SEC Number AS095-006755
File Number

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A

(Form Type)

Amendment Designation (if applicable)

December 31, 2014

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the year ended **December 31, 2014**
2. SEC Identification Number: **AS095-006755**
3. BIR Tax Identification No. **004-513-153**
4. Exact name of registrant as specified in its charter:
   TRANSPACIFIC BROADBAND GROUP INT'L. INC.
5. **Pampanga, Philippines**
   Province, Country or other jurisdiction of incorporation or organization
6. [ ] (SEC Use Only)
   Industry Classification Code:
7. **9/F Summit One Tower, 530 Shaw Blvd., Mandaluyong City** **1550**
   Address of corporate office Postal Code

   Bldg. 1751 Chico St. Clark Special Economic Zone, Angeles City, Pampanga
   Satellite Center
8. **(632) 717-0523**
   Registrant's telephone number, including area code
9. **n/a**
   Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common A	**222,019,330**

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

    Yes [ ] **No [x]**
12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [X] **No [ ]**

(b) has been subject to such filing requirements for the past 90 days.

Yes [X] **No [ ]**

13. Aggregate market value of the voting stock held by non-affiliate of the registrant.
    P401,479,516

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

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

TBGI holds a 25-year Congressional Telecom Franchise for commercial telecommunications operations under RA 8657, which the legislative body passed into law on 22 June 1998. It also has an approved Provisional Authority to transmit radio signals to satellites granted by National Telecommunication Commission (NTC) on 07 April 1999.

The Company is a PEZA-registered enterprise at Clark Special Economic Zone (CSEZ) under Registration Certificate No. 95-53 dated 29 November 1995. The Company has a 25-year Lease Agreement to build, maintain, and manage a satellite earth station within the CSEZ.

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

TBGI generates revenues from Internet, Intranet, and local loop services subscriptions of schools, corporate private sector and government agencies. The Company sells (1) data services to subscriber schools for Internet connectivity and virtual private network connectivity, and (2) video uplink services to local and foreign TV channels. Data and video services are delivered from TBGI earth station in Clark, Pampanga transmitted via Apstar-6 satellite to receiving customer premises equipment units (CPE) of clients. The Company has service experience with local Channels 4, 9, and 13, and international cable television program providers including an Egyptian channel and a Korea-based TV shopping network.

For the delivery of its services, TBGI owns and operates satellite facilities having separate buildings for transmitter and power generators at the 1.1-hectare 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 broadcast studio.

TBGI connection to the Internet features the Apstar-6 Satellite which covers the continent of Asia and Australia. As back-up connectivity, a fiber optic line is terminated at TBGI data hub in Clark, Pampanga.

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

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

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

The conversion of additional paid-in capital amounting to Php 58,341,330.00 into 58,341,330 shares of stock to be paid, as and by way of stock dividends, to all stockholders of the Company as of 31 December 2002 in proportion to the number of shares held by each stockholder and which will be issued out of the proposed increase in the authorized capital stock from One Hundred Fifty Million Pesos (Php 150,000,000.00) to Three Hundred Eighty Million Pesos (Php 380,000,000.00);

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

Three Hundred Eighty Million Pesos (Php 380,000,000.00) divided into Three Hundred Eighty Million (380,000,000) shares with par value of One Peso (Php 1.00) per share; and

The amendment of Article Seventh of the Amended Articles of Incorporation in relation to the proposed increase in authorized capital stock.

The Company's subscribed and paid-up capital as of 31 December 2002, after incorporating the effect of stock dividends in 2002, amounts to Php 139,341,330.00.

On April 15, 2003, the SEC approved the aforesaid increase and amendments.

(2) Business of Company

(a) Description of Company

(i) TBGI generates revenues from Internet, Intranet, and local loop services subscriptions of schools, corporate private sector and government agencies. The Company sells (1) data services to subscriber schools for Internet connectivity and virtual private network connectivity, and (2) video uplink services to local and foreign TV channels. At present the Company only provides services to schools. Data and video services are delivered from TBGI earth station in Clark, Pampanga transmitted via Apstar-6 satellite to receiving equipment units of clients. The Company has service experience with local Channels 4, 9, and 13, and international cable television program providers including an Egyptian channel and a Korea-based TV shopping network.

(ii) The company business activities serve customers in Asian countries covered by Apstar 6 satellite footprint.

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

(iv) TBGI is a participant of the information and communications industry. New entrants to this industry are benefiting from declining prices of equipment and declining prices of bandwidth, which result from development of new wireless technologies. TBGI, Domsat, and Philcomsat are the only existing commercial operators of satellite earth stations with broadcasting franchise granted by the government.

On data transmission services, Transpacific is in a niche of its own providing high capacity C-band satellite ICT services to the educational institutions market. As of December 2011, TBGI was servicing 185 institutions. TBGI has the competitive edge from its use of the C-band of satellite signal that is not affected by weather conditions compared to the cheaper but less reliable Ku-band used by the competitors. While competitors are able to connect less than 10 computers in one CPE powered by Ku-band in a computer laboratory, the superior CPE unit of TBGI powered by the more reliable C-band can connect up to 200 computers, depending on the supply of bandwidth subscribed to by clients. The Company is particularly competitive in islands and remote areas where landlines are not available or are too costly to serve an uneconomic number of customers.

On video uplink services, TBGI is one of very few active industry participants of the video broadcasting market, each serving one or two clients at a time. The clients move around the same industry participants—TBGI has served eight video clients during a span of five years before its major shift to data services in 2001. Television channel operators are potential competitors but their respective broadcast franchise frequencies are limited to "own-use" video broadcasting. Cable TV operators currently bundle Internet and cable TV services but their areas of coverage and broadband capabilities are geographically limited.

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

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

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

I. Congressional Franchise RA 8657

RA 8657 enacted by Congress on June 22, 1998 grants for a term of 25 years (22 June 1998 to 2023) for TBGI to construct, establish, install, maintain and operate communications systems for the reception and transmission of messages within the Philippines, to include but not limited to voice, audio, data, facsimile, video, and such other intelligence by radio, wire, satellite and other means now known to sciences or which may be developed in the future.

Transpacific commercial operations depend on this franchise. The law allows TBGI to render communications uplink and downlink services between any points within the Philippines through (up to) 12 satellites in orbit. It allows TBGI to provide basic or enhanced telephone service in any municipality where it has approved certificate of public convenience and necessity. It authorizes TBGI to connect or demand connections of its telecommunications systems to any other existing telecommunications system. It mandates Transpacific to undertake an IPO by offering at least thirty percent (30%) of its outstanding capital stock within five (5) years from the commencement of the Company's operations.

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

Provisional Authority issued by NTC for an 18-month period from October 2002 to April 2004 grants TBGI the authority to procure, install, operate and maintain International Internet Exchange Service Nodes in Metro Manila, CSEZ and Angeles City, and to offer Value Added Services and charges rates thereof. The Provisional Authority granted to TBGI ends in April 2004. Compliance with the regulation thereby enables Transpacific to provide clients with International Internet service connection. The Company has renewed such Provisional Authority.

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

Certificate of Registration and Tax Exemption issued by Clark Development Corporation for a 25-year term from July 1995 and valid until July 2020, grants TBGI incentives available to CSEZ enterprise exemptions from customs and import duties, and national and internal revenue taxes on importation of capital goods supplies and other articles. TBGI pays 5% of gross income earned within the Clark Special Economic Zone (CSEZ) to the national government, to the local government units affected by the declaration of the economic zone, and the development fund of neighboring communities. The 5% preferential tax may be availed of by TBGI if its income from the sale of services outside of the CSEZ does not exceed 30% of its total income from all sources. Should TBGI's income from the sale of services outside of the CSEZ exceed 30%, TBGI's entire income from all sources shall be subject to the regular corporate income tax rate of 30% based on its net income.

IV. CCAD–0040-2000/VAS (Registration for Value Added Services)

Certificate of Registration as Value Added Service Provider issued by NTC that allows TBGI to offer services for web page hosting, electronic mail, file transfer protocol, remote log-in, Internet fax, and electronic commerce.

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

This was first granted on April 1999 and subsequently renewed on April 2002 for a period of 18 months to expire on October 2004. Extension of Provisional Authority issued by NTC allowing TBGI to construct, install, establish, operate, and maintain for commercial purposes an uplink service only in Clark Special Economic Zone. The Company has renewed such Provisional Authority.

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

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

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

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

(xi) As of December 31, 2013, the company maintained 10 employees in its offices in Clark Field and Mandaluyong City and has no plan to hire additional employees for the next twelve months. The 10 employees consist of 4 Engineers, 1 Accountant, and 5 Administrative staff.

The employees have no union and Collective Bargaining Agreement.

While there are many suppliers of satellite bandwidth, TBGI is contracted to only one supplier because TBGI bandwidth requirement is not significant vis-à-vis total available bandwidth supply. As such, TBGI dependence on one supplier at any time is not considered a risk.

TBGI is likewise not subject to single customer risk given that TBGI is serving more than a hundred customers comprising mostly schools that are financially independent.

TBGI can be considered as information technology company, a participant of an industry vulnerable to the major risk of obsolescence. However, TBGI retains its financial resiliency in the face of fast obsolescence by focusing more of its corporate business development in applications or software rather than irreversible capital investments. TBGI acquisition of license to distribute the WebEOC middleware for emergency/disaster management in the Philippines is in line with the applications focus.

Item 2 - Properties

All of the Company's properties and equipment units have been paid for in full and fully owned by the Company.

TBGI owns satellite facilities in separate buildings for transmitter and power generators at the 1.1-hectare industrial area in Clark Special Economic Zone in Pampanga. The Company's satellite facility has available 20 studios for media production, post-production, and playback services inside 277 square meters area of industrial-grade raised flooring, and an enclosed soundproof broadcast studio.

The video and data uplink equipment located in Clark, Pampanga are state-of the-art and in excellent condition. These earlier equipment for video uplink were installed in 1996 while the latest equipment upgrade for data (VSAT) were installed in 2006 and 2012 to keep up with technology developments.

Complementing the facilities in Clark, Pampanga is the TBGI Network Monitoring and Operations Center at the 9^{TH} floor of Summit One Building in Mandaluyong City, Metro Manila. TBGI bought the remaining ATN financial interest in the 9^{th} Floor of Summit One Tower Building with a total area of 853 square meters. Portion of the 9^{th} floor is rented out on a monthly basis without incurring additional expenses on the part of the company. Rent income earned on investment properties amounted to Php1.55 million in 2012 and Php239 thousand in 2011.

In addition, TBGI owns a 210 square meter house inside a 248 square meter lot in Island Park Dasmariňas, 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.

Item 3 - Legal Proceedings

On June 1 ,2011, the Company received from the International Chamber of Commerce a notice that GEM Global Yield Fund Limited filed a Request for Arbitration, under reference number 17966/CYK, pertaining to the Equity Line of Credit Agreement signed by both parties. As of to date, the Company has not executed any Terms of Reference on the abovementioned arbitration proceedings.

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

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

There was no meeting held during the 4th quarter of fiscal year ending December 31, 2014.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

(1) Market Information

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

	Jan 1 to Dec 31, 2014		Jan 1 to Dec 31, 2013	
	High	Low	High	Low
Qtr. 1	2.25	2.20	2.55	1.91
Qtr. 2	2.05	2.00	2.70	2.15
Qtr. 3	2.30	2.22	2.40	2.02
Qtr. 4	2.15	2.14	2.30	1.90

(2) Holders

As of March 31, 2015, the company had 384 holders of common shares. The high and low market price as of April 10, 2015 is P2.00 and P1.88 respectively.

The top 20 stockholders as of March 31, 2015 are as follows:

Stockholder	No. of Common Shares Held	% of Total Shares Outstanding
1. PCD Nominee Corp. (NF)	81,646,209	36.77%
2. PCD Nominee Corp. (F)	81,602,806	36.75%
3. Unipage Management Inc.	20,000,000	9.03%
4. Arsenio T. Ng	13,256,429	5.98%
5. Limqueco, Abraham	2,368,000	1.07%
6. Liu, Jessilyn	1,500,000	0.68%
7. Escueta, Ramon	1,409,473	0.64%
8. Eng Chin Kho Ng	800,000	0.36%
9. Yap, Rodolfo T.	800,000	0.36%
10. Ng, Hilario Tiu Ng	400,804	0.18%
11. Ng, Mark T.	375,000	0.17%
12. Ng, Tiffany Anne	375,000	0.17%
13. Ng, Matthew H	375,000	0.17%
14. Ng, Annie Cham	375,000	0.17%
15. Ng, Bun Kui	360,000	0.16%
16. Ng, Irene	360,000	0.16%
17. Oliva, Dulce Maria	360,000	0.16%
18. Limqueco, Margie Villaflor	350,000	0.16%
19. Reyes-Lao, Honorio O.	300,000	0.14%
20. Limqueco, Margie V.	218,000	0.10%

(3) Dividends

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

(4) Recent Sales of Unregistered Securities

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

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

(1) Plan of operation

TBGI started to establish its data services network in 2001 with the installation of a satellite main hub transmitter-receiver to link the interactive broadband requirements of educational institutions. The main hub is linked to remote units in site locations of clients, TBGI was servicing 185 institutions and other clients located in Luzon, Visayas and Mindanao have been connected as of end 2011. Management expects growth in revenues to come increasingly from data services and Internet growth as the satellite data broadcast network expands with market demand.

Aside from its new market development efforts, the Company plans to continue its business in the manner it did last year. The company's internal revenue generation, interest income from various money market placements, and the cash balance are sufficient to satisfy its cash requirements for the next twelve months.

It will continue to focus on its existing principal activities and has no plan to engage in major product research and development or purchase or sell any plant and significant equipment. The company values its human resources and it has no plan to decrease the number of its employees.

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

1. ESi Acquisition Inc. of Georgia, USA has appointed TBGI as distributor of WebEOC in the Philippines. WebEOC is a software/middleware used in the USA for counter-terrorism and disaster management applications. The US government is anchor client of WebEOC, mainly for military, transportation, health, disaster management, etc. applications.

2. TBGI has made investments in ATN Philippines Solar Energy Group, Inc. (ATN Solar) in cooperation with project proponent ATN Holdings, Inc. The TBGI affiliate has secured its Certificate of Registration and Solar Energy Service Contract from the Department of Energy for a 30 Megawatt Solar PV Power Plant near Metro Manila. The project is undergoing financial closing with suppliers and banks, after signing its Interconnection Agreement with Meralco. The company is awaiting ERC approval of its Point-to-Point Connection Assets that will connect its solar farm to Meralco. Two years earlier the DOE issued its Service Contract and Certificate of Commerciality.

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

There is no liquidity problem foreseen in the next 12 months as current assets of Php 49 Million as of 31 December 2013 covers more than ten times the Php 1 Million of current liabilities.

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

FY 2014

Total assets increased from PHP 314 million to PHP 362 million as of December 31, 2014. The net increase of PHP 48 million in the total assets resulted from movements in the following:

Decrease in current assets of P 6 million arising from the following changes:

a. Decrease of PHP 4.45 million in cash primarily due to additional investment in associates.
b. Decrease of PHP 5 million in accounts receivables due to collection.
c. Decrease of PHP 945 thousand in other current assets due to transfer to property and equipment.

Increase in non-current assets of PHP 6 million due to the following:

a. Decrease in advances for projects of PHP 1.5 million due to liquidation of advances.
b. Increase of PHP 860thousand in property and equipment due to transfer from other current assets.
c. Increase in investment in associates of PHP 80 million.
d. Amortization of franchise by PHP 0.6 million.
e. Increase of PHP 1.2 million in other non-current assets.

Total liabilities increased from PHP 7.3 million as of December 31, 2013 to PHP 62 million as of December 31, 2014. The net increase of PHP 55 million was due to the following:

Decrease in current liabilities of PHP 1.782 million arising from the following changes:

a. Increase of PHP 0.257 million in accounts payable due to slower in payment.
b. Decrease of PHP 0.109 million in current portion of interest-bearing liabilities due to payment.

Increase of non-current liabilities by PHP 54 million arising from the following changes:

a. Increase of PHP 54 million in subscription payable due to investment in associates.
b. Increase of PHP 0.123 million in pension liability.

On the equity side, total equity decreased to PHP 300 million as of December 31, 2014 from PHP 307 million of December 31, 2013. The net decrease of PHP 6.8 million is due to the following:

a. Decrease of PHP 4.6 million in retained earnings due to loss in operation.
b. Decrease of PHP 2.22 million in revaluation increment on property and equipment.

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

	December 31, 2014	December 31, 2013
Current Ratio	33.46	49.00
Debt-to-Equity Ratio	0.21	0.02
Gross Profit Margin	4.8%	3.9%
Net Income to Sales Ratio	-19.5%	-1.6%
Net Income (loss) in pesos	(P6,951,035)	(P532,130)

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.

FY 2013

Total assets increased from PHP 314.022 million to PHP 314.078 million as of December 31, 2013. The net increase of PHP 56 thousand in the total assets resulted from movements in the following:

Decrease in current assets of P 6 million arising from the following changes:

d. Decrease of PHP 1 million in cash primarily due to additional investment in associates.
e. Decrease of PHP 5 million in accounts receivables due to provision for doubtful accounts and collection.
f. Decrease of PHP 358 thousand in spare inventory due to transfer to property and equipment.

Increase in non-current assets of PHP 6 million due to the following:

f. Decrease in advances for projects of PHP 7.4 million due to liquidation of advances.
g. Increase of PHP 4 million in property and equipment due to acquisition and transfer from spares inventory.
h. Increase in investment in associates of PHP 18.375 million.
i. Amortization of franchise by PHP 0.6 million.
j. Increase of PHP 7.532 million in other non-current assets.

Total liabilities increased from PHP 7.047 million as of December 31, 2012 to PHP 7.519 million as of December 31, 2013. The net increase of PHP 0.471 million was due to the following:

Decrease in current liabilities of PHP 1.782 million arising from the following changes:

c. Increase of PHP 0.379 million in accounts payable due to slower in payment.
d. Decrease of PHP 5 million in current portion of interest-bearing liabilities due to transfer to long term loans.
e. Increase of PHP 49 thousand in income tax payable.

