interest rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The Company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity.

Exposure to interest rate risk arises from bank loans with interest dependent on the prevailing market rate. As of September 30, 2023 and December 31, 2022, the Company is not exposed to any interest rate risk from fluctuation of market interest.

Operational risk

Operational risk is the risk of loss from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risk but initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education, and assessment processes. Business risk such as changes in environment, technology, and industry are monitored through the **Company's strategic planning and budgeting processes.**

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The capital structure of the Company consists of issued capital, share premium and retained earnings.

The financial ratio at the year-end, which is within the acceptable range of the Company, is as follows:

| | Sept. 30, 2023 | 2022 |
|--------------|-----------------------|--------------|
| Equity | P590,473,984 | P589,326,971 |
| Total Assets | 631,422,060 | 640,552,996 |
| Ratio | 0.935 | 0.920 |

5. Cash and Cash Equivalents

As of September 30, 2023 and December 31, 2022, cash and cash equivalents consist of:

| | 30-Sep-23 | 2022 |
|---------------|---------------------|--------------|
| Cash in banks | P 10,520,841 | P 46,326,082 |
| Cash on hand | 13,000 | 13,000 |
| | P 10,533,841 | P 46,339,082 |

Cash in bank represents peso accounts and US dollar account that earn interests at prevailing bank interest rates.

6. Receivables - net

The composition of this account is as follows:

| | 30-Sep-23 | 2022 |
|-------------------------------------|--------------------|-------------|
| Trade | | |
| In local currency | P 4,436,227 | P 4,436,227 |
| In foreign currency | 4,115,760 | 2,918,240 |
| | 8,551,987 | 7,354,467 |
| Less: Allowance for probable losses | 4,436,227 | 4,436,227 |
| | P 4,115,760 | P 2,918,240 |

The aging of receivables as of September 30, 2023 is as follows:

| | Current | Over 31-60 days | More than One Year | Total |
|---------------------|-------------------|--------------------|-----------------------|--------------------|
| Trade | | | | |
| In local currency | - | | P 4,436,227 | P 4,436,227 |
| In foreign currency | 2,881,032 | 1,234,728 | - | 4,115,760 |
| | P2,881,032 | P 1,234,728 | P 4,436,227 | P 8,551,987 |

Trade receivable in foreign currency represents US dollar subscription on uplink services from customers based in Hong Kong.

There were no changes affecting allowance for probable losses in 2023 and 2022.

7. Other current assets

| | 30-Sep-23 | 2022 |
|---------------|------------------|-----------------|
| Prepaid taxes | P 133,368 | - |
| VAT Inputs | - | 42,000 |
| | P 133,368 | P 42,000 |

Prepaid taxes represents 1% tax withheld on services rendered and may be applied against future income tax liabilities.

Vat Inputs represents 12% input tax on purchases of goods and services. Input VAT is creditable against Output VAT in the subsequent period.

8. Investment in an Associate

Investment in an Associate represents the 29.93% equity interest in ATN Solar Energy Group, Inc. (ATN Solar). Management believes that it exercises significant influence over the financial and operating policies of ATN Solar.

The composition of this account is as follows:

| | |
|--------------------------------|----------------------|
| Cost | |
| Beginning balance | P 209,500,000 |
| Equity in net loss | |
| Beginning | (8,301,136) |
| Share in net loss for the year | - |
| | (8,301,136) |
| Deposit for stock subscription | 206,800,000 |
| | P 407,998,864 |

ATN Solar is a grantee of Solar Energy Service Contract with the Philippine Government through the Department of Energy to develop, own and operate a 30MW solar power plant in Rodriguez, Rizal.

During the year, ATN Solar has commenced discussion with Engineering Procurement Construction (EPC) groups for the construction of the plant. Construction phases are (1) 250kW pilot plant to test possible technical issues and improve construction efficiency of commercial scale plant to reduce construction timelines. (2) 250kW pilot plant to be expanded to 2MW for the complete modular assembly of DC/AC system.

The Company has awarded in principle the construction of the 250kW plant. Initial output power will be utilized by its parent company ATN Holding, Inc. for internal use, with no export to the grid. Completion in project phases will allow ATN Solar to finalized supply agreements with a Retail Electricity Supplier and/or the Meralco group.

