SEC Number AS095-006755
File Number ______________

TRANSPACIFIC BROADBAND GROUP INT'L, INC.

(Company)

9th Floor, Summit One Tower,
530 Shaw Blvd., Mandaluyong City

(Address)

+63-7717-0523

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A

(Form Type)

Amendment Designation (if applicable)

December 31, 2022

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the year ended **December 31, 2022**
2. SEC Identification Number: **AS095-006755**
3. BIR Tax Identification No. **004-513-153**
4. Exact name of registrant as specified in its charter:
   TRANSPACIFIC BROADBAND GROUP INT'L.INC.

5. **Pampanga, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **Bldg. 1751 Chico St. Clark Special Economic Zone, Angeles City, Pampanga**
   Principal Address

   9/F Summit One Tower, 530 Shaw Blvd., Mandaluyong City **1550**
   Address of corporate office only Postal Code

8. **(632) 7717-0523**
   Registrant's telephone number, including area code

9. **n/a**
   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 and Amount of Debt Outstanding
Common A	**P379,562,200**

11. Are any or all of these securities listed on the Philippine Stock Exchange?

    Yes [X] **No [ ]**

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 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 [ ]**

13. Aggregate market value of the voting stock held by non-affiliate of the registrant.
    P424,541,231

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

Transpacific Broadband Group Int'l Inc. (TBGI or Transpacific) is a domestic corporation duly registered with the SEC on 14 July 1995. It started commercial operation in the first half of 1996, with authorized capital stock of Twenty-Five Million Pesos (Php 25,000,000.00), divided into Two Hundred Fifty Thousand shares (250,000) with a par value of One Hundred Pesos (Php 100.00) each. Its primary purpose is to engage in the business of public commercial radio, terrestrial, cable and satellite broadcast. TBGI does not have any subsidiary under it.

In 2020, Transpacific Broadband Group Int'l filed an application for the renewal of telecommunications franchise Republic Act 8657, which the Eighteenth Congress granted on July 23, 2021, with a vote of 207-0, and at the Senate with a vote of 23-0, followed by the signing of President Rodrigo R. Duterte on said date. The extension of the Corporation's Congressional Franchise for another 25 year was approved under Republic Act 11581 for the same corporate purpose. It also has an approved Provisional Authority to transmit radio signals to satellites granted by National Telecommunication Commission (NTC) on 07 April 1999.

The Company is a PEZA-registered enterprise at Clark Special Economic Zone (CSEZ) under Registration Certificate No. 95-53 dated 29 November 1995. The Company has a 25-year Lease Agreement to build, maintain, and manage a satellite earth station within the CSEZ. TBGI owns and operates satellite facilities having separate buildings for transmitter and power generators at the 2,906 area of former US Air Force Satellite Communication facility in CSEZ in Pampanga.

TBGI defines its corporate mission to contribute to national development by providing services in (1) information and communication technology and (2) Internet connectivity to rural communities for the enhancement of delivery of education, disaster management, health care and livelihood programs of government agencies and other institutions.

TBGI generates revenues from Internet, Intranet, and local loop services subscriptions of schools, corporate private sector and government agencies. The Company sells (1) data services to subscriber schools for Internet connectivity and virtual private network connectivity, and (2) video uplink services to local and foreign Broadband service providers and TV channels. Data and video services are delivered from TBGI earth station in Clark, Pampanga transmitted via satellite to receiving customer premises equipment units (CPE) of clients worldwide. The Company has service experience with local and international video and broadband providers including embassy channels TV shopping network.

TBGI provides Internet over Satellite connectivity via C-band Satellite and Kacific Ka-band Satellite, which both covers the continent of Asia and Australia. As back-up connectivity, a fiber optic line is terminated at TBGI data hub in Clark, Pampanga.

The Company uses existing technologies and forms alliances or supply arrangements with providers of applicable technology that come in the way to serve business opportunities and public demand better. TBGI operations do not generate waste or toxic emissions. TBGI ensures that all equipment suppliers comply with standards set by International Radio Consultative Committee (IRCC) of the International Telecommunications Union (ITU).

On 07 November 2002, the SEC approved the increase in authorized capital stock of TBGI from Twenty -Five Million Pesos (Php 25,000,000.00) divided into Two Hundred Fifty Thousand shares with par value of One Hundred Pesos (Php 100.00) each, to One Hundred Fifty Million Pesos (Php 150,000,000.00) divided into One Hundred Fifty Million (150,000,000) shares with par value of One Peso (Php 1.00) each.

On 27 December 2002, the Company's Board of Directors and stockholders approved the following resolution, among others:

The conversion of additional paid- in capital amounting to Php 58,341,330.00 into 58,341,330 shares of stock to be paid, as and by way of stock dividends, to all stockholders of the Company as of 31

December 2002 in proportion to the number of shares held by each stockholder and which will be issued out of the proposed increase in the authorized capital stock from One Hundred Fifty Million Pesos (Php 150,000,000.00) to Three Hundred Eighty Million Pesos (Php 380,000,000.00);

The increase in authorized capital stock from One Hundred Fifty Million Pesos (Php 150,000,000.00) divided into One Hundred Fifty Million (150,000,000) shares with par value of One Peso (Php 1.00) per share to Three Hundred Eighty Million Pesos (Php 380,000,000.00) divided into Three Hundred Eighty Million (380,000,000) shares with par value of One Peso (Php 1.00) per share; and

The amendment of Article Seventh of the Amended Articles of Incorporation in relation to the proposed increase in authorized capital stock. On April 15, 2003, the SEC approved the aforesaid increase and amendments.

On Aug 10, 2018, the Corporation issued 130,000,000 shares to ATN Holdings, Inc. for the investment of P21,684,400 at a subscription price of P0.1668, which was agreed upon last 2002, but recently been completed last year 2018. Government taxes has been paid prior to issuance by the Stock and Transfer Agent. The stockholders of the Corporation in the Annual Stockholders Meeting of October 3, 2018 resolved to approve for the application of listing of 130,000,000 common shares with waiver by a majority of the minority of shareholders. The Philippine Stock Exchange has approved the listing application filed by the Corporation.

On September 17, 2018, in a meeting of the Board of Directors resolved to issue 400,000,000 shares to the Chairman, Arsenio T. Ng for investments amounting to Forty Million Pesos to be used solely for payment of subscription payable to ATN Philippines Solar Energy Group, Inc. Further, on October 3, 2018, the stockholders of the Corporation in the Annual Stockholders Meeting resolved to approve for the application of listing of 400,000,000 common shares with waiver by a majority of the minority of shareholders. On June 24, 2021, the Philippine Stock Exchange has issued a Notice of Approval for the listing of the abovementioned 530,000,000 Common shares of the Corporation.

On April 2. 2019, in a meeting of the Board of Directors resolved to issue 1,179,806,700 common shares (0.1632 price per share) to the Chairman, Arsenio T. Ng for investments amounting to One Hundred Ninety Two Million Five Hundred Thousand Pesos (P192,500,000) to be used solely for payment of subscription payable to ATN Philippines Solar Energy Group, Inc. The issuance of additional shares to be taken from the unissued capital stock of the Company. The stockholders of the Corporation in the Annual Stockholders Meeting of October 6, 2019 resolved to approve for the application of listing of 1,179,806,700 common shares with waiver by a majority of the minority of shareholders. The Philippine Stock Exchange has issued a Notice of Approval for the listing of the abovementioned 1,179,806,700 Common shares of the Corporation.

(2) Business of Company

(a) Description of Company

(i) TBGI generates revenues from Internet, Intranet, and local loop services subscriptions of corporate private sector, schools, and government agencies. The Company sells (1) data services to subscriber private companies and schools for Internet connectivity, and (2) video uplink services to local and foreign TV channels. Data and video services are delivered from TBGI earth station in Clark, Pampanga transmitted via Apstar-6 and Kacific satellite to receiving equipment units of clients. The company business activities serve customers in Asian countries covered by Apstar-6 and Kacific satellite footprint.

(ii) As part of its subscription services, TBGI provides equipment to be installed on subscriber's site. The equipment is not owned or purchased by the subscriber. Substantially all its current sales of Internet connectivity to subscriber schools are being undertaken through a sole marketing agent under a non-exclusive arrangement, pursuant to which a commission is paid to the marketing agent based on revenues collected by Transpacific from such schools.

(iii) TBGI is a participant of the information and communications industry. New entrants to this industry are benefiting from declining prices of equipment and declining prices of bandwidth, which result from development of new wireless technologies.

On data transmission services, Transpacific is in a niche of its own providing high-capacity C-band and Ka-band satellite ICT services to the educational institutions market. As of December 2011, TBGI was servicing 185 institutions. TBGI has the competitive edge from its use of the C-band of satellite signal that is not affected by weather conditions, and price advantage in Ka-band service for price sensitive clients. The Company is competitive in islands where landlines are not available or are too costly to serve an uneconomic number of customers.

On video uplink services, TBGI is one of very few active industry participants of the commercial video uplink market, each serving one or two clients at a time. The clients move around the same industry participants—TBGI served eight video clients during a span of five years before its major shift to data services in 2001.

The TBGI business model is expected to be competitive overseas via country-specific partners or landing rights to other Asian countries, particularly China, Cambodia, and India. TBGI can serve these markets competitively using its education, disaster management and health care software systems, and access nodes hardware linked to its Network Operations Center in Clark, Pampanga.

(iv) The company has no major customer that account for more than 10% of revenues.

(v) TBGI enjoys privileges granted by the government for the conduct of its business operations through franchise, authority to operate, and incentives:

I. Congressional Franchise RA 11581 (previously RA 8657)

In 2020, Transpacific Broadband Group Int'l filed an application for the renewal of telecommunications franchise Republic Act 8657, which the Eighteenth Congress granted on July 23, 2021, with a vote of 207-0, and at the Senate with a vote of 23-0, followed by the signing of President Rodrigo R. Duterte on said date. The extension of the Corporation's Congressional Franchise for another 25 year was approved under Republic Act 11581 for the same corporate purpose on July 23, 2021.

The Telecommunication Franchise enacted by Congress grants TBGI another term of 25 years to construct, establish, install, maintain and operate communications systems for the reception and transmission of messages within the Philippines, to include but not limited to voice, audio, data, facsimile, video, and such other intelligence by radio, wire, satellite and other means now known to sciences or which may be developed in the future.

TBGI commercial operations depend on this franchise. The law allows TBGI to render communications uplink and downlink services between any points within the Philippines through unlimited number of satellites in orbit. It allows TBGI to provide basic or enhanced telephone service in any municipality where it has approved certificate of public convenience and necessity. It authorizes TBGI to connect or demand connections of its telecommunications systems to any other existing telecommunications system. It mandates Transpacific to undertake an IPO by offering at least thirty percent (30%) of its outstanding capital stock within five (5) years from the commencement of the Company's operations.

II. Clark Development Corporation Certificate 2002-065 (Registration for Tax Exemption)

Certificate of Registration and Tax Exemption issued by Clark Development Corporation for a 25-year term, grants TBGI incentives available to CSEZ enterprise exemptions from customs and import duties, and national and internal revenue taxes on importation of capital goods supplies and other articles. TBGI pays 5% of gross income earned within the Clark Special Economic Zone (CSEZ) to the national government, to the local government units affected by the declaration of the economic zone, and the development fund of neighboring communities. The 5% preferential tax may be availed of by TBGI if its income from the sale of services outside of the CSEZ does not exceed 30% of its total income from all sources. TBGI has renewed its lease in CSEZ for another eight years.

III. Provisional Authority 2002-064 (International Internet Exchange Service Nodes)

Provisional Authority issued by NTC for grants TBGI the authority to procure, install, operate and maintain International Internet Exchange Service Nodes in Metro Manila, CSEZ and Angeles City, and to offer Value Added Services and charges rates thereof. With its renewed Provisional Authority TBGI complies with the regulation to provide clients with International Internet service connection.

IV. Provisional authority 98-131 (Extension of Provisional Authority)

Provisional authority issued by NTC allowing TBGI to construct, install, establish, operate, and maintain for commercial purposes an uplink service only in Clark Special Economic Zone. It has renewed such Provisional Authority.

(vii) The principal products or services of TBGI are not subject to government approval for as long as these comply with the rules stipulated in the franchise granted by Congress and the permits issued by the NTC. There is no probable government regulation that will affect the business of the company. Existing franchises, licenses, and regulations allow TBGI to execute its business plan to a wide extent. TBGI can expand scope of its services to include Internet telephony to its specific clients. The company is not subject to environmental laws since it does not generate hazardous waste.

(viii) Existing government regulations have no significant effect on the business of TBGI.

(ix) The company presently undertakes minor research and development. Any development is centered in testing of new communications equipment for possible integration into its network.

(x) The company does not generate hazardous waste or emission; hence it has no foreseen costs of compliance to environmental laws. The company has no patent, trademarks, licenses, franchise, concessions, royalty agreements or labor contracts.

(xi) As of December 31, 2021, the company maintained 9 employees in its offices in Clark Field and Mandaluyong City and has no plan to hire additional employees for the next twelve months. The 9 employees consist of 8 Engineers, and 1 Administrative staff.

The employees have no union and Collective Bargaining Agreement.

While there are many suppliers of satellite bandwidth, TBGI is contracted to only one supplier because TBGI bandwidth requirement is not significant vis-à-vis total available bandwidth supply. TBGI is not dependent on one bandwidth supplier at any time, thus avoiding the supply risk.

TBGI is likewise not subject to single customer risk given that TBGI is serving more than a thousand customers comprising of SOHO, schools, government that are financially independent.

TBGI can be considered as an information technology company; and a participant of an industry vulnerable to the major risk of obsolescence. However, TBGI retains its financial resiliency in the face of fast obsolescence by focusing more of its corporate business development in applications or software rather than investing in major irreversible capital investments.

Item 2 - Properties

All of the Company's properties and equipment units have been paid for in full and fully owned by the Company. TBGI owns satellite facilities in separate buildings for transmitter and power generators at the 1.1-hectare industrial area in Clark Special Economic Zone in Pampanga. The Company's satellite facility has available 20 studios for media production, post-production, and playback services inside 277 square meters area of industrial-grade raised flooring, and an enclosed soundproof broadcast studio. The video and data uplink equipment located in Clark, Pampanga are state-of the-art and in excellent condition. These earlier equipment for video uplink were installed in 1996 while the latest equipment upgrade for data (VSAT) were installed in 2006 and 2012 to keep up with technology developments.

Complementing the facilities in Clark, Pampanga is the TBGI Network Monitoring and Operations Center at the 9TH floor of Summit One Building in Mandaluyong City, Metro Manila. TBGI bought the remaining ATN financial interest in the 9th Floor of Summit One Tower Building with a total area of 853 square meters. Portion of the 9th floor is rented out on a monthly basis without incurring additional expenses on the part of the company. Rent income earned on investment properties amounted to Php2, 113,500 in 2022 and Php2, 844,340 in 2021.

The Company has no plan to acquire additional real estate properties within the next twelve (12) months.

Item 3 - Legal Proceedings

The Company is not involved in any litigation incidental to the conduct of its business. If there is any claim against the company, the Company believes that the cases against it have no legal basis and that there is no pending litigation that will have a material or adverse effect on its financial position or operations.

Item 4 - Submission of Matters to a Vote of Security Holders

There was no meeting held during the 4th quarter of fiscal year ending December 31, 2022.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 - Market Price for Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

TBGI shares are traded in the Philippine Stock Exchange only. TBGI high and low sales prices for the last two years:

	Jan 1 to Dec 31, 2022		Jan 1 to Dec 31, 2021	
	High	Low	High	Low
Qtr. 1	0.35	0.33	0.68	0.29
Qtr. 2	0.31	0.29	0.46	0.43
Qtr. 3	0.24	0.24	0.53	0.36
Qtr. 4	0.22	0.22	0.42	0.29

(2) Holders

As of March 31, 2023, the company had 375 holders of common shares. The high and low market price as of April 5, 2023 is P0.215 and P0.211 respectively.

The top 20 stockholders as of March 31, 2023 are as follows:

Stockholder	No. of Common Shares Held	% of Total Shares Outstanding
1. Ng, Arsenio	1,712,370,990	45.11%
2. PCD Nominee Corp. (Filipino)	1,696,100,429	44.63%
3. Unipage Management Inc.	371,480000	9.79%
4. ATN Holdings, Inc.	130,000,000	3.42%
5. PCD Nominee Corp. (Non-Fil)	123,698,951	3.26%
6. Liu, Jessilyn	10,000,000	0.26%
7. Yap, Rodolfo	8,000,000	0.21%
8. Ng, Hilario Tiu Ng	4,008,040	0.11%
9. Ng, Mark T.	3,750,000	0.10%
10. Ng, Tiffany Anne	3,750,000	0.10%
11. Ng, Matthew H	3,750,000	0.10%
12. Ng, Annie Cham	3,750,000	0.10%

13. Ng, Bun Kui	3,600,000	0.09%
14. Ng, Irene	3,600,000	0.09%
15. Oliva, Dulce Maria	3,600,000	0.09%
16. Limqueco, Margie Villaflor	3,500,000	0.09%
17. Limqueco, Margie	2,180,000	0.06%
18. Choa, Bonifacio	1,000,000	0.03%
19. Chua, Ricardo	1,000,000	0.03%
20. Tan, Caesar	1,000,000	0.03%

(3) Dividends

There was no cash dividend declared for the last three fiscal years and there are no present or future restrictions that limit the ability to pay dividends on common equity.

(4) Recent Sales of Unregistered Securities

The Company has not sold any securities in the past three years that were not registered.

Item 6 - Management's Discussion and Analysis or Plan of Operation

(1) Plan of operation

TBGI started to establish its data services network in 2001 with the installation of a C-band satellite main hub transmitter-receiver to link the interactive broadband requirements of educational institutions. The main hub is linked to remote units in site locations of clients, TBGI was servicing private and government institutions and other clients located in Luzon, Visayas and Mindanao. In 2020, TBGI provides new Internet-over-Satellite via Ka-band with higher throughputs of 70 to 100 mbps per remote sites with a 1.2 meter satellite antenna. These high bandwidth capacities enables latest online applications (i.e. zoom, online classrooms, mobile applications, etc.) to function within the satellite service.

Aside from its new market development efforts, the Company plans to continue its business in the manner it did last year. The company's internal revenue generation, interest income from various money market placements, and the cash balance are sufficient to satisfy its cash requirements for the next twelve months. It will continue to focus on its existing principal activities and has no plan to engage in major product research and development or purchase or sell any plant and significant equipment. The company values its human resources and it has no plan to decrease the number of its employees.

TBGI market development and business expansion are focused on the following:

1. TBGI has made investments in ATN Philippines Solar Energy Group, Inc. (ATN Solar) in cooperation with project proponent ATN Holdings, Inc. The TBGI affiliate has secured its Certificate of Registration and Solar Energy Service Contract from the Department of Energy for a 30 Megawatt Solar PV Power Plant near Metro Manila. The project has secured approval for project debt financing with a local bank. TBGI signed its Interconnection Agreement. The company likewise secured ERC approval of its Point-to-Point Connection Assets, and has completed construction of said assets that will connect its solar farm to Meralco.

2. TBGI is developing a niche market as participant in the telecoms tower infrastructure providers. There is no known trend or uncertainties that will significantly reduce TBGI's liquidity. The demand of schools subscribing for Internet connectivity will require equipment that will be taken out of inventory. Subscriber financing can meet any shortfall in funds for equipment acquisition, which is the ultimate source of funds for subscriber equipment purchases.