Increase of non-current liabilities by PHP 5.0 million arising from the following changes:

c. Increase of PHP 5 million in interest-bearing liabilities due to transfer from current liability.
d. Increase of PHP 0.083 million in pension liability.
e. Decrease of PHP 0.117 million in deferred tax liability.

On the equity side, total equity decreased to PHP 306.560 million as of December 31, 2013 from PHP 307 million of December 31, 2012. The net decrease of PHP 0.415 million is due to the following:

a. Decrease of PHP 1.810 million in retained earnings due to loss in operation.
b. Decrease of PHP 2.22 million in revaluation increment on property and equipment.

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

	December 31, 2013	December 31, 2012
Current Ratio	45.01	9.79
Debt-to-Equity Ratio	0.02	0.02
Gross Profit Margin	-5.224%	-7.75%
Net Income to Sales Ratio	-1.62%	-25.21%
Net Income (loss) in pesos	(P532,129)	(P8,059,145)

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.

FY 2012

Total assets decreased from Php 329.58 million to Php 313.87 million as of December 31, 2012. The net decrease of Php 15.7 million in the total assets resulted from movements in the following:

Decrease in current assets of P8.4 million arising from the following changes:

g. Increase of PHP 7.4 million in cash primarily due to collection of loans and interest receivables.
h. Decrease of PHP 0.713 million in accounts receivables due to more collections.
i. Decrease of PHP 13.5 million in loans receivable due to collection.
j. Decrease in other short term investments of PHP 1.4 million due to forex rate adjustment.
k. Decrease of PHP 0.24 million in spares inventory due to transfer to property and equipment.

Decrease in non-current assets of PHP 7.3 million due to the following:

k. Decrease in advances for projects of PHP 3.1 million due to forex rate adjustment.
l. Increase of PHP 8.2 million in property and equipment due to acquisition and transfer from spares inventory.
m. Increase in investment in associates of PHP 4.125 million.
n. Amortization of franchise by PHP 0.6 million.
o. Decrease of PHP 0.213 million in other non-current assets.

Total liabilities decreased from PHP 14.668 million as of December 31, 2011 to PHP 6.894 million as of December 31, 2012. The net decrease of PHP 7.774 million was due to the following:

Decrease in current liabilities of PHP 1.782 million arising from the following changes:

f. Decrease of PHP 1.89 million in accounts payable due to payment.
g. Decrease of PHP 0.68 million in current portion of interest-bearing liabilities.
h. Decrease of PHP 7 thousand in income tax payable.

Decrease of non-current liabilities by PHP 6.0 million arising from the following changes:

f. Decrease of PHP 0.304 million in interest-bearing liabilities.
g. Subscription payable of PHP 5.62 million in 2011.
h. Increase of PHP 0.056 million in pension liability.
i. Decrease of PHP 0.12 in deferred tax liability.

On the equity side, total equity decreased to PHP 307 million as of December 31, 2012 from PHP 315 million of December 31, 2011. The net decrease of PHP 7.8 million is due to the following:

a. Decrease of PHP 5.72 million in retained earnings due to loss in operation.
b. Decrease of PHP 2.22 million in revaluation increment on property and equipment.

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

	December 31, 2012	December 31, 2011
Current Ratio	9.794	8.60
Debt-to-Equity Ratio	0.022	0.047
Gross Profit Margin	-7.75%	-2.55%
Net Income to Sales Ratio	-25.21%	-13.30%
Net Income (loss) in pesos	(P8,059,145)	(P4,624,387)

The following are important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital.
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
Net Income to sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

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

Expansion Plans

The initial batch of 34 VSAT installations of remote units in 2002 provided access to the Internet by at least 150,000 students. The VSAT connections increased to 80 VSAT units in as many number of subscriber schools at the end of 2003 reached over a hundred schools nationwide in 2004. Transpacific also installed its web site **www.tbgi.net.ph** and is developing a portal, which form the basis for hosting of B2B and B2C e-commerce.

TBGI has at its disposal the use of facilities owned by the ATN Group for the performance of broadband services. Summit One Tower hosts the fiber optic backbone with bandwidth of 1 DS3 (equivalent to 22 E1 or 44 Mbps), and the necessary tower height for WIFI transmission in Metro Manila. With the DS3 bandwidth supply now available at Summit One Tower, the TBGI WIFI network envisaged for Metro Manila will be implemented in alliance with equipment suppliers from Taiwan and the USA.

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

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

1 ESi Acquisition Inc. of Georgia, USA has appointed TBGI as exclusive distributor of WebEOC in the Philippines. Web EOC is a software/middleware used in the USA for counter-terrorism and disaster

management applications. The US government is anchor client of WebEOC, mainly for military, transportation, health, disaster management, etc. applications. In the Philippines, the Metro Manila Development Authority has been using WebEOC in their daily operations under a Proof-of Concept agreement, which may progress into a subscription agreement. Other prospective customers of the WebEOC system are the Department of Justice, Department of Budget and Management, MERALCO, Department of National Defense, Philippine Coast Guard, and the Manila International Airport.

2. TBGI has made investments in ATN Philippines Solar Energy Group, Inc. (ATN Solar) in cooperation with project proponent ATN Holdings, Inc. The TBGI affiliate has secured its Certificate of Registration and Solar Energy Service Contract from the Department of Energy for a 30 Megawatt Solar PV Power Plant near Metro Manila. The project is awaiting issuance of DOE Certificate of Commerciality and is undertaking simultaneous financial and technical closing with suppliers and banks.

Item 7 - Financial Information

Audited financial statements are attached.

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

The audited financial position of the Company as of December 31, 2014 and 2013 is audited by R. R. TAN & ASSOCIATES, CPAs

There were no events in the past where in R. R. TAN & ASSOCIATES, CPAs and the company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope procedures.

Information on Independent Accountant and Related Matter

(1) External Audit Fees and Services

R. R. TAN & ASSOCIATES, CPAs, the external auditor of the company, audited the financial position as at December 31, 2014 and 2013 with a contract amount of P275,000 and P260,000 respectively inclusive of out of pocket expenses.

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

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

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

PART III - CONTROL AND COMPENSATION INFORMATION

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

The Directors of the Company for fiscal year 2013 – 2014 who were elected at the meeting of the stockholders on 22 October 2014 are as follows:

Name	**Position**
Arsenio T. Ng	Chairman, President and CEO
Hilario T. Ng	VP/Managing Director/Treasurer
HRH Prince Abdul Aziz Bin Talal Al Saud	Director
Kenneth C. Co	Director (independent)
Oscar Mapua, Jr.	Director (independent)
Simoun Ung	Director
Paul B. Saria	Director,Corp. Sec.

Arsenio T. Ng
Age 56
Period Served September 2000 to Present

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

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

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

Hilario T. Ng
Age 53
Period Served September 2000 to Present

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

HRH Price Abdul Aziz Bin Talal Bin Abdul Aziz Al Saud
Age 33
Period Served – June 2009 to present

HRH Prince Abdul Aziz bin Talal Al Saud, is member of the Saudi Royal Family. He is Prince Talal bin Abdul Aziz's fifth son, son of the founding King of Saudi Arabia, Abdul Aziz Bin Saud, and Princess Majdah Al Sudairi, daughter of H.E. Turki bin Khaled Al Sudairi President of the Government Human Rights Commission, and cousin of the Sudairi Seven. HRH Prince Aziz bin Talal is the Honorary President of the Website Services and Internet Technology (WSITGC) of the Gulf Cooperation Council (GCC) and Chairman of the Arab Open University.

Oscar B. Mapua, Jr.
Age 71
Period Served May 2003 to Present

Mr. Mapua is a member of the Board of Trustees and Executive Vice President of the Mapua Institute of Technology and the Founding Director of the Design Center of the Philippines. He earned his BS Architecture degree from the Rhode Island University in 1969 and his Masters in Architecture from the University of the Philippines in 1987.

Simoun Ung
Age 47
Period Served May 2007 to Present

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

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

Kenneth Chua Co
Age 42, Filipino Citizen

Mr. Kenneth Co is a graduate of AB Economics at Ateneo De Manila University in 1994. At present he is the Proprietor and Owner of Dagupan Commercial, an operator of a wholesale and retail distribution family business dealing mainly with bakery supplies. From 2007 to present, he is also a Distributor of Pharmanex & Nu Skin. A distribution and multilevel network marketing business focused on introducing high quality supplements and skin care products to customers with a goal of contributing the profits significantly to the Nourish the Children Foundation. From 1996 to present, he is also the Administrator of Benito Enterprises, a business engaged mainly in real estate development and lease rental accumulation. Some of his past positions held includes Managing Director of Road on Call from 2005 to 2007and Chamco Food Ventures Inc. from 1999-2005.

Paul B. Saria
Age 44
Period Served September 2000 to Present

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

The aforementioned directors and officers have served the fiscal year ended December 31, 2009, and shall continue to serve until their successors have been duly elected at the Company's next annual stockholders' meeting.

There are no other significant employees.

Family Relationships
The Chairman, Arsenio T. Ng, and Director Hilario T. Ng are brothers.

Involvement in Certain Legal Proceedings

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

Item 10 - Executive Compensation

The aggregate compensation paid to the Company's six (6) most highly compensated executive officers and all other officers and directors as a group in 2014 and 2013 as follows:

	Year	Salary	Bonus	Other Compensation
CEO and Four Most Highly Compensated Executives	2014	2,000,000	None	None
All Other Officers and Directors	2014	300,000	None	None
Total		2,300,000	None	None

	Year	Salary	Bonus	Other Compensation
CEO and Four Most Highly Compensated Executives	2013	2,000,000	None	None
All Other Officers and Directors	2013	300,000	None	None
Total		2,300,000	None	None

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

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

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

Owners of more than 5% of voting securities as of March 31, 2014:

Class	Name of Record Owner and Relationship with Record Owner	Name of Beneficial Owner	Citizenship	Shares Owned	%
Common	1. PCD Nominee Corp. (NF) 37th floor Tower 1, the Enterprise Ctr., 6766 Ayala Ave, Makati City, Phil.	Various	Filipino	81,646,209"r"	36.77%
Common	1. PCD Nominee Corp. (F) 37th floor Tower 1, the Enterprise Ctr., 6766 Ayala Ave, Makati City, Phil.	Various	Non Filipino	81,602,806"r"	36.75%
Common	2. Unipage Management, Inc. 9F Floor Summit One Tower, 530 Shaw Boulevard Mandaluyong City (Investor)	Stockholders	Filipino	20,000,000"r"	9.03%
Common	3. Arsenio T. Ng 9F Summit One Tower, 530 Shaw Blvd. Mandaluyong City (CEO)	None	Filipino	13,256,429"r"	5.98%

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

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

Security ownership of management as of March 31, 2014:

Class	Name of Stockholders	Address	No. of Shares	%	Position
	Directors:				
Common	Arsenio T. Ng	9F Summit One Tower 530 Shaw Blvd. Mand. City	13,256,429"r"	5.98%	Chairman, President and CEO
Common	Hilario T. Ng	455 Jaboneros St., Manila	400,804"r"	0.18%	Director
Common	HRH Prince Abdul Aziz Bin Talal Al Saud	Saudi Arabia	100,000"r"	0.05%	Director
Common	Simoun Ung	27F Chatham House, 116 Valero St. Makati City	1,000"r"	0.00%	Director
Common	Oscar B. Mapua	502 B. Valerio Hills, San Juan	4,000"r"	0.00%	Independent Director

Item 12 - Certain Relationship and Related Transaction

The Company subscribed to the increase in authorized capital of ATN Solar amounting P82.5 million. At the time of subscription, P26.25 million was paid in cash on October 31, 2014 and additional cash payment of P2.0 million was paid on March 13, 2014. The balance of P54.25 million was presented in the Statement of Financial Position as Subscription payable.

The Company is a beneficial owner of certain condominium units classified in the Statement of Financial Position as Investment properties. Title to the properties has not been released to the Company as it intends to sell the properties using the marketing expertise of PLDI. In 2014 and 2013, these properties are leased out to third parties thru PLDI. Proceeds of the rent were remitted to the Company.

A teaming agreement was executed in 2013 in an effort trim cost and rationalize operations. Certain cost expenses were advanced by a related party.

Funds were released to HRH to cover various projects. In 2014, the amount of $35,000 was repaid back to the Company following the re-alignment of different projects.

The compensation paid or payable to key management personnel for the year ended December 31, 2014 and 2013 is P300,000 per year.

Key management personnel have not been provided with retirement benefits.

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

Please refer to attached Annual Corporate Governance Report.

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

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Mandaluyong on April ~~15, 2015~~ 15 APR 2015

By:

ARSENIO T. NG
Chairman and CEO

ARCH. HILARIO T. NG
Principal Financial Officer

PAUL B. SARIA
Chief Operating Officer

15 APR 2015

SUBSCRIBED AND SWORN to before me this __ day of April 2015, affiant(s) exhibiting to me his/their driver's license, as follows:

NAMES	RES. CERT. NO.	DATE EXPIRES	PLACE OF ISSUE
ARSENIO T. NG	DL NO1-86-031588	03-13-2018	San Juan City
HILARIO T. NG	DL F03-89-049506	08-23-2015	Manila
PAUL SARIA	DL NO4-93-264992	12-15-2016	Mandaluyong City

Ronald C. Ching
ATTY. RONALD SEGUNDINO C. CHING
Notary Public
NOTARY PUBLIC
ADMIN. NO. 2011-009 UNTIL DEC. 31, 2015
ROLL NO. 54899
PTR NO. 7575252 / JAN. 5, 2015 UNTIL DEC. 31, 2016
IBP NO. 4504550 / 12-19-14 UNTIL 12-31-16
1420 C. TOMAS MAPUA ST. STA. CRUZ MLA.
MCLE COMPLIANCE NO. IV-0020660 6-13-13

Doc. No. : 273
Page No.: 28
Book No.: II
Series of 2015

Transpacific Broadband Group
INTERNATIONAL, INC.

CORPORATE OFFICE: 9/F SUMMIT ONE TOWER
530 SHAW BOULEVARD., MANDALUYONG CITY,
PHILIPPINES, 1550
TEL. (632) 718-3720, 718-3721, FAX(632) 533-4052
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

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **TRANSPACIFIC BROADBAND GROUP INT'L., INC**. is responsible for the preparation and fair presentation of the financial statements for the year ended **December 31, 2014**, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and the implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to stockholders.

R. R. TAN & ASSOCIATES, CPAs, the independent auditors and appointed by the stockholders has examined 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 examination.

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

SUBSCRIBED AND SWORN to before me this 08th day of April 2015, 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	03/13/2018	Manila
Paul B. Saria	DL N04-93-264992	12/15/2016	Mandaluyong
Hilario T. Ng	DL F03-89-049-506	08/23/2015	Manila

Ronald C. Ching

ATTY. RONALD SEGUNDINO C. CHING
NOTARY PUBLIC
ADMIN. NO. 2011-009 UNTIL DEC. 31, 2015
ROLL NO. 54899
PTR NO. 7575252 / JAN. 5, 2015 UNTIL DEC. 31, 2016
IBP NO. 4504550 / 12-19-14 UNTIL 12-31-16
1420 C. TOMAS MAPUA ST. STA. CRUZ MLA.
MCLE COMPLIANCE NO. IV-0020660 6-13-13

Doc. No. : 140
Page No. : 14
Book No. V
Series of 2015 2015

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2015
SEC Accreditation No.0220-FR-1, valid until March 25, 2017
BIR Accreditation No. 07-000125-1-2013, valid until October 3, 2016

Report of Independent Public Accountants

The Board of Directors and Stockholders
TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
9th Floor, Summit Tower 1 Bldg.,
530 Shaw Blvd., Mandaluyong City

Report on Financial Statements

We have audited the accompanying financial statements of Transpacific Broadband Group International, Inc. which comprise the statements of financial position as at December 31, 2014 and 2013, 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, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Transpacific Broadband Group International, Inc. as of December 31, 2014 and 2013, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

Report on Supplementary Information Required Under Revenue Regulations (RR) 15-2010 and 19-2011 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 30 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.