After successful construction of the pilot plant, the Company will decide on the award of construction of modular 3 x 10MW Solar PV plant to the EPC or other EPC to complete the three modules.

The project site of 15 hectares for 30 MW have been leveled and cleared. With the advances in solar panel capacity from to 210Wp to 630Wp per panel, a 15-hectare land area will be allocated for the 30 MW project. The Company needs to install the DC components of the project since the 3 x 10MW sub-distribution lines connected to Meralco have been installed in place. All temporary and ancillary facilities including but not limited to water supply facility, personnel housing, heavy equipment for construction, power supply for construction are ready for the implementation off the 30 MW project, pending the result of the pilot project.

As of April 4, 2023, the Company is finalizing its Power Supply Agreement with Meralco and various RES. Demand for electricity given the expected depletion of the Malampaya Natural Gas, which supplies to 2,400MW power plants. The increase in coal prices by 400x, due to the Ukraine war, hasten the need of renewable energy like solar to supply peak hour demands.

9. Franchise - net

The Company holds a 25-year Congressional Franchise to construct, establish, install, maintain, and operate communication systems for the reception and transmission of messages within the Philippines with a cost of P15M.

On July 23, 2021, the Company was granted a renewal of Franchise for another 25 years.

The movement in this account is as follows:

| | | 30-Sep-23 | | 2022 |
|-----------------------------|----------|------------------|----------|------------------|
| Balance, January 1 | P | 1,503,225 | P | 1,565,865 |
| Amortization | | 46,980 | | 62,640 |
| Balance, December 31 | P | 1,456,245 | P | 1,503,225 |

The amortization of franchise is shown as part of direct costs in the Statement of Comprehensive Income. Management believes that the carrying amount of franchise is recoverable in full and no impairment loss is necessary.

10. Other Non-current Assets

This account consists of:

| | | 30-Sep-23 | | 2022 |
|---|----------|-------------------|----------|-------------------|
| Advances to: | | | | |
| ATN Phils. Solar Energy Group Inc. (Solar) | P | 59,797,638 | P | 28,310,615 |
| Palladian Land Development Inc. (PLDI) | | 7,813,285 | | 4,943,545 |
| Security deposits | | 2,765,015 | | 569,387 |
| | P | 70,375,938 | P | 33,823,547 |

Security deposits are made to secure leasing arrangement on transponders. These deposits are refundable at the expiration of lease term.

11. Property and Equipment – net

The movement in this account is as follows:

| September 30, 2023 | Building & improvements | Uplink/data Equipment | Furniture & Fixtures | Leasehold improvements | Transportation equipment | Total |
|---------------------------------|-------------------------|-----------------------|----------------------|------------------------|--------------------------|---------------|
| Carrying Amount | | | | | | |
| At January 1, 2023 | P 23,893,402 | P 328,990,799 | P 5,228,426 | P 19,145,709 | P 14,675,284 | P 391,933,620 |
| Addition | | 798,060 | | | | P 798,060 |
| At June 30, 2023 | 23,893,402 | 329,788,859 | 5,228,426 | 19,145,709 | 14,675,284 | 392,731,680 |
| Accumulated depreciation | | | | | | |
| At January 1, 2023 | 23,893,402 | 243,132,610 | 5,127,377 | 19,145,709 | 14,275,284 | 305,574,382 |
| Provisions | - | 11,918,053 | - | - | - | 11,918,053 |
| At June 30, 2023 | 23,893,402 | 255,050,663 | 5,127,377 | 19,145,709 | 14,275,284 | 317,492,435 |
| Net Carrying Value | | | | | | |
| At June 30, 2023 | P - | P 74,738,196 | P 101,049 | P - | P 400,000 | P 75,239,245 |

