
**TRANSPACIFIC BROADBAND GROUP
INT'L, INC.**

(Company)

9th Floor Summit One Tower
530 Shaw Boulevard, Mandaluyong City, 1550

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

**SEC Form 20-IS
Definitive Information Statement)**

(Form Type)

Amendment Designation (if applicable)

**Annual Stockholders Meeting
September 24. 2025**

(Period Ended Date)

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**Information Statement Pursuant to Section 20
of the Securities Regulation Code (SRC)**

1. Check the appropriate box:

_____ **Preliminary Information Statement**
 X **Definitive Information Statement**

2. Name of Registrant as specified in its Charter **TRANSPACIFIC BROADBAND GROUP
INT'L, INC.**

3. Country of Incorporation **Philippines**

4. SEC Identification Number **AS095-006755**

5. BIR Tax Identification Number **004-513-153**

6. Address of principal office **Bldg. 1751 Chico St. Clark Special Economic Zone,
Angeles City, Pampanga
Or c/o
Unit 904, 9F Summit One Tower
530 Shaw Blvd. Mandaluyong City, 1550**

7. Telephone Number **(632) 7717-0523**

8. Date, time and place of meeting of security holders:

Date : September 24, 2025, Wednesday
Time : 1:30 PM
Place : **8TH floor, Summit One Tower PB, 530 Shaw Boulevard Mandaluyong City**
: **Stockholders' participation will be via remote communication via ZOOM**
meeting link below:
<https://us05web.zoom.us/j/84562882603?pwd=aaAlmyllh0pdutTHMbD5fVfnpTb6z.1>

9. Approximate date on which the Information Sheet is first to be sent or given to security holders:

September 3, 2025

10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Subscribed and Outstanding (No. of Shares)</u>	<u>Pesos</u>
Common shares	3,800,000,000	P380,000,000

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

YES **x** **NO** _____

<p>WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY</p>
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INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

WHEN : September 24, 2025 Wednesday, 1:30 PM

WHERE : 8TH floor, Summit One Tower PB, 530 Shaw Boulevard Mandaluyong City
: Stockholders' participation will be via remote communication via ZOOM
meeting link below:

<https://us05web.zoom.us/j/84562882603?pwd=aaAlymyllh0pdtTHMbD5fVfnpTb6z.1>

Complete Mailing Address of Principal Office of Registrant

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

Or c/o

**Unit 904, 9F Summit One Tower
530 Shaw Blvd. Mandaluyong City, 1550**

Approximate date on which the Information Sheet is first to be sent or given to security holders is
September 3, 2025.

Item 2. DISSENTER'S RIGHT OF APPRAISAL

Sections 80 of the Corporation Code provide for a shareholder's exercise of the right of appraisal (defined as the right of any stockholder to dissent and demand payment of the fair value of his shares). The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's property and assets;
3. In case of merger or consolidation; and
4. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose.

There are no new items in the agenda that may give rise to a dissenting shareholder's exercise of the right of appraisal

Procedure for Exercise of Dissenter's Appraisal Right

Section 81 of the Corporation Code provides for the appropriate procedure for the exercise of the right of appraisal, viz:

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken: Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the Corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and

Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Item 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

The following persons have no substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office:

1. each person who has been a director or officer of the Corporation at any time since the beginning of the fiscal year;
2. each nominee for election as a director of the Corporation: and
3. each associate of any of the foregoing persons.

No member of the Board of Directors of the Corporation has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the annual meeting of the stockholders.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Common Shares	3,800,000,000
Less: Treasury shares	4,378,000
Total Outstanding Shares Voting /Shares as of record date July 31, 2025	<u>3,795,622,000</u>

The Company's capital stock consists of common shares only. Each share is entitled to one vote. All stockholders of record at the close of business on **August 27, 2025** shall be entitled to notice and to vote at the Annual Stockholders meeting. To conform with the Government's regulation on social distancing and prohibition on mass gatherings, the Company shall hold the Annual Stockholders' Meeting via remote communication and allow the stockholders to cast their votes by remote communication or in absentia, or by proxy.

The directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his share equal, or by distributing such votes at the same principle among any number of candidates.

(1) SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

Owners of more than 5% of voting securities as July 31, 2025:

Class	Name of Record Owner and Relationship with Record Owner	Name of Beneficial Owner	Citizenship	Shares Owned	%
Common	3. Arsenio T. Ng 9F Summit One Tower, 530 Shaw Blvd. Mandaluyong City (CEO)	None	Filipino	1,712,370,990"r"	45.11%
Common	1. PCD Nominee Corp. (F) 37th floor Tower 1, the Enterprise Ctr., 6766 Ayala Ave, Makati City, Phil.	Various	Filipino	1,696,170,394"r"	44.64%
Common	2. Unipage Management, Inc. 9F Floor Summit One Tower, 530 Shaw Boulevard Mandaluyong City (Investor)	Stockholders	Filipino	534,310,000"r"	14.08%

The clients of PCD Nomination Corporation are the beneficial owners and have the power to decide how their shares are to be voted. There is no Filipino and Non-Filipino holder of 5% or more under PCD Nominee Corporation.

The Board of Directors of Unipage Management Inc. appointed Willy Ong as the authorized representative and they have the right to vote and direct or dispose of the shares held by the company.

(2) Security ownership of management as of July 31, 2025:

Class	Name of Beneficial Owner	No. of Shares and Nature of Beneficial Ownership	Citizenship	%
	Directors:			
Common	Arsenio T. Ng	1,712,370,990"d"	Filipino	45.11%
Common	Hilario T. Ng	4,008,040"d"	Filipino	0.11%
Common	Ardi Bradley Ng	100,000"r"	Filipino	0.00%
Common	Paul Saria	258,040"d"	Filipino	0.01%
Common	Simoun Ung	10,000"d"	Filipino	0.00%
Common	Hyland Si	5,000,000"d"	Filipino	0.13%
Common	Paul C. Cheah	10,000"d"	Filipino	0.00%
	Officer:			
Common	Santos Cejoco	10,000"d"	Filipino	0.00
	All directors and executive officers as a group	1,721,767,070"d"		46.36%

Each every security holder is the beneficial owner in his own right.

(3) VOTING TRUST HOLDERS OF 5% OR MORE

There are no persons who hold more than 5% of a class under voting trust or similar agreement.

(4) CHANGES IN CONTROL

The company has no arrangements, which may result in a change in control of the Corporation. There has been no change in control since the beginning of its last fiscal year.

Item 5. DIRECTORS AND EXECUTIVE OFFICERS

(1) The names of the incumbent Directors, Executive officers and nominees of the Company and their respective ages and citizenship, current positions held, period of service and business experience during the past five years as required under Section 38 of the Code and SRC Rule 38.1 are as follows:

Arsenio T. Ng – President and CEO, member of Remuneration and Audit Committee

Age 66, Filipino Citizen

Period Served September 2000 to Present

Term of office as director – one year

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 – Director, Chief Finance officer and member of Remuneration and Nomination Committee

Age 64, Filipino Citizen

Period Served September 2000 to Present

Term of office as director – one year

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 Land Dev't, 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).

Simoun Ung – Director

Age 57, Filipino Citizen

Period Served May 2007 to Present

Term of office as director – one year

Simoun Ung has an extensive background in international business in the Asia Pacific, both as a professional in the financial industry, as well as being a successful entrepreneur. He is the President & CEO of OmniPay, Inc., the Philippine's leading issuer of prepaid payment cards and innovator for financial inclusion; Mr. Ung is likewise the Commissioner of PT Omni Pay Indonesia, Chairman of OmniPay (Malaysia) Sdn. Bhd. and Director of OmniPay Pte. Ltd. He is also Vice Chairman of Bastion Payment Systems Corporation, which delivered the new real-time gross settlement system to the Bangko Sentral ng Pilipinas. Mr. Ung is also an Independent Director and Chairman of the Corporate Governance Committee of Maybank Philippines, Inc. He also serves as Director and Treasurer of the eMoney Association of the Philippines. Simoun Ung is deeply involved in ministry work. He is the President & CEO of Wycliffe Associates, Inc. based in Orlando, Florida. He is an Elder and Presider at Grace Christian Church of the Philippines. He is also the Board Advisor and past Chairman of Wycliffe Bible Translators Philippines, Inc. Mr. Ung is likewise the Chairman of the Board of Trustees of the Biblical Seminary of the Philippines. He is the Chairman of the Board of Trustees of World Vision Development Foundation, Inc., better known as World Vision Philippines. He is also a Member of the Board of Trustees of Far East Broadcasting Corporation (Philippines). Mr. Ung has a Master of Business Administration degree from the Ivey School of Business of the University of Western Ontario and a Bachelor of Arts degree in Psychology and Economics from the University of British Columbia.

Mr. Ung holds the rank of Commander in the Philippine Coast Guard Auxiliary and is Deputy Comptroller, National Headquarters. He is currently a consultant to the National Bureau of Investigation. He is also a member of the Management Association of the Philippines, the Financial Executives of the Philippines, the Makati Business Club, the Philippine Chamber of Commerce and Industry, the Philippine Chamber of Commerce and Industry and the Bankers Institute of the Philippines. Mr. Ung served as an Advisor to the Supreme Court of the Philippines. He was also a Consultant to the Commission on Elections and to the Office of International Policy and Special Concerns of the Department of National Defense. Mr. Ung was an Independent Director on the Board of Federal Resources Investment Group, Inc. [PSE: FED] and former Director of the Philippine Payments Management, Inc. His past experience includes Adviser-Originator of Hambrecht & Quist Philippines Inc. and President of Four Star Consulting. Mr. Ung was a Service Provider to RBS Coutts Bank Ltd. Mr. Ung has had numerous speaking engagements including resource speaker for the United States' Federal Bureau of Investigation on advanced money laundering using electronic payment systems; keynote speaker to ComputerWorld conference on cloud computing security; speaker at the National Defense College of the Philippines on IT security management and speaker at various financial inclusion conferences locally and internationally. Mr. Ung also contributed an article on "the Evolving Landscape on Information Security" in a special edition of the National Security Review in 2012 published by the National Defense College of the Philippines. He was honored with the Outstanding Alumni Award in 2015 by Grace Christian College. He also won the ACQ 2016 Global Awards' Philippines- GameChanger of the Year and ACQ 2018 Global Awards International – GameChanger of the Year (FinTech)

Paul B. Saria – Director, Chief Operating and Compliance Officer and member of Audit and Nomination Committee

Age 55, Filipino Citizen

Period Served September 2000 to Present

Term of office as director – one year

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.

Ardi Bradley L. Ng - Director

Age 31, Filipino Citizen

Period Served October 2019 to Present

Term of office as director – one year

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.

Hyland Si – Independent Director, Chairman of Remuneration and Nomination Committee

Age 66, Filipino Citizen

Period Served – September 2022 to Present

Term of office as director – one year

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, Independent Director and Chairman of Audit Committee

Age 40, Filipino Citizen

Period Served – September 2022 to Present

Term of office as director – one year

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.

Atty. Leonides S. Respicio – Corporate Secretary

Age 73, Filipino Citizen

Period Served August 2018 to Present

Term of office as Corporate Secretary – one year

Atty. Respicio is a graduate of Bachelor of Laws in 1978 at the University of the Philippines, Diliman, Quezon City. At present, he is the corporate secretary and legal counsel of Test Consultants, Inc. from 2004-present; legal counsel of Padernal Construction Inc. (2010- present), Radiant Sunshine Power Corporation (2018 – present), Lamon Bay Furniture, Inc. (2018 to present), Philippine Pacific Trade Inc.(Salad Master Distributor (2010-present), Capitol City Sports and Country Club, Inc. (1980-1986), Jocanima Corporation (2012-2017), First Champion, Inc. (Manpower Services) 2012-2017, Prince David Condominium Unit Owners Association Inc. (2010-2015) and Don Enrique Height Subdivision Homeowners Association, Inc. (2016-present)

The aforementioned directors and officers have served the fiscal year ended December 31, 2024, and shall continue to serve until their successors have been duly elected at the Company's next annual stockholders' meeting. Also, none of the current directors and officers work in government.

NOMINEES FOR ELECTION AS DIRECTORS OF THE COMPANY

The nominees for election as directors of the company are the following:

Arsenio T. Ng (Filipino)	Hilario T. Ng (Filipino)	Paul C. Cheah (Filipino)
Ardi Bradley L. Ng (Filipino)	Paul B. Saria (Filipino)	Hyland Si (Filipino)
Simoun Ung (Filipino)		

Hyland Si and Paul Cheah are the nominees for independent directors. In the approval of nomination for independent directors, the Nominations Committee headed by Paul Cheah (Chairman), Arsenio T. Ng, (Member) and Paul B. Saria (Member) has taken into consideration the guidelines prescribed under SRC Rule 38. The independent directors are nominated by Paul B. Saria (Filipino) and Arsenio T. Ng (Filipino). Mr. Paul Saria and Arsenio T. Ng have no relationship with the nominees for independent directors.

The Corporation will observe the term limits for independent directors imposed by SEC Memorandum Circular No. 4, Series of 2017 which became effective on January 2, 2012. The Corporation's two current independent directors may serve as independent directors until 2030 in compliance with the maximum cumulative term of nine (9) years. The independent directors undertake to submit an updated Certification of Qualifications and Disqualifications thirty (30) days after the date of the Annual Stockholders' Meeting. Only nominees whose names appear on the final list of candidates is eligible for election as directors. No further nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

(2) SIGNIFICANT EMPLOYEES

The company has no significant employees.