R. R. TAN AND ASSOCIATES, CPAs

By: **DOMINGO A. DAZA, JR.**
Partner
CPA Certificate No. 0109993
Tax Identification No. 203-917-449
PTR No. 0409887, January 17, 2015, Pasig City
SEC Accreditation No. 1088-AR-1, valid until March 25, 2017
BIR Accreditation No. 07-000124-001-2013, valid until October 3, 2016

April 8, 2015
Pasig City

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

ASSETS	Note		2014		2013
Current Assets					
Cash and cash equivalents	8	P	4,148,114	P	8,598,863
Trade receivables - net	9		20,119,243		25,098,690
Short term investments	10		11,617,700		11,833,230
Other Current Assets	11		2,641,394		3,586,061
			38,526,451		49,116,844
Non-current Assets					
Advances for projects	12		14,812,844		16,299,938
Property and equipment - net	16		136,684,686		150,634,872
Investment properties	17		45,287,800		50,287,400
Investment in an associate	13		110,163,576		30,000,000
Franchise - net	14		5,542,405		6,142,405
Deferred tax asset - net	27		743,574		332,278
Other non-current assets	15		9,855,616		11,091,043
			323,090,501		264,787,936
TOTAL ASSETS		P	361,616,952	P	313,904,780

LIABILITIES AND EQUITY	Note		2014		2013
Current liabilities					
Accounts payable and accrued expenses	18	P	1,083,172	P	826,357
Current portion of interest-bearing liabilities	19		-		108,873
Income tax payable			68,101		67,112
Total Current Liabilities			1,151,273		1,002,342
Non-current Liabilities					
Interest-bearing liabilities - net of current portion	19		5,264,806		5,240,852
Pension liability	20		1,225,341		1,102,114
Subsciption payable	13		54,250,000		-
Total Non-current Liabilities			60,740,147		6,342,966
Total Liabilities			61,891,420		7,345,308
Equity					
Share capital	21		222,019,330		222,019,330
Share premium			29,428,022		29,428,022
Share options outstanding	21		8,921,814		8,921,814
Revaluation increment on property and equipment	21		1,075,684		3,300,498
Retained earnings			38,718,482		43,327,608
Treasury shares	21		(437,800)		(437,800)
Total Equity			299,725,532		306,559,472
TOTAL LIABILITIES AND EQUITY		P	361,616,952	P	313,904,780

See accompanying notes to financial statements

BUREAU OF INTERNAL REVENUE
RDO NO. 21A NORTH PAMPANGA
RECEIVED
APR 1? 2015
ANNABELLE D. ABLAZA
ADMIN. ASST. I

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Note	2014	2013	2012
REVENUES				
Service income		**P 32,552,935**	P 32,783,126	P 31,960,293
Other income	23	**3,027,646**	3,123,618	2,566,714
		35,580,581	P 35,906,744	P 34,527,007
COST AND EXPENSES				
Direct costs	22	**33,859,853**	34,495,728	34,436,838
Administrative expenses	24	**1,305,634**	1,975,755	7,797,468
Finance costs - net		**153,951**	181,298	232,285
Other Loss		**4,999,600**	-	-
		40,319,038	36,652,781	42,466,591
INCOME(LOSS) FROM OPERATION		**(4,738,457)**	(746,037)	(7,939,584)
EQUITY IN NET LOSS OF AN ASSOCIATE	13	**(2,336,424)**	-	-
LOSS BEFORE INCOME TAX		**(7,074,881)**	(746,037)	(7,939,584)
INCOME TAX EXPENSE(BENEFIT)	27	**(123,846)**	(213,908)	119,561
LOSS FOR THE PERIOD		**(6,951,035)**	(532,129)	(8,059,145)
OTHER COMPREHENSIVE INCOME		**-**	-	-
TOTAL COMPREHENSIVE LOSS		**P (6,951,035)**	P (532,130)	P (8,059,145)
LOSS PER SHARE		**(0.0313)**	(0.0024)	(0.0363)

**See accompanying notes to financial statements*

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Note	2014	2013	2012
SHARE CAPITAL	21	**P 222,019,330**	P 222,019,330	P 222,019,330
SHARE PREMIUM		**29,428,022**	29,428,022	29,428,022
SHARE OPTIONS OUTSTANDING	21	**8,921,814**	8,921,814	8,921,814
REVALUATION INCREMENT ON PROPERTY AND EQUIPMENT- NET OF TAX	21			
Balance, January 1		**3,300,498**	5,525,312	7,750,126
Revaluation increment absorbed through depreciation		**(2,224,814)**	(2,224,814)	(2,224,814)
Balance, December 31		**1,075,684**	3,300,498	5,525,312
RETAINED EARNINGS				
Balance, January 1		**43,327,608**	41,517,827	47,235,063
Revaluation increment in property and equipment absorbed through depreciation		**2,341,909**	2,341,909	2,341,909
Loss for the year		**(6,951,035)**	(532,129)	(8,059,145)
Balance, December 31		**38,718,482**	43,327,608	41,517,827
TREASURY SHARES - *at cost*		**(437,800)**	(437,800)	(437,800)
		P 299,725,532	P 306,559,472	P 306,974,505

See accompanying notes to financial statements

BUREAU OF INTERNAL REVENUE
RDO NO. 21A NORTH PAMPANGA
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ADMIN. ASST. I

TRANSPACIFIC BROADBRAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Note	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax expense		P (7,074,881)	P (746,037)	P (7,939,584)
Adjustments for:		-		
Provisions for:				
Depreciation	16	14,809,840	15,953,643	15,712,064
Retirement benefits	20	123,227	83,349	56,382
Doubtful accounts	9	-	601,192	
Amortization of franchise	14	600,000	600,000	600,000
Unrealized foreign exchange loss (gain)	23	(238,735)	(551,287)	5,199,978
Unrealized fair value loss on investment property		4,999,600	-	-
Equity in net loss of an associate	13	2,336,424	-	-
Interest income	23	(540,038)	(524,459)	(1,016,258)
Operating income before Working Capital Changes		15,015,437	15,416,401	12,612,583
Decrease (Increase) in Operating Assets:				
Trade receivables - net		4,979,447	(120,232)	1,207,612
Prepayments and other current assets		85,011	(2,692,902)	-
Other non-current assets		1,235,427	-	(18,829)
Increase (Decrease) in Operating Liabilities:				
Accounts payable and accrued expenses		689,829	361,476	(1,089,632)
Cash generated by operations		22,005,152	12,964,744	12,711,734
Income taxes paid		(169,366)	(70,915)	(18,045)
Interest received		540,038	524,459	521,954
Net Cash Provided by Operating Activities		22,375,824	13,418,288	13,215,643
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from:				
Excess from Advances for projects		1,532,300	-	-
Loans availments		-	-	13,479,564
Investment and advances in an associate		(28,250,000)	(10,500,000)	(4,125,000)
Acquisition of property and equipment	16	-	(3,453,307)	(8,027,688)
Payment of subscription		-	-	(5,625,000)
Net Cash Used in Investing Activities		(26,717,700)	(13,953,307)	(4,298,124)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loans				
Principal		(108,873)	(303,997)	(636,207)
Interest		-	(181,298)	(232,285)
Net Cash Used in Financing Activities		(108,873)	(485,295)	(868,493)
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		-	118,709	(600,328)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(4,450,749)	(901,605)	7,448,699
CASH AND CASH EQUIVALENTS, January 1		8,598,863	9,500,468	2,051,769
CASH AND CASH EQUIVALENTS, December 31		P 4,148,114	P 8,598,863	P 9,500,468

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

1. Corporate Information

Transpacific Broadband Group International, Inc. (TBGI or the Company), a corporation duly organized and existing under the laws of Republic of the Philippines, was incorporated and registered with Securities and Exchange Commission (“SEC”) on July 14, 1995, primarily to engage in the business of public commercial radio, terrestrial, cable, and satellite broadcast. The Company is 9.57% 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. It 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, it was granted Frequency Supportability, also by NTC.

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, Philippines. Pursuant to its registration with CSEZ, the Company is subject to a special tax rate of 5% on gross income.

The Company’s registered office address is 9th Floor, 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 of December 31, 2014 (including the comparative figures as of December 31, 2013 and 2012) were authorized for issue by the President on April 8, 2015.

2. Basis of Preparation and Presentation

Basis of Financial Statement Preparation and Presentation
The financial statements have been prepared on a historical cost basis except for certain property and equipment that are carried at revalued amounts.

The financial statements are presented in Philippine Peso, the Company’s functional currency.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council.

3. Summary of Significant Accounting Policies

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

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.

Trade Receivables
Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Financial Instruments

Date of Recognition
Financial assets and financial liabilities are recognized in the statements of financial position of the Company when it becomes a party to the contractual provisions of the instrument.

Initial Recognition
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs.

Determination of Fair Value
The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company recognizes the difference between the transaction price and fair value in the statements of income unless it qualifies for recognition as some other type of asset.

Classification of Financial Instruments
The Company classifies financial assets into the following categories, (i) At fair value through profit or loss (FVPL), (ii) Available-for-sale, (iii) Held-to-maturity and (iv) Loans and receivable. The Company classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

(i) Financial Assets and Financial Liabilities at FVPL

Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition as at FVPL.

A financial assets and financial liabilities are classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is part of an identified portfolio of financial instruments that the Company manages together and has recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistently that would otherwise arise; or
- The financial asset forms part of a group of financial assets that is managed and its performance is evaluated on a fair value basis.
- It forms part of a contract containing one or more embedded derivatives.

As of December 31, 2014 and 2013, there are no financial assets under this category.

(ii) Available-for-sale (AFS)

AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the statement of financial position. Changes in the fair value are recognized directly in equity account as "*Revaluation reserve on AFS financial assets*". Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in profit or loss for the period.

As of December 31, 2014 and 2013, there are no financial assets under this category.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the company's cash and cash equivalents, trade receivables, security deposits and other receivables.

(iv) Held-to-maturity (HTM)

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities wherein the Company has the positive intention and ability to hold to maturity. After initial measurement, HTM assets are carried at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Any changes to the carrying amount of the investment are recognized in statements of income.

As of December 31, 2014 and 2013, there are no financial assets under this category.

(v) Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statements of income.

Included under this category are accounts payable and accrued expenses and long term loans payable.

Reclassification of Financial Assets
A financial asset is reclassified out of the FVPL category when the following conditions are met (i) the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and (ii) there is a rare situation.

A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the statements of income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment

Financial Assets
The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) *Assets carried at amortized cost*
If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognized in the profit and loss accounts.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

Any subsequent reversal of an impairment loss is recognized in the profit and loss accounts, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

(ii) *Assets carried at cost*
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) *Available-for-sale financial assets*
Available-for-sale financial assets are subject to impairment review at each end of the reporting period. Impairment loss is recognized when there is objective evidence such as significant financial difficulty of the issuer/obligor, significant or prolonged decline in market prices and adverse economic indicators that the recoverable amount of an asset is below its carrying amount.

Non-Financial Assets
The Company's property and equipment are subject to impairment testing. All other individual assets' or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

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.

Derecognition of Financial Instruments

Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

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

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards 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. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where 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 an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

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

Spare Parts Inventory
Spare parts inventory is stated at lower of cost or net realizable value (NRV). Cost is determined using the first-in first-out method. NRV is the selling price less the estimated cost to sell.

Property and Equipment
Transportation equipment, furniture, and fixtures are carried at cost less accumulated depreciation and impairment in value, if any. Buildings and improvements, uplink/data equipment and leasehold improvements are carried at revalued amounts less accumulated depreciation and impairment losses, if any. Appraisal was made by an independent firm appraiser with sufficient regularity to ensure that the carrying amounts of

these assets do not differ materially from their fair values. Subsequent acquisitions are stated at cost less accumulated depreciation and impairment losses, if any.

Any increase in revaluation is credited to the “Revaluation Increment” account shown under equity unless it offsets a previous decrease in value of the same asset recognized in the statements of income. A decrease in value is recognized in profit or loss where it exceeds the increase previously recognized in the “Revaluation Increment” account. The amount of revaluation increment absorbed through depreciation is transferred from revaluation increment to retained earnings. Upon disposal of the asset, the related revaluation increment is transferred to retained earnings and is taken into account in arriving at the gain or loss on disposal.

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.

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	10 years or lease term whichever is shorter

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.

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

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 in which the investor has a significant influence and which is neither a subsidiary nor a joint venture.

Investment in associate is accounted for using the equity method of accounting and initially recognized at cost, and is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate.

Franchise
Franchise, which consists of directly attributable expenses, is carried at cost less accumulated amortization.

Franchise is amortized over its term of 25 years. When the carrying amount of the franchise is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount.

Franchise is derecognized either upon disposal or the right to use expired.

Deposits
Deposits are recognized at cost and are expected to be settled upon the expiration of the contract.

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 Income.

Revaluation increment represents appraisal increase on revaluation of certain property and equipment.

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 and Costs Recognition
Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Subscription fees
Revenues from uplink services and bandwidth subscriptions are recognized when services are rendered and billed. Related costs and expenses are recorded as incurred.

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.

Dividend income
Dividend income is recognized when the right to receive dividends is established.

Income Taxes
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 loss 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
(i) 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 ender 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.

(ii) Compensated absences
Compensated absences are recognized for the number of paid leaves days (including holiday entitlement) remaining at reporting date. They are included as part of Accounts payable and accrued expenses account at the undiscounted amount the Company expects to pay as a result of the unused entitlement.

Leases
Leases where the lessor retains substantially all the risk and benefits of ownership of the asset are classified as operating lease. Operating lease payments are recognized as expense on a straight line basis over the lease term.

Finance lease, which transfer to the company substantially all the risks and benefits incidental to the ownership of the leased asset, are capitalized at the lower of fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are recognized in the statements of income.

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 statements of income.

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.

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 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.

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2014

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, 2014. The adoption however did not result to any material changes in the financial statements.

PAS 32, Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities
These amendments to PAS 32 clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. While the amendment does not have any impact on the net assets of the Company, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The amendment does not have any material impact on the Company's financial position and performance.

Amendments to PAS 36, Impairment of Assets
The amendment requires the following disclosure if the recoverable amount is fair value less costs of disposal:

- the level of the fair value hierarchy (from PFRS 13 *Fair Value Measurement*) within which the fair value measurement is categorized;
- the valuation techniques used to measure fair value less costs of disposal and
- the key assumptions used in the measurement of fair value measurements categorized within 'Level 2' and 'Level 3' of the fair value hierarchy if recoverable amount is fair value less costs of disposal.

The amendments to PAS 36 are effective for annual periods beginning on or after January 1, 2014. The adoption of the standard affects disclosures only and does not affect the financial position and performance of the Company.

Amendments to PFRS 10, PFRS 12 and PAS 27, *Investment Entities* (effective for annual periods beginning on or after January 1, 2014)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments do not have material financial impact in the financial statements.

Philippine Interpretation IFRIC 21, *Levies* (effective for annual periods beginning on or after January 1, 2014)
IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that trigger payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The interpretation does not have material financial impact in the Company's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2014
Standards issued but not yet effective up to date of issuance of the Company's financial statements are listed below. The listing consists of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The Company does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

Effective 2015
PAS 19, "Defined Benefit Plans: Employee Contributions (*Amendments to PAS 19 Employee Benefits)*
The amendment clarifies that the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not

required, to be recognized as a reduction in the service cost in the period in which the related service is rendered. These amendments are effective for annual periods beginning on or after 1 July 2014. The amendment will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS
The Annual Improvements to PFRS (2010 to 2012 cycle and 2011 to 2013) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. Earlier application is permitted.

Annual Improvements to PFRS (2010 to 2012 cycle)
PFRS 2, "Share-based Payments"
The amendment clarifies the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition'). The amendment does not apply to the Company.

PFRS 3, "Business Combinations"
The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. The amendment does not apply to the Company.

PFRS 8, "Operating Segments"
The amendment requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The adoption of the standard will affect disclosures only and will not affect the financial position and performance of the Company.

PFRS 13, "Fair Value Measurement"
The amendment clarifies that issuing PFRS 13 and amending PFRS 9 and PAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 16, "Property, Plant and Equipment"
The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The Company is currently assessing impact of the amendments to PAS 16.

PAS 24, "Related Party Disclosures"
The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 38, "Intangible Assets"
The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The amendment will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS (2011 to 2013 cycle)
PFRS 1, "First-time Adoption of Philippine Financial Reporting Standards"
The amendment clarifies that an entity, in its first PFRS financial statements, has the choice between applying an existing and currently effective PFRS or applying early a new or revised PFRS that is not yet mandatorily effective, provided that the new or revised

PFRS permits early application. An entity is required to apply the same version of the PFRS throughout the periods covered by those first PFRS financial statements. The amendment does not apply to the Company as it is not a first time adopter of PFRS.

PFRS 3, “Business Combinations”
The amendment clarifies that PFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 13, “Fair Value Measurement”
The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of PFRS 13 includes all contracts accounted for within the scope of PAS 39 *Financial Instruments: Recognition and Measurement* or PFRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32 *Financial Instruments: Presentation*. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

PAS 40, “Investment Property”
The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in PFRS 3 *Business Combinations* and investment property as defined in PAS 40 *Investment Property* requires the separate application of both standards independently of each other. The amendment will not have any significant impact on the Company’s financial position or performance.

Effective 2016
PAS 1, “Presentation of Financial Statements” – Disclosure Initiative
The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 16, “Property, Plant and Equipment” and PAS 38, “Intangible Assets” – Clarification of Acceptable Methods of Depreciation and Amortization
The amendments provide additional guidance on how the depreciation and amortization of property, plant and equipment and intangible assets should be calculated. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 28, “Investment in Associates and Joint Ventures” and PFRS 10, “Consolidated Financial Statements” – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address a conflict between the requirements of PAS 28 and PFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 27, “Separate Financial Statements” – Equity Method in Separate Financial Statements
The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 41, “Agriculture” – Agriculture: Bearer Plants
The amendments bring bearer plants, which are used solely to grow produce, into the scope of PAS 16 so that they are accounted for in the same way as property, plant and equipment. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any impact on the Company’s financial position or performance.

PFRS 10, “Consolidated Financial Statements”; PFRS 12, “Disclosure of Interest in Other Entities” and PAS 28, “Investment in Associates and Joint Ventures” – Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 11, “Joint Arrangements” – Accounting for Acquisitions of Interests in Joint Operations
The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 14, “Regulatory Deferral Accounts”
This Standard is intended to allow entities that are first-time adopters of PFRS, and that currently recognize regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to PFRS. The Standard is intended to be a short-term, interim solution while the longer term rate-regulated activities project is undertaken by the IASB. The IASB has stated that by publishing this Standard, they are not anticipating the outcome of the comprehensive rate-regulated activities project which is in its early stages. The Standard is effective for annual periods beginning on or after January 1, 2016. The Standard will not have any significant impact on the Company’s financial position or performance.

Annual Improvements to PFRS
The Annual Improvements to PFRS (2012 to 2014 cycle) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

PFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”
The amendment adds specific guidance in PFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The Company does not expect the amendments will have any significant impact on its financial position or performance.

PFRS 7, “Financial Instruments: Disclosures” (with consequential amendments to PFRS 1)
The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. The amendment also clarifies the applicability of the amendments to PFRS 7 on off-setting disclosures to condensed interim financial statements. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

PAS 19, “Employee Benefits”
The amendment clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level). The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 34, “Interim Financial Reporting”
The amendment clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

Effective 2017
PFRS 15, “Revenue from Contracts with Customers”
PFRS 15 specifies how and when a PFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes PAS 18 'Revenue', PAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all PFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. This Standard is effective for financial statements for periods beginning on or after January 1, 2017. The Standard will not have any significant impact on the Company’s financial position or performance.

