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

CORPORATE OFFICE: 9/F SUMMIT ONE TOWER
530 SHAW BOULEVARD, MANDALUYONG CITY,
PHILIPPINES, 1550
TEL: (632) 718-3720, 718-3721, FAX (632) 533-4052
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CLARK SPECIAL ECONOMIC ZONE
ANGELES CITY, PAMPANGA, PHILIPPINES
TEL.: (6345) 599-3042, FAX (6345) 599-3041

June 20, 2013

JANET A. ENCARNACION
HEAD, DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE
PSE Center, Exchange Road
Ortigas Complex, Pasig City

Dear Ms. Encarnacion,

In compliance with PSE's requirement, we are sending you here with the amended SEC Form 17Q for quarter ending March 31, 2013 with additional disclosure on note 2 of the notes to financial statements.

Thank you.

Very truly yours,

CELINIA FAELMOCA

SEC Number AS095-006755
File Number ____________

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

SEC Form 17Q -Amended

(Form Type)

Amendment Designation (if applicable)

March 31, 2013

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2013

2. Commission identification no. AS095-006755 3.BIR Tax Identification No. 004-513-153

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

5. Philippines

6. Industry Classification Code:

7. 9th Floor, Summit One Tower, 530 Shaw Blvd., 1550 Mandaluyong City

   Bldg. 1751 Chico St. Clark Special Economic Zone, Angeles, Pampanga
   (Satellite Center)

8. Telephone No. (0632) 717-0523

9. The Company did not change its name, address or fiscal year during the period covered by this report.

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	222,019,330

11. These securities are listed on the Philippine Stock Exchange.

    (a) The company has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

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

I. Financial Statements.

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

	Notes		(Unaudited) 31-Mar 2013		(Audited) 31-Dec 2012
ASSETS					
Current Assets					
Cash and cash equivalents	2	P	6,568,737	P	9,500,468
Trade receivables	3		35,369,443		30,379,651
Loans and interest receivables			-		62,638
Other short term investments	4		11,333,590		11,333,590
Spare parts inventory	5		3,859,236		3,859,236
			57,131,006		55,135,583
Noncurrent Assets					
Advances for projects	6		23,742,360		23,742,360
Property and equipment, net	7		159,020,774		162,777,020
Investment property	8		50,287,400		50,287,400
Investment in associates	9		11,625,000		11,625,000
Franchise - net	10		6,592,405		6,742,405
Other non-current assets	11		4,136,526		3,558,663
			255,404,465		258,732,848
		P	312,535,471	P	313,868,431
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable and accrued expenses	12	P	87,051	P	446,837
Current portion of interest-bearing liabilities	13		5,091,711		5,164,653
Income tax payable			37,694		18,045
			5,216,456		5,629,535
Noncurrent Liabilities					
Interest-bearing liabilities - net of current portion	13		108,872		108,872
Pension liability			1,018,765		1,018,765
Deferred tax liability			107,481		136,754
			1,235,118		1,264,391
Total Liabilities			6,451,574		6,893,926
Equity					
Share capital			222,019,330		222,019,330
Share premium			29,428,022		29,428,022
Share options outstanding			8,921,814		8,921,814
Revaluation increment on property and equipment			4,969,108		5,525,312
Retained earnings			41,183,423		41,517,827
Treasury shares			(437,800)		(437,800)
			306,083,897		306,974,505
		P	312,535,471	P	313,868,431

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.

STATEMENTS OF COMPREHENSIVE INCOME

			First Quarter Ending	
			31-Mar-13	31-Mar-12
REVENUES FROM UPLINK AND OTHER DATA-RELATED SERVICES		P	8,029,338 P	8,989,710
DIRECT COST	14		8,778,338	9,027,296
GROSS PROFIT			(749,000)	(37,586)
OTHER INCOME	15		558,522	241,053
TOTAL INCOME			(190,478)	203,467
ADMINISTRATIVE EXPENSES	16		663,187	725,974
FINANCE COST			46,567	66,020
PROFIT BEFORE INCOME TAX			(900,232)	(588,527)
INCOME TAX EXPENSE			19,649	37,983
LOSS FOR THE PERIOD			(919,881)	(626,510)
OTHER COMPREHENSIVE INCOME				
Revaluation increment of property and equipment absorbed through depreciation			585,477	585,477
TOTAL COMPREHENSIVE INCOME		P	(334,404) P	(41,033)
EARNINGS PER SHARE			(0.0042)	(0.0028)