(3) FAMILY RELATIONSHIP

The Chairman, Arsenio T. Ng, and Director Hilario T. Ng are brothers. Mr. Ardi Bradley L. Ng is the son of Arsenio T. Ng. Except for the above-mentioned directors the company does not know any other family relationship up to the fourth civil degree either by consanguinity or affinity among the directors, executive officers or persons nominated.

RESIGNATION OF OFFICER

There were no resignation, removal or election of company Directors or Officers for the past 2 years.

(4) 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.

The Company is not involved in any litigation incidental to the conduct of its business. If there is any claim, 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.

(5) The registrant has no parent company.

Item 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Information as to the aggregate compensation during the last two (2) fiscal years paid to the Company's five (5) most highly compensated executive officers and all other officers and directors as a group and the estimated compensation for Year are as follows:

DIRECTORS AND EXECUTIVE OFFICERS	2025	2024	2023
Board of Directors (Per Diem)	Estimated		
1. Arsenio T. Ng	5,000	5,000	5,000
2. Paul C. Cheah	5,000	5,000	5,000
3. Hilario T. Ng	5,000	5,000	5,000
4. Ardi Bradley Ng	5,000	5,000	5,000
5. Paul Saria	5,000	5,000	5,000
6. Simoun Ung	5,000	5,000	5,000
7. Hyland Si	5,000	5,000	5,000
Total	35,000	35,000	35,000
Five most highly compensated Executive Officers			
1. Arsenio T. Ng – CEO			
2. Paul B. Saria – Chief Operating Officer			
3. Santos L. Cejoco – Corporate Planning Officer			
4. Vicente Layson – Network Engineer			
5. Christian Nucom – Asst. Network Engineer			
TOTAL	650,000	650,000	600,000
All other officers and directors	650,000	650,000	500,000
Total	1,335,000	1,335,000	1,135,000

The CEO and CFO have not received compensation from the company except for the stock options mentioned above in Stock Options for the Chief Executive Officer. No bonuses were given to directors and officers, payments were purely compensation in nature.

The By-Laws of Transpacific give each Director 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. The members of the Board are entitled to receive a reasonable per diem of P5,000 for attendance at each meeting of the Board of Directors. Other than such per diem, there is no other arrangement pursuant to which any amount of compensation is due to the directors for services rendered as such.

Warrants and Options

On May 28, 2008 the Board of Directors and Stockholders approved the grant of stock options to the Chief Executive Officer 40 Million shares at par value of P1.00. In addition, the Remuneration Committee resolved to implement additional terms and conditions specifically on the vesting date. (Note 20).

EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT, AND CHANGE-IN-CONTROL ARRANGEMENT

An employment contract between the Corporation and a named executive officer will normally include a compensation package, duties and responsibilities, and term of employment.

The Corporation has not entered into any compensatory plan or arrangement with any named executive officer which would entitle such named executive officer to receive any amount under such plan or arrangement as a result of or which will result from the resignation, retirement, or any other termination of such executive officer's employment with the Corporation and its subsidiaries, or from a change-in-control of the Corporation, or a change in the executive officer's responsibilities following a change-in-control of the Corporation.

Item 7. INDEPENDENT PUBLIC ACCOUNTANT

The audited financial position of the Company for CY 2024 was audited by R. R. TAN & ASSOCIATES, CPAs.

The same accounting firm is being recommended for re-election at the scheduled annual meeting for almost the same remuneration as in the previous year. Representatives of the said firm are expected to be present at the stockholders' meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

R. R. TAN & ASSOCIATES, CPAs has acted as the Company's external auditor since 2009 and has complied with the five-year rotation requirement under SRC Rule 68(3)(b)(iv) (Qualifications and reports of Independent Auditors). For this year, audit partner Mr. Domingo A. Daza audited the December 31, 2024 financial statements. The rotation of the auditors is part of the auditor's strategy. The audit committee headed by Paul C. Cheah (Independent and Chairman) Arsenio T. Ng, and Paul B. Saria has no policies and procedures of the above services.

(2) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no events in the past wherein 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 or procedure.

Item 8. COMPENSATION PLANS

In 2007, the Remuneration Committee approved the grant of stock options for 38.4 million shares at par value to the Chief Executive Officer to compensate the CEO with options of 4.8 million shares per year for the eight-year period 2000–2007. The grant of options for the CEO was approved based on the following considerations:

1. The CEO has not received compensation since the strategic acquisition of the company in 2000 to date.
2. The CEO was responsible for (a) rehabilitation of P200 million loss arising from a bad financial structure, and (b) collection of P80 million of bad debts, bringing the company to its present state of profitable operations and strong financial position.
3. Under the leadership of the CEO, the company was able to comply with the mandate of its telecommunications franchise to successfully undertake an initial public offering (IPO) that was executed in early 2003 in the face of weak capital markets in Asia.
4. The CEO used personal bank credit lines for the (a) acquisition of majority stake in the company, (b) rehabilitation of financial position and telecommunications facilities, (c) expansion of digital data services and acquisition of institutional marketing partner for installation of IT laboratories nationwide.
5. The CEO needs the options to reimburse his personal bank credit lines that the CEO used over the years to fund the comprehensive rehabilitation and expansion of company operations.
6. The same grant of stock options for the CEO shall be approved by the Board and ratified by the shareholders.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

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 on 2002, but completed in year 2018. Government taxes have 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 PSE 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 for payment of subscription payable to ATN Philippines Solar Energy Group, Inc. 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 PSE has approved the listing application filed by 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 Pesos (P192,500,000) to be used 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 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.

Item 15. OTHER MATTERS

Action with Respect to Reports:

The following reports/minutes shall be submitted to the stockholders for approval/ratification:

1. Minutes of the previous Annual Stockholders' Meeting
 - a. Approval of previous annual minutes of meeting
 - b. Report of the President
 - c. Approval of FY December 31, 2023 audited Financial Statements
 - d. Election of Directors
 - e. Appointment of Independent Auditors
2. Annual Report of the President
3. Fiscal Year Ending December 31, 2024 Audited Financial Statements

The president reported the highlights of the audited fiscal year December 31, 2024 financial statements, and the acts of the Board and the executive officers during the above fiscal year. The corporate secretary read to the stockholders the minutes of the previous annual stockholders' meeting. The stockholders in said meeting approved and ratified the following:

1. the minutes of the previous annual stockholders' meeting,
2. the audited December 31, 2024 financial statements,
3. the appointment of R. R. Tan & Associates, CPAs as external auditor,
4. ratified the acts of the Board and the executive officers during the above fiscal year including but not limited to memberships in (a) remuneration committee, (b) audit committee, and (c) nomination committee. Membership in said committees, which include one independent director in compliance with Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code are as follows:

Compensation Committee:	Audit Committee	Nomination Committee
Hyland Si (Chairman)	Paul C. Cheah (Chairman)	Hyland Si (Chairman)
Arsenio T. Ng – Member	Arsenio T. Ng – Member	Hilario T. Ng – Member
Hilario T. Ng - Member	Paul B. Saria - Member	Paul B. Saria - Member

The same sets of committee members shall apply for the coming fiscal year.

MERGERS, CONSOLIDATION, ACQUISITIONS AND SIMILAR MATTERS

No action is to be taken with respect to any transaction involving:

1. the merger or consolidation of the Corporation into or with any person, or of any other person into or with the Corporation;
2. the acquisition by the Corporation or any of its holders of securities of another person;
3. the acquisition by the Corporation of any other going business or of the assets thereof;
4. the sale or other transfer of all or any substantial part of the assets of the Corporation; or
5. the liquidation or dissolution of the Corporation.

Item 17. AMENDMENTS OF CHARTER, BYLAWS AND OTHER DOCUMENTS

The procedures under SRC Rule 38 (Guidelines on Nomination and Elections of Independent Directors) shall be incorporated in the company's By-Laws. The Board of Directors pursuant to the authority delegated to it by the stockholder under Article VII Section I of the By-Laws of the Registrant, shall cause the amendment of the By-Laws in a regular or special meeting called for the purpose to include the foregoing procedures on the nomination and election of independent directors.

Item 19. VOTING PROCEDURES

A majority of the subscribed capital, present in person, shall be sufficient at a stockholders' meeting to constitute a quorum for the election of directors and for the transactions of any business whatsoever, except in those cases in which the Corporation Code requires the affirmative vote of a greater portion. At each meeting of the stockholders, every stockholder shall be entitled to vote in person for each share of stock held by him, which has voting power upon the matter in question. The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting, except with respect to the procedural questions determined by the chairman of the meeting, shall be by viva voce or show of hands.

The directors shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his share shall equal, or by distributing such votes at the same principle among any number of candidates.

The manner of counting the vote is done by viva voce unless balloting is demanded by stockholders representing at least 10% of the outstanding capital stock entitled to vote, in the presence of the corporate secretary or the assistant corporate secretary. To conform with the Government's regulation on social distancing and prohibition on mass gatherings, the Company shall hold the Annual Stockholders' Meeting via remote communication and allow the stockholders to cast their votes by remote communication or in absentia, or by proxy.

The Articles of Incorporation may be amended by the affirmative vote of at least majority of the Board of Directors and stockholders representing a majority of the Board of Directors and stockholders' meeting called for that purpose. However, the power to amend, modify repeal or adopt new articles

may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock of the Corporation.

Item 20. Compliance with Section 49 of the Revised Corporation Code

MINUTES OF THE ANNUAL STOCKHOLDERS MEETING OF TRANSPACIFIC BROADBAND GROUP INT'L INC. HELD ON OCTOBER 30, 2024, 1:30PM VIA ZOOM MEETING AT 8TH FLOOR, SUMMIT ONE TOWER, 530 SHAW BLOULEVARD, MANDALUYONG CITY

	No of shares	%
No. of Outstanding Voting shares	3,795,622,000	100%
Shareholders present	2,016,434,590	53.13%

Directors Present:	Position
Arsenio T. Ng	Chairman of the Board
Hilario T. Ng	Director
Simoun S. Ung	Director
Paul B. Saria	Director
Ardi Bradley L. Ng	Director
Kenneth Co.	Independent Director
Oscar B. Mapua Jr.	Independent Director
Directors Absent:	None

- Call to Order.** The Chairman, Mr. Arsenio T. Ng, called the meeting to order at 1:30PM
- Notice of the Meeting.** The Corporate Secretary certified that the Notice of the Annual Stockholders' Meeting and Definitive Information Statement were sent on September 20, 2024 and September 27, 2024 respectively via (1) Disclosure in the PSE Edge system, (2) Disclosure in the Company's website, (3) Publication in two (2) newspapers Malaya (October 2 and 3, 2024) and Daily Tribune (October 4 and 5, 2024) both on, and (4) via email upon request of stockholders.
- Determination of Quorum.** The Corporate Secretary certified that a quorum existed with 53.13% or 2,016,434,590 shares of the issued and outstanding shares were present in person or by proxy.
- Instructions on Rules of Conduct, Voting Procedures and Voting Requirements.** The Corporate Secretary explained the rules of conduct, voting procedures and voting requirements of the meeting via (1) show of hands or (2) registration and voting in absentia. Registration form and/or proxy forms were sent to stockholder that signified their intent to join the meeting via email or via downloadable form in the company website with a deadline of submission on October 23, 2024 at 12noon. Other questions shall be taken up under "Other Matters"
- Approval of the Minutes of Meeting of 2023.** The Assistant Corporate Secretary presented an electronic copy of the previous minutes of meeting held on October 18, 2023. On motion duly made and seconded, the minutes of meeting of the previous meeting held on October 18, 2023 is duly ratified by the Stockholders present and voted on the resolution.

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,016,434,590	0	0
% of total outstanding shares	53.13%	0%	0%

- Report of the President and Presentation of the Audited Financial Statements.** The President, Arsenio T. Ng instructed the Chief Operations Officer, Paul B. Saria to present the report and the Audited Financial Statements ending December 31, 2023 of the Corporation. Stockholders noted the President/Annual Report and the Audited Financial Statements ending December 31, 2023 without objections, as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,016,434,590	0	0
% of total outstanding shares	53.13%	0%	0%

- Ratification of the Acts of the Board of Directors and Officer.** The Corporate Secretary announced that stockholders' ratification is being sought for all the acts and resolution of the Board and other Board Committees exercising powers delegated by the Board, which were adopted for year 2023 to 2024, as well as for all the acts of the Corporation's officers performed in accordance with the resolutions of the Board. Stockholders ratified all the acts of the Board, Committees and Officers, with the following votes:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,016,434,590	0	0
% of total outstanding shares	53.13%	0%	0%

8. **Election of Directors.** The Corporate Secretary presented the nominees for the Board of Directors of the Corporation and certified that the following were duly nominated as directors of the Company for the ensuing year in accordance with the By-laws of the Corporation. Given that the number of nominees is similar to the required number of Directors under the Corporation's By-laws, stockholders duly elected the new Board of Directors based on the total cumulative votes as follows:

Director	FOR	%
Arsenio T. Ng	2,016,434,590	100%
Hilario T. Ng	2,016,434,590	100%
Simoun S. Ung	2,016,434,590	100%
Paul B. Saria	2,016,434,590	100%
Ardi Bradley L. Ng	2,016,434,590	100%
Hyland Si	2,016,434,590	100%
Paul C. Cheah	2,016,434,590	100%

The elected as members of the Board of Directors has the corresponding shareholdings:

Directors	No. of Shares
Arsenio T. Ng - Director & Chairman	1,712,370,990
Hilario Ng - Director	4,008,040
Ardi Bradley L. Ng - Director	100,000
Simoun S. Ung - Director	10,000
Paul B. Saria - Director & Asst. Corporate Secretary	258,040
Hyland Si - Independent Director	5,000,000
Paul C. Cheah- Independent Director	10,000

9. **Appointment of External Auditor.** The Committee and the Board endorsed the appointment of R.R. Tan and Associates as the Corporation's External Auditor for the fiscal year 2024 to 2025. The Corporate Secretary, on behalf of the management, proposed the adoption of resolution for the appointment of the Corporation's external auditor. The stockholders voted on the resolution as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,016,434,590	0	0
% of total outstanding shares	53.13%	0%	0%

10. **Other Matters.** The Chairman opened the floor for other matters to be taken up or questions from the stockholders. After a few minutes, there being no matters raised the Chairman adjourned the meeting at 2:30PM, and thanked the stockholders for their attendance and support.


SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRANSPACIFIC BROADBAND
GROUP INT'L. INC.

Registrant

Date October 30, 2024


PAUL B. SARIA
Assistant Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Mandaluyong on August 20, 2025.

Issuer : TRANSPACIFIC BROADBAND GROUP INT'L INC.
Date : August 20, 2025


PAUL B. SARIA
Corporate Information Officer

BUSINESS AND GENERAL INFORMATION

BRIEF DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF THE REGISTRANT'S BUSINESS AND ITS SUBSIDIARIES

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.

The Company is a duly registered Clark Special Economic Zone (CSEZ) enterprise with Registration Certificate No. 95-53 dated 29 November 1995 and has a 25-year Lease Agreement to build, maintain, and manage a satellite earth station within the CSEZ, which lease has been renewed for another eight years. TBGI also holds an approved Provisional Authority to transmit radio signals to satellites granted by National Telecommunication Commission (NTC).

Transpacific Broadband Group Int'l Inc. (TBGI or Transpacific) is a domestic corporation registered with the SEC on 14 July 1995. It started commercial operation in 1996 with an authorized capital stock of Twenty-Five Million Pesos (Php25,000,000.00), divided into Two Hundred Fifty Thousand shares (250,000) with a par value of One Hundred Pesos (Php100.00) each. Its primary purpose is to engage in the business of public commercial radio, terrestrial, cable and satellite uplink. TBGI does not have any subsidiary under it.

On 07 November 2002, the SEC approved the increase in authorized capital stock of TBGI from Twenty-Five Million Pesos (Php25,000,000.00) divided into Two Hundred Fifty Thousand shares with par value of One Hundred Pesos (Php100.00) each, to One Hundred Fifty Million Pesos (Php150,000,000.00) divided into One Hundred Fifty Million (150,000,000) shares with par value of One Peso (Php1.00) each.

On 27 December 2002, the Company's Board of Directors and stockholders approved the following resolutions: 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 (Php150,000,000.00) to Three Hundred Eighty Million Pesos (Php380,000,000.00); The increase in authorized capital stock from One Hundred Fifty Million Pesos (Php150,000,000.00) divided into One Hundred Fifty Million (150,000,000) shares with par value of One Peso (Php1.00) per share to Three Hundred Eighty Million Pesos (Php380,000,000.00) divided into Three Hundred Eighty Million (380,000,000) shares with par value of One Peso (Php1.00) per share; and The amendment of Article Seventh of the Amended Articles of Incorporation in relation to the proposed increase in authorized capital stock. The Company's subscribed and paid-up capital as of 31 December 2002, after incorporating the effect of stock dividends in 2002, amounts to Php139,341,330.00. On April 15, 2003, the SEC approved the aforesaid increase and amendments.

TBGI generates revenues mainly from uplink services from foreign satellite operators for Internet and Intranet subscriptions of schools, corporate private sector and government agencies. The Company provides (1) uplink of data services for Internet connectivity and virtual private network connectivity, and (2) uplink services to underserved and unserved areas including but not limited to consumers of residential, commercial, schools, hospitals, government and public institutions, multinational corporations and local and foreign TV channels. For the delivery of its services, TBGI owns and operates satellite facilities having separate buildings for transmitter and power generators at the 3,000 square meter area of former US Air Force Satellite Communication facility in CSEZ in Pampanga. TBGI's integral facility, the Clark Development Corp. (CDC) Broadcast Operations Center, houses 20 studios for media production and post-production services inside 277 square meter area of industrial-grade raised flooring, with an enclosed soundproof studios. TBGI connection to the Internet features the several platforms under Ka-Band and C-band connectivity via various satellite and fiber optic line to complete the link.

The Company does not conduct research and development, in accordance with its policy of using existing technologies and forming alliances or supply arrangements with providers of applicable technology that come in the way to serve market opportunities better. TBGI operations do not generate waste or toxic emissions.

Properties

The Company's property plant and equipment are fully paid, and fully owned by the company. 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 9thFloor of Summit One Tower Building with a total area of 853 square meters. In addition, TBGI owns a 210 square meter house inside a 248 square meter lot in Island Park Dasmariñas, Cavite. The facility is used for training, seminars and other human resource development activities. The Company has no plan to acquire additional real estate properties within the next twelve (12) months.

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 there is no litigation that will have a material or adverse effect on its financial position or operations.

Submission of Matters to a Vote of Security Holders

There was no meeting held during the 4th quarter of fiscal year ending December 31, 2024.

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 satellite main hub transmitter-receiver to link the interactive broadband requirements of educational institutions. Aside from its new market development efforts, the Company plans to expand into areas of cybersecurity services for the government and commercial markets starting 2025 and onwards. For this purpose TBGI s working on the prospect of a joint venture with established foreign cyber security groups.

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.

There is no known trend or uncertainty that will significantly reduce TBGI's liquidity. Management expects growth in revenues to come increasingly from data services and Internet growth as the satellite data broadcast network expands with market demand. The demand of schools subscribing for Internet connectivity will require equipment purchases that will be taken out of inventory.

TBGI's profitability is significantly 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 2024

Total assets decreased from PHP 659 million to PHP 642 million as of December 31, 2024. The net decrease of PHP 17 million in the total assets resulted from movements in the following:

Decrease in current assets of PHP 26.639 million arising from the following changes:

- a. Increase of PHP 5 million in cash primarily due to collection of receivables.
- b. Decrease of PHP 8 million in accounts receivables.
- c. Increase in other current assets of PHP5 million.

Decrease in non-current assets of PHP 2 million due to decrease in advances to related parties.

Total liabilities decreased from PHP 68 million as of December 31, 2023 to PHP 48 million as of December 31, 2024. The net decrease of PHP 20 million was due to the following:

Increase in current liabilities of PHP 282 thousand arising from the following changes:

- a. Increase of PHP 124 thousand in accounts payable and accrued expenses.
- b. Increase in income tax payable of PHP 78 thousand.

Decrease of non-current liabilities by PHP 20 million arising from the following changes:

- a. Increase of PHP 152 thousand in pension liability.
- b. Decrease of PHP 4.7 million in lease liability - net of current portion.
- c. Decrease of PHP 16 million in advances from related parties.

On the equity side, total equity increased from PHP591 million as of December 31, 2023 to PHP 594 million as of December 31, 2024. The net increase of PHP 3 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, 2024	December 31, 2023
Current Ratio	2.70	2.55
Debt-to-Equity Ratio	0.08	0.11
Gross Profit Margin	7%	16%
Net Income to Sales Ratio	0.10	0.06
Net Income (loss) in pesos	PHP 3,164,792	PHP 2,137,924

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 2023

Total assets increased from PHP 640.553 million to PHP 659.457 million as of December 31, 2023. The net increase of PHP 18.9 million in the total assets resulted from movements in the following:

Decrease in current assets of PHP 26.639 million arising from the following changes:

- c. Decrease of PHP 34 million in cash primarily due to advances to related parties.
- d. Increase of PHP 7.6 million in accounts receivables.

Increase in non-current assets of PHP 45 million due to increase in advances to related parties.

Total liabilities increased from PHP 51 million as of December 31, 2022 to PHP 67.992 million as of December 31, 2023. The net increase of PHP 16.767 million was due to the following:

Increase in current liabilities of PHP 2.7 million arising from the following changes:

- a. Decrease of PHP 73 thousand in accounts payable and accrued expenses.
- b. Decrease of PHP1.70 million in short-term loan.
- c. Increase of PHP4.608 million in lease liability.
- d. Decrease in income tax payable of PHP 129 thousand.

Increase of non-current liabilities by PHP 14 million arising from the following changes:

- a. Increase of PHP 300 thousand in pension liability.
- b. Increase of PHP 14.38 million in lease liability - net of current portion.

On the equity side, total equity increased from PHP589 million as of December 31, 2022 to PHP 591 million as of December 31, 2023. 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, 2023	December 31, 2022
Current Ratio	2.55	7.95
Debt-to-Equity Ratio	0.11	0.09
Gross Profit Margin	16%	31%
Net Income to Sales Ratio	6.2%	33.6%
Net Income (loss) in pesos	PHP 2,137,924	PHP 12,515,804

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, 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 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.

Disclosure on material events and uncertainties:

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

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 with a contract amount of P420,000 for year ended 2024 and P412,000 for year ended 2023 inclusive of out of pocket expenses.

R. R. Tan & ASSOCIATES, CPAs will audit the Company's statement of financial positions and the related statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ending and will 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 will also assist 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 headed by Paul C. Cheah (Chairman), Arsenio T. Ng (Member) and Paul B. Saria (Member) has no policies and procedures of the above services.

(2) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no events where R. R. Tan & ASSOCIATES, CPAs and the company had any disagreement on any matter of accounting principles or practices, financial statements disclosures, audit scope or procedures which led to a change in external auditors and if not resolved to the satisfaction of any of these accountants, would have caused the latter to make reference to the subject matter of disagreement in connection with its report.

Expansion Plans

Transpacific website www.tbgi.net.ph list all services that the Corporation provides. 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, and the necessary tower height for wireless transmission within Metro Manila. With the fiber optic infrastructure available at Summit One Tower, the TBGI WIFI network envisaged for Metro Manila will be implemented in alliance with equipment suppliers from various countries.

TBGI expects to become a major wireless data services provider in the Philippines. 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. Funding for the expansion will be sourced from borrowings and available credit facilities from local banks. TBGI market development and business expansion are likewise focused on renewable energy. 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 Solar Energy Service Contract from the Department of Energy for a 30 Megawatt Solar PV Power Plant near Metro Manila. The project is shovel ready and is undertaking financial closing with banks and private equity.

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

(1) Market Information

The registrant's common equity is principally traded at the Philippine Stock Exchange. TBGI high and low sales prices for the last two years are indicated in the table below.

	Jan 1 to Dec 31, 2024		Jan 1 to Dec 31, 2023	
	High	Low	High	Low
Qtr. 1	0.146	0.140	0.219	0.211
Qtr. 2	0.141	0.139	0.075	0.173
Qtr. 3	0.138	0.128	0.150	0.140
Qtr. 4	0.138	0.135	0.145	0.135

The price information as of the latest practicable trading date, August 18, 2025 has a high of P0.137 and low of P0.129.

(2) Holders

There is no acquisition, business combination or other reorganization that affect the transaction on amounts and percentage of present holdings of the registrant's common equity owned beneficially by:

- (a) more than five percent (5%) beneficial owner of registrant's common equity;
- (b) each directors and nominee; and
- (c) all directors and officers as a group, and the registrant's present commitments to such persons with respect to the issuance of shares.

There are approximately 377 holders of common shares of the Company as of July 31, 2025. (based on the number of accounts registered with the Stock Transfer Agent). The top 20 common stockholders as of July 31, 2025 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)	1,696,170,394	44.64%
3. Unipage Management Inc.	534,310,000	13.88%
4. ATN Holdings, Inc.	130,000,000	3.42%
5. PCD Nominee Corp. (Non-Fil)	135,269,576	3.56%
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 restrictions that limit the payment of dividend on common shares.

(4) Recent Sales of Unregistered Securities

The Company has not sold any securities within the past three years that were not registered under the RSA.

Compliance with leading practice on Corporate Governance

The company will make a separate submission on filing 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

The Company did not deviate from the adopted Manual of Corporate Governance and all members of the Board Directors as well as Senior Management officers completed and were duly certified to have attended a 1-day special in-house seminar on Corporate Governance.

SEC FORM 17-A

A copy of SEC Form 17-A will be provided to any stockholder of Transpacific Broadband Group Int'l Inc. without any charge upon written request addressed to:

Paul B. Saria

Transpacific Broadband Group Int'l, Inc.
9th Floor Summit One Tower
530 Shaw Blvd., Mandaluyong City, Metro Manila



Transpacific Broadband Group INTERNATIONAL, INC.

CERTIFICATION

I, PAUL B. SARIA, of legal age, Filipino, married and with office address at 9th Floor Summit One Tower, 530 Shaw Blvd., Mandaluyong City, being the Corporate Information Officer and Assistant Corporate Secretary of Transpacific Broadband Group International, Inc. hereby certify that following Executive Officers and Directors of the Corporation, for the year 2024-2025, are not employed as employee in any government agency.