Effective 2018
PFRS 9, “Financial Instruments”
This version of PFRS 9 'Financial Instruments' brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace PAS 39 'Financial Instruments: Recognition and Measurement'. This version also adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The Standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018. The Company will assess the impact of this standard to its financial position and performance.

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.

Classification of leases
Judgment is exercise in determining whether substantially all the significant risk and rewards of ownership of the leased asset is transferred to the Company. Leases where the lessor transfer all the risk and rewards incidental to the ownership of the leased asset are taken up as finance leases. Leases where the lessor retains all the risk and rewards to assets are taken up as operating leases.

(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:

Estimating Allowance for probable losses on receivables
The Company estimates the allowance for probable losses related to its trade receivable based on assessment of specific accounts when the Company has information that certain customers are unable to meet their financial obligation. In these cases,

management uses the best available facts and circumstances including but not limited to third party credit reports and known market factors.

In 2013, provision for probable losses amounting to P601,192 was provided for trade receivables.

No provision for probable losses on trade receivables is recognized during 2014.

Estimating Useful Lives of Property and Equipment
The Company reviews annually the estimated useful lives of property and equipment, based on the period on which the assets are expected to be available for use. It is possible that future results of operation could be materially affected by changes in these estimates. A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.

During the year, the Company assessed that fully depreciated items of transportation equipment have aggregate recoverable value amounting to P1 million when retired and/or sold to interested party. Accordingly, same amount was reversed from accumulated depreciation of property and equipment. The assessment was based on sales and listings of comparable items of the same type and condition.

The carrying value of property and equipment as at December 31, 2014 and 2013 amounted to P136,684,686 and P150,634,872, respectively.

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.

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 and 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 P123,227 in 2014, P83,349 in 2013, and P56,382 in 2012.

Determining fair value of financial assets and liabilities
The Company measures fair value of its assets and liabilities in a manner disclosed in Note 6.

Impairment of financial assets
The company follows the guidance of PAS 39 on determining when the investment is other than temporarily impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Impairment of non-financial asset
The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset 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, 2014 and 2013, management believes that no provision for impairment losses is necessary.

Measurement of stock options
The compensation resulting from stock options is measured based on the fair market 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.

During 2010, the TBGI Remuneration Committee met to discuss the request of the Chief Financial Officer to indefinitely defer the Stock Option plan for the CEO. The Stock Options 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, 2014 and 2013, share options outstanding amounted to P8,921,814.

6. Fair Value Measurement

The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable price exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company recognizes the difference between the transaction price and the fair value in the statements of income unless it qualifies for recognition as some other type of asset.

The company measures fair value of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1
Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. An asset or liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The table below analyzes assets and liabilities measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized.

2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	**P 4,148,114**	**P -**	**P -**	**P 4,148,114**
Trade receivables	**20,119,243**	**-**	**-**	**20,119,243**
Prepayments and other current				**-**
assets	**-**	**2,641,394**	**-**	**2,641,394**
Other short term investments	**-**	**11,617,700**	**-**	**11,617,700**
Other non-current assets	**9,855,616**	**-**	**-**	**9,855,616**
Advances for projects	**14,812,844**	**-**	**-**	**14,812,844**
Property and equipment	**-**	**136,684,686**	**-**	**136,684,686**
Investment properties	**-**	**45,287,800**	**-**	**45,287,800**
Accounts payable and				**-**
accrued expenses	**-**	**(1,083,172)**	**-**	**(1,083,172)**
Interest bearing liabilities	**(5,264,806)**	**-**	**-**	**(5,264,806)**

2013	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	P 8,598,863	P -	P -	P 8,598,863
Trade receivables	25,098,690	-	-	25,098,690
Prepayments and other current			-	
assets	-	85,013		85,013
Other short term investments	-	11,833,230	-	11,833,230
Other non-current assets	6,291,043	-	-	6,291,043
Advances for projects	16,299,938	-	-	16,299,938
Property and equipment	-	150,634,872	-	150,634,872
Investment property	-	50,287,400	-	50,287,400
Accounts payable and				
accrued expenses	-	(826,357)	-	(826,357)
Interest bearing liabilities	(5,349,725)	-	-	(5,349,725)

Fair values were determined as follows:

- *Cash and cash equivalents, short-term investments, receivables, prepayments and other financial liabilities* – the fair values are approximately the carrying amounts at initial recognition due to their short-term nature.
- *Property and equipment*– fair value was based on appraiser's report. It is estimated using Market Data Approach, which is based on sales and listings of comparable property registered within the vicinity that considered factors such as locations, size and shape of the properties.
- *Investment properties* – the valuation approach used in the independent appraiser's report was Sales Comparison Approach, which estimates the value of asset by comparing similar or substitute properties and related market data.

7. 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 December 31, 2014 and 2013.

	Gross Maximum Exposure			
		2014		2013
Cash and cash equivalents *	**P**	**4,135,114**	P	8,585,863
Trade receivables		**27,074,601**		32,054,048
Advances for projects		**14,812,844**		16,299,938
Other non current assets		**5,055,616**		6,291,043
	P	**51,078,175**	P	63,230,892

**excludes cash on hand*

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

Trade receivables are accounts with CBCP World Corporation and Peachtree Investment Ltd. where appropriate trade relations have been established including billings and collections processes.

Advances for projects amounting to P14.8 million in 2014 and P16.3 million in 2013 are secured by a pledge of shares of certain officer covering 10,756,429 shares of the Company's common shares with a fair value of P23,126,322 (*see Note 12*).

Other non-current assets are receivables from affiliated companies. These advances do not bear interest and have no fixed repayment period.

Credit quality of the Company's assets as at December 31, 2014 and 2013 is as follows:

	December 31, 2014									
	Neither past due nor impaired				**Past due**		**Past due**			
		High grade		**Standard grade**		**but not impaired**		**and impaired**		**Total**
Cash and cash equivalents	**P**	**4,148,114**	**P**	**-**	**P**	**-**	**P**	**-**	**P**	**4,148,114**
Trade receivables		**-**		**4,536,650**		**15,582,592**		**6,955,359**		**27,074,601**
Advances for projects		**-**		**-**		**14,812,844**		**-**		**14,812,844**
Other non-current assets		**-**		**-**		**5,055,616**		**-**		**5,055,616**
	P	**4,148,114**	**P**	**4,536,650**	**P**	**35,451,052**	**P**	**6,955,359**	**P**	**51,091,175**

	December 31, 2013									
	Neither past due nor impaired				Past due		Past due			
		High grade		Standard grade		but not impaired		and impaired		Total
Cash and cash equivalents	P	8,585,863	P	-	P	-	P	-	P	8,585,863
Trade Receivables		-		5,329,680		19,769,009		6,955,359		32,054,048
Advances for projects		-		-		16,299,938		-		16,299,938
Other non-current assets		-		-		6,291,043		-		6,291,043
	P	8,585,863	P	5,329,680	P	42,359,990	P	6,955,359	P	63,230,892

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.

The aging analysis of past due but not impaired receivables is as follows:

		Trade		Advances for projects		Other Non-Current Assets		Total
61-90 days past due		**6,780,750**		**-**		**-**		**6,780,750**
over 90 days		**13,338,493**		**14,812,844**		**5,055,616**		**33,206,953**
	P	**20,119,243**	**P**	**14,812,844**	**P**	**5,055,616**	**P**	**39,987,703**

	December 31,2013							
		Trade		Advances for projects		Other Non-Current Assets		Total
61-90 days past due		5,181,480		-		-		5,181,480
over 90 days		14,587,529		16,299,938		6,291,043		37,178,510
	P	19,769,009	P	16,299,938	P	6,291,043	P	42,359,990

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 insurance liability falling due for payment earlier than expected; 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, 2014 and 2013.

	December 31, 2014									
		< 1 month		**> 1 month& <3 months**		**>3 months &< 1 year**		**> 1 year & <3 years**		**Total**
Accounts payable and accrued expenses	**P**	**414,274**	**P**	**243,898**	**P**	**425,000**	**P**	**-**	**P**	**1,083,172**
Interest-bearing liabilities										
Loans payable		**-**		**-**		**-**		**5,264,806**		**5,264,806**
	P	**414,274**	**P**	**243,898**	**P**	**425,000**	**P**	**5,264,806**	**P**	**6,347,978**

	December 31, 2013									
		< 1 month		> 1 month& <3 months		>3 months &< 1 year		> 1 year & <3 years		Total
Accounts payable and accrued expenses	P	644,228	P	71,879	P	110,250	P	-	P	826,357
Interest-bearing liabilities										
Loans payable		-		-		-		5,240,852		5,240,852
Obligations under finance lease		-		81,285		27,588		-		108,873
	P	644,228	P	153,164	P	137,838	P	5,240,852	P	6,176,082

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:

		2014				2013		
		US Dollar		**Peso Equivalent**		US Dollar		Peso Equivalent
Cash and cash equivalents	**$**	**1,818**	**P**	**81,109**	$	5,415.00	P	240,502
Advances for projects		**332,000**		**14,812,844**		367,000		16,299,938
Bank loans		**(118,000)**		**(5,264,806)**		(118,000)		(5,240,852)
	$	**215,818**	**P**	**9,629,147**	$	254,415.00	P	11,299,588

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, 2014 and 2013:

	Effect on Income Before Taxes			
Increase/decrease in Peso to US Dollar Rate		**2014**		2013
+P5.00	**P**	**1,079,090**	P	1,272,075
-P5.00		**(1,079,090)**		(1,272,075)

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 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 is as follows:

		2014			2013	
		Principal	**Interest rates**		Principal	Interest rates
Foreign currency loans	**P**	**5,264,806**	**1M LIBOR + 2.50%**	P	5,240,852	1M LIBOR + 2.70%
Obligation under finance lease		**-**	**-**		108,873	11%-19%
	P	**5,264,806**		P	5,349,725	

The sensitivity analyses have been determined based on the exposure to interest rates for foreign currency loans that are subject to repricing. If interest rates had been 200 basis points higher/ lower and all other variables were held constant, the Company's profit before taxes would decrease/ increase by P105,296 in 2014 and P106,995 in 2013. This is mainly attributable to the Company's exposure to interest rates on its variable rate financial assets.

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, additional paid-in capital, revaluation increment and retained earnings.

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

		2014		2013
Equity	**P**	**299,725,532**	P	306,559,472
Total Assets		**361,616,952**		313,904,780
Ratio		**0.829**		0.977

8. Cash and cash equivalents

As at December 31, 2014 and 2013, cash and cash equivalents represent cash on hand and cash in banks of P4,148,114 and P 8,598,863, respectively.

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

9. Trade receivables

The composition of this account is as follows:

		2014		2013
Trade	**P**	**27,074,601**	P	32,054,048
Less: Allowance for probable losses		**(6,955,358)**		(6,955,358)
	P	**20,119,243**	P	25,098,690

The movements in allowance for probable losses is as follows:

		2014		2013
Balance, January 1	**P**	**7,556,550**	P	6,955,358
Provision		**-**		601,192
Balance, December 31	**P**	**7,556,550**	P	7,556,550

Trade accounts have credit terms of 30-90 days.

In 2013, the Company recognized allowance for probable loss amounting to P601,192.

10. Short-term investments

Short-term investments are foreign currency deposits earmarked for the acquisition of capital equipment to augment the Company's expansion plans.

These investments with carrying value of P11,617,700 in 2014 and P11,833,230 in 2013 earn interest ranging from 5% to 5.5% annually.

11. Other current assets

This account consists of the following:

		2014		2013
Spare Parts Inventory	**P**	**2,641,394**	P	3,501,048
Prepayments		**-**		85,013
	P	**2,641,394**	P	3,586,061

Spare parts inventory consists of communication supplies and materials that are normally provided to the customers in the delivery of services. Spare parts inventory amounting to P 2,641,394 in 2014 and P3,501,048 in 2013 are carried at cost which approximates its net realizable value.

Spare parts inventory costing P859,654 and P358,189 was transferred to property and equipment in 2014 and 2013, respectively (*see Note 16*).

The balance of prepayments in 2013 represents payment of rental for the month of January 2014.

12. Advances for projects

In accordance with the memorandum of agreement (MOA) entered into between His Royal Highness Prince Abdul Aziz Bin Talal (HRH of Kingdom of Saudi Arabia) and the Company dated November 5, 2008, the latter made advances to the Company for purposes of re-investing the same in E-commerce including media, telecoms, internet and education technology services which will promote global understanding, mutual respect and openness to humanity and to further gain a foothold in Asia providing bridge in Saudi Culture and friendship in the Philippines and other Asian nations.

These advances is monitored through an annual assessment which contains the description, progress and allocation of the investment. Funds are allocated to different projects laid out in separate report. The funds cannot be expended and considered "in-trust" until such time the investment of HRH in TBGI is effected. In the event that such re-investment would not push through, the entire funds will be returned to TBGI.

Initially, total funds allocated to these projects amounted to US $ 367,000 (P16,299,938) which is broken down as follows:

HRH - TBGI Middle East Project		US $		Peso amount
1. TBGI Media Sattelite Project	$	82,000	P	3,641,948
2. AGFund Microfinance Bank Project for OFW		68,000		3,020,152
3. TBGI - ESI Webeoc Project for MMDA		80,000		3,553,120
4. TBGI - ESI Webeoc Project for Office of the Executive Secretary		80,000		3,553,120
5. TBGI - ESI Webeoc Project for the Department of Justice		57,000		2,531,598
	$	**367,000**	**P**	**16,299,938**

Brief descriptions of these projects are as follows:

(i) *TBGI Media/Satellite Project*
With an allocation of US $82,000, the project aims to provide video and online content from Middle East to educate and create a social development in Mindanao following the Bangsamoro Framework Agreement.

(ii) *OFW Assistance Project*
In partnership with the AGFund Microfinance Bank, the project aims to help the less fortunate citizens to have access to microfinance. The project has a total allocation of US $68,000

(iii) *TBGI-ESI Webeoc Project for (a) Metropolitan Manila Development Authority (b) Office of the Executive Secretary and (c) Department of Justice*
With total project allocation of US$217,000, TBGI intends to provide WebEOC system for MMDA, Office of the Executive Secretary and the Department of Justice concerning security, military, transportation, disaster management among others to these government agencies.

In 2014, a re-alignment was made based on the following allocation in view of the Country's looming power crisis.

HRH - TBGI Middle East Project		US $		Peso amount
1. TBGI Media/Sattelite Project	$	52,000	P	2,320,084
2. TBGI - ESI Webeoc Project for MMDA and Office of Exec. Sec.		70,000		3,123,190
3. ATN Phils Solar Energy Group Inc. 30 MW PV Project		113,000		5,041,721
4. 42,000 MW Solar PV project in Kingdom Saudi Arabia		97,000		4,327,849
	$	**332,000**	**P**	**14,812,844**

New project allocation comprises the following:

- *TBGI Media/Satellite Project*
  From a total project fund of US$332,000, US$52,000 were allocated to this project, which aims to assist and complement the Department of Education's Digital Internet Connectivity Program to service almost 2,000 public schools in remote areas of Mindanao and also aims to expand its International Internet Exchange Node landing gateway in Batangas.

- *TBGI-ESI Webeoc Project for (a) Metropolitan Manila Development Authority and (b) Office of the Executive Secretary*
  With allocation of US$70,000, TBGI intends to provide WebEOC system for MMDA, and Office of the Executive concerning security, military, transportation, disaster management to these government agencies.

- *ATN Solar 30 MW Solar PV Project in Rodriguez, Rizal*
  Apportionment of US$113,000 has been given to this project to construct a 30MW Solar PV in Rodriguez, Rizal, where civil works and site development works are scheduled to commence in March 2015. This is apart from the Company's additional subscription of P105 million common shares in ATN Solar.

- *42,000 MW Solar PV project in Kingdom of Saudi Arabia*
  The project aims to participate in harnessing solar energy to power Saudi Arabia's new cities by construction of 42,000 MW Solar PV. This project has allocation of US$97,000.

Following the re-alignment of project funds, the Company received US $35,000 representing return of funds from HRH of Kingdom of Saudi Arabia

To ensure the completion of the investment or the return of the deposit in the event the investment is not completed, a share pledge agreement was executed on December 15, 2009 by the Company and Mr. Arsenio T. Ng, a proponent of the investment project, whereby the latter pledges his 10,756,429 shares of TBGI as security with a fair value of P23,126,322 (*see Note 7*).

13. Investment in an Associate

Details of this account are as follows:

		2014		2013
Balance at beginning of year	**P**	**30,000,000**	P	7,500,000
Addtions during the year:				
Debt conversion		**-**		4,125,000
Cash subscription		**82,500,000**		18,375,000
Equity in net loss during the year		**(2,336,424)**		-
Balance at the end of the year	**P**	**110,163,576**	P	30,000,000

Transactions during 2013 and 2014 involving investment in an associate are as follows:

- On December 15, 2013, additional 4.125 million shares of ATN Solar was issued to the Company in satisfaction of the latter's cash advance to the former amounting to P4.125 million;
- In November 2013, following the re-alignment of project advances, P7,875,000 was used to subscribed to an additional 7,875,000 shares of ATN Solar;
- On December 13, 2013 and December 20, 2013, additional cash subscription to ATN Solar amounting to P5 million and P5.5 million, respectively, were made. As of December 31, 2013, the Company holds 41.17% equity interests in ATN Solar.
- During 2014 following the increase in authorized capital of ATN Solar, the Company subscribed to a total of 82.5 million shares for P82.5 million. As of December 31, 2014, the Company holds 30% equity interests in ATN Solar.

Summarized financial information of ATN Solar follows:

		2014		2013
Total assets	**P**	**317,684,650**	P	68,778,748
Total liabilities		**90,639,268**		3,126,000
Net loss		**(6,984,314)**		(578,111)

ATN Solar is a grantee by Department of Energy of the 30-MW Rodriguez Solar Power Project.