3. TBGI's profitability is sensitive to revenues and cost of bandwidth used. While there is no known event that will materially affect revenues, the price of bandwidth has declined significantly with the sharing of the new DS3 line with various users located in Summit One Tower.

CY 2022
Total assets increased from PHP 615.285 million to PHP 640.770 million as of December 31, 2022. The net increase of PHP 25 million in the total assets resulted from movements in the following:

Increase in current assets of PHP 42.228 million arising from the following changes:

a. Decrease of PHP 8.9 million in cash primarily due to property and equipment.
b. Increase of PHP 0.190 million in accounts receivables.
c. Decrease of PHP 0.186 million in other current assets.

Decrease in non-current assets of PHP 15.204 million due to the following:

a. Increase of PHP 8.380 million in property and equipment.
b. Increase of PHP 26 million in other non-current assets due to increase in advances to related parties.

Total liabilities increased from PHP 38.474 million as of December 31, 2021 to PHP 51.226 million as of December 31, 2022. The net increase of PHP 1.528 million was due to the following:

Decrease in current liabilities of PHP 6.162 million arising from the following changes:

a. Decrease of PHP 5.6 million in accounts payable and accrued expenses
b. Decrease in income tax payable of PHP 0.560 million.

Increase of non-current liabilities by PHP 18.914 million arising from the following changes:

a. Increase of PHP 552 thousand in deposits.
b. Decrease of PHP 193 thousand in pension liability.
c. Increase of PHP 18.5 million in advances from related parties.

On the equity side, total equity increased from PHP576 million as of December 31, 2021 to PHP 589 million as of December 31, 2022. The net increase of PHP 12.733 million was due to the increase in retained earnings.

The following table shows the top five (5) important financial indicators of the company with comparable period in the past year.

	December 31, 2022	December 31, 2021
Current Ratio	7.94	4.70
Debt-to-Equity Ratio	0.08	0.07
Gross Profit Margin	40%	51.80%
Net Income to Sales Ratio	34%%	47.5%
Net Income (loss) in pesos	PHP 12,733,059	PHP 25,495,576

The following are important performance 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.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
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.

There is no material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

CY 2021

Total assets increased from PHP 588.261 million to PHP 615,285 million as of December 31, 2021. The net increase of PHP 27 million in the total assets resulted from movements in the following:

Increase in current assets of PHP 42.228 million arising from the following changes:

d. Increase of PHP 41.453 million in cash primarily due to increase in revenue.
e. Increase of PHP 0.803 million in accounts receivables.
f. Decrease of PHP 0.028 million in other current assets.

Decrease in non-current assets of PHP 15.204 million due to the following:

c. Amortization of franchise by PHP 0.376 million.
d. Decrease of PHP 14.538 million in property and equipment.
e. Decrease of PHP 0.344 million in other non-current assets due to decrease in advances to related parties.

Total liabilities increased from PHP 36.946 million as of December 31, 2020 to PHP 38.474 million as of December 31, 2021. The net increase of PHP 1.528 million was due to the following:

Decrease in current liabilities of PHP 1.268 million arising from the following changes:

c. Increase of PHP 5.403 million in accounts payable and accrued expenses
d. Decrease of PHP 7.255 million in unearned income.
e. Increase in income tax payable of PHP 0.583 million.

Increase of non-current liabilities by PHP 2.797 million arising from the following changes:

d. Increase of PHP 74 thousand in pension liability.
e. Increase of PHP 2.729 million in advances from related parties.

On the equity side, total equity increased from 551.315 million as of December 31, 2020 to PHP 576.811 million as of December 31, 2021. The net increase of PHP 25.495 million was due to the increase in retained earnings.

The following table shows the top five (5) important financial indicators of the company with comparable period in the past year.

	December 31, 2021	December 31, 2020
Current Ratio	4.70	1.17
Debt-to-Equity Ratio	0.07	0.07
Gross Profit Margin	51.80%	11.14%
Net Income to Sales Ratio	47.5%	11.2%
Net Income (loss) in pesos	PHP 25,495,576	PHP 4,871,652

The following are important performance 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.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
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.

There is no material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

CY 2020

Total assets decreased from PHP 594.063 million to PHP 588.261 million as of December 31, 2020. The net decrease of PHP 5.802 million in the total assets resulted from movements in the following:

Increase in current assets of P 8.064 million arising from the following changes:

a. Increase of PHP 8.101 million in cash primarily due to additional investment in associates.
b. Increase of PHP 0.400 million in accounts receivables.
c. Decrease of PHP 0.436 million in other current assets.

Decrease in non-current assets of PHP 13.872 million due to the following:

a. Amortization of franchise by PHP 0.6 million.
b. Decrease of PHP 14.265 million in property and equipment.
c. Increase of PHP 0.993 million in other non-current assets due to increase in advances to related parties.

Total liabilities decreased from PHP 47.625 million as of December 31, 2019 from PHP 36.946 million as of December 31, 2020. The net decrease of PHP 10.679 million was due to the following:

Decrease in current liabilities of PHP 17.951 million arising from the following changes:

a. Decrease of PHP 0.168 million in accounts payable and accrued expenses
b. Decrease of PHP 0.05 million in short term loan
c. Decrease of PHP 18.108 million in unearned income.
d. Increase in income tax payable of PHP 0.038 million.

Increase of non-current liabilities by PHP 7.273 million arising from the following changes:

a. Increase of PHP 0.015 million in deferred tax liability.
b. Increase of PHP 63 thousand in pension liability.
c. Increase of PHP 7.195 million in advances from related parties.

On the equity side, total equity increased from PHP 546.444 million as of December 31, 2019 to PHP 551.315 million as of December 31, 2020. The net increase of PHP 4.871 million was due to the increase in retained earnings.

The following table shows the top five (5) important financial indicators of the company with comparable period in the past year.

	December 31, 2020	December 31, 2019
Current Ratio	1.17	0.25
Debt-to-Equity Ratio	0.07	0.09
Gross Profit Margin	12.5%	5.9%
Net Income to Sales Ratio	11.1%	1.8%
Net Income (loss) in pesos	PHP 4,871,652	PHP 699,877

The following are important performance 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.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.

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.

There is no material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Expansion Plans

TBGI has at its disposal the use of facilities owned by the ATN Group for the performance of broadband services. Summit One Tower hosts the fiber optic backbone with bandwidth of OC3 to OC12 (equivalent to 622 Mbps), and the necessary tower height for WIFI transmission in Metro Manila. With the bandwidth supply now available at Summit One Tower, the TBGI WIFI network envisaged for Metro Manila will be implemented in alliance with equipment suppliers from Taiwan and the USA.

With the company's sound financial condition and market niche in client schools that will eventually become last mile network nodes, TBGI will become a major wireless data services provider for schools in the Philippines. Hence, there is no foreseeable event, which may have a material impact on its short-term liquidity, and no seasonal aspect had material effect on the financial condition of the Company's operation.

Item 7 - Financial Information

Audited financial statements are attached.

Item 8 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The audited financial position of the Company as of December 31, 2022 and 2021 is audited by R. R. TAN & ASSOCIATES, CPAs. There were no events in the past where in R. R. TAN & ASSOCIATES, CPAs and the company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope procedures.

Information on Independent Accountant and Related Matter

(1) External Audit Fees and Services

R. R. TAN & ASSOCIATES, CPAs, the external auditor of the company, audited the financial position as at December 31, 2022 and 2021 with a contract amount of P412, 000 and P340, 000 respectively, inclusive of out of pocket expenses.

R. R. TAN & ASSOCIATES, CPAs audited the Company's balance sheet and the related statements of income, changes in stockholders' equity and cash flows for the year then ending and provide an audit report on the financial statements referred to above in accordance with Philippine Financial Reporting Standards. As part of the engagement, R. R. TAN & ASSOCIATES, CPAs assisted in the preparation of the Company's annual income tax returns for filing with the Bureau of Internal Revenue.

There were no tax fees paid for the last two fiscal years for professional services rendered on tax accounting, compliance, advice, planning and any other form of tax services. There were no other fees paid by the company for product and other services provided by the auditor.

The audit committee has no policies and procedures of the above services.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9 - Directors, Executive Officers, Promoters and Control Persons

The Directors of the Company for fiscal year 2021 – 2022 who were elected at the meeting of the stockholders on 14 October 2021 are as follows:

Name	**Position**
Arsenio T. Ng	Chairman, President and CEO
Hilario T. Ng	VP/Managing Director/Treasurer
Simoun S. Ung	Director
Ardi Bradley L. Ng	Director
Paul C. Cheah.	Director (Independent)
Hyland Si	Director (Independent)
Paul B. Saria	Director, Assistant Corporate Secretary

Arsenio T. Ng
Age 64
Period Served September 2000 to Present

Holds a Masters degree in Business Management with distinction from the California State College, Stanislaus, and the University of California, Los Angeles. Mr. Ng attended special studies in Politics and Public Administration at the United States Congress in Washington D.C. He took his undergraduate studies in Business Administration and Finance at the De La Salle University (Jose Rizal honors), Philippines and at the California State College, Stanislaus (cum laude), USA.

In 1994, Mr. Ng served as President and CEO of the Energy Corporation; a company listed in the Philippine Stock Exchange and became Chief Finance Officer of Semirara Coal Corporation, the largest coal mining firm in the Philippines the following year. He is the Chairman and CEO of ATN Holdings Inc., a listed holding company in the PSE, in which he holds major equity stake. He is the Chairman and CEO of Palladian Land Development Inc., and the Chairman and Director of Unipage Management Inc. He is also the Chairman and Director of both Advanced Home Concept Development Corporation, and Hart Realty Development Inc. Mr. Ng is concurrently a Director and Treasurer of Hambrecht and Quist Philippine Ventures II, a private equity fund managed by Hambrecht and Quist, Philippines Inc., a subsidiary of US-based Hambrecht and Quist venture firm.

In 1998, Mr. Ng became the President and Chairman of Managed Care, Inc. medical complex of 150 doctors, He is also the Director of Beacon Diversified, Inc. that has investments in Skycable. Mr. Ng also acts as Vice Chairman and President of CBCP World.

Hilario T. Ng
Age 61
Period Served September 2000 to Present

A graduate of Bachelor of Architecture at the Southern California Institute of Architecture, Mr. Ng took his MA in Urban Design at the University of California at Los Angeles. Presently, he is President of Palladian International, Inc., Director of ATN Holdings, Inc., Executive Vice President of Palladian Land Development, Inc., Architect, and Managing Partner of HEO Group. He was previously connected with Nadel Partnership, Inc (Architect, 1990), Figure 5, Inc (Project Director, 1988-1989), Stephen Lam & Associates (Project Director, 1987), Richard Magee & Associates (Project Architect, 1985-1986), T.W. Layman & Associates (Project Architect, 1982), Michael Ross & Associates (Project Architect, 1982), and WOU International (Project Architect, 1981).

Ardi Bradley L. Ng
Age 28
Period Served December 2019 to Present

Mr. Ardi Ng is a graduate of Ateneo De Manila University in year 2016. He holds a degree in Bachelor of Arts in Social Sciences, Major in Social Science. After graduation, Mr. Ng underwent his training in the Company. He is currently the Business Development Officer of Transpacific Broadband Group, Inc. Ardi Ng is the son of the Chairman Arsenio T. Ng.

Simoun S. Ung
Age 55
Period Served May 2007 to Present

Mr. Ung took Master of Business Administration in the University of Western Ontario in London, in 1991-1993. He is also a graduate in Bachelor of Arts, Psychology and Economics in the University of British Columbia in Vancouver, BC. in 1989. In 1994 he finished Property Management Course, Real Estate Division, Faculty of Extension in Edmonton, AB.

Mr. Ung is the Director and President of Four Star Consulting from 1998 to present. He is also the service provider of Coutts Bank Von Ernst Ltd. in Hongkong from 2001 to present. In 2004 he was elected as Chief Executive Officer and Director of CNP Worldwide Inc., a company that processed over US$500 million in credit card transactions as agent of Bankard, Inc., the credit card subsidiary of Rizal Commercial Banking Corporation and licensee of Visa, MasterCard and JCB International. Mr. Ung also holds the following positions such as Director of Bastion Payment Systems Corp. from 2005 to present; Business Introducer of EFG Private Bank, SA in Hong Kong, from 2005-present and a Member of Board of Advisors of Essential Innovations Technology Corp. in Bellingham, WA. From 2006 to present; President and Director of Twin Card Merchant Solutions, Inc. from 2006-present and Chairman of Century Peak Corporation from 2007 to present.

Paul B. Saria
Age 52
Period Served September 2000 to Present

A graduate of Bachelor of Architecture at the University of Santo Tomas, Mr. Saria took his graduate studies in Project Management at the Royal Melbourne Institute of Technology, Australia. He is Vice President for Operations of TBGI, Operations Officer of ATN Holdings, Inc. and Project Planning Architect of the Summit One Office Tower. He is likewise Operations Manager of Palladian Land Development Inc. and Advanced Home Concept Development Corporation since 1996.

Hyland Si
Age 65
Period Served – September 2022 to Present

Engineer Hyland Si is the Executive Vice President of Torque Builders, Inc., a major supplier and contractor of local electrical construction works for dozens of high-rise office buildings and manufacturing plants.

Paul C. Cheah
Age 38
Period Served – September 2022 to Present

Mr. Paul C. Cheah is currently Vice President for Investor Relations and Sustainability of Axelum Resources. He previously served as Head for Investor Relations of Philex Mining and Max's Group. Served as Associate Manager and Manager for Investor Relations of Ayala Land and Cebu Pacific Air. Also served various positions at Globe Telecom, BDO Unibank and Deutsche Bank Group in his early career. Mr. Cheah is a graduate of Ateneo Graduate School of Business with a master's Degree in business Administration and went to Heriot Watt University for his Bachelor's Degree in Business and Finance.

The aforementioned directors and officers have served the fiscal year ended December 31, 2022, and shall continue to serve until their successors have been duly elected at the Company's next annual stockholders' meeting.

There are no other significant employees.

Family Relationships

The Chairman, Arsenio T. Ng and Director, Hilario T. Ng are brothers. Director Ardi Bradley L. Ng is the son of the Chairman, Arsenio T. Ng

Involvement in Certain Legal Proceedings

The Company is not aware that anyone of the incumbent directors and executive officers and persons nominated to become a director and executive officer have been the subject of bankruptcy petition or pending criminal proceedings in court or have been by judgment or decree found to have violated securities or commodities law enjoined from engaging in any business, securities, commodities or banking activities. This disclosure on legal proceedings covers the last five years up to the latest date of this Information Statement.

Item 10 - Executive Compensation

The aggregate compensation paid to the Company's six (6) most highly compensated executive officers and all other officers and directors as a group in 2022 and 2021 as follows:

	Year	Salary	Bonus	Other Compensation
CEO and Four Most Highly Compensated Executives	2022	None	None	None
All Other Officers and Directors	2022	None	None	None
Total		None	None	None
	Year	Salary	Bonus	Other Compensation
CEO and Four Most Highly Compensated Executives	2021	None	None	None
All Other Officers and Directors	2021	None	None	None
Total		none	None	None

As per the By-Laws of Transpacific, each Director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the Directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. There are no other standard or other special arrangements regarding the compensation of the Directors of the Company.

On May 28, 2008, the Board of Directors approved to grant of stock options to the CEO 35 Million shares for services rendered as CEO for the company covering periods 2001 to 2007 and 5 Million shares for period 2008, both at a par value of P1.00. The same stock option plan has been deferred indefinitely effective in year 2010.

Item 11 - Security Ownership of Certain Record and Beneficial Owners and

Management Owners of more than 5% of voting securities as of March 31, 2023:

Class	Name of Record Owner and Relationship with Record Owner	Name of Beneficial Owner	Citizenship	Shares Owned	%
Common	1. PCD Nominee Corp. (F) 37th floor Tower 1, the Enterprise Ctr., 6766 Ayala Ave, Makati City, Phil.	Various	Filipino	1,696,100,429"	44.63%
Common	2. Unipage Management, Inc. 9F Floor Summit One Tower, 530 Shaw Boulevard Mandaluyong City (Investor)	Stock holders	Filipino	371,480,000"r"	9.79%
Common	3. Arsenio T. Ng 9F Summit One Tower, 530 Shaw Blvd.Mandaluyong City (CEO)	None	Filipino	1,712,370,990r"	45.11%

The Board of Directors of Unipage appoints its authorized representative and has the right to vote and direct or dispose of the shares held by Unipage.

The clients of PCD Corporation are the beneficial owners and have the power to decide how their shares are to be voted based on the Rules on proxy under the Corporation's Articles of Incorporation and By-laws and the Corporation Code.

Security ownership of management as of March 31, 2023:

Class	Name of Stockholders Directors:	Address	No. of Shares	%	Position
Common	Arsenio T. Ng	9F Summit One Tower, 530 Shaw Blvd. Mand. City	1,712,370,990"r"	45.11%	Chairman, President & CEO
Common	Hilario T. Ng	455 Jaboneros St., Manila	4,008,040"r"	0.11%	Director
Common	Ardi Bradley Ng	9F Summit One Tower 530 Shaw Blvd. Mand. City	100,000"r"	0.00%	Director
Common	Simoun Ung	27F Chatham House, 116 Valero St. Makati City	10,000"r"	0.00%	Director
Common	Paul C. Cheah	242 Lt. Artiaga St. San Juan	10,000"r"	0.00%	Independent Director
Common	Hyland Si	RM1005 Taipan Place, Emerald Ave, Pasig City	5,000,000"r"	.13%	Independent Director
Common	Paul Saria	9F Summit One Tower. 530 Shaw Blvd. Mand. City	258,040"r"	0.01%	Director, Asst. Corporate Secretary
	All directors and executive officers as a group		1,721,757,070"r"	45.36%	

Every security holder is the beneficial owner in his own right.

Voting Trust Holders of 5% or More
The company has no voting trust agreement with any person or entity.

Changes in Control
There is no change in control or ownership of the company.

Voting Trust Holders of 5% or More
The company has no voting trust agreement with any person or entity.

Item 12 - Certain Relationship and Related Transaction

The Company is a beneficial owner of certain condominium units classified in the Statement of Financial Position as Investment properties. Title to the properties has not been released to the Company as it intends to sell the properties using the marketing expertise of PLDI. These properties are leased out to third parties thru PLDI. Proceeds of the rent were remitted to the Company by the latter.

Rent income collected by PLDI on these properties amounted to P2,113,500 in 2022 and P2,844,340 in 2021.

A teaming agreement was executed in 2013 and 2015 between the company and certain related parties within Summit One Condominium Tower, a cost and expenses sharing scheme related to technical operations was implemented. All other cost including, but not limited to salaries, utilities and dues shall be borne by PLDI. Accordingly, certain cost and expenses maybe advanced by a party and to be reimbursed from another party on the proportionate share or usage between the related parties involved.

For the years ended December 31, 2022, 2021 and 2020 the Company did not provide compensation to its key management personnel.

Item 13 – Part IV - Compliance with leading practice on Corporate Governance

The company will make a separate submission on filling of Integrated Annual Corporate Governance. The detailed discussion of the Annual Corporate Governance Section deleted as per SEC memorandum Circular No. 5, series of 2013, issued last March 20, 2013

Reports on SEC Form 11-C
No reports on SEC Form 11-C were filed during the year.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Mandaluyong on APR 12 2023, 2023.