Name	Designation	Name	Designation
Arsenio T. Ng	President & CEO	Paul C. Cheah	Nominee, Independent Director
Ardi Bradley Ng	Director	Hyland Si	Nominee, Independent Director
Hilario T. Ng	Director, CFO	Paul B. Saria	Director, Assistant Corp. Secretary
Simoun Ung	Director	Santos Cejoco	Chief Corp. Planner
Leonides Respicio	Corporate Secretary		

Certified by:

Paul B. Saria

Assistant Corporate Secretary

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me this AUG 01 2025, affiant Paul B. Saria exhibited to me his DL #N04-93-264-992, expires on December 15, 2031.

Doc. No. 335
Page No. 67
Book No. 4
Series of 2025.

CLIO C. PANTALEON
Notary Public for and in Quezon City
Attorney's Roll No. 91253
Notarial Appointment No. NP-408 (2025-2026)
Valid Until December 31, 2026
PTR No. 12653000J/02 January 2025/Las Piñas City
IBP Official Receipt No. 379561/29 December 2025 / Cavite
Suite 502-B 5th Floor, Web-Jet Building
65 Quezon Avenue corner BMA Road, Quezon City
TIN: 603-302-389-00000

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Paul Camacho Cheah**, Filipino, of legal age and a resident of Royal View Mansion, 242 Lt. Artiaga Street, San Juan City, Metro Manila, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director nominee of **Transpacific Broadband Group Int'l. Inc.**
2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
Axelum Resources Corp.	Vice-President for Investor Relations	October 2019 - Present
ATN Holdings, Inc.	Independent Director	November 2022 - Present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Transpacific Broadband Group Int'l. Inc.** as provided for in Section 38 of the Securities Regulation Code and its implemented Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.
5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of **Transpacific Broadband Group Int'l. Inc.** of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this AUG 01 2025 at QUEZON CITY.


Paul Camacho Cheah
Affiant

SUBSCRIBED AND SWORN to before me this AUG 01 2025 at QUEZON CITY
_____, affiant personally appeared before me and exhibited to me his
Passport with No. P6893065B valid until June 01, 2031.

Doc. No. 357:
Page No. 21:
Book No. 4:
Series of 2025.


CLIO C. PANTALEON
Notary Public for and in Quezon City
Attorney's Roll No. 91253
Notarial Appointment No. NP-408 (2025-2026)
Valid Until December 31, 2026
PTR No. 12653900J/02 January 2025/Las Piñas City
IBP Official Receipt No. 379561/29 December 2025 / Cavite
Suite 502-B 5th Floor, Web-Jet Building
65 Quezon Avenue corner BMA Road, Quezon City
TIN: 803-302-389-00000

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Hyland Si**, Filipino, of legal age and office address at Rm 1005 Taipan Place, Emerald Avenue, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director nominee of **Transpacific Broadband Group Int'l. Inc.**
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Torque Builder, Inc.	Vice President	1979 to present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Transpacific Broadband Group Int'l., Inc.** as provided for in Section 38 of the Securities Regulation Code and its implemented Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the corporate secretary of **Transpacific Broadband Group Int'l. Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 06 2025 at QUEZON CITY


Hyland Si
Affiant

SUBSCRIBED AND SWORN to before me this AUG 06 2025 at QUEZON CITY
affiant personally appeared before me and exhibited to me his OSCA ID with No. 55166.

Doc. No. 45 :
Page No. 9 :
Book No. 5 :
Series of 2025.


CLIO C. PANTALEON
Notary Public for and in Quezon City
Attorney's Roll No. 91253
Notarial Appointment No. NP-408 (2025-2026)
Valid Until December 31, 2026
PTR No. 12653600J/02 January 2025/Las Piñas City
IBP Official Receipt No. 379561/29 December 2025 / Cavite
Suite 502-B 5th Floor, Web-Jet Building
65 Quezon Avenue corner BMA Road, Quezon City
TIN: 603-302-389-00000



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, 2025

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, 2024 and 2023, 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
Chairman and CEO


PAUL B. SARIA
Chief Operating Officer


HILARIO T. NG
Chief Financial Officer

APR 10 2025

SUBSCRIBED AND SWORN to before me this _____ day of April 2025, 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	Manila
Paul B. Saria	DL N04-93-264992	12/15/2031	Mandaluyong
Hilario T. Ng	DL F03-89-049-506	08/23/2033	Manila

NOTARY PUBLIC

Doc. No. : 240
Page No. : 48
Book No. : ✓
Series of 2025 : 2025

ATTY. CESAR T. VERANO

NOTARY PUBLIC MAKATI CITY
APPOINTMENT NO. M-209
VALID UNTIL DECEMBER 31, 2025
ISSUED ON DECEMBER 15, 2023
PTR NO. MKT 10465510-01-02-2025 MAKATI CITY
IBP NO. 484720 ROLL NO. 29024
MCLE COMPLIANCE NO. VII-0023845
VALID UNTIL DECEMBER 31, 2025
OFFICE ADDRESS #2733 G/F CARREON BLDG.
ZENaida ST., BRGY. POBLACION MAKATI CITY

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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024, 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, 2024 and 2023, the Company's investment in an associate amounted to ₱408 million, equivalent to a 29.93% equity interest. This asset represents 63% and 62% of the total assets as at December 31, 2024 and 2023, respectively. 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, 2024, 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, 2024 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 Domingo A. Daza, Jr.

R. R. TAN AND ASSOCIATES, CPAs



By: DOMINGO A. DAZA, JR.

Partner

CPA Certificate No. 109993

Tax Identification No. 203-917-449

PTR No. 3040539, January 07, 2025, Pasig City

PRC-BOA Accreditation No. 0132/P-001, valid until August 13, 2027

BIR Accreditation No. 07-100512-002-2022, valid until September 14, 2025

April 4, 2025
Pasig City

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS	<i>Notes</i>	2024	2023
Current Assets			
Cash and cash equivalents	7	P 17,357,787	P 12,063,296
Receivables - net	8	2,545,584	10,545,252
Other current assets - net	9	5,035,185	51,418
Total Current Assets		24,938,556	22,659,966
Non-current Assets			
Investment in associate	10	407,609,566	407,793,975
Franchise - net	11	1,377,945	1,440,585
Property and equipment - net	12	73,647,081	90,685,597
Investment properties	13	61,568,800	61,568,800
Other non-current assets	14	73,180,909	75,308,694
Total Non-current Assets		617,384,301	636,797,651
TOTAL ASSETS		P 642,322,857	P 659,457,617
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued expenses	15	P 593,507	P 469,557
Short-term loan	16	3,745,125	3,745,125
Lease liability	28	4,689,065	4,608,630
Income tax payable		157,623	79,652
Total Current Liabilities		9,185,320	8,902,964
Non-current Liabilities			
Deposits	17	1,185,156	1,185,156
Pension liability	18	1,219,303	1,066,488
Lease liability - net of current portion	28	9,690,947	14,380,012
Advances from related parties	24	25,667,194	41,768,590
Deferred tax liabilities - net	26	745,281	689,512
Total Non-current Liabilities		38,507,881	59,089,758
Total Liabilities		47,693,201	67,992,722
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		102,198,290	99,033,529
Treasury shares	19	(437,800)	(437,800)
Total Equity		594,629,656	591,464,895
TOTAL LIABILITIES AND EQUITY		P 642,322,857	P 659,457,617

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Notes	2024	2023	2022
REVENUES				
Service income	20	P 32,472,630	P 34,267,742	P 37,275,778
Other income, net	22	2,931,433	87,193	3,461,603
		35,404,063	34,354,935	40,737,381
COST AND EXPENSES				
Direct costs	21	30,208,270	28,878,601	25,610,789
Administrative expenses	23	1,232,502	2,556,078	1,341,592
Finance costs	16	284,106	325,812	293,627
		31,724,878	31,760,491	27,246,008
INCOME FROM OPERATION		3,679,185	2,594,444	13,491,373
EQUITY IN NET LOSS OF ASSOCIATE	10	(184,409)	(204,889)	(217,254)
INCOME BEFORE INCOME TAX		3,494,776	2,389,555	13,274,119
INCOME TAX EXPENSE	26	330,015	251,631	758,315
INCOME FOR THE PERIOD		3,164,761	2,137,924	12,515,804
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME		P 3,164,761	P 2,137,924	P 12,515,804
EARNINGS PER SHARE				
Basic	27	P 0.0008	P 0.0006	P 0.0033
Diluted		0.0008	0.0005	0.0030

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	<i>Notes</i>	2024	2023	2022
SHARE CAPITAL				
Balance, January 1		P 380,000,000	P 380,000,000	P 380,000,000
Issuance during the year		-	-	-
Balance, December 31	<i>19</i>	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	<i>19</i>	8,921,814	8,921,814	8,921,814
RETAINED EARNINGS				
Balance, January 1		99,033,529	96,895,605	84,379,801
Income for the year		3,164,761	2,137,924	12,515,804
Balance, December 31		102,198,290	99,033,529	96,895,605
TREASURY SHARES - at cost	<i>19</i>	(437,800)	(437,800)	(437,800)
		P 594,629,656	P 591,464,895	P 589,326,971

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax expense	P	3,494,776	P 2,389,555	P 13,274,119
Adjustments for:				
Provisions for (Reversal of):				
Depreciation and amortization	11,12	20,616,715	17,352,758	15,556,044
Retirement benefits	18	152,815	299,953	33,649
Foreign exchange (gain) loss	22	(767,299)	364,229	(1,332,316)
Equity in net loss of an associate	10	184,409	204,889	217,254
Interest income	22	(8,849)	(10,047)	(15,787)
Interest expense	16,28	308,109	334,243	293,627
Operating Income Before Working Capital Changes		23,980,676	20,935,580	28,026,590
Decrease (Increase) in Operating Assets:				
Receivables		8,370,689	(7,728,722)	(197,743)
Other current assets		(4,983,767)	(9,418)	144,620
Increase (Decrease) in Operating Liabilities:				
Accounts payable and accrued expenses		123,950	(73,406)	(5,602,528)
Deposits		-	(2,077,029)	522,326
Cash Generated by Operations		27,491,548	11,047,005	22,893,265
Income taxes paid		(196,275)	(407,740)	(1,317,869)
Retirement benefits paid	18	-	-	(227,583)
Interest received		8,849	10,047	15,787
Net Cash Provided by Operating Activities		27,304,122	10,649,312	21,363,600
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	12	(3,515,559)	(1,009,157)	(3,606,549)
Advances made to related parties		(5,465,386)	(39,408,118)	(26,031,466)
Collection of advances to related parties		8,913,763	-	-
Net Cash Used in Investing Activities		(67,182)	(40,417,275)	(29,638,015)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loan		3,745,125	3,745,125	5,450,000
Availments of advances from related parties		-	2,000,000	287,829
Payment of loan:				
Principal		(3,745,125)	(5,450,000)	(5,450,000)
Interest		(284,106)	(325,812)	(293,627)
Amortization of lease liability				
Principal		(4,608,630)	(1,618,678)	-
Interest		(24,003)	(8,431)	-
Payments of advances from related parties		(17,421,988)	(2,587,508)	(1,970,000)
Net Cash Used in Financing Activities		(22,338,727)	(4,245,304)	(1,975,798)
EFFECTS OF EXCHANGE RATE CHANGES				
IN CASH AND CASH EQUIVALENTS		396,278	(262,519)	1,340,006
NET INCREASE (DECREASE) IN				
CASH AND CASH EQUIVALENTS		5,294,491	(34,275,786)	(8,910,207)
CASH AND CASH EQUIVALENTS, JANUARY 1		12,063,296	46,339,082	55,249,289
CASH AND CASH EQUIVALENTS, DECEMBER 31	P	17,357,787	P 12,063,296	P 46,339,082

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 10.85% 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 National Telecommunications Commission (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, 2024 and 2023 and for each of the years in the period ended December 31, 2024 were authorized for issue by the President on April 4, 2025.

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 Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC, 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. Changes in Accounting Policies and Disclosures

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2024

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, 2024. 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 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 amendments did not have a material impact on the Company's financial statements.

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 or 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 did not have a material impact on the Company's financial statements.

Amendments to PAS 7 and PFRS 7, Supplier Finance Arrangements

The amendments added disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The amendments did not have a material impact on the Company's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2024

The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2024 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, 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.

Amendments to PAS 1, Lack of Exchangeability

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the Company's financial statements.

Effective beginning on or after January 1, 2026

Amendments to PFRS 9 and PFRS 7, Classification and Measurement of Financial Instruments

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments. The expected adoption will not materially affect the Company.

Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- *Amendments to PFRS 1, Hedge Accounting by a First-time Adopter*
The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.
- *Amendments to PFRS 7, Gain or Loss on Derecognition*
The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.
- *Amendments to PFRS 9*
 - a) *Lessee Derecognition of Lease Liabilities*
The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - b) *Transaction Price*
The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
- *Amendments to PFRS 10, Determination of a 'De Facto Agent'*
The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

The expected adoption of these amendments will not materially affect the Company.

Effective beginning on or after January 1, 2027

PFRS 18, Presentation and Disclosure in Financial Statements

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

The expected adoption of this standard will not materially affect the Company.

PFRS 19, Subsidiaries without Public Accountability

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

The expected adoption of this standard will not materially affect the Company.

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.

4. Summary of Material 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, 2024 and 2023, 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, 2024 and 2023 are categorized as *Other financial liabilities*. These include accounts payable and accrued expenses, short-term loans, deposits and advances from related parties.

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 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, 2024 and 2023, 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, 2024 and 2023, 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 advances to related parties. 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 Statements 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.