14. 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.

The movement in this account is as follows:

		2014		2013
Balance, January 1	**P**	**6,142,405**	P	6,742,405
Amortization		**(600,000)**		(600,000)
Balance, December 31	**P**	**5,542,405**	P	6,142,405

15. Other non-current assets

This account consists of:

		2014		2013
Advances to:				
Palladian Land Development Inc. (PLDI) *(see note 25)*	**P**	**3,538,037**	P	4,773,464
ATN Holdings, Inc. (ATN) *(see note 25)*		**1,062,074**		1,062,074
Security deposit		**455,505**		455,505
Other asset		**4,800,000**		4,800,000
	P	**9,855,616**	P	11,091,043

Advances to PLDI and ATN Holdings generally consist of cash advances.

The company, PLDI and ATN are all affiliated companies.

The aforementioned receivables are not subject to interest and have no fixed repayment period.

Other asset represents communication device (Rohn Tower) received by the Company from a client in settlement for its outstanding receivable.

16. Property and equipment - net

The movement in this account is as follows:

2014	**Building & improvements**	**Uplink/data Equipment**	**Furniture & Fixtures**	**Leasehold improvements**	**Transportation equipment**	**Total**
Carrying Amount						
At January 1, 2014	**P 23,893,402**	**P 251,599,388**	**P 5,180,726**	**P 19,145,709**	**P 14,675,284**	**P 314,494,509**
Reclassification from spare parts inventory	**-**	**859,654**	**-**	**-**	**-**	**859,654**
Additions			**-**	**-**	**-**	**-**
At December 31, 2014	**23,893,402**	**252,459,042**	**5,180,726**	**19,145,709**	**14,675,284**	**315,354,163**
Accumulated depreciation						
At January 1, 2014	**16,045,068**	**126,688,911**	**1,784,641**	**8,801,264**	**10,539,753**	**163,859,637**
Provisions	**1,069,671**	**12,509,083**	**213,069**	**898,846**	**119,171**	**14,809,840**
At December 31, 2014	**17,114,739**	**139,197,994**	**1,997,710**	**9,700,110**	**10,658,924**	**178,669,477**
Net Book Value						
At December 31, 2014	**P 6,778,663**	**P 113,261,048**	**P 3,183,016**	**P 9,445,599**	**P 4,016,360**	**P 136,684,686**

2013	Building & improvements	Uplink/data Equipment	Furniture & Fixtures	Leasehold improvements	Transportation equipment	Total
Carrying Amount						
At January 1, 2013	P 21,393,402	P 250,287,892	P 5,180,726	P 19,145,709	P 14,675,284	P 310,683,013
Reclassification from spare parts inventory	-	358,189	-	-	-	358,189
Additions	2,500,000	953,307	-	-	-	3,453,307
At December 31, 2013	23,893,402	251,599,388	5,180,726	19,145,709	14,675,284	314,494,509
Accumulated depreciation						
At January 1, 2013	14,975,396	114,179,825	1,571,572	7,902,418	9,276,782	147,905,993
Provisions	1,069,672	12,509,086	213,069	898,846	1,262,971	15,953,644
At December 31, 2013	16,045,068	126,688,911	1,784,641	8,801,264	10,539,753	163,859,637
Net Book Value						
At December 31, 2013	P 7,848,334	P 124,910,477	P 3,396,085	P 10,344,445	P 4,135,531	P 150,634,872

Building and improvements, uplink equipment, leasehold improvements and data equipment were revalued on October 28, 2002 by a firm of independent appraisers at market prices. The net appraisal increment resulting from the revaluation is credited to the “Revaluation Increment” account shown under equity. The amount of revaluation increment absorbed through depreciation is transferred from the revaluation increment to retained earnings. Management believes that fair value has not significantly changed since date of initial valuation.

Had the building and improvements, uplink equipment, leasehold improvements and data equipment been carried at cost less accumulated depreciation, amortization and impairment losses, if any, their carrying amounts would have been as follows:

	2014	2013
Building and improvements	**P 573,637**	P 615,144
Uplink/data equipment	**28,364,139**	30,246,510

17. Investment properties

As of December 31, 2014 and 2013, the breakdown of the Company's investment properties is shown below:

		2014		2013
Condominium units	**P**	**38,368,800**	P	43,368,400
Land and improvements		**6,919,000**		6,919,000
	P	**45,287,800**	P	50,287,400

The fair market value of the condominium units is based on the appraisal made by a firm of independent appraisers on March 4, 2014.

The fair market value of the land and improvement is based on the latest available appraisal made by a firm of independent appraisers on January 23, 2003. The assigned value was estimated using the Market Data Approach, which is based on sales and listing of comparable property registered within the vicinity that considered factors such as location, size and shape of the properties.

Appraisal of condominium units resulted in smaller fair value recognized in the balance sheet compared to last year's fair value. Change in fair value of the asset resulted in fair value loss which is recognized in current year's Statement of Comprehensive Income.

Portion of the condominium unit is rented out without incurring additional expense on the part of the Company. Rent income earned on investment properties amounted to P2,248,872 in 2014, P2,047,872 in 2013 and P1,550,456 in 2012.

The zonal values of the Company's investment properties based on the latest valuation dates are as follows:

Condominium units	**P**	**42,632,000**
Land and improvements		**2,315,520**
	P	**44,947,520**

18. Accounts payable and accrued expenses

This account consists of:

		2014		2013
Trade Payables	**P**	**243,897**	P	71,879
Accrued and other liabilities		**414,275**		644,228
Deposits		**425,000**		110,250
	P	**1,083,172**	P	446,836

Trade payables which include transponder lease and internet services are settled on a 1-3 months term. Accrued expenses are settled on a 30-day term. Other liabilities include statutory liabilities payable in subsequent month.

Deposits are amounts paid by clients as guarantee to agreements entered into by the Company. The amount is expected to be settled upon the termination of the contract.

19. Interest-bearing liabilities

Details of this account as at December 31 are as follows:

		2014		2013
Foreign currency loans	P	5,264,806	P	5,240,852
Obligation under finance lease		-		108,873
		5,264,806		5,349,725
Less: current portion		-		108,873
	P	5,264,806	P	5,240,852

Foreign currency loans
Foreign currency loans were obtained from China Banking Corporation. The original principal amounting to $118,000 matured in 2013 and was renewed for another 3 years which is payable in full in 2016. Annual interest rate is 1M LIBOR + 2.5% and is payable monthly in arrears. The loan is secured by real estate mortgages executed by related parties, namely, Palladian Land Development, Inc. and ATN Holdings, Inc.

The proceeds of the loans were used for working capital requirements. Interest expense paid and accrued during the year amounted to P153,951.

Obligation under finance lease
On various dates, the Company acquired transportation equipment availed under financing terms of the banks, which requires monthly amortization of principal plus interest ranging from 10% to 12% per annum.

The finance lease was fully paid in April 2014. Principal and interest payments during the year amounts to P108,873 and P2,479, respectively.

The carrying value of the transportation equipment under the finance lease amounted to P882,285 and P1,023,428 as of December 31, 2014 and 2013, respectively.

Future minimum lease commitments for obligation under the finance leases are as follows:

		2014		2013
Due within 1 year	P	-	P	108,873
Due after 1st year up 5th year		-		-
Total		-		108,873
Amount representing interest		-		2,479
Present value of lease payments	P	-	P	111,352

20. Retirement benefits

Retirement benefits paid under RA 7641 amounted to P270,403 in 2011. Retirement benefit cost recognized in the financial statements amounted to P123,227 in 2014, P83,349 in 2013 and P56,382 in 2012. The movement in Liability for Retirement benefits for the year ended December 31, 2014 and 2013 is as follows:

		2014		2013
Balance, January 1	P	1,102,114	P	1,018,765
Expense recognized		123,227		83,349
	P	1,225,341	P	1,102,114

Management believes that retirement benefits computed under RA 7641 does not materially differ from that of PAS 19.

21. Equity

Share capital

The Company's capital structure is as follows:

	Shares		Amount
Authorized - P1 par value per share	380,000,000	P	380,000,000
Issued and outstanding	222,019,330		222,019,330
Shares held in treasury	437,800		437,800

Issued capital held in treasury totaled 437,800 shares.

The Company's shares are listed and traded at the Philippine Stock exchange ("PSE"). The listing of the offer shares was approved by the Board of Directors of the PSE on October 22, 2003. The listing date is on December 12, 2003.

The Company has committed to issue to ATN Holdings Inc., a related party, 13,000,000 common shares in consideration for the acquisition of investment property and the payment of loan to ATN amounting to P2.5 million in 2007. These shares were to become available after the listing of 170,980,670 unissued common shares. The additional listing of subject shares has not been carried out as of December 31, 2014.

Documentary requirements are still being collated for the Company's application for exemption from the registration of new shares with the Securities and Exchange Commission.

Share options

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

The share option comprises the following:

(i) 35 million shares of TBGI at par value of P1.00 per share as compensation for services rendered as CEO of the Company during the period 2001 to 2007, and;

(ii) 5 million shares of TBGi at par value of P1.00 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 stock 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 of conditions was agreed defining the vesting schedule of the options as management believe that a one-time recognition of the options cannot be afforded in 2008 alone. The vesting period was stretched up to 2023 of which 500,000 shares may be exercised starting 2013 up to 2022. Another 5.5 million shares in 2022 and finally, 30 million shares in 2023

During 2010, the Company's BOD through the Remuneration Committee approved the indefinite deferment of the aforementioned stock options to the CEO. No options were exercised prior to the said deferment.

As of December 31, 2014 and 2013, the stock options has a carrying value of P8,921,814.

Revaluation increment

The movement of this account as at December 31 is as follows:

		2014		2013
Balance, January 1	**P**	**3,300,498**	P	5,525,312
Cumulative amount of revaluation absorbed through depreciation		**(2,224,814)**		(2,224,814)
Balance, December 31	**P**	**1,075,684**	P	3,300,498

22. Direct costs

This account consists of:

		2014		2013		2012
Depreciation *(see Note 16)*	**P**	**14,809,840**	P	15,953,644	P	15,712,064
Transponder lease *(see Note 29)*		**11,444,662**		10,860,851		10,853,268
Rental *(see Note 29)*		**2,286,219**		2,067,267		1,923,220
Salaries, wages & other benefits		**1,452,251**		1,238,481		1,712,913
Utilities and communication		**988,473**		837,304		1,027,837
Taxes and licenses		**810,448**		776,933		770,395
Transportation and travel		**631,642**		1,190,720		823,417
Amortization of franchise		**600,000**		600,000		600,000
Security services		**310,177**		387,667		418,638
Insurance		**234,763**		222,624		262,808
Office supplies		**168,151**		276,888		275,897
Provision for retirement *(see Note 20)*		**123,227**		83,349		56,382
	P	**33,859,853**	P	34,495,728	P	34,436,838

23. Other Revenues

The composition of this account is as follows:

		2014		2013		2012
Rent income *(see Note 17)*	**P**	**2,248,872**	P	2,047,872	P	1,550,456
Interest income		**540,038**		524,459		1,016,258
Unrealized forex gain		**238,735**		551,287		-
	P	**3,027,646**	P	3,123,618	P	2,566,714

24. Administrative expenses

This account consists of:

		2014		2013		2012
Legal and professional fees	**P**	**395,000**	P	460,000	P	445,000
Permits, taxes and licenses		**385,740**		404,697		444,430
Representation and entertainment		**318,922**		250,500		154,030
Transportation and travel		**154,716**		115,628		21,027
Provision for probable losses		**-**		601,192		-
Unrealized foreign exchange loss		**-**		-		5,199,978
Power, utilities and communication		**-**		-		776,401
Salaries, wages and other benefits		**-**		-		755,609
Miscellaneous		**51,256**		143,738		993
	P	**1,305,634**	P	1,975,755	P	7,797,468

Pursuant to a *Teaming Agreement* executed in January 2013, a 75%-25% cost sharing of cost/expenses related to technical operations was implemented. All other cost including, but not limited to salaries, utilities and associate dues shall be borne solely by Palladian.

Accordingly, certain cost and expenses of the Company were significantly reduced during 2013 and 2014.

The teaming agreement is effective until December 31, 2014 subject to re-negotiation in 2015.

25. Related party transactions

The following are transactions with related parties during the year:

Category	Ref.	Amount	Outstanding Balance	Terms	Conditions
Associate					
ATN Philippines Solar Energy Group Inc.					
Subscription Payable	(i)	28,500,000	54,250,000	Not subject to any payment terms	Not delinquent
Other Related Parties					
Palladian Land Development Inc.					
Rent Income	(ii)	1,299,388	3,538,037	Non-interest bearing receivable	Unsecured, no impairment
Expenses	(iii)	1,265,185			
Collection		(3,800,000)			
ATN Holdings Inc.		-	1,062,074	Non-interest bearing receivable	Unsecured, no impairment
HRH Prince Abdul Aziz Bin Talal (*see Note 12*)	(iv)	(1,487,094)	14,812,844	Based on project allocation	To be expended only based on project allocation

Details of these transactions are as follows:

(i) As discussed in Note 13, the Company subscribed to the increase in authorized capital of ATN Solar amounting P82.5 million. At the time of subscription, P26.25 million was paid in cash on October 31, 2014 and additional cash payment of P2.0 million was paid on March 13, 2014. The balance of P54.25 million was presented in the Statement of Financial Position as Subscription payable.

(ii) The Company is a beneficial owner of certain condominium units classified in the Statement of Financial Position as Investment properties. Title to the properties has not been released to the Company as it intends to sell the properties using the marketing expertise of PLDI. In 2014 and 2013, these properties are leased out to third parties thru PLDI. Proceeds of the rent were remitted to the Company.

(iii) As discussed in Note 24, a teaming agreement was executed in 2013 in an effort trim cost and rationalize operations. Certain cost expenses were advanced by a related party.

(iv) As discussed in Note 12, funds were released to HRH to cover various projects. In 2014, the amount of $35,000 was repaid back to the Company following the re-alignment of different projects.

26. 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 December 15, 2016 unless earlier revoked by CDC.

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 paying 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; and

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

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

27. Income tax expense (benefit)

The major components of provision for income tax for the years ended December 31, 2014, 2013 and 2012 are as follows:

		2014		2013		2012
Current		**170,355**		138,026	P	122,380
Deferred		**(294,201)**		(351,934)		(2,819)
	P	**(123,846)**	P	(213,908)	P	119,561

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

		2014		2013		2012
Deferred tax assets						
Unrealized loss on fair value adjustment						
on investment property - net	**P**	**403,092**	P	103,116	P	103,116
Pension liability		**61,267**		55,106		50,938
Allowance for probable losses		**347,768**		347,768		-
		812,127		505,990		154,054
Deferred tax liability						
Revaluation increment		**(56,616)**		(173,712)		(290,807)
Unrecognized Income on foreign exchange		**(11,937)**		-		-
		(68,553)		(173,712)		(290,807)
Net	**P**	**743,574**	P	332,278	P	215,183

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

		2014		2013		2012
Loss before income tax	**P**	**(7,074,881)**	P	(746,036)	P	(7,939,584)
Statutory income tax (@5%)		**(353,744)**		(37,302)		(396,979)
Adjustment for:						
Interest income subject to final tax		**(27,001)**		(26,223)		(50,813)
Depreciation on revaluation increment		**117,095**		117,095		117,095
Permanent difference		**189,800**		(267,478)		450,258
Unrealized fair value loss						
on investment property		**(49,996)**		-		-
Actual provision for income tax	**P**	**(123,846)**	P	(213,908)	P	119,561

28. 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 as follows:

		2014		2013		2012
Profit (loss) for the year (a)	**P**	**(6,951,035)**	P	(532,129)	P	(8,059,145)
Weighted average number of shares						
Outstanding during the year (b)		**222,019,330**		222,019,330		222,019,330
Earnings (loss) per share		**(0.0313)**		(0.0024)		(0.0363)

As at December 31, 2014, 2013, and 2012, there are no potential ordinary shares with dilutive effect.

29. Lease commitments

Company as a Lessee

(a) Transponder lease with ABS Global, Ltd. (formerly known as Asia Broadcast Satellite Ltd)
In June 2011, the Company entered into a transponder lease agreement with Asia Broadcast Satellite, Ltd which requires monthly payment of US$20,445 over the lease term of three (3) years.

The agreement expired on June 2014 and was renewed for another one year with monthly lease payment of US$20,790.

Transponder lease recognized in the statements of income amounted to P11,444,662 in 2014, P10,860,851 in 2013, and P10,853,268 in 2012. None of these leases includes contingent lease rental.

(b) 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 starting July 10, 1995 to July 10, 2020.

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

Rent expense recognized in the statements of income amounted to P2,286,219 in 2014, P2,067,267 in 2013 and P1,923,220 in 2012.

Future minimum lease payments from these lease contracts are as follows:

	2014	2013
within 12 months	**11,517,933**	13,531,937
more than 12 months	**22,954,549**	34,472,482
	34,472,482	48,004,419

Company as a Lessor

(d) Lease Agreement with Microcircuits, Ruru Global Recruitment Services, Inc. and Comodo Security Philippines, Inc. with TBGI as lessor.
The Company has short-term lease agreements with the aforementioned tenants with varying rates. The rent income from these leases does not have direct operating expenses.

Rent income recognized in the statements of income amounted to P2,248,872 in 2014, P2,047,872 in 2013 and P1,550,456 in 2012.

30. Supplementary information required under Revenue Regulations 15-2010 and 19-2011

The Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) 15-2010 and 19-2011, which require additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the calendar year ended December 31, 2014 is presented in compliance thereto.

(i) Supplementary information required under RR 15-2010

- 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.

- The amounts of withholding taxes paid and accrued, by category are as follows:

Tax on compensation	**P**	**18,350**
Creditable withholding taxes		**25,761**

- As of December 31, 2014, the Company has no pending tax cases within and outside the administration of the BIR.