| Dec. 31, 2022 | Building & improvements | Uplink/data Equipment | Furniture & Fixtures | Leasehold improvements | Transportation equipment | Total |
|---------------------------------|-------------------------|-----------------------|----------------------|------------------------|--------------------------|---------------|
| Carrying Amount | | | | | | |
| At January 1, 2022 | P 23,893,402 | P 305,116,873 | P 5,228,426 | P 19,145,709 | P 14,675,284 | P 368,059,694 |
| Addition | | 23,873,926 | | | | P 23,873,926 |
| At Dec. 31, 2022 | 23,893,402 | 328,990,799 | 5,228,426 | 19,145,709 | 14,675,284 | 391,933,620 |
| Accumulated depreciation | | | | | | |
| At January 1, 2022 | 23,893,402 | 227,639,206 | 5,127,377 | 19,145,709 | 14,275,284 | 290,080,978 |
| Provisions | - | 15,493,404 | - | - | - | 15,493,404 |
| At Dec. 31, 2022 | 23,893,402 | 243,132,610 | 5,127,377 | 19,145,709 | 14,275,284 | 305,574,382 |
| Net Carrying Value | | | | | | |
| At Dec. 31, 2022 | P - | P 85,858,189 | P 101,049 | P - | P 400,000 | P 86,359,238 |

12. Investment Properties

As of September 30, 2023 and December 31, 2022, investment property consists of the following:

| | |
|-----------------------|---------------------|
| Condominium units | P 55,421,800 |
| Land and improvements | 6,147,000 |
| | P 61,568,800 |

Condominium units represent the beneficial ownership of four (4) commercial units held at Summit One Office Tower in Mandaluyong City with a total floor area of 852.64 square meters. Land and improvements represent a parcel of residential lot with house thereon and covers an area of 432 square meters. This is situated in Paliparan 1, Dasmariñas, Cavite.

On April 2, 2018, these properties were subject of an appraisal conducted by Asian Appraisal Company, Inc. Accordingly, the aggregate fair market value of the Mandaluyong property amounted to P55.4 million or an increment of P17 million as of the date of appraisal. Fair value is determined using the Market approach under the level 2 of the fair value hierarchy. The highest and best use of these properties is commercial, its current use.

The fair value of the Cavite property amounted to P6.1 million. The highest and best use of this property is for residential use. For strategic reason, the property is not used in that manner. Fair value of the land was determined under the Market approach. Fair value of improvements is determined using the Cost Approach. These are estimated under the level 3 of the fair value hierarchy.

Significant increase (decrease) in selling price per square meter would result in a significantly higher (lower) fair value of the property.

As of September 30, 2023, the lot remains idle and no immediate plan to develop or sell the property. There is no contractual obligation to develop the property or for repairs, maintenance and enhancements. Management believes that there are no significant events that increase or decrease the carrying value of investment property as at September 30, 2023.

As at September 30, 2023 and December 31, 2022, there were no transfers between levels of fair value hierarchy.

Rental income and direct operating expenses from investment properties included in the Statement of Comprehensive Income are as follows:

| | | 30-Sep-23 | | 30-Sep-22 |
|---------------------------------|---|------------------|---|------------------|
| Rental income | P | 662,063 | P | 1,903,500 |
| Direct operating expenses that: | | | | |
| Generated rental income | | 151,697 | | 151,697 |
| Did not generate rental income | | 1,659 | | 1,659 |

13. Accounts Payable and Accrued Expenses

This account consists of:

| | | 30-Sep-23 | | 2022 |
|------------------|---|------------------|---|----------------|
| Trade payables | P | 799,717 | P | - |
| Accrued expenses | | - | | 542,963 |
| | P | 799,717 | P | 542,963 |

The aging of accounts payable as of September 30, 2023 is as follows:

| | | Current | Over 31-60 days | More than One Year | | Total |
|------------------|---|----------------|------------------------|---------------------------|---|----------------|
| Trade | P | 799,717 | - | - | P | 799,717 |
| Accrued expenses | | - | - | - | | - |
| | P | 799,717 | P | - | P | 799,717 |

Trade payables and accrued expenses are various expenses and are usually settled for a maximum period of 3 months.

14. Short-term loans

Short-term loan is availed for working capital requirements. The loan carries a floating interest rate initially at 6% per annum, payable monthly in arrears. The principal is payable after 12 months renewable at the option of the both parties. The maximum credit line with the bank is up to P6 million. As of September 30, 2023 and December 31, 2022, the balance of the loan amounted to P3.7 million and P5.45 million respectively.

The loan is collateralized by the following:

- Real estate mortgages over properties owned by a related party; and
- Suretyship agreement by the Company as borrower and a stockholder as a surety.

Total interest paid and accrued reported in the Statement of Comprehensive Income amounted to P266,645 in September 2023 and P234,580 in September 2022.