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.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in PFRS 16.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual guarantee; and

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company used a number of practical expedients when applying PFRS 16 to leases previously classified as operating leases under PAS 17. In particular, the Company:

- Did not recognized right-of-use assets and liabilities for leases for which the lease term ends within 12 months from the date of initial application;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

Short-term Leases and Leases of Low-value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for the leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

Leases where a significant portion of the risks and rewards of ownership over the asset are retained by the lessor, are classified as operating leases. Rental income on operating leases is recognized in profit or loss on a straight-line basis of accounting over the period of the lease.

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.

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.

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, 2024 and 2023, the Company has 29.93% equity interest in an associate where the Company has significant influence over the associate's financial and operating policies.

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, 2024 and 2023, trade receivables amounted to P2,545,584 and P10,545,252, 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, 2024 and 2023 amounted to P73,647,081 and P90,685,597, 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 assets amounted to P282,776 as at December 31, 2024 and P293,346 as at December 31, 2023. (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 P152,815 in 2024, P299,953 in 2023, and P33,649 in 2022. (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, 2024 and 2023, management believes that no provision for impairment loss is necessary.

The carrying value of non-financial assets as of December 31, 2024 and 2023 are as follows:

	2024	2023
Investment in an associate	P 407,609,566	P 407,793,975
Franchise - net	1,377,945	1,440,585
Property and equipment - net	73,647,081	90,685,597
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, 2024 and 2023, 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, 2024 and 2023.

	<u>Gross Maximum Exposure</u>	
	2024	2023
Cash and cash equivalents *	P 17,344,787	P 12,050,296
Trade receivables	6,981,811	14,981,479
Other non current assets	73,180,909	75,308,694
	P 97,507,507	P 102,340,469

**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, 2024 and 2023 is as follows:

December 31, 2024					
	Neither past due nor impaired High grade	Standard grade	Past due but not impaired	Past due and impaired	Total
Cash and cash equivalents	P 17,344,787	P -	P -	P -	P 17,344,787
Trade receivables	-	2,545,584	-	4,436,227	6,981,811
Other non-current assets	-	-	73,180,909	-	73,180,909
	P 17,344,787	P 2,545,584	P 73,180,909	P 4,436,227	P 97,507,507

December 31, 2023					
	Neither past due nor impaired High grade	Standard grade	Past due but not impaired	Past due and impaired	Total
Cash and cash equivalents	P 12,050,296	P -	P -	P -	P 12,050,296
Trade receivables	-	10,545,252	-	4,436,227	14,981,479
Other non-current assets	-	-	75,308,694	-	75,308,694
	P 12,050,296	P 10,545,252	P 75,308,694	P 4,436,227	P 102,340,469

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, 2024 and 2023.

December 31, 2024					
	< 1 month	> 1 month & < 3 months	> 3 months & < 1 year	> 1 year & < 3 years	Total
Accounts payable and accrued expenses	P 593,507	P -	P -	P -	P 593,507
Short-term loan	-	-	3,745,125	-	3,745,125
	P 593,507	P -	P 3,745,125	P -	P 4,338,632

December 31, 2023									
	< 1 month		> 1 month & < 3 months		> 3 months & < 1 year		> 1 year & < 3 years		Total
Accounts payable and accrued expenses	P	469,557	P	-	P	-	P	-	P 469,557
Short-term loan		-		-		3,745,125		-	3,745,125
	P	469,557	P	-	P	3,745,125	P	-	P 4,214,682

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:

	2024		2023	
	US Dollar	Equivalent	US Dollar	Equivalent
Cash and cash equivalents	\$ 48,069	P 2,788,695	\$ 34,144	P 1,897,259
Trade receivables	43,879	2,545,584	189,775	10,545,252

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, 2024 and 2023:

Increase/decrease in Peso to US Dollar Rate	Effect on Income Before Taxes	
	2024	2023
+ P5.00	P 240,347	P 170,718
- P5.00	(240,347)	(170,718)

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, 2024 and 2023:

Increase/decrease in interest rate	Effect on Income Before Taxes	
	2024	2023
+2%	P 74,903	P 74,903
-2%	(74,903)	(74,903)

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:

	2024	2023
Equity	P 594,629,656	P 591,464,895
Total Assets	642,322,857	659,457,617
Ratio	0.926	0.897

7. Cash and Cash Equivalents

As of December 31, 2024 and 2023, cash and cash equivalents consist of:

	2024	2023
Cash in banks	P 17,344,787	P 12,050,296
Cash on hand	13,000	13,000
	P 17,357,787	P 12,063,296

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

Interest income on these deposits amounted to P8,848 in 2024, P10,047 in 2023, and P15,787 in 2022. (See Note 22)

8. Receivables - net

The composition of this account is as follows:

		2024		2023
Trade				
In local currency	P	4,436,227	P	4,436,227
In foreign currency		2,545,584		10,545,252
		6,981,811		14,981,479
Less: Allowance for probable losses		(4,436,227)		(4,436,227)
	P	2,545,584	P	10,545,252

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 P371,021 in 2024, (P101,710) in 2023 and (P371,925) in 2022. (See Note 22)

There were no changes affecting allowance for probable losses in 2024 and 2023.

9. Other Current Assets

The composition of this account is as follows:

		2024		2023
Input VAT	P	121,215	P	51,418
Prepaid expense		4,913,970		-
	P	5,035,185	P	51,418

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

Prepaid expense represents advance payment of Spectrum User Fee made to NTC. The fee is for the utilization of frequency that is being used as part of providing the satellite service to several international clients.

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:

		2024		2023
Cost	P	209,500,000	P	209,500,000
Equity in net loss				
Balance at beginning of year		(8,506,025)		(8,301,136)
Share in net loss for the year		(184,409)		(204,889)
Balance at end of year		(8,690,434)		(8,506,025)
Deposit on stock subscription		206,800,000		206,800,000
	P	407,609,566	P	407,793,975

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.

The project is designed to have a gross generation capacity of 33MW peak of direct current (DC) at the inception. The alternating current (AC) output will be around 30MW, which will be distributed through the Manila Electric Company (Meralco) via a 34.5 kilovolt (KV) transmission system, which Meralco will construct and connect to three feeder lines of the Meralco Distribution network in Diliman and Novaliches, Quezon City, and Marikina City. The project site falls under the franchise area of Meralco; hence, the solar project, as an embedded generator, is allowed to cut into the nearest Meralco connection points.

As of December 31, 2024, ATN Solar has not started its commercial operations.

The financial information of ATN Solar as of and for year ended December 31, 2024 and 2023 is as follows:

	2024	2023
Total current assets	P 11,843,724	P 6,938,436
Total non-current assets	1,896,425,671	1,891,868,801
Total current liabilities	12,157,246	18,022,858
Total non-current liabilities	1,229,662,467	1,213,718,562
Net loss	(616,133)	(684,559)
Cash flow from investing activities	(23,702,862)	(48,926,726)
Cash flow from financing activities	8,239,105	47,841,419

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:

	2024	2023
Net asset of associate	P 666,449,684	P 667,065,817
proportionate ownership interest (%)	29.93	29.93
	199,468,390	199,652,799
Pre-acquisition adjustment	32,239	32,239
Prior period adjustment	1,308,937	1,308,937
Deposit on stock subscription	206,800,000	206,800,000
	P 407,609,566	P 407,793,975

Prior period adjustment represents the Company's cumulative share on the Associate's prior period adjustments due to reversal of Deferred Tax Asset on expired Net Operating Loss Carry Over.

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:

	2024	2023
Balance, January 1	P 1,440,585	P 1,503,225
Amortization	(62,640)	(62,640)
Balance, December 31	P 1,377,945	P 1,440,585

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

12. Property and Equipment – net

The movement in this account is as follows:

2024		Building & Improvements	Uplink/Data Equipment	Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Right-of-Use Asset (see Note 28)	Total
Carrying Amount								
At January 1, 2024	P	23,893,402	P 329,999,956	P 5,228,426	P 19,145,709	P 14,675,284	P 20,607,320	P 413,550,097
Additions		-	1,903,059	-	-	1,612,500	-	3,515,559
Disposal		-	-	-	-	(1,950,000)	-	(1,950,000)
At December 31, 2024		23,893,402	331,903,015	5,228,426	19,145,709	14,337,784	20,607,320	415,115,656
Accumulated depreciation								
At January 1, 2024		23,893,402	258,924,014	5,127,377	19,145,709	14,275,284	1,498,714	322,864,500
Provisions		-	15,710,633	101,049	-	246,250	4,496,143	20,554,075
Disposal		-	-	-	-	(1,950,000)	-	(1,950,000)
At December 31, 2024		23,893,402	274,634,647	5,228,426	19,145,709	12,571,534	5,994,857	341,468,575
Net Carrying Value								
At December 31, 2024	P	-	P 57,268,368	P -	P -	P 1,766,250	P 14,612,463	P 73,647,081

2023		Building & Improvements	Uplink/Data Equipment	Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Right-of-Use Asset (see Note 28)	Total
Carrying Amount								
At January 1, 2023	P	23,893,402	P 328,990,799	P 5,228,426	P 19,145,709	P 14,675,284	-	P 391,933,620
Additions		-	1,009,157	-	-	-	20,607,320	21,616,477
At December 31, 2023		23,893,402	329,999,956	5,228,426	19,145,709	14,675,284	20,607,320	413,550,097
Accumulated depreciation								
At January 1, 2023		23,893,402	243,132,610	5,127,377	19,145,709	14,275,284	-	305,574,382
Provisions		-	15,791,404	-	-	-	1,498,714	17,290,118
At December 31, 2023		23,893,402	258,924,014	5,127,377	19,145,709	14,275,284	1,498,714	322,864,500
Net Carrying Value								
At December 31, 2023	P	-	P 71,075,942	P 101,049	P -	P 400,000	P 19,108,606	P 90,685,597

13. Investment Properties

As of December 31, 2024 and 2023, 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 II, 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) Size Location Improvement	Level 2	P 61,864 - P 64,937 5% -5% 10% - 15%
Caribe Subdivision Island Park, Paliparan II, Dasmariñas, Cavite	Residential Unit	Market approach	Selling price(per square meter) Neighborhood Development	Level 3	P 6,667 - P 9,000 10% 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, 2024, 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 2024 that increase or decrease the carrying value of investment property as at December 31, 2024.

During 2024 and 2023, 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:

	2024	2023	2022
Rental income	P 2,155,286	P 441,375	P 2,113,500
Direct operating expenses on investment properties that:			
Generated rental income	151,697	151,697	151,697
Did not generate rental income	-	1,659	1,659

14. Other Non-current Assets

This account consists of:

	2024	2023
Advances to (see Note 24):		
ATN Phils. Solar Energy Group Inc. (Solar)	P 70,534,493	P 67,224,393
Palladian Land Dev't., Inc. (PLDI)	-	5,437,885
Security deposits	2,646,416	2,646,416
	P 73,180,909	P 75,308,694

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

This account represents liabilities to supplier of goods and services and accruals for various expenses which are usually settled for a maximum period of 3 months. It also includes monthly government payables.

Accounts payable and accrued expenses amounted to P593,507 as of December 31, 2024 and P469,557 as of December 31, 2023.

16. Short-term Loan

Short-term loan is availed for working capital requirements. The loan carries a floating interest rate at 6.5% per annum in 2024 and 6.25% per annum in 2023, 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. The balance of the loan amounted to P3,745,125 as of December 31, 2024 and 2023.

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 Statements of Comprehensive Income amounted to P284,106 in 2024, P325,812 in 2023 and P293,627 in 2022.

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, 2024 and 2023, deposits on lease contracts amounted to P1,185,156.

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, 2024, 2023 and 2022 are as follows:

		2024		2023		2022
Balance at the beginning of the year	P	1,066,488	P	766,535	P	960,469
Provision for retirement		152,815		299,953		33,649
Actual benefits paid		-		-		(227,583)
Balance at year end	P	1,219,303	P	1,066,488	P	766,535

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, 2024 and 2023 is detailed below:

	2024	2023
Common Stock - P0.10 par value per share		
Authorized - 3,800,000,000 shares in 2024 and 2023		
Issued and outstanding - 3,800,000,000 shares in 2024 and 2023	P 380,000,000	P 380,000,000
Shares held in treasury - 4,378,000 shares in 2024 and 2023	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, 2024 and 2023, 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 million shares may be exercised starting 2013 up to 2022. Another 55 million shares in 2022 and finally, 300 million shares in 2023

In 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, 2024 and 2023, the stock options has a carrying value of P8,921,814.

20. Service Income

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.