(ii) Supplementary information required under RR 19-2011

- The Company's revenue for income tax purposes amounted to P32,552,935.

- The Company's other taxable income represents rental income amounting to P2,248,872.

- Details of Company's direct cost are as follows:

Depreciation and amortization	**P**	**12,467,931**
Transponder lease		**11,444,662**
Rental expense		**2,286,219**
Salaries, wages and other benefits		**1,452,251**
Utilities and communication		**988,473**
Taxes and licenses		**810,448**
Transportation and travel		**631,642**
Amortization of franchise fee		**600,000**
Security services		**310,177**
Insurance		**234,763**
Office supplies		**168,151**
	P	**31,394,717**

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

Direct costs		
Supervision and regulatory fee - NTC	P	753,390
Other licenses - NTC		17,045
		770,435
Administrative expenses		
Annual listing fee - PSE		258,000
Business permits and licenses		7,146
Real property tax		160,107
Other permits and licenses		500
	P	425,753

31. Other significant matters

(i) Non-cash investing activities

The following are the Company's non-cash investing activities

- On December 15, 2013, the Company received a total of 4.125 million shares of ATN Solar amounting to P4.125 million as a result of the debt-to-equity conversion of the Company's advances to ATN Solar amounting to P4.125 million. The same was excluded in the preparation of Statement of Cash Flows;

- In 2013, the Company received a communication device (Rohn Tower) with fair market value of P4.8 million. The same was used in settlement of the Company's outstanding receivable from a third party for the same amount. This transaction was excluded in the Statement of Cash Flows for that period.

- During 2014 and 2013, additions to property and equipment amounting to P859,654 and P358,189 was made via reclassification from spare parts inventory. The same did not involve any cash outflow and was excluded in the preparation of Statement of Cash Flows.

- In accordance with PAS 40, certain investment properties which are carried at fair values recognized a decrease of P4,999,600 million as result of an appraisal made on March 27, 2014. The decrease in value did not involve any cash transaction.

(ii) Contingencies

The Company is a defendant in certain cases which are still pending in court and the outcome of criteria cannot be ascertained at this time. The management, in consultation with its legal counsel believes that liabilities, if any, which may result from the outcome of the case, will not have a material effect on the financial position and results of operation of the Company.

(iii) Subsequent events

On March 6, 2015, a deed of sale was executed by the Company with a third party for the sale of a communication device (Rohn Tower) at a contract price of P4.8 million payable over a period of 30 months with subject to an interest rate of 7.5% per annum computed based on the diminishing balance.

(iv) Reclassification

Certain accounts in 2014 financial statements were reclassified to conform to 2013 financial statement presentation.

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail : rrtan@pldtdsl.net

PRC-BOA Reg. No. 0132, valid until December 31, 2015
SEC Accreditation No.0220-FR-1, valid until March 25, 2017
BIR Accreditation No. 07-000125-001-2013, valid until Oct. 3, 2016

Independent Auditors' Report on Supplementary Schedules

The Board of Directors and Stockholders
TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
9TH Floor, Summit Tower 1 Bldg.,
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, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, included in this Form 17-A, and have issued our report thereon dated April 8, 2015. 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 Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic 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 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. 0109993
Tax Identification No. 203-917-449
PTR No. 0409887, January 17, 2015, Pasig City
SEC Accreditation No. 1088-AR-1,
Valid until March 25, 2017
BIR Accreditation No. 07-000124-1-2013,
Valid until October 3, 2016

April 8, 2015
Pasig City

Transpacific Broadband Group International, Inc.
Index to Supplementary Schedules
Under SEC Rule 68, As Amended (2011)

Table of Contents

Transpacific Broadband Group International, Inc.
Schedule I - Tabular Schedule of All Effective Standards and
Interpretations Pursuant to SRC Rule 68, as Amended
December 31, 2014

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of December 31, 2013		Adopted	Not adopted	Not applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		x		
PFRS's Practice Statement Management Commentary		x		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First time adoption of Philippine Financial Reporting Standards			x
	Amendments to PFRS 1 and PAS 27: Cost of an investment in a Subsidiary; Jointly Controlled entity or Associate			x
	Amendments to PFRS 1: Additional exemptions for First Time Adopters			x
	Amendments to PFRS 1: Limited exemptions from Comparative PFRS 7 Disclosures for First Time Adopters			x
	Amendments to PFRS 1: Severe Hyperinflation and removal of Fixed Date for First Time Adopters			x
	Amendments to PFRS 1: Government Loans			x
PFRS 2	Share - Based Payment	x		
	Amendments to PFRS 2: Vesting Conditions and Cancellations			x
	Amendments to PFRS 2: Group Cash - settled Share - Based payment Transactions			x
PFRS 3 (Revised)	Business Combinations			x
PFRS 4	Insurance Contracts			x
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
PFRS 5	Non-current assets held for sale and discontinued operations			x
PFRS 6	Exploration for and Evaluation of Mineral Resources			x
PFRS 7	Financial Instruments: Disclosures	x		
	Amendments to PFRS 7: Transition	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to PFRS 7: Improving Disclosures about financial instruments	x		
	Amendments to PFRS 7: Disclosures - Transfers of Financial assets	x		
	Amendments to PFRS 7: Disclosures - Offsetting financial assets and financial liabilities			x
	Amendments to PFRS 7: mandatory effective date of PFRS 9 and transition disclosures	Not early adopted		
PFRS 8	Operating segments			x
PFRS 9	Financial Instruments	x		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
PFRS 10	Consolidated Financial statements			x
PFRS 11	Joint Arrangements			x
PFRS 12	Disclosure of Interest in Other Entities	x		
PFRS 13	Fair Value Measurement	x		

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013		Adopted	Not adopted	Not applicable
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	x		
	Amendment to PAS 1: Capital Disclosures	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendments to PAS 32 and PAS 1: Presentation of items of Other Comprehensive Income	x		
PAS 2	Inventories	x		
PAS 7	Statement of Cash flows	x		
PAS 8	Accounting Policies, Changes in Accounting estimates and errors	x		
PAS 10	Events after the Balance Sheet Date	x		
PAS 11	Construction Contracts			x
PAS 12	Income Taxes	x		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	x		
PAS 16	Property, Plant and Equipment	x		
PAS 17	Leases	x		
PAS 18	Revenue	x		
PAS 19	Employee benefits			x
	Amendments to PAS 19: Actuarial Gains and Losses; Group plans and disclosures			x
PAS 19 (Amended)	Employee benefits	x		
	Employee benefits: Employee Contributions	Not early adopted		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			x
PAS 21	The effects of changes in Foreign Exchange rates	x		
	Amendment: Net investment in a Foreign Operation			x
PAS 23 (Revised)	Borrowing Costs	x		
PAS 24 (Revised)	Related Party disclosures	x		
PAS 26	Accounting and Reporting by Retirement benefit plans			x
PAS 27 (Revised)	Separate Financial Statements			x
PAS 28	Investment in Associates			x
PAS 28 (Amended)	Investment in Associates and Joint Ventures	x		
PAS 29	Financial Reporting in Hyperinflationary Economies			x
PAS 31	Interest in Joint Ventures			x
PAS 32	Financial Instruments: Disclosure and Presentation	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendment to PAS 32: Classification of Rights issues			x
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	Not early adopted		
PAS 33	Earnings per share	x		
PAS 34	Interim Financial Reporting			x
PAS 36	Impairment of Assets	x		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	x		
PAS 38	Intangible Assets	x		

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of December 31, 2013		Adopted	Not adopted	Not applicable
PAS 39	Financial Instruments: Recognition and Measurement	x		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	x		
	AmendmentS TO pas 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			x
	Amendments to PAS 39: The Fair Value Option	x		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			x
	Amendment to PAS 39: Eligible Hedged Items			x
PAS 40	Investment Property	x		
PAS 41	Agriculture			x
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			x
IFRIC 2	Member's share in Co-operative entities and Similar Instruments			x
IFRIC 4	Determining whether an Arrangement contains a Lease			x
IFRIC 5	Rights to Interests Arising from Decommisioning, Restoration and Environmental Rehabilitation Funds			x
IFRIC 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Component			x
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting under Hyperinflationary Economies			x
IFRIC 8	Scope of PFRS 2			x
IFRIC 9	Reassessment of Embedded Derivatives			x
	Amendments to Philippine Interpretations IFRIC-9 and PAS 39: Embedded Derivatives			x
IFRIC 10	Interim Financial Reporting and Impairment			x
IFRIC 11	PFRS 2-Group and Treasury share transactions			x
IFRIC 12	Service Concession Arrangements			x
IFRIC 13	Customer Loyalty Programmes			x
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction			x
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			x
IFRIC 16	Hedges of a Net Investment in Foreign Operation			x
IFRIC 17	Distribution of Non Cash Assets to Owners			x
IFRIC 18	Transfers of Assets from Customers			x
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			x
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			x
IFRIC 21	Levies			x
SIC - 7	Introduction of the Euro			x
SIC - 10	Government Assistance - No specific relation to Operating Activities			x
SIC - 12	Consolidation - Special purpose entities			x
	Amendment to SIC - 12: Scope of SIC - 12			x
SIC - 13	Jointly Controlled Entities - Non Monetary Contributions by Venturers			x

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of December 31, 2013		Adopted	Not adopted	Not applicable
SIC - 15	Operating Leases - Incentives	x		
SIC - 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	x		
SIC - 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			x
SIC - 27	Evaluating the Substance of Transactions Involving the Legal form of a Lease			x
SIC - 29	Service Concession Arrangements - Disclosures			x
SIC - 31	Revenue - Barter Transactions Involving Advertising Services			x
SIC - 32	Intangible Assets - Web Site Costs			x

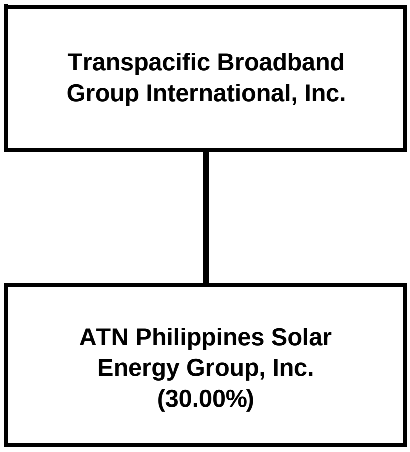
Transpacific Broadband Group International, Inc.
Schedule II - Financial Soundness
Pursuant to SRC Rule 68, As Amended

		2014	2013
A.	Current/liquidity ratios		
	Current ratio	**33.46**	49.00
	Quick ratio	**31.17**	45.51
	Cash ratio	**13.69**	20.38
B.	Solvency ratio/Debt-to-equity ratio		
	Solvency ratio	**5.84**	42.74
	Debt ratio	**0.17**	0.02
	Debt-to-Equity ratio	**0.21**	0.02
C.	Asset-to-Equity ratios	**1.21**	1.02
D.	Interest rate coverage ratio	**(44.96)**	(4.11)
E.	Profitability ratios		
	Net profit margin analysis	**-19.54%**	-1.62%
	Gross profit margin analysis	**4.84%**	3.93%
	Return on assets	**-2.06%**	-0.17%
	Return on equity	**-2.29%**	-0.17%
	Return on capital employed	**-2.06%**	-0.17%

Transpacific Broadband Group International, Inc.
Schedule III - Retained Earnings Available for Dividend Declaration
December 31, 2014

Retained Earnings as at December 31, 2013			P	43,327,608
Adjustments:				-
Retained Earnings as at December 31, 2013, *as adjusted*			P	43,327,608
Net loss during the period closed to Retained Earnings		(6,951,035)		
Less:	Non-actual/unrealized income net of tax	-		
	Equity in net income of associate/joint venture	-		
	Unrealized foreign exchage gain - net (except those attributable to cash and cash equivalents)	238,735		
	Unrealized actuarial gain	-		
	Fair value adjustment (mark-to-market gains)	-		
	Fair value adjustment of investment property resulting to gain	-		
	Recognized deferred tax asset that increased the net income	294,201		
	Adjustment due to deviation from PFRS/GAAP - gain	-		
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-		
Subtotal		532,936		
Add:	Non-actual losses	-		
	Depreciation on revaluation increment (after tax)	2,224,814		
	Unrealized actuarial loss	-		
	Fair value adjustment (mark-to-market losses)	-		
	Adjustment due to deviation from PFRS/GAAP - loss	-		
	Loss on fair value adjustment of investment property (after tax)	4,699,624		
Subtotal		6,924,438		
Net income actually earned during the period				(559,533)
Add(less):				
	Dividend declarations during the period	-		
	Appropriations of retained earnings during the year	-		
	Reversals of appropriations	-		
	Deemed cost adjustment on investment property	-		
	Treasury shares	437,800		
Subtotal				(437,800)
Retained Earnings as at December 31, 2014			P	42,330,275

Transpacific Broadband Group International, Inc.
Schedule IV - A map showing the relationship between and among the Company and its ultimate Parent Company, subsidiaries and associates
Pursuant to Rule 68 as Amended
December 31, 2014



Transpacific Broadband Group International, Inc.
Schedule A - Marketable Securities
December 31, 2014

Name of Issuing entity and association of each issue	Number of share or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at balance sheet date	Income received and accrued
Bank of Singapore	Not applicable	P 11,617,700	P 11,617,700	P 540,038

Transpacific Broadband Group International, Inc.
Schedule B: Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)
December 31, 2014

Name and designation of Debtor	Balance at beginning of period	Additions	Amounts collected/ liquidated	Amounts written off	Current	Non current	Balance at end of period
HRH Prince Abdul Aziz - Director *****	16,299,938	45,206	1,532,300	-	-	14,812,844	14,812,844
ATN Holdings Inc. - Related Party	1,062,074	-	-	-	-	1,062,074	1,062,074
Palladian Land Development Inc. - Related Party	4,773,465	2,564,573	3,800,000	-	-	3,538,038	3,538,038
	P 22,135,477	P 2,609,779	P 5,332,300	P -	P -	P 19,412,956	P 19,412,956

* - additions represent unrealized foreign exchange gain

Transpacific Broadband Group International, Inc.
Schedule D: Intangible Assets- Other assets
December 31, 2014

Description	Baginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other charges additions (deductions)	Ending Balance
Franchise	P 6,142,405	P -	P 600,000	P -	P -	P 5,542,405

Transpacific Broadband Group International, Inc.
Schedule F: Long Term Debt
December 31, 2014

Title issue and type of obligation	Amount authorized by indenture	Amount shown under current portion of long term debt in related balance sheet	Amount shown under caption "Long term Debt" in the balance sheet
China Banking Corporation	$ 118,000.00	-	P 5,264,806.00

Transpacific Broadband Group International, Inc.
Schedule H: Share Capital
December 31, 2014

Title of issue	Number of Shares Authorized	Number of shares Issued and Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Reserved for Options Warrants, Conversion and Other Rights	Number of shares held by affiliates	Directors, Officers and Employees	Others
Share Capital	380,000,000	222,019,330	40,000,000	20,000,000	18,048,037	183,533,493

COVER SHEET

A	S	O	9	5	0	0	6	7	5	5

S.E.C. Registration Number

TRANSPACIFIC BROADBAND GROUP

INT L. INC.

(Company's Full Name)

9th Foor Summit 1 Tower, 530 Shaw

Boulevard, Mandaluyong City

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

Paul B. Saria

Contact Person

7170523

Company Telephone Number

1	2		3	1

Month Day

Fiscal Year

SEC FORM- ACGR

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Corporate Finance Department

Dep.Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No.of Stockholders

Domestic

Foreign

To be accomplished bt SEC Personnel concerned

LCU

Cashier

STAMPS

Remarks: pls.use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year: **CY 2014**

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

3. **9TH Floor Summit One Tower, 530 Shaw Boulevard, Mandaluyong City** **1550**
   Address of Principal Office Postal Code

4. SEC Identification Number: **AS095-006755** . 5. (SEC Use Only)
   Industry Classification Code

6. BIR Tax Identification Number: **004-513-153**

7. **(632) 717-0523**
   Issuer's Telephone number, including area code

8. ....NOT APPLICABLE...
   Former name or former address, if changed from the last report

TABLE OF CONTENTS

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	*7*

Actual number of Directors for the year	*7*

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)[1]	Elected when (Annual /Special Meeting)	No. of years served as director
HRH Prince Abdulaziz bin Talal Al Saud	*NED*	*n/a*	*Paul Saria-None*	*2009*	*10/2014*	*Annual*	*5*
Arsenio T. Ng	*ED*	*n/a*	*Hilario Ng- None*	*2000*	*10/2014*	*Annual*	*14*
Hilario T. Ng	*ED*	*n/a*	*Hilario Ng- None*	*2000*	*10/2014*	*Annual*	*14*
Simoun Ung	*NED*	*n/a*	*Hilario Ng- None*	*2007*	*10/2014*	*Annual*	*7*
Paul B. Saria	*ED*	*n/a*	*Hilario Ng- None*	*2000*	*10/2014*	*Annual*	*14*
Kenneth C. Co	*ID*	*n/a*	*Paul Saria-None*	*2011*	*10/2014*	*Annual*	*3*
Oscar B. Mapua, Jr.	*ID*	*n/a*	*Paul Saria-None*	*2003*	*10/2014*	*Annual*	*11*

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Board of Directors and Management of TBGI believes that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

The Board of directors continuously strives to improve effective performance management of company thru a well-structured business strategy. Thru a director nomination and election process, all shareholders are given the opportunity to nominate and elect directors based on the number of shares voted. The board also oversees that risk assessment activities are done and reported at each committee level (audit, remuneration, executive)

The Corporation adopts to Corporate Governance policy under the following: 1) Corporate By-laws, 2) Corporate Government Manual 3) Audit Policies. 4) Corporation Code 5) SEC Rules and Regulations 6) PSE Disclosure Rules

(c) How often does the Board review and approve the vision and mission?

The Board are constantly reminded and expected to carry and act in accordance to the vision and mission of the company. The vision and mission are not explicitly discussed in board meetings.