Management believes that the carrying value of the loan at year end is a reasonable approximation of its fair value as of September 30, 2023 and December 31, 2022.

15. Deposits

Deposits on lease contracts are amounts paid by various lessee as guarantee for the faithful compliance to the terms and conditions of the lease contract. The amount is expected to be settled at the termination of the contract.

16. Equity

Share capital

The Company's capital movements is as follows:

| | September 30, 2023 | | 2022 | |
|--|--------------------|---------------|---------------|---------------|
| | Shares | Amount | Shares | Amount |
| Authorized - P0.10 par value per share | 3,800,000,000 | P 380,000,000 | 3,800,000,000 | P 380,000,000 |
| Issued and outstanding, January 1 | 3,800,000,000 | P 380,000,000 | 3,800,000,000 | P 380,000,000 |
| Shares held in treasury | 4,378,000 | P 437,800 | 4,378,000 | P 437,800 |

All of the Company's issued shares of 3,800,000,000 are listed in the Philippine Stock Exchange (PSE). As of September 30, 2023 and December 31, 2022, 4,378,000 shares are held in treasury. The Company's shares listing started on December 12, 2003.

Share options

On May 28, 2008, the Company's BOD approved the grant of share option to its Chief Executive Officer (CEO). The CEO has been largely responsible for bringing the Company to its present financial condition. Furthermore, the CEO has not been compensated since his assumption of management in 2000. Hence, the grant of share option to the CEO is in order.

The share option comprises the following:

- (i) 350 million shares of TBGI at par value of P0.10 per share as compensation for services rendered as CEO of the Company during the period 2001 to 2007, and;
- (ii) 50 million shares of TBGI at par value of P0.10 per share as compensation for services rendered as CEO of the Company during 2008 and onwards, provided, that the subject shares will not be sold in quantities exceeding 20% of the trading volume of Philippine Stock Exchange in any single business day.

The share options were measured using the intrinsic value method since the fair value of the options cannot be measured reliably.

On April 23, 2009 in a special meeting of the BOD, additional terms and conditions were agreed upon defining the vesting schedule of the options as management believes that the Company cannot afford a one-time recognition of the options in 2008. The vesting period was stretched up to 2023 of which 5,000,000 shares may be exercised starting 2013 up to 2022. Another 55 million shares in 2022 and finally, 300 million shares in 2023

During 2022, a special meeting was held to extend the vesting period for another 3 years in consideration of the Covid-19 pandemic. Accordingly, the period in which the options can be exercised was stretched up to 2026.

As of September 30, 2023 and December 31, 2022, the stock options has a carrying value of P8,921,814.

17. Service Income

This account is broken down as follows:

| | 30-Sep-23 | 30-Sep-22 |
|----------------------|---------------------|---------------------|
| VSAT uplink services | | |
| In local currency | P 1,476,841 | P 4,544,177 |
| In foreign currency | 23,834,639 | 22,857,915 |
| | P 25,311,480 | P 27,402,092 |

As discussed in Note 1, the Company is duly enfranchised to provide telecommunication services to various clients. Services include provision for uplink services, VSAT-based internet service, wireless networking, hosting and content conversion.

Subscription fees pertain to broadband and uplink services that are based on fixed monthly fee.

Commission income is earned based on a reseller agreement with another company providing internet services.

18. Direct Costs

This account consists of:

| | 30-Sep-23 | 30-Sep-22 |
|----------------------------------|---------------------|---------------------|
| Depreciation | P 11,918,053 | P 11,620,053 |
| Rental | 3,555,654 | 3,365,190 |
| Salaries, wages & other benefits | 1,001,428 | 1,205,376 |
| Utilities and communication | 677,446 | 651,014 |
| Transportation and travel | 580,181 | 670,308 |
| Security services | 443,191 | 456,839 |
| Taxes and licenses | 4,188,975 | 20,310 |
| Amortization of franchise | 46,980 | 46,980 |
| Insurance | 231,451 | 96,871 |
| | P 22,643,359 | P 18,132,941 |

19. Other Income

The composition of this account is as follows:

| | 30-Sep-23 | 20-Sep-22 |
|---------------------------|------------------|--------------------|
| Rent income (see Note 16) | P 662,063 | P 1,903,500 |
| Interest income | 2,728 | 20,080 |
| | P 664,791 | P 1,923,580 |