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

	2024		2023		2022
Domestic	P 1,089,914	P	1,609,456	P	3,965,151
Hong Kong	31,382,716		32,658,286		33,310,627
	P 32,472,630	P	34,267,742	P	37,275,778

21. Direct Costs

This account consists of:

	2024		2023		2022
Depreciation (see Note 12)	P 20,554,075	P	17,290,118	P	15,493,404
Rental (see Note 28)	3,609,782		3,614,823		4,480,254
Taxes and licenses	2,754,494		4,322,164		1,368,802
Salaries, wages and other benefits	1,494,106		1,455,541		1,634,818
Transportation and travel	683,056		783,845		914,584
Security services	626,395		627,165		606,988
Insurance	193,089		171,504		119,641
Provision for retirement (see Note 18)	152,815		299,953		33,649
Amortization of franchise (see Note 11)	62,640		62,640		62,640
Utilities and communication	53,815		242,417		896,009
Interest expense (see Note 28)	24,003		8,431		-
	P 30,208,270	P	28,878,601	P	25,610,789

22. Other Income, net

The composition of this account is as follows:

	2024		2023		2022
Rent income (see Note 13)	P 2,155,286	P	441,375	P	2,113,500
Foreign exchange gain (loss):					
Cash	396,278		(262,519)		1,704,241
Accounts receivable	371,021		(101,710)		(371,925)
Interest income	8,848		10,047		15,787
	P 2,931,433	P	87,193	P	3,461,603

23. Administrative Expenses

This account consists of:

	2024	2023	2022
Legal and professional fees	P 899,015	P 1,363,500	P 960,000
Permits, taxes and licenses	162,104	10,407	10,660
Repairs and maintenance	109,855	68,071	-
Office supplies	23,233	84,643	103,685
Transportation and travel	20,160	60,000	60,000
Deficiency tax	-	964,016	-
Miscellaneous	18,135	5,441	207,247
	P 1,232,502	P 2,556,078	P 1,341,592

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 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 2024, 2023 and 2022:

Category	Year	Amount of transactions	Outstanding balance		Terms and conditions
			Advances to related parties	Advances from related parties	
Associate					
ATN Solar Energy Group, Inc					
Cash advances	2024	P 3,310,100	P 70,534,493	P -	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2023	38,913,778	67,224,393	-	
	2022	22,245,526	28,310,615	-	
Affiliated companies					
Palladian Land Dev't, Inc. (PLDI) -net					
Rent income	2024	2,155,286	-	-	
	2023	441,375	-	-	
	2022	2,113,500	-	-	
Advances for utilities	2024	-	-	-	
	2023	52,965	-	-	
	2022	1,672,440	-	-	
Cash advances	2024	(8,913,763)	-	-	
Total	2024	(6,758,477)	-	1,320,592	
	2023	494,340	5,437,885	-	
	2022	3,785,940	4,943,545	-	Demandable; Non-interest bearing; Unsecured; Payable in cash
ATN Holdings, Inc (ATN)					
Cash advances	2024	15,000,000	-	3,387,829	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2023	(2,000,000)	-	18,387,829	
	2022	(287,829)	-	16,387,829	
Unipage Management, Inc. (UMI)					
EPC contract	2024	-	-	19,267,378	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2023	1,000,000	-	19,267,378	
	2022	(20,267,378)	-	20,267,378	
Stockholder					
Cash advances	2024	2,421,988	-	1,691,395	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2023	1,587,508	-	4,113,383	
	2022	1,970,000	-	5,700,891	
	2024		P 70,534,493	P 25,667,194	
	2023		P 72,662,278	P 41,768,590	
	2022		P 33,254,160	P 42,356,098	

Details of significant related party transactions are as follows:

- (i) During the year, the Company made cash advances to ATN Solar amounting to P3,310,100. 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 P2,155,286 in 2024 and P441,375 in 2023, and P2,113,500 in 2022.
- (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, 2023 and 2022, the Company made cash advances to PLDI for payment of dues and utilities amounting to P52,965 and P1,672,440, respectively. No advances were made in 2024.

(iv) ATN Holdings, Inc. (ATN) provides cash advances to the Company for working capital requirement. In 2024, a repayment of P15 million was made by the Company to ATN.

(v) 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. During 2023, repayment amounting to P1 million was made by UMI.

(vi) 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, 2024, 2023, and 2022, 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 Surveillance ("SGS"), if still applicable, pursuant to Chapter III, C.1 of Customs Administrative Order No. 6-94.

However, in cases where the Company generated income from its sale of services to customs territory customers exceeding 30% of its total income, the entire income from all sources is subjected to the regular corporate income tax of 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

The major components of provision for income tax for the years ended December 31, 2024, 2023 and 2022 are as follows:

		2024		2023		2022
Current	P	274,246	P	278,456	P	757,607
Deferred		55,769		(26,825)		708
	P	330,015	P	251,631	P	758,315

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

		2024		2023		2022
Gross profit before income tax	P	5,195,793	P	5,476,334	P	15,126,592
Statutory income tax (@5%)		259,790		273,817		756,330
Adjustments for:						
Interest income subject to final tax		(442)		(506)		(790)
Non-deductible expenses		-		389		2,775
Derecognized deferred tax asset		18,210		-		-
Tax effect of						
income subjected to regular tax rate		52,457		(22,069)		-
Actual provision for income tax	P	330,015	P	251,631	P	758,315

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

		2024		2023		2022
Deferred tax assets						
Pension liability	P	60,965	P	53,325	P	38,327
Unrealized loss on foreign exchange		-		18,210		385
Allowance for probable losses		221,811		221,811		221,811
		282,776		293,346		260,523
Deferred tax liability						
Unrealized gain on fair value adjustment						
on investment property - net		(976,860)		(976,860)		(976,860)
Unrealized gain on foreign exchange		(38,365)		-		-
Effect of PFRS 16		(12,832)		(5,998)		-
		(1,028,057)		(982,858)		(976,860)
Net deferred tax liability	P	(745,281)	P	(689,512)	P	(716,337)

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:

	2024	2023	2022
(a) Profit for the year	P 3,164,761	P 2,137,924	P 12,515,804
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 0.0008	P 0.0006	P 0.0033
Diluted (a/c)	0.0008	0.0005	0.0030

28. Significant Agreements

Lease Agreements

Company as a Lessee

(a) Lease Agreement with Clark Development Corporation

The Company leases a land it presently occupies in Clarkfield, Pampanga from Clark Development Corporation. The lease agreement expired on July 10, 2020. Pending resolution of certain terms in the contract, the Company recognized rent expense on a year to year basis up to August 2023.

On August 31, 2023, the final terms on the renewal of the lease agreement was mutually agreed by both parties for a period of four years and seven months up to March 31, 2028.

(b) Staff Housing and Guest House

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

Upon adoption of PFRS 16, the Company recognized right-of-use asset amounting to P20,607,320. As of December 31, 2024 and 2023, the carrying value of right-of-use asset amounted to P14,612,463 and P19,108,606, respectively. (see Note 12)

The carrying amount of lease liabilities and the movement as of December 31, 2024 and 2023 are as follows:

	2024	2023
Beginning balance	P 18,988,642	P -
Addition during the year	-	20,607,320
Interest charge for the year	24,003	8,431
Payments made	(4,632,633)	(1,627,109)
Ending balance	14,380,012	18,988,642
Less: Current portion	4,689,065	4,608,630
Non-current portion	P 9,690,947	P 14,380,012

The table below presents the expenses related to the Company's lease arrangements as reported in the statement of comprehensive income:

	2024	2023	2022
Rent expense on short term leases	P 3,609,782	P 3,614,823	P 4,480,254
Depreciation of right-of-use asset	4,496,143	1,498,714	-
Interest expense on lease liability	24,003	8,431	-
	P 8,129,928	P 5,121,968	P 4,480,254

Company as a Lessor

(c) 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 P2,155,286 in 2024, P441,375 in 2023, and P2,113,500 in 2022. (See Note 13)

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 contract 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 2025. 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:

	2024	2023	2022
Revenues	P 32,472,630	P 34,267,742	P 37,275,778
Cost and expenses	10,803,651	13,954,425	11,502,959
Non-cash expenses	20,769,530	17,652,711	15,589,693
Net Income	899,449	2,660,606	10,183,126
Reportable segment asset	97,574,814	117,381,146	137,689,172
Reportable segment liabilities	19,937,947	24,269,812	6,759,498

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:

	2024	2023	2022
Total revenue in the statement of comprehensive income	P 35,404,063	P 34,354,935	P 40,737,381
Less: revenues other than broadband and internet services	2,931,433	87,193	3,461,603
Total segment revenues	P 32,472,630	P 34,267,742	P 37,275,778

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

	2024	2023	2022
Investment in associate	P407,609,566	P407,793,975	P407,998,864
Investment properties	61,568,800	61,568,800	61,568,800
Other assets	75,569,678	72,713,696	33,296,160
Deposits	1,185,156	1,185,156	1,185,156
Deferred tax liabilities	745,281	689,512	716,337
Advances from related parties	25,667,194	41,768,590	42,356,098

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, 2024 and 2023 are as follows:

2024	January 1	Net cash flows	Others	December 31
Advances from related parties	P 41,768,590	P (17,421,988)	P 1,320,592	P 25,667,194
Short term loan	3,745,125	-	-	3,745,125
Lease liability	18,988,942	(4,608,630)	-	14,380,312
Interest payable	-	(308,109)	308,109	-
	P 64,502,657	P (22,338,727)	P 1,628,701	P 43,792,631

2023	January 1	Net cash flows	Others	December 31
Advances from related parties	P 42,356,098	P (587,508)	P -	P 41,768,590
Short term loan	5,450,000	(1,704,875)	-	3,745,125
Lease liability	-	(1,618,678)	20,607,620	18,988,942
Interest payable	-	(334,243)	334,243	-
	P 47,806,098	P (4,245,304)	P 20,941,863	P 64,502,657

Others pertaining to advances from related parties in 2024 are excess collections of advances from an affiliate.

Others pertaining to lease liability in 2023 are non-cash transactions representing recognition of right-of-use asset in accordance with PFRS 16.

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

31. Supplementary Information Required Under Revenue Regulations 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, 2024 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 P41,770.
- As of December 31, 2024, 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	2,602,797
Real property tax		151,697
		2,754,494
Administrative expenses		
Real property tax		151,697
Business permits and licenses		9,907
BIR annual registration fee		500
		162,104
Total	P	2,916,598

PRC-BOA Reg. No. 0132, valid until August 13, 2027
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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, included in this Form 17-A, and have issued our report thereon dated April 4, 2025. 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



By: DOMINGO A. DAZA, JR.
Partner
CPA Certificate No. 109993
Tax Identification No. 203-917-449
PTR No. 3040539, January 07, 2025, Pasig City
PRC-BOA Accreditation No. 0132/P-001, valid until August 13, 2027
BIR Accreditation No. 07-100512-002-2022, valid until September 14, 2025

April 4, 2025
Pasig City

Transpacific Broadband Group International, Inc.
Index to the Financial Statements and Supplementary Schedules
Under Revised Securities Regulation Code Rule 68
December 31, 2024

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

Key Performance Indicators	Formula	For the Year Ended December 31	
		2024	2023
A. Current/Liquidity Ratio			
Current Ratio	Current Assets	2.72:1	2.55:1
	Current Liabilities		
Quick Ratio	Current Assets - Other Current Assets	2.17:1	2.54:1
	Current Liabilities		
B. Solvency Ratio/Debt-to-Equity Ratio			
Solvency Ratio	Net Income Before Depreciation and Amortization	0.50:1	0.29:1
	Total Liabilities		
Debt-to-Equity Ratio	Total Liabilities	0.08:1	0.11:1
	Total Equity		
C. Asset to Equity Ratio			
Asset-to-Equity Ratio	Total Assets	1.08:1	1.11:1
	Total Equity		
D. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	Profit Before Tax Add: Depreciation and Amortization Interest Expense Less: Interest Income Foreign Exchange Gain	P23.6 Million	P20.4 Million
E. Profitability Ratios			
Profit Before Tax Margin Ratio	Profit Before Tax	9.87%	6.96%
	Total Revenue		
Return on Assets	Net Income	0.49%	0.33%
	Average Total Assets		
Return on Equity	Net Income	0.53%	0.36%
	Average Total Equity		

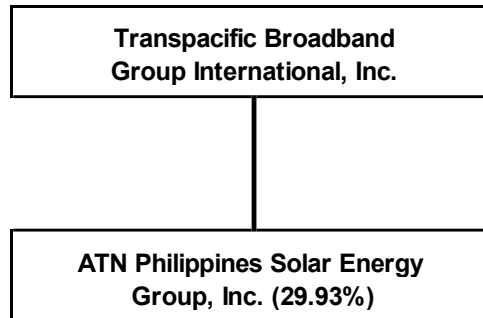
Reconciliation of Retained Earnings Available for Dividend Declaration

DECEMBER 31, 2024

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
9th Floor of Summit One Tower, 530 Shaw Boulevard, Mandaluyong City

Unappropriated Retained Earnings, beginning of reporting period	P 99,033,529
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others	-
	<hr/>
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	-
Retained Earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others	-
	<hr/>
Unappropriated Retained Earnings, as adjusted	99,033,529
Add/Less: Net Income (loss) for the current year	3,164,761
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(371,021)
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of Investment Property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	
Subtotal	<hr/> (371,021)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of Investment Property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	
Subtotal	<hr/> -
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	101,710
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
Subtotal	<hr/> 101,710
Adjusted Net Income/Loss	101,928,979
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Equity in net loss of associate/joint venture	184,409
Unrealized foreign exchange loss during the year	-
Subtotal	<hr/> 184,409
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Subtotal	<hr/> -
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	10,570
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	6,835
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Subtotal	<hr/> 17,405
Total Retained Earnings, end of the reporting period available for dividend	P 102,130,793

Transpacific Broadband Group International, Inc.
Schedule III - A Map Showing the Relationship Between and Among the Parent Company
and its Subsidiaries
December 31, 2024



Transpacific Broadband Group International, Inc.
Schedule B - Amount Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2024

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	P67,224,393	P 3,310,100	P -	P -	P -	P70,534,493	P 70,534,493
Palladian Land Development, Inc. - Related Party	5,437,885	-	5,437,885	-	-	-	-

Transpacific Broadband Group International, Inc.
Schedule E - Indebtedness to Related Parties
December 31, 2024