[1] Reckoned from the election

(d) Directorship in Other Companies

(i) Directorship in the Company's Group[2]

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	**Corporate Name of the Group Company**	**Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.**
Arsenio T. Ng	*Palladian Land Dev. Inc.* *Advanced Home Concept* *Managed Care Phil. Inc.*	*Executive*
Hilario T. Ng	*Palladian Land Dev. Inc.* *Advanced Home Concept* *Managed Care Phil. Inc.*	*Executive*
Paul B. Saria	*Palladian Land Dev. Inc.* *Advanced Home Concept* *Managed Care Phil. Inc.*	*Executive*

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	**Name of Listed Company**	**Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.**
Arsenio T. Ng	*ATN Holdings, Inc.*	*Executive*
Paul B. Saria	*ATN Holdings, Inc.*	*Executive*
Hilario T. Ng	*ATN Holdings, Inc.*	*Executive*

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	**Name of the Significant Shareholder**	**Description of the relationship**
Hilario T. Ng	*Arsenio T. Ng*	*Brothers*
Arsenio T. Ng	*Hilario T. Ng*	*Brothers*

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	**Maximum Number of Directorships in other companies**
Executive Director	*No limits placed*	*n.a.*
Non-Executive Director	*No limits placed*	*n.a.*
CEO	*No limits placed*	*n.a.*

[2] The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

(e) Shareholding in the Company

The top 20 stockholders as of June 30, 2014 are as follows:

Shareholders of Each Class	**No. of Shares Held**	**% of Total Shares Outstanding**
1. PCD Nominee Corp. (F)	82,385,806	37.18%
2. PCD Nominee Corp. (NF)	81,057,209	36.58%
3. Unipage Management Inc.	20,000,000	9.03%
4. Ng, Arsenio T.	13,256,429	5.98%
5. Limqueco, Abraham	2,368,000	0.92%
6. Liu, Jessilyn	1,500,000	0.68%
7. Escueta, Ramon	1,409,473	0.64%
8. Eng Chin Kho Ng	800,000	0.36%
9. Yap, Rodolfo	800,000	0.36%
10. Ng, Hilario Tiu Ng	400,804	0.18%
11. Ng, Mark T.	375,000	0.17%
12. Ng, Tiffany Anne	375,000	0.17%
13. Ng, Matthew H	375,000	0.17%
14. Ng, Annie Cham	375,000	0.17%
15. Ng, Bun Kui	360,000	0.16%
16. Ng, Irene	360,000	0.16%
17. Oliva, Dulce Maria	360,000	0.16%
18.Limqueco, Margie Villaflor	350,000	0.16%
19. Reyes-Lao, Honorio O.	300,000	0.14%
20. Limqueco, Margie V.	218,000	0.10%

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes [ ] No [X]

Identify the Chair and CEO:

Chairman of the Board	*Arsenio T. Ng*
CEO/President	*Arsenio T. Ng*

The CEO of the company is the majority owner and also assumes the role of Chairman of the Board. He holds and acts in accordance to the interest of the company, developing and implementing high-level strategies to ensure effective corporate decision.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	**Chief Executive Officer**
Role	*Ensure that all Board committees are properly established, composed and operated to foster long-term growth*	• *Manage and oversee company operation and performance* • *Ensure that business performance is consistent with the Business Principles*
Accountabilities	*Formulation of policies and fiduciary duty towards all stakeholders*	• *Ensure that the flow of information to the Board is accurate, timely and clear.* • *Initiate and implement policies to promote effective communication in the company*

Deliverables	*Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making.* *Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance*	• *Ensure financial results, business strategies, company targets are achieved*

3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

The Corporation has a nomination committee that evaluates and qualifies potential nominees for directors and executive positions.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

The company has diverse experienced directors, from technical, financial and social experiences.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. Majority of Board of Directors has experience in the sector/ industry of the company.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	**Non-Executive**	**Independent Director**
Role	*Represent the Management*	*Represent major shareholders' interest*	*Provide neutral observations*
Accountabilities	*Management of business affairs*	*Ensuring sustainable growth*	*Setting high standards for best practice*
Deliverables	*Meet corporate objective*	*Monitor company progress*	*Safeguard interest of all shareholders*

Provide the company's definition of "independence" and describe the company's compliance to the definition.

"Independence" is defined by the company as a mechanism of gathering different views and perspectives into the company. An independent director of the company is someone who has never been involved in the day-to-day running of the organization and who has no relationship with any shareholder holding 5% or more shares.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Company adopts SEC rules regarding appointment and re-appointment of independent directors.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	**Position**	**Date of Cessation**	**Reason**
n/a	*n/a*	*n/a*	*n/a*

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	*Nominated/ elected*	*Ex officio*
(ii) Non-Executive Directors	*Nominated/ elected*	*Major shareholders*
(iii) Independent Directors	*Nominated/ elected*	*Based on qualifications*
b. Re-appointment		
(i) Executive Directors	*Election via ASM*	*One share/ one vote*
(ii) Non-Executive Directors	*Election via ASM*	*One share/ one vote*
(iii) Independent Directors	*Election via ASM*	*One share/ one vote*
c. Permanent Disqualification		
(i) Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(ii) Non-Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(iii) Independent Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
d. Temporary Disqualification		
(i) Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(ii) Non-Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(iii) Independent Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
e. Removal		
(i) Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(ii) Non-Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(iii) Independent Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
f. Re-instatement		
(i) Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(ii) Non-Executive Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
(iii) Independent Directors	*As per by-laws*	*SEC rules, PSE rules, By-laws*
g. Suspension		
(i) Executive Directors	As per by-laws	SEC rules, PSE rules, By-laws
(ii) Non-Executive Directors	As per by-laws	SEC rules, PSE rules, By-laws
(iii) Independent Directors	As per by-laws	SEC rules, PSE rules, By-laws

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
HRH Prince Abdulaziz bin Talal Al Saud	*75%*
Arsenio T. Ng	*75%*
Hilario T. Ng	*75%*
Simoun Ung	*75%*
Paul B. Saria	*75%*
Kenneth C. Co	*75%*
Oscar B. Mapua, Jr.	*75%*

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

There is no formal orientation program for new directors. Each incoming director is briefed with company's management, board members, vision, mission and principles that the company upholds. New directors are welcome to provide initial inputs concerning the company if any.

(b) State any in-house training and external courses attended by Directors and Senior Management[3] for the past three (3) years:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Arsenio T. Ng	*12/09/2014*	*Corporate Governance Seminar*	*Center for Global Best Practices*
Hilario T. Ng	*12/09/2014*	*Corporate Governance Seminar*	*Center for Global Best Practices*
Simoun Ung	*12/09/2014*	*Corporate Governance Seminar*	*Center for Global Best Practices*
Paul B. Saria	*12/09/2014*	*Corporate Governance Seminar*	*Center for Global Best Practices*
Kenneth C. Co	*12/09/2014*	*Corporate Governance Seminar*	*Center for Global Best Practices*
Oscar B. Mapua, Jr.	*12/09/2014*	*Corporate Governance Seminar*	*Center for Global Best Practices*

-WebEOC Training for Crisis Information Management
-Client Service training
-Case Studies

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
HRH Prince Abdulaziz bin Talal Al Saud	*Semi-annual*	*Corporate governance meetings*	*Internal*
Arsenio T. Ng	*Semi-annual*	*Corporate governance meetings*	*Internal*
Hilario T. Ng	*Semi-annual*	*Corporate governance meetings*	*Internal*
Simoun Ung	*Semi-annual*	*Corporate governance meetings*	*Internal*
Paul B. Saria	*Semi-annual*	*Corporate governance meetings*	*Internal*
Kenneth C. Co	*Semi-annual*	*Corporate governance meetings*	*Internal*
Oscar B. Mapua, Jr.	*Semi-annual*	*Corporate governance meetings*	*Internal*

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	*Voluntary-Inhibition*	*Voluntary-Inhibition*	*Voluntary-Inhibition*
(b) Conduct of Business and Fair Dealings	*Should follow corp. governance manual and audit charter*	*Should follow corp. governance manual and audit charter*	*Should follow corp. governance manual and audit charter*
(c) Receipt of gifts from third parties	*No formal company policy*	*No formal company policy*	*No formal company policy*
(d) Compliance with	*Opinion of legal counsel is*	*Monitored by compliance*	*Monitored by compliance*

[3] Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Laws & Regulations	*required*	*officer and other officers*	*officer and other officers*
(e) Respect for Trade Secrets/Use of Non-public Information	*Protect company trade secrets at all times*	*Protect company trade secrets at all times*	*Protect company trade secrets at all times*
(f) Use of Company Funds, Assets and Information	*Authorization protocol, Reimbursement policy, Corporate governance manual*	*Authorization protocol, Reimbursement policy, Corporate governance manual*	*Authorization protocol, Reimbursement policy, Corporate governance manual*
(g) Employment & Labor Laws & Policies	*Comply at least to the minimum criteria set by labor and employment authorities*	*Comply at least to the minimum criteria set by labor and employment authorities*	*Comply at least to the minimum criteria set by labor and employment authorities*
(h) Disciplinary action	*Based on Manual of Corporate Governance*	*Based on Manual of Corporate Governance*	*Based on Manual of Corporate Governance*
(i) Whistle Blower	*No formal company policy*	*No formal company policy*	*No formal company policy*
(j) Conflict Resolution	*No formal company policy. An Intermediary party can act as negotiator*	*No formal company policy. An Intermediary party can act as negotiator*	*No formal company policy. An Intermediary party can act as negotiator*

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?
Yes

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.
Compliance Officer evaluates and monitors compliance with the code of ethics. Any act committed by any officer/member that is against the company's codes of ethics is immediately reported to senior management and executives and are subjected to penalties/ violations.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	**Policies and Procedures**
(1) Parent Company	*Based on Arm's Length Transaction*
(2) Joint Ventures	*Based on Arm's Length Transaction*
(3) Subsidiaries	*Based on Arm's Length Transaction*
(4) Entities Under Common Control	*Based on Arm's Length Transaction*
(5) Substantial Stockholders	*Based on Arm's Length Transaction*
(6) Officers including spouse/children/siblings/parents	*No such related party transaction*
(7) Directors including spouse/children/siblings/parents	*No such related party transaction*
(8) Interlocking director relationship of Board of Directors	*Requires Expertise/ background on specific industry/ field*

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	*Arsenio Ng and Hilario Ng are brothers. However, there is no probable conflict of interest as they have their own field/ industry expertise.*
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	*No formal mechanism, Conflict are reviewed by executive committees based on a case-to-case basis*
Group	*No formal mechanism, Conflict are reviewed by executive committees based on a case-to-case basis*

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,[4] commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Not applicable	*Not applicable*	*Not applicable*

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Not applicable	*Not applicable*	*Not applicable*

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A		

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

[4] Family relationship up to the fourth civil degree either by consanguinity or affinity.

	Alternative Dispute Resolution System
Corporation & Stockholders	*Conflicts are resolved on a case-to-case basis*
Corporation & Third Parties	*Conflicts are resolved on a case-to-case basis*
Corporation & Regulatory Authorities	*Conflicts are resolved on a case-to-case basis*

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

The Board of Director's meeting is scheduled as needed. There is no fixed meeting schedule.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Member	*HRH Prince Abdulaziz bin Talal Al Saud (Telecon)*	*10/2014*	*3*	*3*	*100*
Chairman	*Arsenio T. Ng*	*10/2014*	*3*	*3*	*100*
Member	*Hilario T. Ng*	*10/2014*	*3*	*3*	*100*
Member	*Simoun Ung*	*10/2014*	*3*	*3*	*100*
Independent	*Kenneth C. Co*	*10/2014*	*3*	*3*	*100*
Independent	*Oscar B. Mapua, Jr.*	*10/2014*	*3*	*3*	*100*
Member	*Paul B. Saria*	*10/2014*	*3*	*3*	*100*

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

None.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

Yes. Minimum quorum requirement of 2/3 of board members is observed for compliance purposes.

5) Access to Information

(a) How many days in advance are board papers[5] for board of directors meetings provided to the board?

At least 1 week in advance

(b) Do board members have independent access to Management and the Corporate Secretary?

Yes they do. Corporate secretary can be contacted via phone, email and fax

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

Role of the company secretary consists of the following:

- *Arranges board meetings and AGMs*
- *Assist the Chairman and the Board in making business judgment in good faith and in the performance of their responsibilities and obligations*
- *Advises Board of Directors on practices to be adopted in relation to good corporate governance.*

[5] Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

- *Represents the company for internal and external stakeholders*

And includes all the roles stated above (preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes)

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

The corporate secretary has been with the company for more than 10 years and has handled the company's operations as well as managed the legal affairs of the company. He is by far the most suitable person to hold the position as company secretary.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ✓ No ☐

Committee	Details of the procedures
Executive	*Readily available*
Audit Nomination Remuneration	*Necessary information can be requested from Corporate secretary via phone, email, fax.* *All material information, i.e., anything that could potentially affect share price are publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.* *All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.*
Others (specify)	*No other committees*

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
No formal procedure but directors can receive/ seek external advice.	

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
N/A	*No new changes made*	*N/A*

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	*Negotiated (based on industry standards)*	*Negotiated (based on industry standards)*
(2) Variable remuneration	*n/a*	*n/a*
(3) Per diem allowance	*n/a*	*n/a*
(4) Bonus	*n/a*	*n/a*
(5) Stock Options and other financial instruments	*Upon recommendation by the remuneration committee and approval by the board*	*Upon recommendation by the remuneration committee and approval by the board*
(6) Others (specify)	*n/a*	*n/a*

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	*Fixed*	*Fixed*	*Based on industry standard*
Non-Executive Directors	*Per Legal requirements*	*Per Legal requirements*	*Based on industry standard*

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
Fixed reasonable per diem of P5,000 for attendance of Board of Directors	*September 11, 2013*
Fixed reasonable per diem of P5,000 for attendance of Board of Directors	*November 22, 2012*
Stock Options to the CEO	*2008*

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	*2,000,000*	*n/a*	*n/a*
(b) Variable Remuneration	*n/a*	*n/a*	*n/a*
(c) Per diem Allowance	*5,000/ attendance of Board of Directors meeting*	*5,000/ attendance of Board of Directors meeting*	*5,000/ attendance of Board of Directors meeting*
(d) Bonuses	*n/a*	*n/a*	*n/a*
(e) Stock Options and/or other financial	*n/a*	*n/a*	*n/a*

instruments			
(f) Others (Specify)	*n/a*	*n/a*	*n/a*
Total	*2,000,000 + 5,000/ attendance of Board of Directors meeting*	*5,000/ attendance of Board of Directors meeting*	*5,000/ attendance of Board of Directors meeting*

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	n/a	n/a	n/a
2) Credit granted	n/a	n/a	n/a
3) Pension Plan/s Contributions	n/a	n/a	n/a
(d) Pension Plans, Obligations incurred	n/a	n/a	n/a
(e) Life Insurance Premium	n/a	n/a	n/a
(f) Hospitalization Plan	n/a	n/a	n/a
(g) Car Plan	n/a	n/a	n/a
(h) Others (Specify)	n/a	n/a	n/a
Total	n/a	n/a	n/a

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Option/Rights/ Warrants	Number of Equivalent Shares	Total % from Capital Stock
The Stock Options Plan for the CEO of 40 Million TBGI Shares for the period 2001 to 2008 has been indefinitely deferred. The Stock Option Plan with a vesting schedule of 20 years has been indefinitely deferred.				

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
N/A. There were no amendments made.		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
insignificant	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Audit	*2*	*0*	*1*	*Ensure compliance to pertinent accounting standards including regulatory requirements.*	*Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company through a step-by-step procedures and policies handbook that will be used by the entire organization*	*Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements*	*Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit*
Nomination	*2*	*0*	*1*	*Capture qualified candidates that can nurture and help the company expand*	*Determine the number of directorships for the Board by pre-screening and selecting candidates based on the nature of the business of the corporations, age of director, number of active memberships in other corporations and possible conflict of interest.*	*Establish roles and duties of each candidate*	*Decide and select qualified candidates and ensure they uphold the principles of the company.*
Remuneration	*2*	*0*	*1*	*Ensure adequate compensation and benefits to qualified personnel for their outstanding service to the company*	*Designate amount of remuneration, which shall be in a sufficient level to attract and retain officers and directors who are needed to run company effectively*	*Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors*	*Disallow any director to decide his or her own remuneration.*
Others (specify)	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	*Executive committee is composed on the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer & Chief Information Officer*					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in Committee
Chairman	*Kenneth C. Co (Independent)*	*10/2014*	2	2	100	3
Member (ED)	*Arsenio T. Ng*	*10/2014*	2	2	100	4
Member (ED)	*Paul B. Saria*	*10/2014*	2	2	100	4

Disclose the profile or qualifications of the Audit Committee members.

Mr. Kenneth Co *is a graduate of AB Economics at Ateneo De Manila University in 1994. At present he is the Proprietor and Owner of Dagupan Commercial, an operator of a wholesale and retail distribution family business dealing mainly with bakery supplies. From 2007 to present, he is also a Distributor of Pharmanex & Nu Skin. A distribution and multilevel network marketing business focused on introducing high quality supplements and skin care products to customers with a goal of contributing the profits significantly to the Nourish the Children Foundation. From 1996 to present, he is also the Administrator of Benito Enterprises, a business engaged mainly in real estate development and lease rental accumulation. Some of his past positions held includes Managing Director of Road on Call from 2005 to 2007and Chamco Food Ventures Inc. from 1999-2005.*

Mr. Arsenio T. Ng *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 (six months) of the Energy Corporation; a company listed in the Philippine Stock Exchange and became Chief Finance Officer (six months) 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. (eight years), 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. (nine years), and the Chairman and Director of Unipage Management Inc. (six years). 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 (six years), a private equity fund managed by Hambrecht and Quist, Philippines Inc., a subsidiary of US-based Hambrecht and Quist venture firm.