By:

ARSENIO T. NG
Chairman and CEO

ARCH. HILARIO T. NG
Principal Financial Officer

PAUL B. SARIA
Chief Operating Officer

APR 12 2023

SUBSCRIBED AND SWORN to before me this __ day of April 2023, affiant(s) exhibiting to me his/their driver's license, as follows:

NAMES	RES. CERT. NO.	DATE EXPIRES	PLACE OF ISSUE
ARSENIO T. NG	DL NO1-86-031588	03-13-2033	Mandaluyong City
HILARIO T. NG	DL F03-89-049506	08-23-2023	Manila City
PAUL SARIA	DL NO4-93-264992	12-15-2031	Mandaluyong City

Notary Public

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2023-2024)
IBP O.R. No. 180815 MD 2023 & IBP O.R. No. 180816 MD 2024
PTR O.R. No. 3916669D 1/03/2023 Roll No. 33832 /TIN# 129-871-009
MCLE EXTENSION APRIL 15, 2022 UP TO APRIL 14, 2023 AS PER S.C. EN BANC B.M. NO. 850
Address: 31-F Harvard St. Cubao, Q.C.

Doc. No. : 224
Page No.: 75
Book No.: XXII
Series of 2023

Transpacific Broadband Group
INTERNATIONAL, INC.
formerly: Transpacific Broadcast Group International, Inc.

CORPORATE OFFICE: 9/F SUMMIT ONE TOWER
530 SHAW BOULEVARD, MANDALUYONG CITY,
PHILIPPINES, 1550
TEL. (632) 717-0523
EMAIL: tbgi@tbgi.net.ph

SATELLITE CENTER: BLDG. 1751 CHICO ST.
CLARK SPECIAL ECONOMIC ZONE
ANGELES CITY, PAMPANGA, PHILIPPINES
TEL.: (6345) 599-3042, FAX: (6345) 599-3041

April 4, 2023

STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management on **TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

R.R. Tan and Associates, CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ARSENIO T. NG	**PAUL B. SARIA**	**HILARIO T. NG**
Chairman and CEO	Chief Operating Officer	Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 05 2023 day of April 2023, affiants exhibiting to me their driver's license, as follows:

NAMES	RES. CERT. NO.	EXPIRY DATE	PLACE OF ISSUE
Arsenio T. Ng	DL NO1-86-031588	03/13/2033	Mandaluyong
Paul B. Saria	DL N04-93-264992	12/15/2031	Mandaluyong
Hilario T. Ng	DL F03-89-049-506	08/23/2023	Manila

NOTARY PUBLIC
Doc. No. : 13
Page No. : 14
Book No. XXIII
Series of 2023.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2023-2024)
IBP O.R. No. 180815 MD 2023 & IBP O.R. No. 180816 MD 2024
PTR O.R. No. 3916669D 1/03/2023 Roll No. 33832 /TIN# 129-871-009
MCLE EXTENSION APRIL 15, 2022 UP TO APRIL 14, 2023 AS PER S.C. EN BANC B.M. NO. 850
Address: 31-F Harvard St. Cubao, Q.C.

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632) 8638-3430
e-mail: info@rrtan.net

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100510-002-2022, valid until September 14, 2025

Report of Independent Public Accountants

The Board of Directors and Stockholders
TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
9TH Floor, Summit One Tower
530 Shaw Blvd., Mandaluyong City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.** (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, the description of how our audit addressed the matter is provided in that context.

Recoverability of Investment in an Associate

As of December 31, 2022 and 2021, the Company's investment in an associate amounted to ₱408 million, equivalent to a 29.93% equity interest. This asset represents 64% of the total assets at year-end. The associate, which is accounted under the equity method, is still in the pre-operating stage and is now venturing into quarrying activities. We consider this as a key audit matter based on the following key assessments: (i) volume of investment, (ii) complex nature of associate's operations and (iii) certainty or uncertainty of commencing operations.

The Company's disclosure in Investment in an associate is discussed in Note 10 of the Notes to Financial Statements.

Our audit procedures
In the audit of Investment in associates, the following procedures were carried out:

- Performing an analytical procedures of the associates latest financial statements and impairment assessment, where necessary;

- Discussion with key management and technical personnel regarding the developments of solar projects and the rock crusher project during the year and any subsequent material events;

- Review of financial forecast of the associates including project financing, revenue estimates and other investment opportunities; and

- Review significant agreements entered into with other parties related to its solar project, including minutes of the Board of Directors meetings.

Other Information
Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged With Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations (RR) 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 31 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Chester Nimitz F. Salvador.

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 173379, January 17, 2023, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-100488-001-2022, valid until May 30, 2025

April 4, 2023
Pasig City

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632)8638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100510-002-2022, valid until September 14, 2025

Independent Auditors' Report on Supplementary Schedules

The Board of Directors and Stockholders
TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
9TH Floor, Summit One Tower
530 Shaw Blvd., Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Transpacific Broadband Group International, Inc. (the Company) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, included in this Form 17-A, and have issued our report thereon dated April 4, 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

Salvador

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 173379, January 17, 2023, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-100488-001-2022, valid until May 30, 2025

April 4, 2023
Pasig City

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS	*Notes*		**2022**		2021
Current Assets					
Cash and cash equivalents	*7*	**P**	**46,339,082**	P	55,249,289
Receivables - net	*8*		**2,918,240**		2,728,187
Other current assets - net	*9*		**42,000**		186,618
Total Current Assets			**49,299,322**		58,164,094
Non-current Assets					
Investment in associate	*10*		**407,998,864**		408,216,118
Franchise - net	*11*		**1,503,225**		1,565,865
Property and equipment - net	*12*		**86,359,238**		77,978,716
Investment properties	*13*		**61,568,800**		61,568,800
Other non-current assets	*14*		**33,823,547**		7,792,081
Total Non-current Assets			**591,253,674**		557,121,580
TOTAL ASSETS		**P**	**640,552,996**	P	615,285,674
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued expenses	*15*	**P**	**542,963**	P	6,145,491
Short-term loan	*16*		**5,450,000**		5,450,000
Income tax payable			**208,936**		769,197
Total Current Liabilities			**6,201,899**		12,364,688
Non-current Liabilities					
Deposits	*17*		**1,185,156**		662,830
Pension liability	*18*		**766,535**		960,469
Advances from related parties	*24*		**42,356,098**		23,770,891
Deferred tax liabilities - net	*26*		**716,337**		715,629
Total Non-current Liabilities			**45,024,126**		26,109,819
Total Liabilities			**51,226,025**		38,474,507
Equity					
Share capital	*19*		**380,000,000**		380,000,000
Share premium			**103,947,352**		103,947,352
Share options outstanding	*19*		**8,921,814**		8,921,814
Retained earnings			**96,895,605**		84,379,801
Treasury shares	*19*		**(437,800)**		(437,800)
Total Equity			**589,326,971**		576,811,167
TOTAL LIABILITIES AND EQUITY		**P**	**640,552,996**	P	615,285,674

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Notes	**2022**	2021	2020
REVENUES				
Service income	*20*	**P 37,275,778**	P 50,570,212	P 41,032,940
Other income	*22*	**3,461,603**	3,048,520	2,650,449
		40,737,381	53,618,732	43,683,389
COST AND EXPENSES				
Direct costs	*21*	**25,610,789**	24,391,428	36,461,967
Administrative expenses	*23*	**1,341,592**	2,061,104	1,425,628
Finance costs	*16*	**293,627**	276,330	345,752
		27,246,008	26,728,862	38,233,347
INCOME FROM OPERATION		**13,491,373**	26,889,870	5,450,042
EQUITY IN NET INCOME (LOSS) OF ASSOCIATE	*10*	**(217,254)**	54,201	(218,378)
INCOME BEFORE INCOME TAX		**13,274,119**	26,944,071	5,231,664
INCOME TAX EXPENSE	*26*	**758,315**	1,448,495	360,012
INCOME FOR THE PERIOD		**12,515,804**	25,495,576	4,871,652
OTHER COMPREHENSIVE INCOME		**-**	-	-
TOTAL COMPREHENSIVE INCOME		**P 12,515,804**	P 25,495,576	P 4,871,652
EARNINGS PER SHARE				
Basic	*27*	**P 0.0033**	P 0.0067	P 0.0013
Diluted		**0.0030**	0.0061	0.0012

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Notes	**2022**	2021	2020
SHARE CAPITAL				
Balance, January 1		**P 380,000,000**	P 380,000,000	P 380,000,000
Issuance during the year		**-**	-	-
Balance, December 31	*19*	**380,000,000**	380,000,000	380,000,000
SHARE PREMIUM				
Balance, January 1		**103,947,352**	103,947,352	103,947,352
Addition during the year		**-**	-	-
Balance, December 31		**103,947,352**	103,947,352	103,947,352
SHARE OPTIONS OUTSTANDING	*19*	**8,921,814**	8,921,814	8,921,814
RETAINED EARNINGS				
Balance, January 1		**84,379,801**	58,884,225	54,012,573
Income for the year		**12,515,804**	25,495,576	4,871,652
Balance, December 31		**96,895,605**	84,379,801	58,884,225
TREASURY SHARES - *at cost*	*19*	**(437,800)**	(437,800)	(437,800)
		P 589,326,971	P 576,811,167	P 551,315,591

See accompanying notes to financial statements

TRANSPACIFIC BROADBRAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Notes	**2022**	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax expense		**P 13,274,119**	P 26,944,071	P 5,231,664
Adjustments for:				
Provisions for (Reversal of):				
Depreciation and amortization	*11,12*	**15,556,044**	14,914,982	15,481,827
Retirement benefits	*18*	**33,649**	74,239	62,425
Recovery of impairment of spare parts	*22*	**-**	-	(146,887)
Foreign exchange (gain) loss	*22*	**(1,332,316)**	(172,064)	(225,275)
Equity in net (income) loss of an associate	*10*	**217,254**	(54,201)	218,378
Interest income	*22*	**(15,787)**	(32,116)	(10,832)
Interest expense	*16*	**293,627**	276,330	345,752
Operating Income Before Working Capital Changes		**28,026,590**	41,951,241	20,957,052
Decrease (Increase) in Operating Assets:				
Receivables		**(197,743)**	(747,373)	137,556
Other current assets		**144,620**	(108,551)	14,598
Other non-current assets		**-**	-	976,508
Increase (Decrease) in Operating Liabilities:				
Accounts payable and accrued expenses		**(5,602,528)**	5,403,208	168,152
Unearned income		**-**	(7,255,114)	(18,107,680)
Deposits		**522,326**	-	-
Cash Generated by Operations		**22,893,265**	39,243,411	4,146,186
Income taxes paid		**(1,317,869)**	(735,175)	(307,461)
Retirement benefits paid	*18*	**(227,583)**	-	-
Interest received		**15,787**	32,116	10,832
Net Cash Provided by Operating Activities		**21,363,600**	38,540,352	3,849,557
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment		**(3,606,549)**	-	(47,700)
Advances made to related parties		**(26,031,466)**	-	(3,778,174)
Collection of advances to related parties		**-**	343,669	1,590,810
Net Cash Provided by (Used in) Investing Activities		**(29,638,015)**	343,669	(2,235,064)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loan		**5,450,000**	5,450,000	5,450,000
Availments of advances from related parties		**287,829**	5,573,848	9,462,520
Payment of loan:				
Principal		**(5,450,000)**	(5,450,000)	(5,500,000)
Interest	*16*	**(293,627)**	(276,330)	(345,752)
Payment of advances from related parties		**(1,970,000)**	(2,844,340)	(2,267,455)
Net Cash Provided by (Used in) Financing Activities		**(1,975,798)**	2,453,178	6,799,313
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		**1,340,006**	115,858	(312,809)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(8,910,207)**	41,453,057	8,100,997
CASH AND CASH EQUIVALENTS, January 1		**55,249,289**	13,796,232	5,695,235
CASH AND CASH EQUIVALENTS, December 31		**P 46,339,082**	P 55,249,289	P 13,796,232

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

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 is 9.63% owned by Unipage Management Inc.

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 Company’s franchise was renewed for another 25 years under Republic Act No. 11581.

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.

The Company’s registered office is located at the 9th Floor of Summit One Tower, 530 Shaw Boulevard, Mandaluyong City. Its satellite center is located at Bldg. 1751, Chico St., Clark Special Economic Zone, Angeles City, Pampanga.

The financial statements of the Company as at December 31, 2022 and 2021 and for each of the years in the period ended December 31, 2022 were authorized for issue by the President on April 4, 2023.

2. Basis of Preparation and Presentation

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and interpretations thereof, including SEC pronouncements.

Basis of Financial Statement Preparation and Presentation
The accompanying financial statements have been prepared on a historical cost basis except for building and improvements, uplink/data equipment, leasehold improvements, and investment properties that are carried at fair value.

The financial statements are presented in Philippine Peso, the Company’s functional currency and all values represent absolute amount except when otherwise indicated.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current Versus Non-Current Classification
The Company presents assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Company classifies all other liabilities as non-current.

Cash and Cash Equivalents
Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Instruments

Date of Recognition
The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets, recognition and de-recognition, as applicable, that require delivery of assets within the time frame established by regulation or convention in the market place are recognized on the settlement date.

Initial Recognition
Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The Company's initial measurement of financial instruments, except for those classified as FVPL, includes transaction cost. For trade receivables, they are measured at the transaction price determined under PFRS 15.

Classification and Subsequent Measurement of Financial Assets
Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Company's business model for managing the financial assets. The Company classifies and measures its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at FVPL
- financial assets measured at FVOCI, where gains or losses in fair value is recognized to profit or loss
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Company assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding. In making this assessment, the Company determines whether the contractual cash flows are consistent with a basic service arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other risks and costs associated with holding the financial asset for a particular period of time.

The Company's business model is determined at a level that reflects how a group of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument. The Company's business model refers to how it manages its financial assets in order to generate cash flows. The Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Company in determining the business model for a Company of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

As at December 31, 2022 and 2021, the Company's financial assets represents financial asset measured at amortized cost. These are captioned in the statement of financial position as Cash and cash equivalents, Receivables, Deposits and Advances to Related Parties.

A financial asset is measured at amortized cost if:

- it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value.

Classification and Subsequent Measurement of Financial Liabilities
The Company determines the classification of financial liabilities, at initial recognition based on the following categories:

- financial liabilities at FVPL
- other financial liabilities

Financial liabilities as of December 31, 2022 and 2021 are categorized as *Other financial liabilities.* These include accounts payable and accrued expenses, short-term loans and deposits.

After initial recognition, other financial liabilities are carried at amortized cost, taking into account the impact of applying the effective interest method of amortization for any direct attributable transaction cost. Gains or loss on financial liabilities are recognized in profit or loss when the liabilities are derecognized.

Derecognition of Financial Assets and Financial Liabilities
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of ownership of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of ownership of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. If a transfer of financial asset does not result in derecognition since the Company has retained substantially all the risks and rewards of the ownership of the transferred asset, the Company continues to recognize the transferred asset in its entirety and recognizes a liability for the consideration received.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such modification is treated as the derecognition of the carrying value of the original liability and the recognition of a new liability at fair value, and any resulting difference is recognized in profit or loss.

Impairment of Financial Assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Contract Assets and Liabilities
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. As of December 31, 2022 and 2021, the Company has no contract asset balances.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract. As of December 31, 2022 and 2021, the Company has no contract liability balance.

Prepaid Expenses
Prepaid expenses are measured at amounts paid and subsequently recognized as expense over which the prepayments apply.

Property and Equipment
The initial cost of property and equipment consist of its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the properties have been put into operation, such as repairs and maintenance, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of the property and equipment.

Transportation equipment, furniture, and fixtures are subsequently carried at cost less accumulated depreciation and impairment in value, if any. Buildings and improvements, uplink/data equipment and leasehold improvements are subsequently carried at revalued amounts less accumulated depreciation and impairment losses, if any. Subsequent acquisitions are stated at cost less accumulated depreciation and impairment losses, if any.

As of December 31, 2015, the revaluation increment arising from revaluation of Buildings and improvements, uplink/data equipment and leasehold improvements amounting to P22.2 million were completely transferred to retained earnings which were absorbed through depreciation.

Depreciation is computed on a straight-line method over the estimated useful lives of the depreciable assets as follows:

Building and improvements	20 years
Uplink/data equipment	10-20 years
Furniture and fixtures	10 years
Transportation equipment	5 years
Lease improvements	6 years or lease term whichever is shorter

Assets under lease arrangements are depreciated over the term of the lease or the useful life of the asset, whichever is shorter, unless there is purchase option reasonably certain to be exercised by the Company. In which case, the asset is depreciated over its useful life.

An asset's residual value, useful life, and depreciation method are reviewed periodically to ensure that the period, residual value, and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are sold, retired, or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in profit or loss for the period.

Fully depreciated assets are retained in the accounts until they are no longer in use.

Investment Properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the company. Investment properties are initially measured at cost, including transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The Company reviews these valuations annually.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Investment property is derecognized when either it has been disposed of, or when the investment property is permanently withdrawn or sold and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Investment in Associate
An associate is an entity over which the Company is able to exert significant influence but not control and which are neither subsidiaries nor interests in a joint venture. Investment in an associate is initially recognized at cost and subsequently accounted for using the equity method. The equity method of accounting for investment in associate recognizes the changes in the Company's share of net assets of the associate. The share in the net results of the operations of the associate is reported as *Equity in Net Loss/Earnings of an Associate* reported in the Statement of Comprehensive Income. However, when the Company's share of losses in an associate equal or exceed its interest in the associate the

Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognizing its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized. Changes resulting from other comprehensive income of the associate or items recognized directly in the associate's equity are recognized in other comprehensive income or equity of the Company, as applicable.

Distributions received from the associates are accounted for as a reduction of the carrying value of the investment.

If significant influence is lost over the associate, the Company measures the carrying value of investment at its fair value. The difference, if any, upon the loss of significant influence over its associate is reported in the Statement of Comprehensive Income.

Franchise
The Company holds a congressional franchise for the operation of telecommunication service. All cost and expenses directly related to its initial acquisition that meets the definition of an intangible asset is capitalized as Franchise. After the initial recognition, Franchise is carried at cost less accumulated amortization and any impairment losses. Franchise is amortized using the straight-line method over its congressional term of 25 years. The amortization period and amortization method are reviewed at each financial year-end. If the expected useful life of the asset is different from previous estimate, the amortization period is changed accordingly. When the carrying amount of Franchise is greater than its estimated recoverable amount, the cost is written down to its recoverable amount. Franchise is derecognized either upon disposal or the right to use expired.

In 2021, the company was granted renewal of its Congressional franchise. Subsequently, the remaining unamortized amount from its original cost was amortized for another 25 years.

Other Non-current Assets
Other non-current assets of the Company include security deposit, and other receivables. These are measured at amortized cost.

Equity
Share capital is determined using the par value of shares that have been issued.

Share premium represents the excess of the par value over the subscription price.

Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income.

Share options is measured based on the fair value of the stock option on the date of grant. If the fair value of the stock option cannot be estimated reliably, the intrinsic value method is used. The intrinsic value is the excess of the market value of the share over the option price.

Treasury shares are recorded at cost, which is equal to the cash payment or for noncash consideration. It is shown in the statements of financial position as a deduction from the equity.

Revenue Recognition
Revenue comprises revenue from rendering of services measured by reference to the fair value of consideration received or receivable by the Company for services rendered, excluding VAT and discounts. Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time. A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

In addition, the following specific recognition criteria must also be met before revenue is recognized (applies to all years presented):

Service income
Revenues from internet services and bandwidth subscriptions are recognized when services are rendered and billed.