Related Party		Balance at Beginning of Period		Balance at End of Period
Unipage Management, Inc.	P	19,267,378	P	19,267,378
ATN Holdings, Inc.		18,387,829		3,387,829
Palladian Land Development, Inc.		-		1,320,592
Arsenio T. Ng		4,113,383		1,691,395
	P	41,768,590	P	25,667,194

Transpacific Broadband Group International, Inc.
Schedule G - Capital Stock
December 31, 2024

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, Conversion and other Rights	Number of Shares Held by Related Parties	Number of Shares Directors, Officers and Employees	Others
----------------	-----------------------------	--	--	--	--	--------

Common shares - P0.10 par value	3,800,000,000	3,800,000,000	400,000,000	542,450,000	1,731,379,030	1,526,170,970
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Transpacific Broadband Group International, Inc.
Schedule H - Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Total Audit Fees	P 357,000	<u>350,000</u>
Non-audit services fee		
Other assurance service	-	-
Tax service	-	-
All other service	-	-
Total Non-Audit Fee	<u>-</u>	<u>-</u>
 Total Audit and Non-audit Fees	 <u>P 357,000</u>	 <u>P 350,000</u>
 Audit and Non-audit fees of other related entities	 <u>2024</u>	 <u>2023</u>
Audit fees		
Non-audit services fees	P -	P -
Other assurance services	-	-
Tax services	-	-
All other services	<u>-</u>	<u>-</u>
 Total Audit and Non-audit Fees of other related entities	 <u>P -</u>	 <u>P -</u>

SEC Number AS095-006755
File Number _____

**TRANSPACIFIC BROADBAND GROUP
INTERNATIONAL, INC.**

(Company)

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

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

SEC Form 17Q

(Form Type)

Amendment Designation (if applicable)

June 30, 2025

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2025
2. Commission identification no. AS095-006755
3. BIR Tax Identification No. 004-513-153
4. **TRANSPACIFIC BROADBAND GROUP INT'L., INC.**
5. Philippines
6. Industry Classification Code:
7. Bldg. 1751 Chico St. Clark Special Economic Zone, Angeles, Pampanga
(Satellite Center)
8. Telephone No. (0632) 7 717-0523
9. The Company did not change its name, address or fiscal year during the period covered by this report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

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

11. These securities are listed on the Philippine Stock Exchange.
 - (a) The company has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
 - (b) The company has been subject to such filing requirements for the past ninety (90) days.

I. Financial Statements.

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

		(Unaudited) June 30	(Audited) Dec. 31
	Notes	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	5	₱ 2,219,836	₱ 17,357,787
Receivables - net	6	4,260,094	2,545,584
Other current assets	7	3,370,232	5,035,185
Total Current Assets		9,850,162	24,938,556
Noncurrent Assets			
Investment in an associate	8	407,609,566	407,609,566
Franchise - net	9	1,346,625	1,377,945
Property and equipment - net	11	63,403,308	73,647,081
Investment properties	12	61,568,800	61,568,800
Other non-current assets	10, 21	75,719,300	73,180,909
		609,647,599	617,384,301
		₱ 619,497,761	₱ 642,322,857
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	13	₱ 1,406	₱ 593,507
Short-term loans	14	3,745,125	3,745,125
Lease liability	24	2,344,448	4,689,065
Income tax payable		36,723	157,623
Total Current Liabilities		6,127,703	9,185,320
Noncurrent Liabilities			
Deposits	15	1,185,156	1,185,156
Pension liability		1,219,303	1,219,303
Lease liability - net of current portion	24	9,690,947	9,690,947
Advances from related parties	21	5,479,224	25,667,194
Deferred tax liabilities-net		745,281	745,281
		18,319,911	38,507,881
Total Liabilities		24,447,613	47,693,201
Equity			
Share capital	16	380,000,000	380,000,000
Share premium		103,947,352	103,947,352
Share option outstanding	16	8,921,814	8,921,814
Retained earnings		102,618,782	102,198,290
Treasury shares	16	(437,800)	(437,800)
Total Stockholders' Equity		595,050,148	594,629,656
		₱ 619,497,761	₱ 642,322,857

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.

STATEMENTS OF COMPREHENSIVE INCOME

		Quarter ending		Six (6) month ending	
	Notes	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
REVENUES					
Service income	17	₱ 7,391,252	₱ 8,129,744	₱ 15,611,476	₱ 16,197,378
Other Income	19	433,058	540,058	972,265	1,079,265
		7,824,310	8,669,802	16,583,741	17,276,643
COST AND EXPENSES					
Direct cost	18	7,672,481	8,294,854	15,324,318	16,324,591
Administrative expenses	20	204,343	350,862	626,248	807,213
Finance costs - net		88,459	68,461	149,317	116,024
		7,965,282	8,714,177	16,099,882	17,247,828
INCOME (LOSS) FROM OPERATION		(140,973)	(44,375)	483,858	28,815
EQUITY IN NET LOSS OF AN ASSOCIATE		-	-	-	-
PROFIT (LOSS) BEFORE INCOME TAX		(140,973)	(44,375)	483,858	28,815
INCOME TAX EXPENSE		36,724	55,391	63,366	86,123
PROFIT (LOSS) FOR THE PERIOD		(177,697)	(99,766)	420,492	(57,308)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME(LOSS)	-P	177,697	-P 99,766	P 420,492	-P 57,308
EARNINGS PER SHARE				P 0.0001	-P 0.0000

See Notes to Financial Statements

-4-

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CHANGES IN EQUITY

	Six (6) month ending	
	30-Jun-25	30-Jun-24
SHARE CAPITAL	₱ 380,000,000	₱ 380,000,000
SHARE PREMIUMS	103,947,352	103,947,352
SHARE OPTIONS OUTSTANDING	8,921,814	8,921,814
RETAINED EARNINGS (DEFICIT)		
Balance, January 1	102,198,290	99,033,529
Profit (loss)	420,492	(57,308)
	102,618,782	98,976,221
TREASURY SHARES	(437,800)	(437,800)
	₱ 595,050,148	₱ 591,407,587
See Notes to Financial Statements	-5-	

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CASH FLOWS

	Quarter ending		Six (6) month ending	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax expense	-P 141,126	-P 44,375	P 483,858	P 28,815
Adjustments for:				
Depreciation and amortization	5,121,886	5,143,088	10,243,773	10,264,974
Amortization of franchise	15,660	15,660	31,320	31,320
Interest expense	94,708	68,460	161,528	116,024
Interest income	(128)	(236)	(667)	(1,622)
Operating income before working capital changes	5,091,001	5,182,597	10,919,813	10,439,511
Decrease (increase) in Operating Assets:				
Receivables	(2,243,480)	(5,781,105)	(1,714,510)	2,723,425
Other current assets	826,579	1,314,550	1,664,953	(5,278,058)
Increase/(decrease) in Operating liabilities				
Accounts payable and accrued expenses	(419,784)	208,430	(592,101)	140,692
Cash generated from operation	3,254,316	924,472	# 10,278,155	8,025,570
Income taxes paid	(184,266)	(30,732)	(184,266)	(110,384)
Interest received	128	236	667	1,622
Net Cash Provided by Operation	3,070,177	893,976	10,094,555	7,916,808
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	-	(931,631)	-	(3,515,560)
Advances made to related parties	(1,151,548)	5,410,239	(2,538,391)	6,241,994
Net Cash Used in Investing Activities	(1,151,548)	4,478,608	(2,538,391)	2,726,434
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loan:				
Interest	(88,459)	(68,460)	(149,317)	(103,812)
Amortization of lease liability				
Principal	(1,199,913)	(1,199,913)	(2,344,617)	(2,344,617)
Interest	(6,250)	(6,250)	(12,212)	(12,211)
Availment of advances from related parties	(5,517,377)	13,783	(20,187,970)	(55,303)
Net Cash Provided by(used in) Financing Activities	(6,811,998)	(1,260,840)	(22,694,115)	(2,515,943)
NET INCREASE (DECREASE) IN CASH EQUIVALE	-P 4,893,369	P 4,111,744	(15,137,951)	8,127,299
CASH AT THE BEGINNING OF THE YEAR			17,357,787	12,063,296
CASH AT END OF YEAR			P 2,219,836	P 20,190,595

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and December 31, 2024

1. Corporate Information

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

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

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Preparation

The interim financial statements as at June 30, 2025 and for the six-month period ended June 30, 2025 have been prepared on a historical cost basis, except for building and improvements, uplink equipment, leasehold improvements and data equipment, and investment properties that are carried at fair value.

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

Statement of Compliance

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

New Standards. Interpretations and Amendments adopted by the Company

The accounting policies adopted in the preparation of the interim financial statements are **consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2024** except for the adoption of new standards effective as at January 1, 2025.

3. Significant Judgements Estimates and Assumptions

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

There were no significant changes in the significant accounting judgments, estimates, and assumptions used by the Company for the period ended June 30, 2025.

4. Financial Risk Management Objectives and Policies

Financial Risk

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

- Credit Risk*

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

The table below shows the gross maximum exposure to credit risk of the Company as at June 30, 2025 and December 31, 2024.

	Gross Maximum Exposure			
	June 30, 2025		2024	
Cash and cash equivalents *	P	2,219,836	P	17,357,787
Receivables		4,260,094		2,545,584
Other non current assets		3,370,232		5,035,185
	P	9,850,162	P	24,938,556

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

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

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

The **credit quality of the Company's** assets as at June 30, 2025 and December 31, 2024 is as follows:

		June 30, 2025					
		Neither past due nor impaired		Past due but not impaired	Past due and impaired		Total
		High grade	Standard grade				
Cash and cash equivalents	P	2,219,836	P -	P -	P -	P -	2,219,836
Receivables		-	4,260,094	-		4,436,227	8,696,321
Other non-current assets		-	3,370,232	-		-	3,370,232
	P	2,219,836	P 7,630,325	P -	P 4,436,227	P -	14,286,388

December 31, 2024									
		Neither past due nor impaired		Past due but not impaired		Past due and impaired		Total	
		High grade	Standard grade						
Cash and cash equivalents	P	17,357,787	P -	P -	P -	P -	P -	P	17,357,787
Trade receivables		-	2,545,584	-	-	4,436,227			6,981,811
Other non-current assets		-	5,035,185	-	-	-			5,035,185
	P	17,357,787	P 7,580,769	P -	P -	4,436,227	P -		29,374,783

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 June 30, 2025 and December 31, 2024.

June 30, 2025								
		< 1 month	> 1 month & < 3 months	> 3 months & < 1 year	> 1 year & < 3 years			Total
Accounts payable and accrued expenses	P	1,406	P -	P -	P -	P -	P -	1,406
Short-term loan		-		3,745,125	-			3,745,125
	P	1,406	P -	P 3,745,125	P -	P -	P -	3,746,531

December 31, 2024								
		< 1 month	> 1 month & < 3 months	> 3 months & < 1 year	> 1 year & < 3 years			Total
Accounts payable and accrued expenses	P	593,507	P -	P -	P -	P -	P -	593,507
Short-term loans				3,745,125				3,745,125
	P	593,507	P -	P 3,745,125	P -	P -	P -	4,338,632

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:

	June 30, 2025		2024	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Cash and cash equivalents	\$ 22,828	P 1,291,612	\$ 48,069	P 2,788,695
Trade receivables	75,293	4,260,094	43,879	2,545,584

The following table demonstrates the sensitivity to a reasonable change in the US\$ exchange rate, with all other variables held constant, the Company's income before tax as at June 30, 2025 for the years ended December 31, 2024:

Increase/decrease in Peso to US Dollar Rate	Effect on Income Before Taxes			
	June 30, 2025		2024	
+P5.00	P 114,140	P	240,345	
-P5.00	(114,140)	P	(240,345)	

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

ii. Interest rate risk

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

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

Exposure to interest rate risk arises from bank loans with interest dependent on the prevailing market rate. As of March 31, 2025 and December 31, 2024, the Company is not exposed to any interest rate risk from fluctuation of market interest.

Operational risk

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

Capital management

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

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

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

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

	June 30, 2025	2024
Equity	P595,050,148	P594,629,656
Total Assets	619,497,761	642,322,857
Ratio	0.961	0.926

5. Cash and Cash Equivalents

As of June 30, 2025 and December 31, 2024, cash and cash equivalents consist of:

	30-Jun-25	2024
Cash in banks	P 2,206,836	P 17,344,787
Cash on hand	13,000	13,000
	P 2,219,836	P 17,357,787

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

6. Receivables - net

The composition of this account is as follows:

	30-Jun-24	2023
Trade		
In local currency	P 4,436,227	P 4,436,227
In foreign currency	4,260,094	2,545,584
	8,696,321	6,981,811
Less: Allowance for probable losses	4,436,227	4,436,227
	P 4,260,094	P 2,545,584

The aging of receivables as of June 30, 2025 is as follows:

	Current	Over 31-60 days	More than One Year	Total
Trade				
In local currency	-		P 4,436,227	P 4,436,227
In foreign currency	1,831,840	2,428,254	-	4,260,094
	P 1,831,840	P 2,428,254	P 4,436,227	P 8,696,321

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

There were no changes affecting allowance for probable losses in 2024 and 2023.

7. Other current assets

	30-Jun-25	2024
Prepaid expenses	P 3,362,190	P 4,913,970
Vat Input	8,042	121,215
	P 3,370,232	P 5,035,185

Prepaid expenses represents advance payment of expenses.