Mr. Paul B. Saria *is 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 (three years), Operations Officer of ATN Holdings, Inc. (eight years) and Project Planning Architect of the Summit One Office Tower (two years). He is likewise Operations Manager of Palladian Land Development Inc. and Advanced Home Concept Development Corporation since 1996.*

Describe the Audit Committee's responsibility relative to the external auditor.

- *Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management.*
- *Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit.*

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	*Oscar B. Mapua, Jr. (ID)*	*10/2014*	2	2	100	4
Member (ED)	*Hilario T. Ng*	*10/2014*	2	2	100	4
Member (ED)	*Paul B. Saria*	*10/2014*	2	2	100	5

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	*Kenneth C. Co (ID)*	*10/2014*	2	2	100	3

Member (ED)	*Arsenio T. Ng*	*10/2014*	2	2	100	6
Member (ED)	*Hilario T. Ng*	*10/2014*	2	2	100	3

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	*No other committees*					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	*none*	
Audit	*none*	
Nomination	*none*	
Remuneration	*none*	
Others (specify)		

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	*Disclosed in management discussion and analysis indicated in the Annual Report*	
Audit	*Approval of the Audited Financial Statements of the Corporation*	*Ensure accuracy of financial statements*
Nomination	*Evaluate background/ history of nominated candidates*	*Nominate candidates with competitive background*
Remuneration	*Discussed Remuneration standards based on industry practice*	*Offer attractive remuneration to retain competitive employees*
Others (specify)	*Not applicable*	

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	*All issues disclosed and discussed among executive committee members*	
Audit	*Update company operations*	*Software-apps development*
Nomination	*Evaluated qualified nominees*	*Achieve Competitive candidates*
Remuneration	*Maintain competitive remuneration standards*	*Stay In-tune with industry standards*
Others (specify)	*N/A*	

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

   (a) Overall risk management philosophy of the company;

   TBGI can be considered as a technology company, a participant of an industry vulnerable to the major risk of obsolescence. However, TBGI retains its financial resiliency in the face of fast obsolescence by focusing its corporate business development in applications or software rather than irreversible capital investments. TBGI acquisition of license to distribute the WebEOC middleware for emergency/crisis management in the Philippines is in line with the applications focus.

   (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

   While there are many suppliers of satellite bandwidth, TBGI is contracted to only one supplier because TBGI bandwidth requirement is not significant vis-à-vis total available bandwidth supply. As such, TBGI dependence on one supplier at any time is not considered a risk.

   TBGI is likewise not subject to single customer risk given that TBGI is serving more than a hundred customers comprising mostly schools that are financially independent.

   (c) Period covered by the review;

   CY 2014

   (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness;

   Reviewed when needed

2) Risk Policy

   (a) Company

   Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Operating Risk	*Preventive Maintenance Checkup Rigorous control and monitoring framework*	*Eliminate system failure, human error, external events*
Technology Risk	*Competitor baseline data comparison*	*Update technology to combat obsolescence*
Financial Risk	*Internal Credit Risk policies*	*Minimize market movement risks*
Market Risk	*Data Service Subscription Technology Backbone, Marketing Agents*	*Anticipate foreign exchange rates volatility*

   (b) Group

   Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
	Preventive Maintenance Checkup	*Eliminate system failure, human*

Operating Risk	*Rigorous control and monitoring framework*	*error, external events*
Technology Risk	*Competitor baseline data comparison*	*Update technology to combat obsolescence*
Financial Risk	*Internal Credit Risk policies*	*Minimize market movement risks*
Market Risk	*Data Service Subscription Technology Backbone, Marketing Agents*	*Anticipate foreign exchange rates volatility*

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
Company enforces one vote per share for all shareholders thus protecting minority shareholders

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	**Risk Assessment** **(Monitoring and Measurement Process)**	**Risk Management and Control** **(Structures, Procedures, Actions Taken)**
Operating Risk	*System Failure Testing*	*Performance check of Technological devices with accredited system engineers*
Technology Risk	*Performance check of Technological devices*	*accredited system engineers constant updating of technology devices*
Financial Risk	*Creditworthy counterparty profiling*	*Company only deals with creditworthy counterparties and obtaining sufficient collateral, where appropriate*
Market Risk	*Market Demand reports*	*Marketing Backbone focuses on data service subscription clients*

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	**Risk Assessment** **(Monitoring and Measurement Process)**	**Risk Management and Control** **(Structures, Procedures, Actions Taken)**
Operating Risk	*System Failure Testing*	*Performance check of Technological devices with accredited system engineers*
Technology Risk	*Performance check of Technological devices*	*accredited system engineers constant updating of technology devices*
Financial Risk	*Creditworthy counterparty profiling*	*Company only deals with creditworthy counterparties and obtaining sufficient collateral, where appropriate*

Market Risk	*Market Demand reports*	*Marketing Backbone focuses on data service subscription clients*

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	*Works with Compliance officer*	*Monitor and manage risk, ensure accuracy of financial background*

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;
The company defines internal control system as an independent internal audit mechanism performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders are provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
The scope and particulars of the effectiveness of the internal control system were based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

(c) Period covered by the review;
CY2014

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system;
Annually and when needed

(e) Where no review was conducted during the year, an explanation why not.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.
Reported under the Internal Audit Charter

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Financial Auditor	• *Evaluate the overall financial statement* • *Test-basis* • *Verify disclosures in financial statements* • *Express opinion on financial*	*In-house*		• *Board, senior management, as well as compliance officer are informed of audit results.*

	disclosures in accordance to generally accepted accounting standards			

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?
Yes, requires approval of Audit committee.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?
The Internal Auditor shall report to the Audit Committee. Yes, the internal auditor has direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel.

(d) Resignation, Re-assignment and Reasons
Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	**Reason**
Not applicable	

(e) Progress against Plans, Issues, Findings and Examination Trends
State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	*Risk monitoring*
Issues[6]	*Audit procedures/ documentation process*
Findings[7]	*Progress report*
Examination Trends	*Based on year to year results*

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:
1) *Preparation of an audit plan inclusive of a timeline and milestones;*
2) *Conduct of examination based on the plan;*
3) *Evaluation of the progress in the implementation of the plan;*
4) *Documentation of issues and findings as a result of the examination;*
5) *Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;*
6) *Conduct of the foregoing procedures on a regular basis*.

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	**Implementation**
Receipt disbursements	*implemented*
Report to audit committee	*implemented*

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial

[6] "Issues" are compliance matters that arise from adopting different interpretations.
[7] "Findings" are those with concrete basis under the company's policies and rules.

analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	**Financial Analysts**	**Investment Banks**	**Rating Agencies**
Report directly to Board and CEO	*Requested info are provided*	*Requested info are provided*	*Requested info are provided*

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

Document to be signed by Chief Executive Officer and Corporate Information Officer.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	**Activities**
Customers' welfare	*Feedback Loop Policy* *Upgrade and maintenance of equipments*	*Copy furnish everyone in team plus operations head, Constantly follow up and check with clients on internet performance service* *Preventive Maintenance services*
Supplier/contractor selection practice	*Bidding/ negotiated*	*Competence and Accreditation,* *Exclusivity of service*
Environmentally friendly value-chain	*Clean-as-you go policy* *Carpool encouraged*	*Recycle, segregate* *Commute/ walk if near*
Community interaction	*Train the trainer* *Feedback Loop Policy*	*Address any concerns (attitude of employees, performance, conflict etc.) to HR management/ supervisor*
Anti-corruption programmes and procedures?	*No formal policy*	*Whistleblowers are most welcome*
Safeguarding creditors' rights	*Transparency in financial instruments*	*Provisions for covenants set by creditors*

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?
No

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?
Aside from the mandated benefits by law, employees can avail of privileges from Managed Care clinic under a HMO contract with company

(b) Show data relating to health, safety and welfare of its employees.
Annual Health Maintenance Contract with Managed Care clinic

(c) State the company's training and development programmes for its employees. Show the data.

TBGI training system administrators and implementing train the trainer program. (see photo)

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

Performance rewards are individually evaluated by the Remuneration committee on a case-to-case basis.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

Complaints are directly reported to the executive committee. Identities are kept confidential

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corp. (F)	*82,858,806*	*37.39 %*	*Various*
PCD Nominee Corp. (NF)	*80,577,209*	*36.36 %*	*Various*
Unipage Management, Inc.	*20,000,000*	*9.03 %*	*Stockholders*
Arsenio T. Ng	*13,256,429*	*5.98 %*	*None*

Security Ownership of Management as of August 31, 2014

Name of Senior	Number of Direct shares	% of Capital Stock
Management		
HRH Prince Abdulaziz bin Talal Al Saud	*100,000 "r"*	*0.05%*
Arsenio T. Ng	*13,256,429 "d"*	*5.98%*
Hilario T. Ng	*400,804 "d"*	*0.18%*
Simoun Ung	*1,000 "d"*	*0.00%*
Paul B. Saria	*25,804 "d"*	*0.00%*
Kenneth C. Co	*4,259,000 "d"*	*1.92%*
Oscar B. Mapua, Jr.	*4,000 "d"*	*0.00%*
Officer		
Santos Cejoco	*1,000 "d"*	*0.00%*
TOTAL	*18,048,037 "d"*	*8.14 %*

2) Does the Annual Report disclose the following:

Key risks	✓
Corporate objectives	✓
Financial performance indicators	✓
Non-financial performance indicators	✓
Dividend policy	✓
Details of whistle-blowing policy	None provided. Company welcomes whistleblowers.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	✓
Training and/or continuing education programme attended by each director/commissioner	✓
Number of board of directors/commissioners meetings held during the year	Disclosed in other public documents
Attendance details of each director/commissioner in respect of meetings held	Disclosed in other public documents
Details of remuneration of the CEO and each member of the board of directors/commissioners	✓

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
R.R. TAN & ASSOCIATES, CPAs	*P260,000*	

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

TBGI Webmail, Phone, Fax, email

5) Date of release of audited financial report:
April 8, 2015

6) Company Website
http://www.tbgi.net.ph/

Does the company have a website disclosing up-to-date information about the following?

Business operations	*yes*
Financial statements/reports (current and prior years)	*yes*
Materials provided in briefings to analysts and media	*yes*
Shareholding structure	*yes*
Group corporate structure	*yes*
Downloadable annual report	*yes*
Notice of AGM and/or EGM	*yes*
Company's constitution (company's by-laws, memorandum and articles of association)	*None, available in SEC I-view website*

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) **Disclosure of RPT**

Advances to ATN, PLDI, Arsenio T. Ng and other related parties arises (i) to augment working capital requirements and (ii) on billings of inter-company transaction from shared expenses. These transactions are not subject to interest and have no fixed repayment period.

The year-end balances of receivables and advances to related parties after considering related party transactions for the year are as follows:

	2012
Collection Loans and interest receivable	*P(7,010,257)*
Interest accrual on loans and interest	*(6,469,307)*
Advances for Other projects	*(3,157,640)*

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

RPTs are monitored by the Audit Committee regularly

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	*50% + 1vote*
Votes required for resolutions	*2/3 votes*

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	*Approval by Committees, Approval by the Board and Ratification of Stockholders*
Description	*various*

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	**Stockholders' Rights <u>not</u> in The Corporation Code**
Company Follows corporation code	*N/A*

Dividends

Declaration Date	Record Date	Payment Date
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		

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may

communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	**Communication Procedure**
During Stockholders meeting	Open forum
At All times	Via company website, email and mail

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
   a. Amendments to the company's constitution
   Disclosed in PSE prior to stockholders approval via the Definitive Information Statement

   b. Authorization of additional shares
   Disclosed in PSE prior to stockholders approval via the Definitive Information Statement

   c. Transfer of all or substantially all assets, which in effect results in the sale of the company
   Disclosed in PSE prior to stockholders approval via the Definitive Information Statement

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
   Yes
   a. Date of sending out notices: *September 5, 2014*
   b. Date of the Annual/Special Stockholders' Meeting: *October 22, 2014*

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.
   None

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
The stockholders in said meeting approved and ratified the following: *(1) the minutes of the previous annual stockholders' meeting*	Unanimous approval	No dissenting votes	No abstentions
2) the audited December 31, 2013 Financial statements,	Unanimous approval	No dissenting votes	No abstentions
(3) the amendment of Article III of the Articles of Incorporation of the Corporation in compliance with SEC Memorandum Circular No. 6, s2014.	Unanimous approval	No dissenting votes	No abstentions
(4) the appointment of R.R. Tan and Associates as external auditor,	Unanimous approval	No dissenting votes	No abstentions
(5) 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: *Remuneration Committee:* *Kenneth C. Co –Chairman (Independent)* *Arsenio T. Ng- Member* *Hilario T. Ng- Member* *Audit Committee* *Kenneth C. Co- Chairman (Independent)* *Arsenio T. Ng- Member* *Paul B. Saria- Member* *Nomination Committee* *Oscar B. Mapua, Jr. – Chairman (Independent)* *Hilario T. Ng - Member* *Paul B. Saria- Member*	Unanimous approval	No dissenting votes	No abstentions

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: *Same date of the meeting*

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
none	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	*Names of Board members / Officers present*	*Date of Meeting*	*Voting Procedure (by poll, show of hands, etc.)*	*% of SH Attending in Person*	*% of SH in Proxy*	*Total % of SH attendance*
Annual	*HRH Prince Abdul Aziz bin Talal (TELECON)* *Arsenio T. Ng* *Hilario T. Ng* *Simoun Ung* *Kenneth Co* *Oscar B. Mapua* *Paul B. Saria*	*October 22, 2014*	The manner of counting the vote shall be 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 corp. secretary.	*75%*	*0%*	Stockholders representing more than 75% of the issued and outstanding shares were present in person or by proxy.

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? *Corporate Secretary count the votes*

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

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.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	*Shareholders are requested in the Definitive Information statement to not send proxies during the meeting "WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY but if not possible are asked to follow procedures for sending a proxy.*
Notary	*Any proxies will have to be notarized.*
Submission of Proxy	*Proxies should be submitted in accordance to SEC rules*
Several Proxies	*# of proxies should correspond with shares owned*
Validity of Proxy	*Proxies only valid until meeting date unless revoked in writing*

Proxies executed abroad	*Proxies only valid until meeting date unless revoked in writing*
Invalidated Proxy	*Notices are issued to invalidated proxies*
Validation of Proxy	*Corporate secretary validates proxies based on shares owned*
Violation of Proxy	*Notices are issued to invalidated proxies*

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Notices are issued 21 days before meeting date	*Liaison officer sends notice thru registered mail*

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	*ALL*
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	*September 25, 2014*
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	*September 25, 2014*
State whether CD format or hard copies were distributed	*Hard copies and company discloses to SEC and PSE*
If yes, indicate whether requesting stockholders were provided hard copies	*Yes*

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	*Yes*
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	*Yes*
The auditors to be appointed or re-appointed.	*Yes*
An explanation of the dividend policy, if any dividend is to be declared.	*Yes*
The amount payable for final dividends.	*Yes*
Documents required for proxy vote.	*Not applicable*

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Minority stockholders are allowed to nominate candidates for board of directors	*Open policy, nominations if any are entertained, and subject to validation of sufficient share ownership*

(a) Do minority stockholders have a right to nominate candidates for board of directors?
Yes

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.
a) Only officers are allowed to make external communications.

b) *Communications by non-officers are reviewed before sending to external parties.*
c) *The CEO makes the final approval of communications to external parties.*

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	*Investor relations program through Company website*
(2) Principles	*Investor relations program through Company website*
(3) Modes of Communications	*Email, telephone, fax*
(4) Investors Relations Officer	*Paul B. Saria*

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?
   a) *The company seeks advice from legal counsel.*
   b) *Financial statements are secured from target company*
   c) *Financial and strategic evaluations are made internally*
   d) *Meeting with target company officers are held to conduct due diligence*
   e) *Legal counsel is consulted for additional advice based on new information*
   f) *Transaction is recommended to board for approval*

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

R.R.Tan and Associates, CPAs

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	**Beneficiary**
Distance Education	*Rural/ Marginalized Communities*
Constant meetings conducted with government to introduce WebEOC software as means of coordinating, mitigating and responding to disasters	*Public* *Government* *LGUs*
Clean Energy generation	*Investment in ATN Solar*

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	**Criteria**
Board of Directors	*Assessment of compliance on corporate governance rules*	*Based on Company by-laws, Corp. Governance Manual and Audit charter*
Board Committees	*Assessment of compliance on corporate governance rules*	*Based on Company by-laws, Corp. Governance Manual and Audit charter*
Individual Directors	*Assessment of compliance on corporate governance rules*	*Based on Company by-laws, Corp. Governance Manual and Audit charter*
CEO/President	*Assessment of compliance on corporate governance rules*	*Based on Company by-laws, Corp. Governance Manual and Audit charter*

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	**Sanctions**
Non-disclosure	*Suspension*
Insider Trading	*Termination*
Criminal	*Termination and Filing of Criminal Case*

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of ______________________ on__________________, 20___.

SIGNATURES

ARSENIO T. NG
Chairman of the Board and CEO

PAUL B. SARIA
Compliance Officer

KENNETH CO
Independent Director

16 APR 2015

SUBSCRIBED AND SWORN to before me this ________ day of __________________20__ , affiant(s) exhibiting to me their ___________________, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
ARSENIO T. NG	MARCH 13, 2015	MANDALUYONG CITY
PAUL B. SARIA	DEC. 15, 2013	MANDALUYONG CITY
KENNETH CO	~~FEB~~. 21, 2014	MANILA

NOTARY PUBLIC

ATTY. RONALD SEGUNDINO C. CHING
NOTARY PUBLIC
ADMIN. NO. 2011-009 UNTIL DEC. 31, 2015
ROLL NO. 54899
PTR NO. 7575252 / JAN. 5, 2015 UNTIL DEC. 31, 2016
IBP NO. 4504550 / 12-19-14 UNTIL 12-31-16
1420 C. TOMAS MAPUA ST. STA. CRUZ MLA.
MCLE COMPLIANCE NO. IV-0020660 6-13-13

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