Commission income
Commission income is recognized when the service required to be rendered to subscribers is completed.

Rent income
Rent income is recognized on a straight-line basis over the lease term.

Interest income
Interest income from bank deposits is recognized as interest accrues taking into account the effective yield on the related asset.

Cost and Expense Recognition
Cost is recognized in the Statement of Comprehensive Income when the related revenue is earned (e.g. when goods are sold or services have been performed). Expenses are recognized upon utilization of the service or when they are incurred.

Income Taxes
The Company accounts for income tax using the deferred income taxes method. Under the deferred income taxes method, the Company recognizes the current and future tax consequences of transactions and other events that have been recognized in the financial statements. These recognized amounts comprise current tax and deferred tax.

Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted as at the end of reporting period.

Deferred tax asset is recognized for all temporary differences that are expected to reduce taxable profit in the future, and for the carry forward of unused tax losses and unused tax credits. Deferred tax liability is recognized for all temporary differences that are expected to increase the taxable profit in the future. Deferred tax assets and liabilities are measured using the tax rates and laws substantively enacted at the end of the reporting period.

The carrying amount of deferred tax asset is reviewed at each end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statements of income. Only changes in deferred tax assets or liabilities that relate to a change in value of asset or liabilities are charged or credited directly to equity.

Employee Benefits

- Short-term Employee Benefits
  Short-term employee benefits include items such as salaries and wages, social security contributions and nonmonetary benefits, if expected to be settled wholly within 12 months after the reporting date in which the employees rendered the related services. Short-term employee benefits are recognized as expense as incurred.

- Retirement Benefit Cost
  The Company provides for estimated retirement benefits costs required to be paid under RA 7641 to qualifying employees. The cost of defined retirement benefits, including those mandated under RA 7641 is determined using the accrued benefits valuation method or projected benefit valuation method. Both methods require an actuarial valuation which the Company has not undertaken. Management believes, however, that the effect on the financial statements of the difference between the retirement cost determined under the current method used by the Company and an acceptable actuarial valuation method is not significant.

Leases
Company as a lessee
The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Company as a lessor
Leases where the Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as an income in the statement of comprehensive income on a straight-line basis over the lease term.

Borrowing Cost
Borrowing costs are:

- capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.
- Other than the above, borrowing costs are expensed as incurred.

Foreign Currency Transactions and Translations
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (*the functional currency).* The financial statements are presented in Philippine Peso, the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at exchange rates prevailing at the time of transaction. Foreign currency gains and losses resulting from settlement of such transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Impairment of Non-Financial Assets

Property and equipment
When carrying amount of the asset is greater than its estimated recoverable amount, the cost of the asset is written down immediately to its recoverable amount.

Franchise
Franchise is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the franchise relates. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized.

Investment in an associate
The Company determines at each reporting date whether there is any objective evidence that investment in an associate is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the recoverable amount of the investment in an associate and the carrying amount of the investment, and recognizes the amount in the Statement of Comprehensive Income.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Related Party Transactions
Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The related party transactions are recognized based on transfer of resources or obligations between related parties, regardless of whether a price is charged.

Provisions
Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example legal disputes for onerous contract.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at end of reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain, as a separate asset at an amount not exceeding the balance of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. In addition, long-term provisions are discounted at their present values, where time value of money is material.

Provisions are reviewed at each end of reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent asset, hence, are not recognized in the financial statements.

Operating Segment
Operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated and for which financial information is available.

Management has determined that the Company has only one segment which is the provision of internet and broadband system to its clientele.

Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events After End of Reporting Period
Post year-end events that provide additional information about the Company’s financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Earnings (Loss) Per Share
Basic earnings per share is computed by dividing profit for the period by the weighted average number of shares issued and outstanding during the year.

Diluted earnings per share are calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2022

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning January 1, 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

Amendments to PFRS 3, *Reference to the Conceptual Framework*
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine-IFRIC 21, Levies, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied prospectively.

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*
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 the 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 statement of comprehensive income. This disclosure is not required if such proceeds and costs are presented separately in the statement of comprehensive income.
The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments do not to have significant impact on the Company's financial statements.

Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract: Cost of Fulfilling a Contract*
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual periods beginning on or after January 1, 2022. The amendments do not have significant impact on the Company's financial statements.

Annual Improvements to PFRSs (2018-2020 cycle)
The Annual Improvements to PFRSs (2018-2020 cycle) are effective for annual periods beginning or after January 1, 2022 and are not expected to have a significant impact on the Company's financial statements.

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
  The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

- PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
  The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- PFRS 16, *Leases, Lease incentives illustrative example*
  The amendment to Illustrative Example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- PAS 41, *Agriculture, Taxation in fair value measurements*
  The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2022

The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2022 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

Effective beginning on or after January 1, 2023

Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Company.

Amendments to PAS 8, *Definition of Accounting Estimates*
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2024

Amendments to PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Company is currently assessing the impact the amendments will have on current practice.

Amendments to PFRS 16, Leases - Lease Liability in a Sale and Leaseback
The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements of PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of lease. Any gain or loss to the partial of full termination of the lease does not relate to the right of use retained but to the right of use terminated.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Early application is permitted. The amendments are not expected to have a material impact on the Company.

Effective beginning on or after January 1, 2025

PFRS 17, *Insurance Contracts*
PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- Divides the contracts into groups that it will recognize and measure;
- Recognizes and measures groups of insurance contracts at:

    i. a risk-adjusted present value of the future cash flows (the fulfillment cash flows) that incorporates all of the available information about the fulfillment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset); or
    ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);

- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Company since it has no activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the financial statements.

5. Summary of Significant Accounting Judgments and Estimates

The Company makes estimates and assumptions that affect the reported amounts of the assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Judgments
The following judgments were applied which have the most significant effect on the amounts recognized in the financial statements.

Determination of functional currency
The Company has determined that its functional currency is the Philippine peso which is the currency of the primary economic environment in which the Company operates.

Revenue recognition – Identifying performance obligation
The Company assessed that performance obligation for internet services and bandwidth subscription is satisfied at a point in time. The Company uses its judgement on when a customer obtains control of the promised services. The Company has assessed that the actual performance of services to the customer is the point in time when the performance obligation has been satisfied.

Revenue recognition – Timing of recognition
The Company recognizes revenue when it satisfied an identified performance obligation by transferring a promised service to a customer. A service is considered to be transferred when the customer obtains control. The Company determines, at contract inception whether it will transfer control of a promised service over time. If the Company does not satisfy a performance obligation over time, the performance obligation is satisfied at point in time.

The Company concluded that revenues from internet services and broadband subscription are to be recognized over time since customers receive and consume the benefits as the Company provides the service.

Determination of control
The Company makes an assessment whether or not it controls an investee by considering all relevant facts and circumstances that indicates that the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A reassessment is made if circumstances indicate that there are changes in these control elements.

As of December 31, 2022 and 2021, the Company has 29.93% equity interest in an associate where the Company has significant influence over the associate's financial and operating policies.

Classification of leases – Company as lessor
The Company has lease agreement covering its transponder under operating leases where the lessor has determined that it has retained substantially all the risks and rewards incidental to ownership of the leased assets. These leases are classified as operating leases.

Operating lease payment is reported in the Statement of Comprehensive Income (see Notes 21 and 28).

Determining business models
The Company manages its financial assets based on a business model that maintains adequate level of financial assets to match expected cash outflows while maintaining a strategic portfolio of financial assets for trading activities. The Company's business model is to hold financial assets to collect contractual cash flows even when sales of certain financial assets occur.

(ii) Estimates
The key assumptions concerning the future and other key sources of estimation of uncertainty at end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Determining ECL of trade receivables
The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due balances that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

As of December 31, 2022 and 2021, trade receivables amounted to P2,918,240 and P2,728,187, respectively, net of allowance for probable losses of P4,436,227 for both years.

Estimating of useful lives and residual values of property and equipment
The Company estimates the useful lives of property and equipment based on internal technical evaluation and experience with similar assets. The estimated useful lives and residual values are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets.

A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.

The carrying value of property and equipment as at December 31, 2022 and 2021 amounted to P86,359,238 and P77,978,716, respectively. (*See Note 12*)

Recoverability of deferred tax assets
The Company reviews the carrying amounts of deferred tax asset at each end of reporting period and reduces the deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The carrying value of deferred tax liabilities (net of deferred tax assets of P260,523 in 2022) as at December 31, 2022 amounted to P716,337. The carrying value of deferred tax liabilities (net of deferred tax assets of P269,834 in 2021) as at December 31, 2021 amounted to P715,629. (*See Note 26*)

Estimating retirement benefits
The determination of the Company's obligation and cost for retirement and other retirement benefits which is based on RA 7641 is dependent on the length of stay of the qualifying employees and reaching the age of 60 upon retirement. Annually, retirement benefits are computed based on existing employees as there is no assurance that the employee will still be with the Company at the age of retirement.

Retirement benefit cost recognized in the financial statements amounted to P33,649 in 2022, P74,239 in 2021, and P62,425 in 2020. (*See Note 18*)

Impairment of non-financial asset
The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of a non-financial asset (Property and equipment, Investment in Associate, Franchise and Investment Properties) may not be recoverable. Several factors are considered which could trigger that impairment has occurred. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have material adverse effect on the results of operations.

As at December 31, 2022 and 2021, management believes that no provision for impairment loss is necessary.

The carrying value of non-financial assets as of December 31, 2022 and 2021 are as follows:

	2022	2021
Investment in an associate	**P 407,998,864**	P 408,216,118
Franchise - net	**1,503,225**	1,565,865
Property and equipment - net	**86,359,238**	77,978,716
Investment properties	**61,568,800**	61,568,800

Measurement of share options
The compensation resulting from share options is measured based on the fair market value of the share option on the date of grant. If the fair value of the share option cannot be estimated reliably, the intrinsic value method is used. The intrinsic value is the excess of the market value of the share over the option price.

During 2010, the TBGI Remuneration Committee met to discuss the request of the Chief Financial Officer to indefinitely defer the Share Option plan for the CEO. The Share Option Plan for the CEO may be restored only upon the recommendation of the Remuneration Committee and subject to the approval of the Board of Directors.

As at December 31, 2022 and 2021, share options outstanding amounted to P8,921,814. (*See Note 19*)

6. 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 and currency, 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 December 31, 2022 and 2021.

	Gross Maximum Exposure			
		2022		2021
Cash and cash equivalents *	**P**	**46,326,082**	P	55,236,289
Trade receivables		**7,354,467**		7,164,414
Other non current assets		**33,823,547**		7,792,081
	P	**87,504,096**	P	70,192,784

**excludes cash on hand of P13,000*

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 is considered minimal.

The credit quality of the Company's financial assets as at December 31, 2022 and 2021 is as follows:

	December 31, 2022				
	Neither past due nor impaired		**Past due**	**Past due**	
	High grade	**Standard grade**	**but not impaired**	**and impaired**	**Total**
Cash and cash equivalents	**P 46,326,082**	**P -**	**P -**	**P -**	**P 46,326,082**
Trade receivables	**-**	**2,918,240**	**-**	**4,436,227**	**7,354,467**
Other non-current assets	**-**	**-**	**33,823,547**	**-**	**33,823,547**
	P 46,326,082	**P 2,918,240**	**P 33,823,547**	**P 4,436,227**	**P 87,504,096**

	December 31, 2021				
	Neither past due nor impaired		Past due	Past due	
	High grade	Standard grade	but not impaired	and impaired	Total
Cash and cash equivalents	P 55,236,289	P -	P -	P -	P 55,236,289
Trade receivables	-	2,728,187	-	4,436,227	7,164,414
Other non-current assets	-	-	7,792,081	-	7,792,081
	P 55,236,289	P 2,728,187	P 7,792,081	P 4,436,227	P 70,192,784

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 December 31, 2022 and 2021.

	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 542,963**
Short-term loan	**-**	**-**	**5,450,000**	**-**	**5,450,000**
	P 542,963	**P -**	**P 5,450,000**	**P -**	**P 5,992,963**

	December 31, 2021				
	< 1 month	> 1 month& <3 months	>3 months & < 1 year	> 1 year & <3 years	Total
Accounts payable and accrued expenses	P 6,145,491	P -	P -	P -	P 6,145,491
Short-term loan	-	-	5,450,000	-	5,450,000
	P 6,145,491	P -	P 5,450,000	P -	P 11,595,491

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:

	2022		2021	
	US Dollar	**Equivalent**	US Dollar	Equivalent
Cash and cash equivalents	**$ 616,592**	**P 34,603,143**	$ 323,278	P16,414,117

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 for the years ended December 31, 2022 and 2021:

	Effect on Income Before Taxes	
Increase/decrease in Peso to US Dollar Rate	**2022**	2021
+ P5.00	**P3,082,960**	P 1,616,390
- P5.00	**(3,082,960)**	(1,616,390)

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.

The following table demonstrates the sensitivity to a reasonable change in interest rates, with all other variables held constant, the Company's income before tax for the years ended December 31, 2022 and 2021:

	Effect on Income Before Taxes	
Increase/decrease in interest rate	**2022**	2021
+2%	**P 109,000**	P 109,000
-2%	**(109,000)**	(109,000)

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:

		2022		2021
Equity	**P**	**589,326,971**	P	576,811,167
Total Assets		**640,552,996**		615,285,674
Ratio		**0.920**		0.937

7. Cash and Cash Equivalents

As of December 31, 2022 and 2021, cash and cash equivalents consist of:

		2022		2021
Cash in banks	**P**	**46,326,082**	P	55,236,289
Cash on hand		**13,000**		13,000
	P	**46,339,082**	P	55,249,289

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

Interest income on these deposits amounted to P15,787 in 2022, P32,116 in 2021, and P10,832 in 2020.

8. Receivables - net

The composition of this account is as follows:

		2022		2021
Trade				
In local currency	**P**	**4,436,227**	P	4,436,227
In foreign currency		**2,918,240**		2,728,187
		7,354,467		7,164,414
Less: Allowance for probable losses		**(4,436,227)**		(4,436,227)
	P	**2,918,240**	P	2,728,187

Trade receivable in foreign currency represents US dollar subscription on uplink services from customers based in Hong Kong. The net unrealized foreign exchange gain (loss) on this account amounted to (P371,925) in 2022, P56,206 in 2021 and P538,084 in 2020.

There were no changes affecting allowance for probable losses in 2022 and 2021.

9. Other Current Assets

The breakdown of this account is as follows:

		2022		2021
Input VAT	**P**	**42,000**	P	34,921
Prepaid real estate tax		**-**		151,697
	P	**42,000**	P	186,618

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

- Prepaid real estate tax represents advance payment of real property taxes that will be applicable and expensed in the subsequent period. Expired portion is charged to taxes and licenses reported as part of administrative expenses in the statement of comprehensive income.

10. Investment in Associate

Investment in 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.

Details of this account are as follows:

		2022		2021
Cost	**P**	**209,500,000**	P	209,500,000
Equity in net loss				
Balance at beginning of year		**(8,083,882)**		(8,138,083)
Share in net income (loss) for the year		**(217,254)**		54,201
Balance at end of year		**(8,301,136)**		(8,083,882)
Deposit on stock subscription		**206,800,000**		206,800,000
	P	**407,998,864**	P	408,216,118

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.

The financial information of ATN Solar as of and for year ended December 31, 2022 and 2021 is as follows:

	2022	2021
Total current assets	**P 7,275,783**	P 13,436,018
Total non-current assets	**1,845,276,119**	1,822,156,259
Total current liabilities	**14,880,000**	48,281,037
Total non-current liabilities	**1,168,766,643**	1,117,680,108
Net income (loss)	**(725,874)**	181,094
Cash flow from investing activities	**(44,142,389)**	(55,290,508)
Cash flow from financing activities	**17,989,133**	26,598,526

The reconciliation of net assets of the associate to the carrying amounts of investments in associates recognized in the statement of financial position is as follows:

	2022	2021
Net asset of associate	**P 668,905,259**	P 669,631,132
proportionate ownership interest (%)	**29.93**	29.93
	200,203,344	200,420,598
Pre-acquisition adjustment	**32,239**	32,239
Prior period adjustment	**963,281**	963,281
Deposit on stock subscription	**206,800,000**	206,800,000
	P 407,998,864	P 408,216,118

11. 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:

	2022	2021
Balance, January 1	**P 1,565,865**	P 1,942,405
Amortization	**(62,640)**	(376,540)
Balance, December 31	**P 1,503,225**	P 1,565,865

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 in necessary.

12. Property and Equipment – net

The movement in this account is as follows:

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**
Additions	**-**	**23,873,926**	**-**	**-**	**-**	**23,873,926**
At December 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 December 31, 2022	**23,893,402**	**243,132,610**	**5,127,377**	**19,145,709**	**14,275,284**	**305,574,382**
Net Carrying Value						
At December 31, 2022	**P -**	**P 85,858,189**	**P 101,049**	**P -**	**P 400,000**	**P 86,359,238**

2021	Building & Improvements	Uplink/Data Equipment	Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Total
Carrying Amount	P 23,893,402	P 305,116,873	P 5,228,426	P 19,145,709	P 14,675,284	P 368,059,694
Accumulated depreciation						
At January 1, 2021	23,893,402	213,100,764	5,127,377	19,145,709	14,275,284	275,542,536
Provisions	-	14,538,442	-	-	-	14,538,442
At December 31, 2021	23,893,402	227,639,206	5,127,377	19,145,709	14,275,284	290,080,978
Net Carrying Value						
At December 31, 2021	P -	P 77,477,667	P 101,049	P -	P 400,000	P 77,978,716

13. Investment Properties

As of December 31, 2022 and 2021, investment properties consist 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. 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.

The description of valuation techniques and inputs used in determining the fair value of investment properties classified as Level 2 and Level 3 in the fair value hierarchy is as follows:

Location	Type	Valuation techniques	Significant observable inputs	Fair value hierarchy	Range
Summit One Tower	Condominium Units	Market approach	Selling price(per square meter)	Level 2	P 61,864 - P 64,937
			Size		5%
			Location		-5%
			Improvement		10% - 15%
Caribe Subdivision Island Park, Parliparan II, Dasmariñas, Cavite	Residential Unit	Market approach	Selling price(per square meter)	Level 3	P 6,667 - P 9,000
			Neighborhood		10%
			Development		10%

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

As of December 31, 2022, 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 during 2022 that increase or decrease the carrying value of investment property as at December 31, 2022.

During 2022 and 2021, 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:

		2022		2021		2020
Rental income	**P**	**2,113,500**	P	2,844,340	P	2,267,455
Direct operating expenses on investment properties that:						
Generated rental income		**151,697**		151,687		151,697
Did not generate rental income		**1,659**		1,659		829

14. Other Non-current Assets

This account consists of:

		2022		2021
Advances to (see Note 24):				
ATN Phils. Solar Energy Group Inc. (Solar)	**P**	**28,310,615**	P	6,065,089
Palladian Land Dev't., Inc. (PLDI)		**4,943,545**		1,157,605
Security deposits		**569,387**		569,387
	P	**33,823,547**	P	7,792,081

Significant portion of security deposits are made to secure leasing arrangement. These deposits are refundable at the expiration of lease term.

15. Accounts Payable and Accrued Expenses

		2022		2021
Accounts payable	**P**	**-**	P	6,039,548
Accrued expenses		**542,963**		105,943
	P	**542,963**	P	6,145,491

Accounts payable amounting to P6 million as of December 31, 2021 represents unremitted collection from the company's reselling agreement with a foreign entity (see Note 28). The full amount was subsequently remitted on January 14, 2022.