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

8. Investment in an Associate

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

The composition of this account is as follows:

	30-Jun-25	2024
Cost	P 209,500,000	P 209,500,000
Equity in net loss		
Beginning	(8,690,434)	(8,506,025)
Share in net loss for the year	-	(184,409)
	(8,690,434)	(8,690,434)
Deposit for stock subscription	206,800,000	206,800,000
	P 407,609,566	P 407,609,566

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.

The project is designed to have a gross generation capacity of 33MW peak of direct current (DC) at the inception. The alternating current (AC) output will be around 30MW, which will be distributed through the Manila Electric Company (Meralco) via a 34.5 kilovolt (KV) transmission system, which Meralco will construct and connect to three feeder lines of the Meralco Distribution network in Diliman and Novaliches, Quezon City, and Marikina City. The project site falls under the franchise area of Meralco; hence, the solar project, as an embedded generator, is allowed to cut into the nearest Meralco connection points.

9. Franchise - net

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

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

The movement in this account is as follows:

		30-Jun-25		2024
Balance, January 1	P	1,377,945	P	1,440,585
Amortization		31,320		62,640
Balance, December 31	P	1,346,625	P	1,377,945

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

10. Other Non-current Assets

This account consists of:

		30-Jun-25		2024
Advances to:				
ATN Phils. Solar Energy Group Inc.	P	73,019,908	P	70,534,493
Security deposits		2,699,395		2,646,416
	P	75,719,303	P	73,180,909

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

11. Property and Equipment – net

The movement in this account is as follows:

June 30, 2025	Building & improvements	Uplink/data Equipment	Furniture & Fixtures	Leasehold improvements	Transportation equipment	Right-of-Use Asset	Total
Carrying Amount							
At January 1, 2025	P 23,893,402	P 331,903,017	P 5,228,426	P 19,145,709	P 16,287,784	P 20,607,320	P 417,065,658
Addition	-	-	-	-	-	-	-
	23,893,402	331,903,017	5,228,426	19,145,709	16,287,784	20,607,320	417,065,658
Accumulated depreciation							
At January 1, 2025	23,893,402	274,634,649	5,228,426	19,145,709	14,521,533	5,994,857	343,418,576
Provisions	-	7,895,702	-	-	100,000	2,248,072	10,243,774
	23,893,402	282,530,351	5,228,426	19,145,709	14,621,533	8,242,929	353,662,350
Net Carrying Value							
At June 30, 2025	P -	P 49,372,666	P -	P -	P 1,666,251	P 12,364,391	P 63,403,308

Dec. 31, 2024	Building & improvements	Uplink/data Equipment	Furniture & Fixtures	Leasehold improvements	Transportation equipment	Right-of-Use Asset	Total
Carrying Amount							
At January 1, 2024	P 23,893,402	P 329,999,957	P 5,228,426	P 19,145,709	P 14,675,284	P 20,607,320	P 413,550,098
Addition	-	1,903,060	-	-	1,612,500	-	3,515,560
	23,893,402	331,903,017	5,228,426	19,145,709	16,287,784	20,607,320	417,065,658
Accumulated depreciation							
At January 1, 2024	23,893,402	258,924,015	5,127,377	19,145,709	14,275,284	1,498,714	322,864,501
Provisions	-	15,710,634	101,049	-	246,249	4,496,143	20,554,075
	23,893,402	274,634,649	5,228,426	19,145,709	14,521,533	5,994,857	343,418,576
Net Carrying Value							
At Dec. 31, 2024	P -	P 57,268,368	P -	P -	P 1,766,251	P 14,612,463	P 73,647,082

12. Investment Properties

As of June 30, 2025 and December 31, 2024, investment property consists of the following:

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

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

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

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

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

As of June 30, 2025, the lot remains idle and no immediate plan to develop or sell the property. There is no contractual obligation to develop the property or for repairs, maintenance and enhancements. Management believes that there are no significant events that increase or decrease the carrying value of investment property as at June 30, 2025.

As at June 30, 2025 and December 31, 2024, there were no transfers between levels of fair value hierarchy.

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

	30-Jun-25	30-Jun-24
Rental income	P 971,598	P 1,077,662
Direct operating expenses that:		
Generated rental income	151,697	151,697

13. Accounts Payable and Accrued Expenses

This account represents liabilities to supplier of goods and services and accruals for various expenses which are usually settled for a maximum period of 3 months. It also includes monthly government payables.

Accounts payable and accrued expenses amounted to P1,406 and P593,507 as of June 30, 2025 and December 31, 2024 respectively.

The aging of this account as follows:

		Current	Over 31-60 days	More than One Year		Total
Trade	P	-	-	-	P	-
Accrued expenses		1,406		-		1,406
	P	1,406	P	-	P	1,406

14. Short-term loans

Short-term loan is availed for working capital requirements. The loan carries a floating interest rate initially at 6.25% 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 June 30, 2025 and December 31, 2024, the balance of the loan amounted to P3.745 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 P60,858 in June 30, 2025 and P47,563 in March 31, 2024.

Management believes that the carrying value of the loan at year end is a reasonable approximation of its fair value as of June 30, 2025 and December 31, 2024.

15. Deposits

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

16. Equity

Share capital

The Company's capital movements is as follows:

	March 31, 2025		2024	
	Shares	Amount	Shares	Amount
Authorized - P0.10 par value per share	3,800,000,000	P 380,000,000	3,800,000,000	P 380,000,000
Issued and outstanding, January 1	3,800,000,000	P 380,000,000	3,800,000,000	P 380,000,000
Shares held in treasury	4,378,000	P 437,800	4,378,000	P 437,800

All of the Company's issued shares of 3,800,000,000 are listed in the Philippine Stock Exchange (PSE). As of June 30, 2025 and December 31, 2024, 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 June 30, 2025 and December 31, 2024, the stock options has a carrying value of P8,921,814.

17. Service Income

This account is broken down as follows:

	30-Jun-25	30-Jun-24
In local currency	P 751,370	P 551,301
In foreign currency	14,860,106	15,646,077
	P 15,611,476	P 16,197,378

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.

18. Direct Costs

This account consists of:

	30-Jun-25	30-Jun-24
Depreciation	P 10,243,773	P 10,264,975
Rental	1,907,677	2,576,682
Taxes and licenses	1,551,780	1,536,080
Salaries, wages & other benefits	689,338	678,983
Transportation and travel	356,403	462,741
Security services	274,835	290,235
Utilities and communication	227,089	319,228
Amortization of franchise	31,320	31,320
Insurance	29,892	164,348
Interest expense	12,211	-
	P 15,324,318	P 16,324,592

19. Other Income

The composition of this account is as follows:

	30-Jun-25	30-Jun-24
Rent income (see Note 16)	P 971,598	P 1,077,643
Interest income	667	1,622
	P 972,265	P 1,079,265

20. Administrative expenses

This account consists of:

	30-Jun-25	30-Jun-24
Legal and professional fees	P 374,500	P 578,000
Office supplies	107,813	40,833
Transportation and travel	106,075	39,862
Repairs and maintenance	27,630	62,762
Permits, taxes and licenses	10,230	85,755
	P 626,248	P 807,212

21. Related party transactions

The following related party transactions occurred as of June 30, 2025 and December 31, 2024:

Related party	Nature of transaction	Amount of Transaction			Year-end balances		Terms and condition
		30-Jun-25	2024		30-Jun-25	2024	
Associate							
ATN Solar	Advances	2,717,817	38,913,778	P	73,252,310	P70,534,493	Unsecured, unimpaired and no payment terms
Affiliated companies							
Palladian Land Devt. Inc (PLDI)	(i) Rent income	1,088,190	956,580		(232,402)	(1,320,592)	Unsecured, unimpaired and no payment terms
ATN Holdings (ATN)	Availment of intercompany advances	(1,250,000)	15,000,000		(2,137,829)	(3,387,829)	Unsecured, unimpaired and no payment terms
Unipage Mgt. Inc. (UMI)	Availment of advances	19,073,500	2,421,988		(193,878)	(19,267,378)	Unsecured, unimpaired and no payment terms
Stockholder	(ii) Advances	(1,456,122)	2,421,988		(3,147,516)	(1,691,394)	Unsecured, unimpaired and no payment terms
Total advances to repated parties					73,019,908	70,534,493	
Total advances from reated paries					(5,479,223)	(25,667,193)	
Total					67,540,685	44,867,300	

For the period June 30, 2025 year ended December 31, 2024, the Company did not provide compensation to its key management personnel.

22. Registration with Clark Special Economic Zone

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

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

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

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

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

23. Earnings (loss) per share

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

	30-Jun-25	30-Jun-24
Profit (loss) for the year (a)	P 420,492	P (57,308)
Weighted average number of shares outstanding during the year (b)	3,795,622,000	3,795,622,000
Earnings (loss) per share (a/b)	0.0001	(0.0000)

24. Lease commitments

Company as a Lessee

- (a) Lease Agreement with Clark Development Corporation

The Company leases a land it presently occupies in Clarkfield, Pampanga with Clark Development Corporation for a period of twenty-five years up to July 10, 2020. Pending resolution of certain terms in the contract the Company recognizes rent expense on a year to year basis up to August 2023.

On August 31, 2023, the final terms on the renewal of the lease agreement was mutually agreed by both parties for a period of four years and seven months up to March 31, 2028.

- (b) Staff Housing and Guest House

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

Upon adoption of PFRS 16, the Company recognized right-of-use asset amounting to P20,607,320. As of June 30, 2025, the carrying value of right-of-use asset amounted to P12,364,391. (see Note 11)

The carrying amount of lease liabilities and the movement during the period is as follows:

	30-Jun-25	2024
Beginning balance	P 14,380,012	P 18,988,642
Interest charge for the year	12,212	24,003
Payment made	(2,356,829)	(4,632,633)
Ending balance	P 12,035,395	P 14,380,012
Less: current portion	2,344,448	4,689,065
Non-current Portion	P 9,690,947	P 9,690,947

Company as a Lessor

Lease Agreement with Various Lessees

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

Rent income recognized in the Statements of Income amounted to P1,616,464 in June 30, 2025 and P662,063 in June 30, 2024.

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 contract 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 2024. 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.

25. Segment Reporting

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

Management Discussion and Analysis of Operation

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

	June 30, 2025	March 31, 2024
Profit for the period	P420,492	(P57,308)
Number of Outstanding Shares	3,795,622,000	3,795,622,000
Earnings per Share	P0.00	P0.00

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

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

Disclosure on material events and uncertainties

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

Vertical and Horizontal Analysis

Total corporate assets almost the same from Php642 million in December 31, 2024 compared to Php619 million in June 30, 2025. The net decrease of Php22 million (-4%) in total assets arose from the following items:

1. Decrease in cash in bank by Php15 million (-87%).
2. Increase in receivables by Php1.714 million (67%).
3. Decrease in other current assets by P0.8 million (-17%)
4. Decrease in other current assets by Php1.664 million (-33%)
5. Decrease in property and equipment by Php10.2 million (-14%) due to depreciation.

Total liabilities decreased by Php23 million (-49%) from Php47.69 million in December 2024 to Php24.447 million in June 30, 2025. The net decrease in liabilities resulted from the following significant items:

1. Decrease in accounts payable and accrued expenses by Php593 thousand (-100%).
2. Decrease in lease liability by Php2.344 million (-50%) due to payment.
3. Increase in income payable by Php26 thousand (-17%).
4. Decrease in advances from related parties by Php20 million (-79%)

Stockholders' equity almost the same from Php594.629 million as of December 31, 2024 to Php595.050 million in June 30, 2025. The net increase of Php420 thousand resulted from the net income during the quarter ending June 30, 2025.

Total revenue almost the same from Php17.276 million as of June 30, 2024 to Php16.583 million as of June 30, 2025.

Direct costs decreased from Php16.324 million in the 2nd quarter ending June 30, 2024 to Php15.324 million (-6%) in the 2nd quarter ending June 30, 2025. The net decrease arose from the following accounts:

1. Rentals decreased by Php669 thousand (-26%) from Php2.576 million to Php1.907 million due to adjustments.
2. Transportation and travel decreased by Php106 thousand (-23%) from Php462 thousand to Php356 thousand due to more errands.
3. Security services decreased by Php15 thousand (-5.31%)
4. Insurance decreased by Php134 thousand (-81%) from Php164 thousand to Php29 thousand.
5. Utilities and communication decreased by P92 thousand (-28%) from P319 thousand to P227 thousand.

Administrative expenses decreased from P807 thousand to P626 thousand. The net decrease arose from the following account:

1. Legal and professional fees decreases by Php203 thousand (-35%) due to lesser consultations.
2. Transportation and travel increased by Php66 thousand (166%)
3. Office supplies increased by Php67 thousand (164%).
4. Repairs and maintenance decreased by Php35 thousand (-56%)

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

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

Computed performance indicators are as follows:


	June 30, 2025	June 30, 2024
Current Ratio	1.61	4.23
Debt-to-Equity Ratio	0.04	0.11
Asset-to-Equity Ratio	1.11	1.11
Interest Rate Coverage Ratio	1.25	1.25
Gross Profit Margin	6%	6%
EBITDA	P 10,758,951	P 10,207,667
Net Income to Sales Ratio	2.54%	-33.17%
Earning per share	P 0.0000	P 0.0000


SIGNATURES

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

COMPANY : TRANSPACIFIC BROADBAND GROUP INTERNATIONAL INC.

Signature and Title:


PAUL B. SARIA
Principal Operating Officer
August 18, 2025


CELINIA FAELMOCA
Principal Accounting Officer
August 18, 2025