20. Administrative expenses

This account consists of:

| | 30-Sep-23 | 30-Sep-22 |
|-----------------------------|--------------------|--------------------|
| Legal and professional fees | P 949,500 | P 828,000 |
| Office supplies | 58,966 | 6,750 |
| Repair and maintenance | 47,326 | - |
| Permits, taxes and licenses | 10,407 | 1,169,529 |
| Miscellaneous | 834,231 | 223,957 |
| | P 1,900,430 | P 2,228,236 |

21. Related party transactions

The following related party transactions occurred as of September 30, 2023 and December 31, 2022:

| Category | Year | Amount of transactions | Outstanding balance | | Terms and condition |
|------------------------------|-----------|------------------------|-----------------------------|-------------------------------|--|
| | | | Advances to related parties | Advances from related parties | |
| Associate | | | | | |
| ATN Phil. Solar Energy Group | | | | | |
| Cash advances | Sept 2023 | P 31,486,916 | P 59,797,531 | P - | Demandable; Non-interest bearing; Unsecured; Payable in cash |
| | 2022 | 22,245,526 | 28,310,615 | | |
| Affiliated companies | | | | | |
| Palladian Land Dev. Inc. | | | | | |
| Rent income | Sept 2023 | 741,510 | | | Demandable; Non-interest bearing; Unsecured; Payable in cash |
| | 2022 | 2,113,500 | | | |
| Advances | Sept 2023 | 2,128,230 | | | |
| | 2022 | 1,672,440 | | | |
| Total | Sept 2023 | 2,869,740 | 7,813,285 | | |
| | 2022 | 3,785,940 | 4,943,545 | | |
| ATN Holdings, Inc. | | | | | |
| Cash advances | Sept 2023 | - | | 16,387,829 | Demandable; Non-interest bearing; Unsecured; Payable in cash |
| | 2022 | (287,829) | | 16,387,829 | |
| Unipage Mgt. Inc. | | | | | |
| EPC contract | Sept 2023 | 2,920,000 | | 17,347,378 | Demandable; Non-interest bearing; Unsecured; Payable in cash |
| | 2022 | (20,267,378) | | 20,267,378 | |
| Stockholder | | | | | |
| Cash advances | Sept 2023 | (5,700,891) | | - | Demandable; Non-interest bearing; Unsecured; Payable in cash |
| | 2022 | 1,970,000 | | 5,700,891 | |
| | 2022 | P - | P 33,254,160 | P 42,356,098 | |
| | Sept 2023 | | 67,610,816 | 33,735,207 | |

For the period September 30, 2023 year ended December 31, 2022, the Company did not provide compensation to its key management personnel.

22. Registration with Clark Special Economic Zone

The Company is a duly registered Clark Special Economic Zone ("CSEZ") enterprise with Registration Certificate No. C2013-683 issued last January 10, 2014. This certificate supersedes Certificate of Registration No. 2002-065 dated July 25, 2002 and 95-53 dated November 29, 1995, issued by Clark Development Corporation ("CDC") to the Company, and shall be valid until such time the new Certificate of Registration is issued pursuant to the Implementing Rules and Regulations of Republic Act 9400 or unless earlier revoked by CDC or declared invalid by virtue of any legal issuance.

Pursuant to Section 15 of Republic Act No. 7227, Section 5 of Executive Order No. 80 and Proclamation 163, and as further confirmed by BIR Ruling No. 046-95 dated March 3, 1995, the Company is entitled to all incentives available to a CSEZ-registered enterprise, including but not limited to exemption from customs and import duties and national and internal revenues taxes on importation of capital of goods, equipment, raw materials, supplies and other articles including household and personal items.

Subject to compliance with BIR Revenue Regulations and such other laws on export requirements, exemption from all local and national taxes, including but not limited to corporate withholding taxes and value added taxes ("VAT"). In lieu of said taxes, the enterprise shall pay 3% of gross income earned to the national government, 1% to the local government units affected by the declaration of the CSEZ and 1% to the development fund to be utilized for the development of the municipalities contiguous to the base area.

Exemption from inspection of all importations at the port of origin by the Societe Generale de Surveillance ("SGS"), if still applicable, pursuant to Chapter III, C.1 of Customs Administrative Order No. 6-94.