Accrued expenses consist of accruals for various expenses which are usually settled for a maximum period of 3 months. It also includes monthly government payables.

16. Short-term Loan

Short-term loan is availed for working capital requirements. The loan carries a floating interest rate initially at 5.5% 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 December 31, 2022 and 2021, the balance of the loan amounted to P5.45 million.

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 P293,627 in 2022, P276,330 in 2021 and P345,752 in 2020.

Management believes that the carrying value of the loan at year end is a reasonable approximation of its fair value as of December 31, 2022 and 2021.

17. Deposits

Deposits on lease contracts are amounts paid by various lessees 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. As of December 31, 2022 and 2021, deposits on lease contracts amounted to P1,185,156 and P662,830, respectively.

18. Pension Liability

The Company provides retirement benefits in accordance with the provisions of Republic Act No. 7641 (RA 7641), prescribing the minimum retirement benefits to be paid by a company to its qualified retiring employees. No actuarial valuations were made since the Company employs a minimal number of employees.

Among others, RA 7641 provides for retirement benefits to retiring employees who have reached sixty (60) years old or more, but not beyond 65 years and have served at least five (5) years with the Company. Such retiring employee is entitled to a retirement pay of one half (1/2) month salary for every year of service computed based on the following components:

- 15 days salary;
- 5 days of service incentive leave; and
- One half (½) of the 13th month pay

The movements of pension liability as of December 31, 2022, 2021 and 2020 are as follows:

		2022		2021		2020
Balance at the beginning of the year	**P**	**960,469**	P	886,230	P	823,805
Provision for retirement		**33,649**		74,239		62,425
Actual benefits paid		**(227,583)**		-		-
Balance at year end	**P**	**766,535**	P	960,469	P	886,230

Management believes that any disparity of retirement benefit cost computed internally against independent actuarial valuations will not significantly affect the Company's financial statements.

19. Equity

Share capital
The Company's share capital as of December 31, 2022 and 2021 is detailed below:

	2022	2021
Common Stock - P0.10 par value per share		
Authorized - 3,800,000,000 shares in 2022 and 2021		
Issued and outstanding - 3,8000,000,000 shares in 2022 and 2021	**P 380,000,000**	P 380,000,000
Shares held in treasury - 4,378,000 shares in 2022 and 2021	**437,800**	437,800

All of the Company's issued shares of 3,800,000,000 are listed in the Philippine Stock Exchange (PSE). As of December 31, 2022 and 2021, 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 December 31, 2022 and 2021, the stock options has a carrying value of P8,921,814.

20. Service Income

This account is broken down as follows:

		2022		2021		2020
Subsciption fee	P	**37,275,778**	P	38,768,647	P	39,549,691
Commission income *(see Note 28)*		**-**		11,801,565		1,483,249
	P	**37,275,778**	P	50,570,212	P	41,032,940

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. (See Note 28)

The geographic distribution of the Company's revenues as reported in the Statement of Comprehensive Income is as follows:

		2022		2021		2020
Domestic	P	**3,965,151**	P	8,864,949	P	6,069,712
Hong Kong		**33,310,627**		41,705,263		34,963,228
	P	**37,275,778**	P	50,570,212	P	41,032,940

21. Direct Costs

This account consists of:

		2022		2021		2020
Depreciation *(see Note 12)*	P	**15,493,404**	P	14,538,442	P	14,881,827
Rental *(see Note 28)*		**4,480,254**		4,480,254		4,265,284
Salaries, wages and other benefits		**1,634,818**		1,495,831		1,525,000
Taxes and licenses		**1,368,802**		1,065,407		6,870,897
Transportation and travel		**914,584**		905,213		498,928
Utilities and communication		**896,009**		758,028		549,600
Security services		**606,988**		533,942		449,018
Insurance		**119,641**		163,532		129,147
Amortization of franchise *(see Note 11)*		**62,640**		376,540		600,000
Provision for retirement *(see Note 18)*		**33,649**		74,239		62,425
Transponder lease *(see Note 28)*		**-**		-		6,629,841
	P	**25,610,789**	P	24,391,428	P	36,461,967

22. Other Income

The composition of this account is as follows:

		2022		2021		2020
Rent income *(see Note 13)*	**P**	**2,113,500**	P	2,844,340	P	2,267,455
Foreign exchange gain (loss):						
Cash		**1,704,241**		115,858		(312,809)
Accounts receivable		**(371,925)**		56,206		538,084
Interest income		**15,787**		32,116		10,832
Recovery of impairment on spare parts		**-**		-		146,887
	P	**3,461,603**	P	3,048,520	P	2,650,449

23. Administrative Expenses

This account consists of:

		2022		2021		2020
Legal and professional fees	**P**	**960,000**	P	844,225	P	571,628
Office supplies		**103,685**		170,663		48,155
Transportation and travel		**60,000**		239,474		15,000
Permits, taxes and licenses		**10,660**		418,473		432,088
Repairs and maintenance		**-**		44,555		56,850
Miscellaneous		**207,247**		343,714		301,907
	P	**1,341,592**	P	2,061,104	P	1,425,628

Miscellaneous expenses consist of bank service charges, dues and subscriptions, penalties, and representations.

24. Related Party Transactions

It is the policy of the Company that any transaction with a Related Party be conducted at arms' length and on terms generally available to an unaffiliated third party under at least the same or similar circumstances. There must be sound business reason(s) to enter into such related party transaction, taking into account such factors as cost efficiency, time, and such other terms advantageous to the Company, among others. The Audit Committee is tasked to oversee and review the propriety of related party transactions (RPT) and the required reporting disclosures. The Company’s material RPT Policy covers all transactions meeting the materiality threshold of transactions, i.e., 10% or more of the total consolidated assets as of the latest audited financial statements.

RPT is defined as a transfer of resources, services or obligations between the Company and a related party, regardless of whether or not a price is charged; or, outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

Related Parties covers the Company's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the company. It also covers Company's parent company, subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

The BOD shall have the overall responsibility in ensuring that transactions with Related Parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interests of the company's shareholders and other stakeholders.

The following related party transactions occurred during 2022 and 2021:

Category	Year	Amount of transactions	Outstanding balance: Advances to related parties	Outstanding balance: Advances from related parties	Terms and conditions
Associate					
ATN Solar Energy Group, Inc					
Cash advances	**2022**	**P 22,245,526**	**P 28,310,615**	**P -**	Demandable; Non-interest
	2021	(1,501,274)	6,065,089	-	bearing; Unsecured;
	2020	3,778,174	7,566,363	-	Payable in cash
Affiliated companies					
Palladian Land Dev't, Inc. (PLDI) -net					
Rent income	**2022**	**2,113,500**	**-**	**-**	
	2021	2,844,340	-	-	
	2020	2,267,455	-	-	
Advances for utilities	**2022**	**1,672,440**	**-**	**-**	
	2021	(1,500,000)	-	-	
	2020	(2,409,190)	-	-	
Total	**2022**	**3,785,940**	**4,943,545**	**-**	Demandable; Non-interest
	2021	1,344,340	1,157,605	-	bearing; Unsecured;
	2020	(141,735)	-	186,735	Payable in cash
ATN Holdings, Inc (ATN)					
Cash advances	**2022**	**(287,829)**	**-**	**16,387,829**	Demandable; Non-interest
	2021	-	-	16,100,000	bearing; Unsecured;
	2020	(3,600,000)	-	16,100,000	Payable in cash
Unipage Management, Inc. (UMI)					
EPC contract	**2022**	**(20,267,378)**	**-**	**20,267,378**	Demandable; Non-interest
	2021	-	-	-	bearing; Unsecured;
	2020	-	-	-	Payable in cash
Stockholder					
Cash advances	**2022**	**1,970,000**	**-**	**5,700,891**	Demandable; Non-interest
	2021	(2,916,243)	-	7,670,891	bearing; Unsecured;
	2020	(3,453,330)	-	4,754,648	Payable in cash
	2022		**P 33,254,160**	**P 42,356,098**	
	2021		P 7,222,694	P 23,770,891	
	2020		P 7,566,363	P 21,041,383	

Details of significant related party transactions are as follows:

(i) During the year, the Company made cash advances to ATN Solar amounting to P22,245,526. These advances were used for ATN Solar's working capital requirement.

(ii) As discussed in Note 13, the Company is a beneficial owner of certain condominium units registered under the name of PLDI. Title to the properties has not been released to the Company as the Company intends to sell the properties through the sales network of PLDI. These properties are leased out to third parties also through PLDI. Proceeds of the rent are remitted to the Company by the latter.

Rent income collected by PLDI on these properties amounted to P2,113,500 in 2022 and P2,844,340 in 2021, and P2,267,455 in 2020.

(iii) Pursuant to *Teaming Agreements* executed in January 2013 and 2015 between the Company and certain related parties operating within Summit One Condominium Tower, a cost and expense sharing scheme related to technical operations was implemented. All other cost including, but not limited to salaries, utilities, and dues shall be borne by PLDI. Accordingly, certain cost and expenses maybe advanced by a party and to be reimbursed from another party on the proportionate share or usage between the related parties involved.

For the years ended December 31, 2021 and 2020, the Company received advances from PLDI amounting to P1,500,000 and P2,409,190, respectively, for its share of communication, dues, and utilities expenses. For the year ended December 31, 2022, the Company made cash advances to PLDI for payment of dues and utilities amounting to P1,672,440.

(iv) On January 15, 2020, the Company entered into an agreement with Unipage Management, Inc. (UMI) for the expansion of its VSAT network located in Clark, Pampanga whereas, UMI has provided turnkey Engineering Procurement and Construction services for the establishment of a 9.3 meter satellite ground station in Clark, Pampanga for the delivery of new services by the Company.

During 2022, advances made by UMI for this contract amounted to P20,267,378 representing purchases of equipment.

(v) In the ordinary course of business, a certain stockholder provides cash advances to the company for additional working capital requirement. For the years ended December 31, 2021 and 2020, cash advances from stockholder for working capital requirement amounted to P2,916,243 and P3,453,330, respectively. For the year ended December 31, 2022, repayments of these advances amounting to P1,970,000 was made by the company.

For the years ended December 31, 2022, 2021, and 2020, the Company did not provide compensation to its key management personnel.

25. 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 Surveillence (“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 20% or 25% based on net income (e.i. gross income less allowable deductions) rather than the 5% preferential tax based on gross income.

26. Income Tax Expense (Benefit)

The major components of provision for income tax for the years ended December 31, 2022, 2021 and 2020 are as follows:

		2022		2021		2020
Current	**P**	**757,607**	P	1,454,868	P	345,043
Deferred		**708**		(6,373)		14,969
	P	**758,315**	P	1,448,495	P	360,012

The reconciliation of tax on pretax income computed at the applicable statutory rate to income tax expense is as follows:

		2022		2021		2020
Gross profit before income tax	**P**	**15,160,241**	P	29,227,304	P	7,221,422
Statutory income tax (@5%)		**758,012**		1,461,365		361,071
Adjustments for:						
Interest income subject to final tax		**(789)**		(1,606)		(541)
Non-taxable income		**-**		(11,264)		(12,331)
Non-deductible expenses		**1,092**		-		11,813
Actual provision for income tax	**P**	**758,315**	P	1,448,495	P	360,012

The components of deferred taxes that were recognized in the statements of financial position are as follows:

		2022		2021		2020
Deferred tax assets						
Pension liability	**P**	**38,327**	P	48,023	P	44,311
Unrealized loss on foreign exchange		**385**		-		-
Allowance for probable losses		**221,811**		221,811		221,811
		260,523		269,834		266,122
Deferred tax liability						
Unrealized gain on fair value adjustment on investment property - net		**(976,860)**		(976,860)		(976,860)
Unrealized gain on foreign exchange		**-**		(8,603)		(11,264)
		(976,860)		(985,463)		(988,124)
Net deferred tax liability	**P**	**(716,337)**	P	(715,629)	P	(722,002)

27. Earnings Per Share

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

		2022		2021		2020
(a) Profit for the year	**P**	**12,515,804**	P	25,495,576	P	4,871,652
Shares issued		**3,800,000,000**		3,800,000,000		3,800,000,000
Weighted average number of shares issued during the year		**-**		-		-
Treasury shares (see Note 19)		**(4,378,000)**		(4,378,000)		(4,378,000)
(b) Adjusted weighted average number of shares outstanding - basic		**3,795,622,000**		3,795,622,000		3,795,622,000
Effect of dilutive potential shares		**400,000,000**		400,000,000		400,000,000
(c) Adjusted weighted average number of shares outstanding - diluted		**4,195,622,000**		4,195,622,000		4,195,622,000
EPS:						
Basic (a/b)	**P**	**0.0033**	P	0.0067	P	0.0013
Diluted (a/c)		**0.0030**		0.0061		0.0012

28. Significant Agreements

Lease Agreements

Company as a Lessee

(a) Transponder lease with APT Satellite Company Ltd.
The Company is a party to a lease agreement with APT Satellite Company Ltd. where the latter provide transponder satellite service. The agreement is for period of one year which expired on May 31, 2020 and was not renewed thereafter.

Transponder lease recognized in the Statements of Comprehensive Income amounted to P6,629,841 in 2020.

(b) Lease Agreement with Clark Development Corporation
The Company leases a land it presently occupies in Clarkfield, Pampanga from 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.

(c) 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 upon mutual agreement of both parties.

Rent expense recognized in the Statements of Comprehensive Income amounted to P4,480,254 in 2022, P4,480,254 in 2021, and P4,265,284 in 2020.

Future minimum lease payments from these lease contracts as of December 31, 2022, 2021 and 2020 amounted to P6,850,235, P6,850,235 and P6,662,809, respectively.

Company as a Lessor

(d) Lease Agreement with Various Lessees
Through PLDI, the Company's investment properties are leased out to various third parties (see Note 24). 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 P2,113,500 in 2022, P2,844,340 in 2021, and P2,267,455 in 2020. (See Note 13)

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.

Commission income received on new subscription amounted to P11,801,565 in 2021 and P1,483,249 in 2020. No income was generated from these services during 2022.

Engineering, Procurement and Construction (EPC) contract
On January 15, 2020, the Company entered into an EPC contract with a related party for the expansion of its VSAT network hub in Clark, Pampanga. The expansion involves 2-phase EPC for (1) KA-Band Ground Station for a total contact price of US$1.3 million and (2) Telemetry Ground Station for a total contract price of US$ 1.1 million. Turnover of Phase 1 was accepted in October 2022 (capitalized under Uplink/data equipment in the Property and equipment). Delivery of Phase 2 is likely to be completed in 2023. The EPC is expected to enhance the internet and broadcasting capability of the Company.

The cost of EPC is payable in 24 months from commissioning and acceptance including two percent (2%) per annum interest.

29. Segment Reporting

The Company has one reportable operating segment, which are 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.

Segment information for the reportable segment is shown in the following table:

	2022	2021	2020
Revenues	**P 37,275,778**	P 50,570,212	P 41,032,940
Cost and expenses	**11,502,959**	11,586,295	22,536,568
Non-cash expenses	**15,589,693**	14,989,221	15,544,252
Net Income	**10,183,126**	23,994,696	2,952,120
Reportable segment asset	**137,119,785**	137,522,057	110,180,403
Reportable segment liabilities	**6,759,498**	12,555,960	14,333,627

The reconciliation of net income in the statements of comprehensive income to net income reported by reportable operating segment is presented in the following table:

	2022	2021	2020
Net income in the statement of comprehensive income	**P 12,515,804**	P 25,495,576	P 4,871,652
Add (Less): Unallocated segment items			
Income	**(3,461,603)**	(3,048,520)	(2,650,449)
Expenses	**911,671**	1,601,841	512,539
Share in net (income) loss of an associate	**217,254**	(54,201)	218,378
Segment income	**P 10,183,126**	P 23,994,696	P 2,952,120

The following items of assets and liabilities are excluded in the segment assets and liabilities:

	2022	2021	2020
Investment in associate	**P407,998,864**	P408,216,118	P408,161,917
Investment properties	**61,568,800**	61,568,800	61,568,800
Other assets	**33,865,547**	7,978,699	8,350,478
Deposits	**1,185,156**	662,830	662,830
Deferred tax liabilities	**716,337**	715,629	722,002
Advances from related parties	**42,356,098**	23,770,891	21,041,383

30. Other matters

Supplemental disclosure to statements of cash flows

Details of the movement in cash flows from financing activities for the years ended December 31, 2022 and 2021 are as follows:

2022	**January 1**	**Net cash flows**	**Others**	**December 31**
Advances from related parties	**P 23,770,891**	**P (1,682,171)**	**P 20,267,378**	**P 42,356,098**
Short term loan	**5,450,000**	**-**	**-**	**5,450,000**
Interest payable	**-**	**(293,627)**	**293,627**	**-**
	P 29,220,891	**P (1,975,798)**	**P 20,561,005**	**P 47,806,098**

2021	January 1	Net cash flows	Others	December 31
Advances from related parties	P 21,041,383	P 2,729,508	P -	P 23,770,891
Short term loan	5,450,000	-	-	5,450,000
Interest payable	-	(276,330)	276,330	-
	P 26,491,383	P 2,453,178	P 276,330	P 29,220,891

Others pertaining to advances from related parties are non-cash transactions representing purchases of equipment for a certain contract.

Others pertaining to interest payable represent periodic recognition of interest expense on short term loan.

31. Supplementary Information Required Under Revenue Regulation 15-2010

The Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) 15-2010 which requires additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the calendar year ended December 31, 2022 is presented in compliance thereto.

- The Company is a CSEZ-registered entity subject to zero-rated value-added tax. Pursuant to Section 15 of Republic Act No. 7227, Section 5 of Executive Order No. 80 and Proclamation 163, the Company is entitled to all incentives available to a CSEZ-registered enterprise.
- Expanded withholding tax paid during the year amounted to P18,297.
- As of December 31, 2022, the Company has no pending tax cases within and outside the administration of the BIR.

- Taxes and licenses presented in the statements of comprehensive income are as follows:

Direct cost		
Supervision and regulatory fee - NTC	**P**	**1,217,105**
Real property tax		**151,697**
		1,368,802
Administrative expenses		
Business permits and licenses		**10,160**
BIR annual registration fee		**500**
		10,660
Total	**P**	**1,379,462**

Transpacific Broadband Group International, Inc.
Index to the Financial Statements and Supplementary Schedules
Under Revised Securities Regulation Code Rule 68
December 31, 2022

Table of Contents

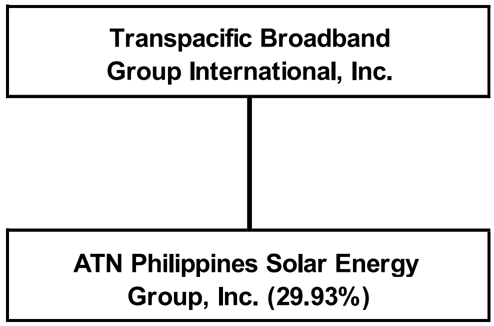
Transpacific Broadband Group International, Inc.
Schedule I - Financial Soundness Indicators

Key Performance Indicators	Formula	*For the Year Ended December 31*	
		2022	2021
A. Current/Liquidity Ratio			
Current Ratio	Current Assets / Current Liabilities	**7.95:1**	4.70:1
Quick Ratio	Current Assets - Other Current Assets / Current Liabilities	**7.94:1**	4.69:1
B. Solvency Ratio/Debt-to-Equity Ratio			
Solvency Ratio	Net Income Before Depreciation and Amortization / Total Liabilities	**0.55:1**	1.05:1
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**0.09:1**	0.07:1
C. Asset to Equity Ratio			
Asset-to-Equity Ratio	Total Assets / Total Equity	**1.09:1**	1.07:1
D. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	Profit Before Tax Add: Depreciation and Amortization Interest Expense Less: Interest Income Foreign Exchange Gain	**P27.8 Million**	P41.9 Million
E. Profitability Ratios			
Profit Before Tax Margin Ratio	Profit Before Tax / Total Revenue	**32.58%**	50.25%
Return on Assets	Net Income / Average Total Assets	**1.99%**	4.24%
Return on Equity	Net Income / Average Total Equity	**2.15%**	4.52%

Transpacific Broadband Group International, Inc.
Schedule II - Reconciliation of Retained Earnings Available for Dividend Declaration
DECEMBER 31, 2022

Retained Earnings as at December 31, 2021, *as previously reported*		P 84,379,801
Adjustments:		
Cumulative share in losses of associate - prior period		8,083,882
Gain on fair value adjustment of investment properties - prior period		(17,053,000)
Deferred tax assets - net		715,629
Retained Earnings as at December 31, 2021, *as adjusted*		76,126,312
Add: Net income actually earned during the period		
Net income during the period closed to retained earnings	12,515,804	
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment (mark-to-market gains)	-	
Fair value adjustment of investment property resulting to gain	-	
Recognized deferred tax asset that increased the net income	-	
Adjustment due to deviation from PFRS/GAAP - gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Subtotal	-	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Equity in net loss of associate/joint venture	217,254	
Unrealized foreign exchange loss - net (except those attributable to cash and cash equivalents)	371,925	
Recognized deferred tax liability that decreased the net income	708	
Loss on fair value adjustment of investment property (after tax)	-	
Subtotal	589,887	
Net income actually earned during the period		13,105,691
Add(less):		
Dividend declarations during the period	-	
Appropriations of retained earnings during the year	-	
Reversals of appropriations	-	
Revaluation surplus realized through sale	-	
Treasury shares	(437,800)	
Subtotal		(437,800)
Retained Earnings as at December 31, 2022		P 88,794,203

Transpacific Broadband Group International, Inc.
Schedule III - A Map Showing the Relationship Between and Among the Parent Company and its Subsidiaries
December 31, 2022



Transpacific Broadband Group International, Inc.
Schedule B - Amount Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts collected	Amounts Written Off	Current	Non Current	Balance at End of Period
ATN Philippines Solar Energy Group, Inc. - Related Party	P 6,065,089	P22,245,526	P -	P -	P -	P28,310,615	P 28,310,615
Palladian Land Development, Inc. - Related Party	1,157,605	3,785,940	-	-	-	4,943,545	4,943,545

Transpacific Broadband Group International, Inc.
Schedule E - Indebtedness to Related Parties
December 31, 2022

Related Party		Balance at Beginning of Period		Balance at End of Period
Unipage Management, Inc.	P	-	P	20,267,378
ATN Holdings, Inc.		16,100,000		16,387,829
Arsenio T. Ng		7,670,891		5,700,891
	P	23,770,891	P	42,356,098

Transpacific Broadband Group International, Inc.
Schedule G - Capital Stock
December 31, 2022

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Convertion and other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common shares - P0.10 par value	3,800,000,000	3,800,000,000	400,000,000	495,900,000	1,731,379,030	1,572,720,970

Transpacific Broadband Group Int'l. Inc.

SUSTAINABILITY REPORT 2022

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	**TRANSPACIFIC BROADBAND GROUP INT'L., INC.**
Location of Headquarters	**1751 Chico Street, CSEZ, Angeles City, Pampanga**
Location of Operations	**1751 Chico Street, CSEZ, Angeles City, Pampanga**
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	**Not applicable**
Business Model, including Primary Activities, Brands, Products, and Services	**Telecommunications and Uplink services with interests in VSAT-based internet services, wireless networking, educational programs, applications hosting, and content conversion**
Reporting Period	**Year 2022- 2023**
Highest Ranking Person responsible for this report	**Paul B. Saria, COO/ CIO**

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

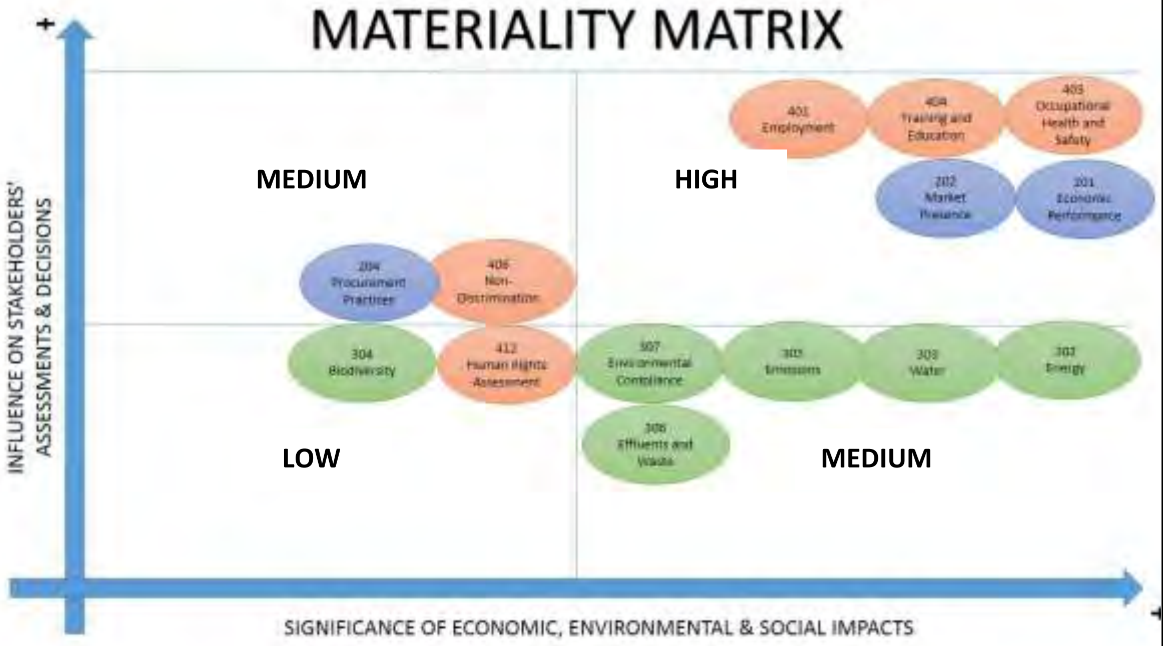
Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
As the global pandemic Covid19 starts to ease, yet remains to be the 'new normal', society has become heavily dependent on Information Technology and Connectivity, which is the core business of TBGI. TBGI acknowledges that the Company and its stakeholders play a key role in the economy, environment, and good social development. It is our responsibility to safeguard and manage our impact to our surroundings and our stakeholders. Integrating ESG Principles in our day to day operations is a work in progress yet is a necessary step in creating a more sustainable environment. We strive to contribute in the global pursuit for reduction of carbon footprint to secure a sustainable future via our telecommunication infrastructure. **TBGI is mainly involved in providing connectivity over satellites including but not limited to video, data or voice on an Internet and Intranet sphere. Given our industry context, the company contributes to economic and social development via serving the unserved and under-served promoting rural development. Given the island-based geographical structure of the Philippines, satellite connectivity is the best way to reach these remote areas in the fastest possible time. Therefore, TBGI is continually investing in infrastructure to provide wider coverage and fast connectivity to its clients.**

[1] See *GRI 102-46* (2016) for more guidance.

Apart from rural and social development, the Company maintains good environmental protection and sanitation practices. Although the company is not involved in any major emissions that cause harm to the environment, we consider protection of the environment very material. TBGI acknowledges that as part of governance, it is our role to assess and manage climate related issues and their risks ,as well as realize opportunities for enterprise value.

In this report our stakeholders are our customers, suppliers and our very own employees. Methods of stakeholder engagement include customer and supplier surveys, focus groups, corporate advisory panels, written communication, management, and other mechanisms available. Attached is the Material Matrix by TBGI.



ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	40,737,381	PhP
Direct economic value distributed:		
a. Operating costs	27,246,008	PhP
b. Employee wages and benefits	1,634,818	PhP
c. Payments to suppliers, other operating costs	5,637,131	Php
d. Dividends given to stockholders and interest payments to loan providers	293,627	PhP
e. Taxes given to government	1,317,869	PhP
f. Investments to community (e.g. donations, CSR)	207,247	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **TBGI satellite service's impact on economic performance is pervasive given its nationwide coverage, especially rural, remote, unserved and underserved areas. VSAT telecommunication system drive the links among institutions delivering education, health care, commercial transactions, disaster management, navigation, etc. Unlike terrestrial telecom operator, VSAT systems does not look at economic viability of an area. If connectivity is required in the remote areas, TBGI can provide in those areas, like power plants, plantation, offshore oil drill sites, ships, remote sensing areas.** **The Covid19 pandemic has further intensified the need for communication and connectivity.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **TBGI operation of VSAT earth station and remote sites has direct impact on all stakeholders and beneficiaries of its services. Philippine economic development can benefit from TBGI's satellite services, especially in the remote areas of the country, which have been neglected by wireless-terrestrial telecom operator for the longest time, because remote areas have no capacity to provide economic viability to Terrestrial Telecom operators to layout fiber and microwave networks.**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI supports the long-distance haul of signals of the third telco, including provisions for remote sites and towers. TBGI plans to install 10,000 sites and towers of the third telco thru its network of affiliate organization. Operation and maintenance of TBGI VSAT earth station and remote sites can be outsourced to experienced operator entities with long experience in the business.** **With the massive demand for connectivity, TBGI ensures that their growing clientele gets more than enough bandwidth allocation, as well as 24/7 customer support.** **TBGI has also deployed several free and/or subsidized satellite equipment to unserved and underserved areas**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Financial Threat- stemming from volatility in market economy** **Regulatory/Compliance Threat- new rules and regulations on telecom franchise/license and technology obsolescence**	**Shareholders, employees, clients**	**Management takes an active approach towards risk management. The Company invests in new infrastructure and keep abreast with current industry practices and developments to safeguard the interests of clients and investments of shareholders.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify the opportunity/ies related to material topic of the organization **The Philippine telecom market gives huge opportunity for new players and new technology.** **As of to date the Philippines is short of 50,000 towers on top of the existing 18,000 tower provided by existing telco operators. Given the standard average of 1,000 subscribers per tower, it means 60% of the Philippine population does not have good and reliable connectivity.** **The Covid19 Pandemic showed the Urgency to stay connected despite distance. A bulk of TBGI customer-base have requested for activation during the onset of the pandemic.**	**Shareholders, employees, clients and customers**	**With the fast-growing demand for connectivity, TBGI has invested in new satellite infrastructure (Ka-Band) to provide the most reliable and cost-efficient connectivity to its subscribers, thereby increasing shareholder value and economic performance.** **The Corporation has executed an operational agreement with Broadband Broadcast Services Pte. Ltd. (BBS). BBS will provide American-based state-of-the-art satellite equipment in the TBGI's Satellite facility in Clark Pampanga under a managed services structure with TBGI. We expect that the existing operational agreement with BBS will expand into a Development Partnership for the Philippine market, which consist of 7,641 islands, to provide Internet-over-Satellite to underserved and un-served communities all over the Country.**

Climate-related risks and opportunities[2]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities **TBGI complies with the required (a) environmental rules and regulation in the operation of its VSAT facility, and (b) National Telecommunications Commission (NTC) and International Telecommunications Union (ITU) regulations on equipment type-approvals.**	Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material **VSAT systems are affected by Climate change in various degrees.** **All stakeholders of the agriculture and fishery sectors, and shipping operators**	Disclose how the organization identifies, assesses, and manages climate-related risks **Diversity of sites with automatic uplink power controls are provided to mitigate effect of climate change in satellite systems.** **As new forms of cooperation or opportunities emerge,**	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material **Satellite strength is measured based on an Equivalent Isotropically Radiated Power (EIRP) under a link budget formula.** **Management execute with clients a Service Level**

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.
[3] For this disclosure, impact refers to the impact of climate-related issues on the company.

TBGI VSAT operations and support of remote sites for monitoring short- and long-term climate parameters is the best solution for the application. **e.g. Occurrence of red tides, storm surge, and tidal movements, weather disturbances, etc. can help potential victims such as the fishermen, aquaculture operators, ship operators, and farmers in getting prepared for impending events of climate changes and disasters.**	**stand to benefit from early warning signals generated by the TBGI remote sensing stations.** **TBGI can provide subsidized remote site operations to government agencies like DICT, Philvolcs, DA, Marina, etc., as well as for disaster mitigation and health care**	**TBGI invests on companies that have significant impact on the country's economic and sustainable growth. We keep abreast with current developments of the country to ensure that our investments are also aligned to company.**	**Agreement taking into account , refunds and credit based on a service uptime of 99.9% for C-band, and 98.8% for Ka-bands**
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities **The board provides guidance for management in dealing with climate-related risk and opportunities.**	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term **Long-term risk – slowdown of economic development** **Medium-term risk– Frequency and Intensity of climate-related disasters** **Short-term risk– Delay in arrival of cargo and installation time due to climate-related disasters**	a) Describe the organization's processes for identifying and assessing climate-related risks **Management collects feedback data from suppliers, customers and sub-contractors and submits to committee for policy recommendation and board approval**	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process **Metrics Cycle:** • **Information gathering- quantitative and qualitative** • **Client reporting** • **Analysis & strategy** • **Asset allocation & benchmark** • **Policy formation** • **Risk Management**

	Long-term opportunity – Country policy on climate change in place would require more data gathering **Medium-term opportunity – increased requirement of connectivity** **Short-term opportunity – requirement of quick-deploy satellite systems for disaster management and remote sensing**		
b) Describe management's role in assessing and managing climate-related risks and opportunities **Management committee provides policy recommendation for board approval**	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. **Company focus on multi-lateral funding for climate change solutions**	b) Describe the organization's processes for managing climate-related risks **Process Cycle:** • **Identify and Map** • **Address Risk** • **Engage & Communicate** • **Measure and Monitor**	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets **With the increase in meralco/ diesel costs, Reduce energy usage by 20% targeted on 2025 by adopting renewable energy sources like solar power, and operating heavily during off-peak hours.**
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's	

	Investment in technology and robust installation methods for infrastructure to withstand climate changes.	overall risk management **Please refer to TBGI Risk Assessment Control System Setup** http://www.tbgi.net.ph/enterpriseriskmanagement.html	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	**20**	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **Procurement practices affects both business operations and supply chain**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Suppliers and Customers are affected. Clients benefit from declining prices of internet bandwidth**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Management execute with clients a Service Level Agreement considering refunds and credit based on a service uptime of 99.9% for C-band, and 98.8% for Ka-bands** **Management provides clients with options for ex-works incoterms on Satellite equipment procurement to save on courier or logistic costs.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Equipment Obsolescence beyond 15 years** **Lockdowns imposed by government due to pandemic**	**Customers (i.e. schools to health centers, to public and private institutions)**	***Investment on equipment software and hardware upgrades to provide the committed uptime based on the SLAs** ***Establishing various Warehouse or hubs for easier pickup points**

		***Assigning various distributors to monitor demand for connectivity in order to anticipate stock availability.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **VSAT systems are provided by global suppliers with extensive R&Ds.**	**The Company, Suppliers, and clients**	**Provides NTC type-approved globally accepted and environmentally compliant VSAT terminals**

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	**ALL**	**100%**
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	**ALL**	**100%**
Percentage of directors and management that have received anti-corruption training	**ALL**	**100%**
Percentage of employees that have received anti-corruption training	**ALL**	**100%**

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **Trainings on Anti-corruption Policies and Procedures will impact primary business operations by educating both management and staff on how they can take collective action to combat corruption. Possible incidents where corruption will most likely occur would be in procurement of telecom parts or acquiring various network permits.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Suppliers-employees**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **It is essential for the organization to be wary of all forms of corruption, hence training and/or guidance from both management and third-party providers is necessary. TBGI conducts corporate governance seminars yearly with the help of various training providers accredited by SEC. Amongst which are how conflicts of interest can be intervened with good management decisions. Our employees also get trainings concerning human behaviour and ethics for self-development.**

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization **If there are no trainings or any form of management supervision, violation of Business Code and Ethics as well as Corporate Reputation will be destroyed**	**Management, employees, creditors, investors, suppliers**	**Aside from corporate governance trainings attended by management and officers, TBGI has made their policies readily available in their website for various stakeholders to stay informed and reminded on the company's code of conduct and ethics.** **Officers and employees are asked to abide to company code of conduct via** http://tbgi.net.ph/ codeofbusiness conducts.html **and observe various policies that can be found in** http://tbgi.net.ph/ company policy.html **TBGI believe that any act or form of corruption is a serious offense and will pose major consequences to the organization.** **Officers/Management also attended and secured AMLA Certifications from Framedia, an AMLC Accredited training provider to ensure that they are updated with the new rules of AMLC.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Trainings improve both management and employees to function accordingly to their duties and responsibilities with morals and ethics intact.**	**Management, employees, creditors, investors, suppliers, economy**	**The company sees to it that there is continuing education for its employees whether thru seminars or guidance from management. We encourage them to report any unethical act to safeguard the reputation of the company as well as employees. Tbgi has also established a Whistleblowing policy that can be viewed at** http://tbgi.net.ph/Adobe/WHISTLEBLOWING%20POLICY.pdf

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	**NONE**	**#**
Number of incidents in which employees were dismissed or disciplined for corruption	**NONE**	**#**
Number of incidents when contracts with business partners were terminated due to incidents of corruption	**NONE**	**#**

What is the impact and where does it occur? What is the	Which stakeholders are affected?	Management Approach

organization's involvement in the impact?		
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **Corruption can occur in either procurement of satellite dish or network parts in the form of having preferred suppliers due to something promised in exchange. It can also happen when there are permits or accreditations to be secured from inter-agencies.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Suppliers-employees-government**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Employees are not privy to the terms and conditions of procurement contracts. Any solicitations are also not allowed. Officers and employees adopt company code of conduct via http://tbgi.net.ph/codeofbusinesscoducts.html and observe various policies that can be found in http://tbgi.net.ph/companypolicy.html** **TBGI commits to adopt a culture of transparency and accountability. An internal control system is established wherein various channels for reporting, such as whistle-blowing are in place. There is also employee training as well as the promotion and incentivizing of ethical behaviour and practices.** **TBGI fights corruption by identifying and assessing first the risks of a certain objective/ project. Risk assessment is key to ensure that resources are being applied where they most matter. The allocation of the right resources will reinforce transparency, build trust and reduce corruption. Consistent communication of progress to stakeholders and value chain also allows necessary adjustments in timeline and targets, which help reduce corrupt practices.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Violation of Business Code and Ethics; Corporate Reputation destroyed**	**Management, employees, creditors, investors, suppliers**	**Any act or form of corruption is a serious offense and is a major stakeholder issue. Decisions are to be made objectively and fairly without any pressure created thru corruption. We have in place a whistleblowing policy**

		http://tbgi.net.ph/Adobe/WHISTLEBLOWING%20POLICY.pdf **In the event that such offense is discovered, the involved stakeholder will be interrogated on his actions and the necessary sanctions/punishments will be determined.** **TBGI does not tolerate unethical acts. We allocate the right resources and adjust feasible timelines to obtain the right financial targets.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Company gets to function and make managerial and investment decisions with morals and ethics intact.**	**Management, employees, creditors, investors, suppliers, economy**	**TBGI promotes a culture driven by ethical values. Corruption inhibits not only the organization's growth and its business operations but as well as economic growth. We urge our employees to whistle blow or immediately inform management said actions so TBGI can conduct investigations. We have policy intact** http://tbgi.net.ph/Adobe/WHISTLEBLOWING%20POLICY.pdf **To ensure that there is also proper handling of payments, Officers/Management also attended and secured AMLA Certifications from Framedia, an AMLC Accredited training provider to ensure that they are updated with the new rules of AMLC.**