However, in cases where the Company generated income from its sale of services to customs territory customers exceeding 30% of its total income, the entire income from all sources is subjected to the regular corporate income tax of 30% based on net income (e.i. gross income less allowable deductions) rather than the 5% preferential tax based on gross income.

23. Earnings (loss) per share

Earnings (loss) per share is computed by dividing the profit (loss) for the year by the weighted average number of common shares outstanding during the year as follows:

| | 30-Sep-23 | 30-Sep-22 |
|--|----------------------|----------------------|
| Profit (loss) for the year (a) | P 1,147,013 | P 8,111,282 |
| Weighted average number of shares outstanding during the year (b) | 3,795,622,000 | 3,795,622,000 |
| Earnings (loss) per share (a/b) | 0.0003 | 0.0021 |

24. Lease commitments

Company as a Lessee

(a) Lease Agreement with Clark Development Corporation

The Company leases a land it presently occupies in Clarkfield, Pampanga with Clark Development Corporation for a period of twenty-five years up to July 10, 2020. Pending resolution of certain terms in the contract the Company recognizes rent expense on a year to year basis.

(b) Staff Housing and Guest House

The Company leases its staff houses and a residential unit in Clarkfield, Pampanga. Both leases have minimum term of one year and renewable within one year upon mutual agreement of both parties.

Rent expense recognized in the Statements of Comprehensive Income amounted to P2,240,127 in June 30, 2023 and June 30, 2022.

Company as a Lessor

Lease Agreement with Various Lessees

Through PLDI, the Company's investment properties are leased out to various third parties. The lease is for a period of one year subject to renewal upon mutual agreement of the lessee and the lessor.

Rent income recognized in the Statements of Income amounted to P662,063 and P1,903,500 as of September 30, 2023 and September 30, 2022 respectively.

Reseller Agreement

Following the expiry of the satellite lease agreement, the Company entered into a reseller agreement with another company (foreign entity) providing internet services. The agreement provides that the Company will render the internet services into its clientele using the bandwidth of the foreign entity at a pre-determined sharing scheme. End-user equipment is to be provided by the foreign entity and is subject to a commission for new subscriptions entered into.

25. Segment Reporting

The Company has one reportable operating segment, which is the broadband and **internet services**. **This is consistent with how the Company's management** internally monitors and analyzes the financial information for reporting to the chief operating decision-maker, who is responsible for allocating resources, assessing performance and making operating decisions.

Management Discussion and Analysis of Operation

The earnings per share (EPS) are computed based on the following number of outstanding shares:

| | September 30, 2023 | September 30, 2022 |
|------------------------------|--------------------|--------------------|
| Profit for the period | P1,147,013 | P8,111,282 |
| Number of Outstanding Shares | 3,795,622,000 | 3,795,622,000 |
| Earnings per Share | P0.0003 | P0.0021 |

Disclosures on the issuer's interim financial report, in compliance with Philippine Financial Reporting Standards:

1. The same accounting policies and methods of computation are followed in the interim financial statements as compared to the most recent and previous financial statements.
2. There is no seasonality or cyclicity of interim operations.
3. There is no item that has unusual effect on asset, liabilities, equity, net income and cash flows.
4. There is no change in the nature and amounts reported in prior interim periods of the current financial year or prior financial year.
5. There is no issuance, repurchase nor repayment of debt and equity securities during the interim period.
6. There is no dividend paid for ordinary or other shares.
7. Disclosure on segment revenue is not required.
8. There is no material event subsequent to the end of the interim period that has not been reflected in the financial statements.
9. There is no change in the composition of the issuer such as business combination, acquisition, disposal of subsidiary and long-term investment, and restructuring during the interim period.
10. There is no change in contingent assets or contingent liabilities since the last annual balance sheet date.
11. There is no seasonal effect that had material effect on financial condition or result of operation except for the potential impact of the Covid-19 pandemic.

Disclosure on material events and uncertainties

1. There is no known trend, demands, commitments, events or uncertainties that will have material impact on the issuer's liquidity
2. There is no event that will trigger direct or contingent financial obligation that is material to the company.
3. There is no material off-balance sheet transaction, arrangement, obligations and other relationships of the company.
4. There is no material commitment for capital expenditures.
5. There is no known unfavorable trend, events, or uncertainties that have material impact on net sales except for the potential impact of the Covid-19 pandemic.
6. There is no significant element of income that did not arise from the issuer's operations.