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Billing Month	Billing Period	Reading Date	Previous Reading	Present Reading	KWH / Used
January	Dec. 26, 2021 - Jan 26, 2022	Jan. 26, 2022	9,707.00	9,888.00	7,240.00
February	Jan. 26 - Feb. 26, 2022	Feb. 26, 2022	9,888.00	10,088.00	8,000.00
March	Feb. 26 - Mar. 26, 2022	Mar. 26, 2022	10,088.00	10,307.00	8,760.00
April	Mar. 26 - Apr. 26, 2022	Apr. 26, 2022	10,307.00	10,531.00	8,960.00
May	Apr. 26 - May 26, 2022	May 26, 2022	10,531.00	10,710.00	7,160.00
June	May 26 - Jun. 26, 2022	Jun. 26, 2022	10,710.00	10,957.00	9,880.00
July	Jun. 26 - Jul. 26, 2022	Jul. 26, 2022	10,957.00	11,161.00	8,160.00
August	Jul. 26 - Aug. 26, 2022	Aug. 26, 2022	11,161.00	11,353.00	7,680.00
September	Aug. 26 - Sept. 26, 2022	Sept. 26, 2022	11,353.00	11,544.00	7,640.00
October	Sept. 26 - Oct. 26, 2022	Oct. 26, 2022	11,544.00	11,729.00	7,400.00
November	Oct. 26 - Nov. 26, 2022	Nov. 26, 2022	11,729.00	11,958.00	9,160.00
December	Nov. 26 - Dec. 26, 2022	Dec. 26, 2022	12,251.00	11,958.00	11,720.00

Disclosure	Quantity	Units
Energy consumption (renewable sources)	**0**	GJ
Energy consumption (gasoline)	**0**	GJ
Energy consumption (LPG)	**0**	GJ
Energy consumption (diesel)	**35**	liters
Energy consumption (electricity)	**101,760 (Jan to Dec 2022)**	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	**0**	GJ
Energy reduction (LPG)	**0**	GJ
Energy reduction (diesel)	**0**	GJ
Energy reduction (electricity)	**10%**	%
Energy reduction (gasoline)	**0**	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

linked to impacts through its business relationship) **Reduction of energy consumption would impact the Primary Business Operations thru Corporation's investment on Green Energy as well as the employee's proper observation of energy saving measures.**	**Employees, management, creditors, and investors**	**TBGI has made investments in ATN Philippines Solar Energy Group, Inc. (ATN Solar) in cooperation with project proponent ATN Holdings, Inc.** **With the adverse trend of diesel prices at PhP 60/ liter, the calamitous effect of global climate change, and regulatory requirements Environmental Social Governance (ESG), the Executive Committee considered the (1) immediate implementation of the solar project for 2022, and (2) gradual replacement of diesel-powered equipment by electric driven alternatives. Implementation of the solar project provides savings, mainly from the elimination of transmission and distribution charges of Meralco which comprise 50.2% of total Meralco billings for 1Q 2022.** **The solar project is slated to start mid 2024 as TBGI is in full support of in developing products and services that contribute to climate mitigation and adaptation.** **Based on the Energy Consumption of TBGI for year 2021 and 2022, there is a significant decrease of energy consumption by a total of 10% vis a vis 2020 usage of 113,613 kwh. Due to TBGI's continuous efforts to efficiently improve company operations, TBGI has shutoff one of its transponders and has switched to a new and more efficient one in order to support our fast growing number of broadband subscribers. Such act has actually reduced and stabilized consumption level while maintaining our growing operations, and facilitate the decrease in greenhouse gases.** **To further reduce electric consumption, TBGI also implements the following :** - **Conversion of fluorescent bulbs to LED bulbs.** - **Use of Solar-powered flood lights for perimeter lighting**

		- **Observe proper maintenance of generator unit to ensure efficiency.**
What is the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Extreme weather conditions causing damage to critical infrastructure. Unscheduled brownouts due to energy shortage will destroy equipment which can cause asset impairment and shorten its useful life.** **Increased costs in supply chain causing reduction in demand for products and services.** **High energy consumption increases greenhouse gases and creates air pollution.**	**Employees, management, Community, environment**	**TBGI acknowledges that there are available renewable sources available to tap for energy. We will slowly adapt to these sources to further reduce our electric consumption, and have renewable energy as a source of power; Avoiding fossil fuels significantly reduces the climate footprint.** **We will continue to observe proper energy saving measures such as regular cleaning of our aircons, machines and generator, as well as replace old equipment with newer devices that have energy-saving mechanisms.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Reduction in Carbon Footprint** **Growth and innovation through the development of products/services that contribute in climate resiliency** **Reduced costs through improved energy resources** **Improved reputation with stakeholders and value chain**	**Employees, management, Community, environment**	**Climate Change is significantly caused by overdependence on fossil fuels to operate. By slowly shifting to more efficient sources and the efficient use of electricity, TBGI will be able to reduce environmental impact in terms of carbon footprint. TBGI continues to invest in renewable energy projects to support the environment. We also raise awareness to our stakeholders to work hand in hand with TBGI in supporting climate initiatives and projects.** **With the Philippines starting to be keen on electric vehicles, TBGI is also committed to adopt electric vehicles as our service vehicle . This will cut down fossil fuels , at the same time provide fiscal incentives to the company.**

Water consumption within the organization

Billing Month	Billing Period	Consumption
January	**Dec. 22,2021 to Jan.21 ,2022**	**66**
February	**Jan 22,2022 to Feb 21 ,2022**	**19**
March	**Feb 22 to March 21,2022**	**19**
April	**March 22,2022 to April 21, 2022**	**188**
May	**April 22, 2022 to May 21,2022**	**47**
June	**May 22, 2022 to June 21, 2022**	**28**
July	**June 22, 2022 to July 21, 2022**	**24**
August	**July 22, 2022 to August 21, 2022**	**20**
September	**August 22, 2022 to September 21, 2022**	**23**
October	**September 22, 2022 to October 21, 2022**	**53**
November	**October 22, 2022 to November 21, 2022**	**20**
December	**November 22, 2022 to December 21, 2022**	**20**

Disclosure	Quantity	Units
Water withdrawal	**0**	Cubic meters
Water consumption	**527 (Jan to Dec bill)**	Cubic meters
Water recycled and reused	**0**	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **This impacts the Primary Business Operations of TBGI and involves both management and employee's proper attention and action. Water consumption is mainly used for employee hygiene and consumption.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Employees, community, and management**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI gets their water source from 3rd Party, Clark Water. We acknowledge their initiatives to constantly improve the quality of their water distribution network thru cleaning and maintenance of their tanks.** **Based from TBGI Water consumption data for year 2021, there was a big increase in consumption on the month of December 2021 to January 2022 due to leaks in the water supply piping system, which was repaired and addressed by management immediately.**

		For year 2022, the water consumption stabilized due to the immediate repair of water pipe system. For period March 2022- April 2022, the spike attributes to a new construction project of TBGI partner. **TBGI supports the global initiative to conserve water to address the threat of Water Scarcity.** **Our strategies to conserve water are as follow:** **-Early leak evaluation, detection and repair of broken pipes** **-Monitor cooling tower water chemistry** **-harvest rainwater** **-educate water users** **-Timing the watering of tbgi lawn/area** **Through TBGI's cooperation with ATN Holdings, Inc. , TBGI is able to participate and contribute in Manila Water's East Bay Phase 1 Water Treatment Plant Project in Pakil, Laguna.** **The project aims to provide clean water and sanitation to 12 million people to address water security. This new water treatment facility / dam will be more efficient resource vis a vis the 54 year old Angat Dam. This is a critical project to address water supply contingency.** **We are proud that we are able to collaborate with our stakeholders in increasing the water capacity for the country.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Risk of curtailed supply of water and water interruption**	**Employees and management**	**Management has provided reservoir to store water in case of short supply. We also encourage employees to harvest rainwater and use this for flushing toilets, especially during limited water supply**

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization **Improved TBGI reputation with stakeholders and value chain on Sustainable management of water and sanitation** **Growth and innovation through the development of products/services that contribute in climate resiliency** **Reduced costs through water conservation**	**Employees, creditors, investors, management**	**TBGI manages and uses water efficiently by making the environment more sustainable via collecting rainwater for cleaning and storage. Proper maintenance of water supply and sewer supply systems is also observed.** **Through TBGI's participation with ATN Holdings and Manila Water's East Bay Phase 1 Water Treatment Plant Project in Pakil, Laguna, we are able to ensure clean water and sanitation for at least 12 million people. This will address the impending water crisis of the country and TBGI is proud to take part in nation-building.**

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	**500 per year**	kg
• non-renewable	**0**	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	**0**	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Impact occurs on the business operations of the Company- **VSAT equipment and antennas are made up of metal parts and are imported and sealed in carton packaging.**	**Suppliers and employees**	**Management reuses cartons to be used for domestic deployment. TBGI also provides clients with options for ex-works incoterms on Satellite equipment procurement to save on courier or logistic costs.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify risk/s related to material topic of the organization **Disposal of obsolete equipment** **Rain fade that can lead to intermittent transmission signals**	**Management , customers and accredited material recovery facilities**	**Proper recording and disposal of obsolete items and or damaged equipment thru DENR accredited disposal facilities** **We encourage customers to procure bigger dish and antenna sizes to reduce signal losses. Using a bigger dish is good method for effective amplification without running additional costs for client (electricity/cooling/maintenance)**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **VSAT terminals are robust and have long utilization life.**	**Management and clients**	**Management regularly provides software upgrades to VSAT terminals to extend utilization factors.** **TBGI also recommends powder coating the mounting of the satellite dishes to make it resistant to extreme weather conditions and oxidation.**

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	**Not applicable**	
Habitats protected or restored	**Not applicable**	ha
IUCN[4] Red List species and national conservation list species with habitats in areas affected by operations	**Not applicable**	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **Not applicable**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Not applicable**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Not applicable**

[4] International Union for Conservation of Nature

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Identify risk/s related to material topic of the organization **Not applicable**	**Not applicable**	**Not applicable**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Not applicable**	**Not applicable**	**Not applicable**

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	**93 kgs.**	kgs CO_2e
Energy indirect (Scope 2) GHG Emissions	**0**	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	**0**	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **Business operations of the satellite operations with the usage of diesel-fired standby 90kVA generators during brownout** **Transportation/service vehicle**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Employees , community**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Management makes sure generators are properly maintained to run efficiently** **Power outages in the area are rare but in such instances, TBGI is aware that diesel fumes can affect employees health, and exposure to such can cause irritation to eyes or respiratory tract.** **Our general control measures are providing suitable personal protective equipment and job rotation; We believe that Work planning and scheduling is a method to reduce long exposure.** **In terms of our employee's transportation needs, we provided a service vehicle to encourage carpool and reduce environmental costs. Majority of**

		employees also stay in the bunkhouse provided (very near workplace), thereby significantly reducing any indirect CO2 emissions.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Risk on transport of diesel fuel (e.g. spillage and wastage)**	**Employees and Management**	**Provision of diesel day tanks to minimize frequency of transporting diesel fuel and Provision of suitable personal protective equipment**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Reduced usage of diesel fuel contributes to clean environment**	**Employees and Management**	**Management makes sure generators are properly maintained to run efficiently, thereby reducing unnecessary costs**

Air pollutants

Disclosure	Quantity	Units
NO_x	.56	kg
SO_x	**0**	kg
Persistent organic pollutants (POPs)	**0**	kg
Volatile organic compounds (VOCs)	**0**	kg
Hazardous air pollutants (HAPs)	**0**	kg
Particulate matter (PM)	**0**	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

linked to impacts through its business relationship) **Transport of VSAT terminal are thru third-party logistics company**	**Clients ,supplier, employees**	**Management implements milk-run logistics approach in transporting VSAT terminal to save on logistics cost.** **In underserved areas, transport is limited, yet environmental friendly as TBGI installers ride *Bangkas ,crossing the river* to deliver satellite dishes. Physical labor is intensive yet has zero pollution. (photo above)**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **No direct risk to Company in terms of GHG emissions**	**Clients and supplier**	**Management implements milk-run logistics approach in transporting VSAT terminal to save on logistics cost**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Reduce in logistics cost resulting from milk-run logistics approach**	**Clients and supplier**	**Management provides strategic warehousing nationwide. Routes also planned out with third-party logistics company for shortest and most efficient route.**

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	**0**	kg
Reusable	**0**	kg
Recyclable	**0**	kg
Composted	**0**	kg
Incinerated	**0**	kg
Residuals/Landfilled	**170**	kg

TBGI's effort to contribute to a clean environment is not limited to the confines of its facility; it includes road clearing in various communities affected by the typhoons. Photo below are massive piles of garbage collected from some residents of Montalban Rizal. TBGI together with its partners participated in garbage clean-up in various communities to avoid flooding and poor sanitation.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **Impact is on Primary Business Operations particularly on health of the whole organization.** **The Solid wastes are primarily generated by employees on duty and not directly by business operations.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Employees, management and community**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI strictly abides to environmental rules and regulations implemented by government agencies such as proper segregation of solid waste and proper collection and disposal of solid waste by authorized agency (<u>Metro Clark Waste Management Corporation</u>). The company believes that proper disposal of solid waste will prevent any serious impacts to employee health and environment.** **In treating wastes, TBGI is guided by these key principles whenever applicable: Recycle, Reduce, Reuse, Repurpose, Repair, Recover** **Partially printed paper are reused. Ink cartridges are also recycled.**

		TBGI also aims to reduce waste by 10% yearly, and are also willing to work with groups that will be able to convert solid waste to value added products
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Occupational risks associated with waste handling and disposal can pose a health risk to the organization** **a. Skin infections from direct contact with waste** **b. Respiratory problems** **c. Intestinal infections that can be transmitted from flies that feed on accumulated solid waste** **d. Environmental risk-climate change**	**Employees, management and society**	**Proper methods of waste segregation and disposal are undertaken to ensure that it does not cause health hazards to the people working as well as affect the environment around the area. Unhygienic conditions can lead to the spread of infectious diseases. Poorly managed waste serves as a breeding ground of various bacteria, and can cause health and sanitation problems.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Managing waste is a core component of sustainability. Wastes can be commercially viable through the help of waste-to-energy technologies, hence generate employment and economic development. Improving TBGI's sustainability practices can boost our corporate image and morale and attract investors. It will create a clean and safe work environment for the entire organization.**	**Employees, management, community, creditors, shareholders**	**Management of solid waste is everyone's social responsibility, not just the government. Whenever possible, we minimize waste by reusing goods or repurposing it to reduce waste impact to environment. TBGI organization is encouraged to only print what they need and ensure that printer settings are defaulted to print double sided to save on paper. We also do proper segregation of solid waste thru the collection and disposal of solid waste by authorized agency (Metro Clark Waste Management Corporation). TBGI also asks employees to reuse products and packaging to prolong the useful life of materials, in order to delay final disposal. An example of which is using reusable coffee mugs rather than single-use, disposable cups.**

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	**0.5**	kg
Total weight of hazardous waste transported	**0.5**	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **Primary Business Operations- Hazardous wastes generated are fluorescent bulbs, used oil, car batteries, UPS batteries, damaged computer equipment.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Employees, management and community**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **In treating wastes, TBGI is guided by these key principles whenever applicable: Recycle, Reduce, Reuse, Repurpose, Repair, Recover** **Managing hazardous waste is essential for building a sustainable work environment and community. TBGI participates in recycling/collection events conducted by Clark Development Corporation Environmental Division for collection and disposal of Hazardous waste.** **For car batteries and UPS batteries, we follow the mechanism of "trade-in", which allows the supplier to handle the batteries properly due to their know-how as well as reduce costs.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **Exposure to hazardous waste is detrimental to human health and may create serious health, safety, and environmental consequences. If not carefully handled and disposed, it could explode or become toxic.**	**Employees, management and community**	**Hazardous Wastes leaves a damaging footprint to our ecosystems. Tapping to recycling centers will help recover the value of the material, safeguard human health and protect the environment.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify the opportunity/ies related to material topic of the organization **TBGI will be able to contribute in reduction of greenhouse gas emissions thru waste recycling with the help of recycling and collection drives conducted by Clark Development Corporation Environmental Division for collection and disposal of Hazardous waste. The recycling would thereby help conserve natural resources.**	**Employees, management, community, creditors, shareholders**	**Recycling wastes will help prolong the usable component of the product. By actively participating in the collection and disposal drives of Hazardous wastes conducted by Clark Development Corporation Environmental Division , this will help create a more sustainable environment to live in.**

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	300 average	Cubic meters
Percent of wastewater recycled	**0**	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **Impact occurs on primary business operation from two toilets and kitchen sink**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Employees and management**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **In-building sewer lines goes to in-building septic tanks then to main Clark sewer facilities. Sewer tank remaining solid effluents are siphoned by Clark water every 5 years.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **In the event of damage to sewer lines**	**Employees and management**	**Regular weekly inspection on sewer lines is being conducted.**
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Maintains sanitation in the area and prevents any foul odour**	**Employees and management**	**Good maintenance of facilities projects clean surroundings and environment keeping the workplace safe for both employees, management and even**

Healthy and Safe Working Environment		**potential clients who conduct ocular visits at TBGI Facility**

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	**0**	-
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	**0**	-
No. of cases resolved through dispute resolution mechanism	**0**	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **While there are no environmental fines sanctioned against TBGI, the primary business operation is where the impact can occur. TBGI believes in continuous education and actively participatimg in seminars to stay attuned with latest developments to address needs of stakeholders, as well as protect the environment.**	*(e.g. employees, community, suppliers, government, vulnerable groups)* **Management and employees**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI complies with DENR rules and regulations. We have appointed a Pollution Control Officer to monitor pollution related activities.** **TBGI sponsors our Engineers to participate in seminars conducted by various organizations to keep them updated on new technologies and other topics that could benefit the company operations. Aside from this, the management, directors and staff are introduced to the importance of sustainability and ethics as they represent the company.** **Management continues to coordinate and abide with rules and regulations of SEC, PSE, AMLC, and NTC as seals of good governance.**
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization **TBGI would incur penalties and sanctions in case of any violation**	**Management**	**Management complies with the updating of necessary permits and observes proper maintenance of facilities regularly**

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization **Continuous compliance with DENR rules and regulations promotes good corporate reputation**	**Management and employees**	**Management ensures consistency in updating of permits and proper maintenance of facilities.**

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[5]		
a. Number of female employees	**4**	#
b. Number of male employees	**9**	#
Attrition rate[6]	0	rate
Ratio of lowest paid employee against minimum wage	0.50	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	**Y**	100%	100%
PhilHealth	**Y**	100%	100%
Pag-ibig	**Y**	100%	100%
Parental / Maternal leaves	**Y**	0%	0%
Vacation leaves	**Y**	100%	100%
Sick leaves	**Y**	100%	100%
Medical benefits (aside from PhilHealth)	**Y**	0%	0%
Housing assistance (aside from Pag-ibig)	**Y**	n/a	20%
Retirement fund (aside from SSS)	**Y**	0%	0%
Further education support (seminars)	**Y**	n/a	30%
Company stock options	**N**	n/a	n/a
Telecommuting	N	n/a	n/a
Flexible-working Hours (pandemic)	**Y**	0%	10%
(Others) Night Differential	**Y**	n/a	70%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **The impact is on Primary business operations of Satellite Facility. Company employs Electronics Communications Engineering graduates and PRC Registered ECEs. The benefits given such as night differential, access to staff house, continuous**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Management complies with government and NTC rules in the operation of the satellite facilities on permits and proper workforce composition. With the onset of the pandemic and numerous lockdowns and restrictions, we**

[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
[6] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

education thru seminars attract them to join the company.	**allow them to take longer shifts to minimize travel and encourage them to utilize the staff house provided by company, in order to protect their health and safety.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Resignation of key employees** **Employee Piracy**	**While it is normal for employees to seek better employment opportunities, management continues to provide continuous training and field work for employees for growth and development. To safeguard stakeholders, we also ask our employees to protect company client and data information should they transfer to the same industry.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **VSAT service is a niche segment of the telecom industry. Clients and companies rely on service provider to install the whole system.**	**Management provides continuous education for growth of employees. We also work with distributors and resellers to expand market reach and boost installation services.**

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	30	hours
b. Male employees	60	hours
Average training hours provided to employees		
a. Female employees	8	hours/employee
b. Male employees	12	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **Impact on business operations and management ; Seminars for management on good corporate governance and trainings for employees growth and development**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Management provides annual corporate governance seminar for directors and officers on a yearly basis, as well as software and in-house hardware training for employees periodically or as needed.** **For 2021, Covid19 pandemic has remained to be a major disruptor to face to face meetings, training and seminars; only 1 seminar was conducted by a 3rd party training provider via zoom. Aside from that, some self-help resources**

	were also sent by email to be more economical and reduce paper printing. For Year 2022, all trainings were done thru online zoom meetings.
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Lack of seminar and trainings would run counter to corporate growth**	**Management continuously provides annual corporate governance seminar for directors and officers, and software and in-house hardware training for employees. Management also highlights and encourages employees to utilize technology and learn various alternative solutions for any technical problems from the Web.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Trainings and seminar provide fresh and news ideas on company management. It encourages product development and expanded VSAT product utilization for various industries.**	**Management invested (a) in new technologies to support employee-client communication and relations such as an AR Software to easily monitor payments , and (b) continuously providing annual corporate governance seminar for directors and officers, and software and in-house hardware training for employees for growth and development.**

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	2	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **Primary business operating on 24/7. Scheduling of employee work-hours.**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Management provides flexible work hours for employees who may need it, and complies with Philippine labor law. To also address their safety and convenience, we provide them a staff house for lodging and a service vehicle for their daily travel needs and operations.**
What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization **Prolonged labor issues can create demoralization of workforce**	**Management complies with country labor laws. Night differentials are paid, transportation allowances given et.al.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **"Happy Employees make Happy Customers"**	**Management complies with labor laws. Company believes that taking care of employees would reflect back with them performing well to clients and customers.**

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce **(support/clerical)**	**4**	**29%**
% of male workers in the workforce	**9**	**64%**
Number of employees from indigenous communities and/or vulnerable sector*	**1**	**7%**

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **Impact is on primary business operation which requires field work installations. Workforce are mostly male due to the interest and graduates of the electronics engineering field. TBGI however does not discriminate and in fact welcomes everyone with the expertise and job fit to join company.** **Females who apply are mostly interested to do clerical work, marketing and customer support**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI believes promotion of diversity is best served through careful consideration of all the knowledge, experience, skills and backgrounds of each applicant/candidate. TBGI has a policy in place wherein the Company seeks to maintain a Board comprised of talented and dedicated directors and staff with a diverse mix of expertise, experience, skills and backgrounds. We do not discriminate.** **http://tbgi.net.ph/Adobe/Board%20Diversity%20Policy.pdf** **Aside from that, we also request both management and employees to have respect in the workplace, as indicated in the Code of Business Conduct & Ethics** **http://tbgi.net.ph/Adobe/CODE%20OF%20BUSINESS%20CONDUCT.pdf**
What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization **The risk can be limited perspectives due to the lack of gender diversity. There is also a possibility that female applicants if any would feel discriminated.**	**TBGI aims to attract, hire and retain a diverse set of employees with a diverse mix of expertise, experience, demographics, skills and background. We most especially welcome younger generations to join the team as this means new and fresh perspectives from a different set of demographics.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **TBGI can get broader perspectives in terms of business situations as well as improve global reach.**	**TBGI encourages the organization to express their ideas. We do not discriminate and welcome various opinions and feedback. We believe one is of equal standing to other members of the company.**

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	**8,640**	Man-hours
No. of work-related injuries	**0**	#
No. of work-related fatalities	**0**	#
No. of work related ill-health	**0**	#
No. of safety drills	**2**	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **Primary business operations especially during installation of VSAT systems**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Management promotes and adheres to occupational health and safety rules and standards of the Labor Code of the Philippines and Bureau of Fire and Protection. We also provide PPE to the workplace. We also ask our employees to heed the teachings of Bureau of Fire and Protection on cases of emergencies and accidents.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Injury of employee creates setbacks to company operations**	**Trainings for employees to be multi-skilled to augment operations during such event. Teaching them how to anticipate and address untoward scenarios will reduce unnecessary accidents in the workplace.**

	We have in place company policies: **a) Mental health service in the workplace** **b) Hepatitis B, pursuant to Department Advisory No.5 , series of 201** **c) HIV/Aids, pursuant to 0.0. No. 102-10. Series of 2020** **d) Tuberculosis prevention and control in workplace, pursuant to D.O. No 73-05, series of 2005** **e) Drug-free workplace pursuant to D.O. No. 37-03, series of 2002**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Government OHSC standards in the workplace contributes to proper and safe operations of the facility**	**Management promotes and adheres to occupational health and safety rules of the Labor Code of the Philippines by providing PPE and regular OHSC training within the workplace. We also have company policies established (mentioned above) to address workplace conditions, labor standards and human rights.**

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	**0**	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	**Y**	TBGI has established a Sexual harassment Policy and complaint procedure
Child labor	**N**	
Human Rights	**N**	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI does not tolerate abuse in the workplace. Our operations respect human rights and do not**

While TBGI does not have a policy that explicitly disallows violation of labor laws and human rights, we believe if such an instance happens, it would most likely occur in supply chain wherein, we are not fully aware of our supplier's employment procedures.	**contribute to such unacceptable abuses. Pursuant to the provisions of Section 4, Republic Act No. 7877, we have also established a Sexual harassment Policy and complaint procedure to address offensive and abusive behaviour and debilitate the morale of any individual in the workplace.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **If an incident as such occurs, it will cause mental distress to the victim, cause dissatisfaction with organization, as well as ruin corporation's image.**	**TBGI should not profit from the exploitation of children nor abuse of human rights. It is inhumane. Aside from the Anti-harassment policy, we have also established a Drug-free Workplace and Program.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **A Workplace that supports human rights and labor laws creates a safe and healthy environment for the organization. It will also strengthen Brand reputation and attract investors.**	**Everyone has equal human rights and thereby must be protected from any form of abuse, whether physical, sexual or emotional. We do not tolerate any kind of abuse and strive to give equal opportunities in the workplace.**

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:
The Company need not have a standard accreditation policy due to low purchasing frequency, as we buy equipment by bulk. Suppliers are evaluated on a case-to-case basis or as needed.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	**Company makes sure suppliers have proper government permits and standards in the operation of their business. Mandatory background investigation of suppliers are also done thru the Internet, banks, partners and affiliates.**
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) **Primary business operations on the purchase of telecom equipment.**	**Management purchase telecom equipment from foreign ITU regulated suppliers. They have undergone strict testing and ISO standards. Upon arrival to the Philippines, this equipment undergo another round of inspection and checking by the National Telecommunications Commission.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Inferior or defective equipment**	**Management executes Return Policy Agreement with foreign and local suppliers. Management implements adequate "just-in-time" policy in procuring supplies.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Reputable suppliers provide good service**	**Management only deals with reputable suppliers in making purchases to ensure quality of products and services.**

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
TBGI has been operating for the past 25 years in CSEZ and has contributed to the development of the area since the Mt. Pinatubo devastation. **TBGI has been crucial especially during Covid-19 pandemic by enabling COVID19 quarantine sites and barangay health centers in its**	**Clark Special Economic Zone (CSEZ)**	**Not applicable**	**None**	**Not applicable**	**Not applicable**

implementation of the Vaccine Information Management System (VIMS) of the DICT and DOH initiatives.					

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: n/a

Certificates	Quantity	Units
FPIC process is still undergoing	Not applicable	#
CP secured	Not applicable	#

What are the Risk/s Identified?	Management Approach
Identify risk/s related to material topic of the organization **Overdevelopment of CSEZ will create traffic congestion**	**Provide alternative route in and out of the facility and proper scheduling of clients and visitors for their convenience as well.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Development increases demand for connectivity**	**TBGI is a critical component of governance delivering internet services to unserved and underserved areas of the country. We also cater to communities , health centers and barangays by enabling them to avail of community wifi services for economies of scale.** **Management continuously invests in expansion and several upgrades to cater the demand.**

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	**92%**	**Y**

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms,*

Slow or intermittent connections may occur; these may be triggered by server malfunctions or network usage congestion. This will affect primary business operations and customers.	*and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI provides several channels of communication thru landlines, cellular lines, emails, encrypted medium. Communication channels such as facebook, viber, whatsapp are also utilized for quick/basic inquiries or troubleshooting by customers who prefer that kind of medium.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Customers will not be satisfied and risk of pre-termination or full contract cancellation.**	**TBGI engineering team monitors and regularly checks client's terminals and links, as well as ensures server and equipment are operating at optimum levels. We also have Service Level Agreements in place for any downtime.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **The opportunity present is a growing market of all types of demographics so it is crucial to continuously provide proper service and ensure client satisfaction on the availed services.**	**Quality of connection and consistency of service is key to customer satisfaction. TBGI ensures spares such as equipment replacement supplies are readily available to minimize downtime of our services.**

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	**0**	-
No. of complaints addressed	**0**	-

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **TBGI is not aware of any substantiated complaints lodged through the organization or any government agency. Any health and safety concern would impact the primary business operations as well as supply chain ranging from contractors, suppliers, as well as our workers. By incorporating health and safety principles, we will be able to improve productivity in the workplace, as well as save business time and finances.**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI supports a culture of safety and is firmly committed to the Work Health and Safety Policy enabling all work activities to be carried out safely, and with all possible measures taken to remove or at least reduce risks to the health, safety and welfare of workers, contractors, and anyone else who may be affected by our operations. Our goal is to have zero accident in the workplace and have in place a Health and Safety policy for guidance** **http://tbgi.net.ph/Adobe/tbgi%20health%20and%20safety%20policy.pdf**

	<u>**We have also in place company policies:**</u> ○ **Mental health service in the workplace** ○ **Hepatitis B, pursuant to Department Advisory No.5 , series of 201** ○ **HIV/Aids, pursuant to 0.0. No. 102-10. Series of 2020** ○ **Tuberculosis prevention and control in workplace, pursuant to D.O. No 73-05, series of 2005** ○ **Drug-free workplace pursuant to D.O. No. 37-03, series of 2002**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Fatal and non-fatal injuries can happen in the workplace. An example of which can be when our workers and contractors install new satellite dishes of our customers. Accidents can be caused by weather or Acts of God; it can also result from workers not adhering to safety procedures and wearing the protective gears. Another can be infectious diseases such as what the world is currently battling, the global pandemic, covid-19.**	**Working environments must be assessed to be able to assess the potential risks involved. On cases when weather is particularly bad, we defer installation of new and unfamiliar sites. TBGI also pays for the lodging of installers, as well as pays a per diem as hazard pay. Night shift differentials are also paid by the company. Management holds everyone accountable for their safety. We provide personal protective equipment such as safety shoes, helmet, gloves to protect our people from hazard; we also expect them to strictly follow the safety protocols and to remain vigilant. TBGI also encourages a two-way communication to understand needs and concerns of stakeholders. On cases like covid-19, TBGI being a telco facility has to remain open to serve the needs of customers. Since TBGI values the health and safety of employees, a skeletal workforce and rotation procedure was established to reduce exposure. We also service some of our clients remotely to minimize physical contact.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization • **A Workplace that is safe and healthy will significantly improve productivity of employees, reduce work-related illnesses and absences;** • **Company Brand reputation will improve amongst competitors** • **Avoid financial and legal cost of accidents**	**TBGI is committed to prevent injuries and illnesses in the workplace. We commit resources (time, money, mentors/experts, work wear) needed to protect our employees. Daily Safety inspections are part of employees' jobs. We also make sure that any hazards, injuries and close calls are reported to management for proper action.**

<u>*Marketing and labelling*</u>

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	2	#
No. of complaints addressed	2	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **TBGI labels itself as a provider to VSAT solutions to remote areas throughout the Philippines.** **Impact on primary business operations during bad weather and equipment early breakdown.**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Management implements 24/7 technical support system and hotline to answer client needs. Our goal is to address the technical concerns of clients in the shortest time possible. While some telco providers follow several escalation procedures which prolongs the waiting process (generally at least least 1.5 to 2 weeks after), TBGI aims to resolve issues within 1-3 days, and 5-7days for more complicated cases.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Disconnection and non-renewal of service**	**Marketing personnel constantly gets in touch with clients on their needs and requirement. They also offer packages that suit the number of users and their budget. In the event that a user would want to get disconnected, we get their feedback for us to improve operations and services better. We also hired additional marketing to study satisfaction of customers and minimize churn rate.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **TBGI aims to be a major player and or service provider in the VSAT market in the Philippines and that is our opportunity for growth.**	**TBGI is a critical component of governance delivering internet services to unserved and underserved areas of the country. We cater to various sectors and communities , health centers and barangays by understanding their connectivity needs and recommending the most feasible and economical solution. For the underserved markets, we also empower and enable them to avail of community wifi services for economies of scale. Management continuously invests in upgrades and expansion of services.**

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	**0**	#
No. of complaints addressed	**0**	#
No. of customers, users and account holders whose information is used for secondary purposes	**0**	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)* **Impact is on primary business operations, mainly on client's personal information and other proprietary information customer has shared.** **This involves the entire organization from management to employees to clientele, as well as our external stakeholders.**	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **TBGI ensures only authorized personnel have access and/or can handle customer data, and ensures proper procedures are followed on handling contents and customer data. We make sure to restrict data gathered only within the company and secure prior approval from customers for any data to be shared to third parties, if any.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Client personal information being leaked. Breach of Privacy and Data Security.**	**TBGI ensures company protocols of handling client data and contents are strictly observed. We make sure to sign Non-Disclosure Agreements (NDAs) to mutually protect both parties in any proprietary information that will be shared while conducting exploratory and firm business together.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Client trust creates loyalty and referrals. TBGI gives their clients and stakeholders an assurance that data management, privacy and data security is a core priority of our company.**	**In order to create a harmonious relationship between company and client, our goal is always to protect customer's privacy. Like banks that combat data security and theft on a daily basis, our company together with engineers keep abreast with the latest developments in data protection and security to be at par with customer and data privacy standards.**

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	**0**	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?* **Being in the business of information technology, TBGI believes that data management, privacy**

Impact will be on primary business operations, mainly on client's personal data as well as business data (emails, website contents)	**and data security is valuable to the whole organization, particularly to our internal and external stakeholders. TBGI ensures that Client networks are protected via enterprise-grade network firewall and provide a secure validating recursive DNS service to clients.**
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization **Data theft and security breach would be the risk to the organization.**	**TBGI safeguards proprietary info of our company and wide range of clientele. As such, Spam filters are regularly updated by TBGI. Our operating system and software on mail servers are also updated on a regular basis. We only allow encrypted access to our corporate email system. We also make certain that Client networks are protected via enterprise-grade network firewall and provide a secure validating recursive DNS service to clients.**
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization **Our stakeholders will feel at ease and confident in working with TBGI. It will boost customer morale and improve corporate image as proprietary data are secured.**	**TBGI procures the proper equipment in terms of hardware and software that is at par to the constant changes in data management and security, as well as performs regular system updates**

TBGI is actively involved in addressing the critical infrastructure needs of the country and has immediately deployed satellite dishes to help Catanduanes.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
VSAT connectivity to schools to promote Quality education	**4. Quality Education:** provides quality education via delivery of global learning tools within the Internet sphere.	Misuse on Internet to access pornography, gambling, and anti-religious website.	Management provides filtered content on Internet to schools free from pornography, gambling etc.
VSAT connectivity in Internet cafes and shops.	**5. Gender Equality:** Subscribers are made aware the equal opportunity in education for both men and women.	Misuse on Internet to exploitation of women and human trafficking.	Management provides filtered Internet to subscribers to avoid human trafficking or forced labor
VSAT connectivity in household.	**8. Decent Work and Economic Growth:** Users can participate in online jobs and "work from home activities"	Misuse on Internet to access pornography, gambling, and anti-religious website.	Management provides filtered Internet to subscribers free from pornography, gambling etc.
VSAT connectivity in rural communities	**9. Industry Innovation:** Users will have access to thousands of livelihood projects.	Misuse on Internet for illegal business or creates lazy users who prefer to stay home with internet access.	Management provides filtered Internet to subscribers free from pornography, gambling etc.
VSAT connectivity in rural communities	**10. Reduce Inequality:** Users will have access to information to promote development in their communities	Misuse on Internet for illegal business or creates lazy users who prefer to stay home with internet access.	Management provides filtered Internet to subscribers free from pornography, gambling etc.
VSAT connectivity in communities. Community reporting crimes and injustice via uploading thru the net and proper legal authorities	**16. Peace, Justice, and Strong Institutions:** As government gears to providing online services to communities, crimes and injustices are easily discovered, reported, and resolved.	Misuse on Internet for illegal business.	Management provides filtered Internet to subscribers free from pornography, gambling etc.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

Pursuant to the requirement of the Securities and Exchange Commission Memorandum Circular No.4, Series of 2019, this Sustainability Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the city of Mandaluyong City on APR 12 2023.

Arsenio T. Ng	**Hilario T. Ng**	**Paul B. Saria**
Chairman and CEO	**Director**	**Compliance Officer**

SUBSCRIBED AND SWORN to before me this ______ day of APR 12 2023 2023, affiant (s) exhibiting to me their proof of identities, as follows:

Name	**identification**	**Date of Issue**
Arsenio Ng	**Passport # P7626886A**	**Expiry JUNE 30,2028**
Paul Saria	**DL# N04-93-264992**	**Expiry December 15, 2031**
Hilario Ng	**F03-89-049506**	**Expiry August 23,2023**

Doc No. 227
Page No. 23
Book No. XXIII
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ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2023-2024)
IBP O.R. No. 180815 MD 2023 & IBP O.R. No. 180816 MD 2024
PTR O.R. No. 3916669D 1/03/2023 Roll No. 33832 /TIN# 129-871-009
MCLE EXTENSION APRIL 15, 2022 UP TO APRIL 14, 2023 AS PER S.C. EN BANC B.M. NO. 850
Address: 31-F Harvard St. Cubao, Q.C.