Vertical and Horizontal Analysis

Total corporate assets almost remained the same from Php640 million in December 31, 2022 compared to Php631 million in September 30, 2023. The net decrease of Php9 million (1%) in total assets arose from the following items:

1. Decrease in cash by Php10.5 million (-77%)
2. Increase in receivables by Php1.2 million (41%).
3. Increase in other current assets by P91 thousand (218%)
4. Decrease in property and equipment by Php11 million (-13%)
5. Increase in other non-current assets by Php36 million (108%)

Total liabilities decreased by Php10.2 million (-20%) from Php51.226 million in December 2022 to Php40.948 million in September 30, 2023. The net decrease in liabilities resulted from the following significant items:

1. Increase in accounts payable and accrued expenses by Php257 thousand (47%).
2. Decrease in short-term loans by Pphp1.7 million (-31%)
3. Decrease in income payable by Php208 thousand (-100%).
4. Decrease in advances from related parties by Php8.6 million (-20%).

Stockholders' equity almost the same from Php589 million as of December 31, 2022 to Php590 million in September 30, 2023. The net increase of Php1.1 million resulted from the net income during the quarter ending September 30, 2023.

Total revenue decreased from Php29.3 million as of September 30, 2022 to Php25.9 million as of September 30, 2023.

Direct costs increased from Php18 million in the 3rd quarter ending September 30, 2022 to Php22.6 million (25%) in the 3rd quarter ending September 30, 2023. The net increase arose from the following accounts:

1. Rentals increased by Php190 thousand (5.66%) from Php3.365 million to Php3.555 million.
2. Salaries, waged and other benefits decreased by Php204 thousand (-17%) from Php1.205 million to P1 million.
3. Transportation and travel decreased by Php90 thousand (-13.45%) from Php670 thousand to Php580 thousand.
4. Taxes and licenses increased by P4.1 million (20525%) from P20 thousand to P4.1 million.
5. Insurance increased by Php134 thousand (139%) from Php97 thousand to Php231 thousand.

Administrative expenses decreased from Php2.228 million for the 3rd quarter ending September 30, 2022 to Php1.9 million (-14%) in the 3rd quarter ending September 30, 2023. The net decrease arose from the following account:

1. Permits, taxes and licenses decreased by Php1.1 million (-99%)
2. Legal and professional services increased by Php121 thousand (14%)
3. Office supplies increased by Php52 thousand (773%)

The following are 7 (seven) key performance and financial soundness indicators of the company:

| | |
|---|--|
| Current Ratio | Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital |
| Debt-to Equity Ratio | Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt. |
| Asset-to-Equity Ratio | Calculated ratio of total asset into total equity. Indicates the long-term or future solvency position or general financial strength of the company. |
| Interest Rate Coverage Ratio | Calculated ratio of earnings before interest and taxes into interest expenses. Indicates the ability to meet its interest payments. |
| Gross profit Margin | Calculated ratio expressed in percentage of the gross margin into total revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders. |
| EBITDA | Calculated earnings before income tax, and non-cash charges. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses. |
| Net Income to Sales Ratio, and Earnings per Share | Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders. |

Computed performance indicators are as follows:

| | Sept. 30, 2023 | Sept. 30, 2022 |
|------------------------------|----------------|----------------|
| Current Ratio | 3.25 | 7.95 |
| Debt-to-Equity Ratio | 0.07 | 0.09 |
| Asset-to-Equity Ratio | 1.07 | 1.09 |
| Interest Rate Coverage Ratio | 5.4 | 38 |
| Gross Profit Margin | 13% | 38% |
| EBITDA | P 24,203,884 | P 20,289,968 |
| Net Income to Sales Ratio | 4.53% | 29.60% |
| Earning per share | P 0.0003 | P 0.0021 |

SIGNATURES

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

COMPANY : TRANSPACIFIC BROADBAND GROUP INTERNATIONAL INC.

Signature and Title:


PAUL B. SARIA
Principal Operating Officer
November 17, 2023


CELINIA FAELMOCA
Principal Accounting Officer
November 17, 2023