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC

STATEMENT OF CHANGES IN EQUITY

		First Quarter Ending		
		31-Mar-13		31-Mar-12
SHARE CAPITAL	P	**222,019,330**	P	222,019,330
SHARE PREMIUMS		**29,428,022**		29,428,022
SHARE OPTIONS OUTSTANDING				
Balance, January 1		**8,921,814**		8,921,814
Options granted		-		-
Balance, March 31		**8,921,814**		8,921,814
REVALUATION INCREMENT ON PROPERTY AND AND EQUIPMENT - NET OF TAX				
Balance, January 1		**5,525,312**		7,750,126
Revaluation increment absorbed through depreciation		**(556,204)**		(556,204)
Balance at end of year		**4,969,108**		7,193,922
RETAINED EARNINGS (DEFICIT)				
Balance, January 1		**41,517,827**		47,235,063
Revaluation increment absorbed through depreciation		**585,477**		585,477
Net loss		**(919,881)**		(626,510)
Balance, March 31		**41,183,423**		47,194,030
TREASURY SHARES		**(437,800)**		(437,800)
	P	**306,083,897**	P	314,319,318

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC

STATEMENT OF CASH FLOWS

		First Quarter Ending	
		31-Mar-13	31-Mar-12
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before income tax	P	(900,232) P	(588,527)
Adjustments for:			
Depreciation and amortization		4,060,308	4,041,829
Amortization of franchise		150,000	150,000
Interest expense		(46,567)	66,020
Interest income		(2,012)	(163,365)
Operating income before working capital changes		3,261,497	3,505,957
Decrease (increase) in Operating Assets:			
Trade receivables - net		(4,989,792)	(4,326,915)
Loans and interest receivables		62,638	1,336,635
Decrease (increase) in Other non-current assets		(577,863)	(321,037)
Increase/(decrease) in Operating liabilities			
Accounts payable and accrued expenses		(359,786)	(1,063,680)
Net Cash Provided by/(Used in) Operating Activities		(2,603,306)	(869,040)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(304,062)	
Interest received		2,012	163,365
Net Cash Used in Investing Activities		(302,050)	163,365
CASH FLOWS FROM FINANCING ACTIVITIES			
Debt servicing:			
Principal		(72,942)	(245,546)
Interest		46,567	(66,020)
Net Cash Provided by(used in) Financing Activities		(26,375)	(311,566)
NET INCREASE (DECREASE) IN CASH EQUIVALENTS		(2,931,731)	(1,017,241)
CASH AT THE BEGINNING OF THE YEAR		9,500,468	2,051,769
CASH AT END OF YEAR	P	6,568,737 P	1,034,528

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

1. **Basis for Financial Presentation**

The interim financial statements have been prepared in conformity with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the company's annual financial statement as of and for the year ended December 31, 2012, except for the adoption of the following Philippine Accounting Standards (PAS), PFRS and Philippine Interpretations which became effective as of January 1, 2013.

Several other new standards and amendments apply for the first time in 2013. However, these do not have a material impact on the interim financial statements of the company.

The nature and the impact of each new standard/amendments is described below:

IFRS 1, Government Loans – Amendments to PFRS 1

These amendments required first-time adopters to apply the requirements of PAS 20, Accounting for Government Grants and Disclosures of Government Assistance, prospectively to government loans existing at the date of transition to PFRS. Entities any chose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and PAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with below-market rate of interest. The amendment is effective for annual periods on or after January 1, 2013. The amendment has no impact on the Company.

PFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments)

These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement of "similar agreement", irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period.

a) The gross amounts of those recognized financial assets and recognized financial liabilities;
b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
c) The net amounts presented in the statement of financial position;
d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
    i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
    ii. Amounts related to financial collateral (including cash collateral); and
e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied and are effective for annual periods begging on or after January 1, 2013. The amendments affect disclosures only and have no impact on the Company's financial position or performance.

PFRS 10, Consolidated Statements

PRFS 10 replaces the portion of PAS 27, Consolidated and Separate Financial Statements, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, Consolidation – Special Purpose Entities. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27. The application of this new standard does not have an impact on the financial statements of the Company.

<u>PFRS 11, Joint Arrangements</u>
PFRS 11 replaces PAS 31, Interests in Joint Ventures, and SIC 13, Jointly Controlled Entities – Non-Monetary Contribution by Venturers. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard does not have an impact on the financial statements of the Company.

<u>PFRS 12, Disclosure of Interests in Other Entities</u>
PFRS 12 includes all the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. None of these disclosure requirements are applicable for the interim financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Company has not made such disclosures.

<u>PFRS 13, Fair Value Measurement</u>
PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PRS 13. The effect of the adoption had no significant impact on the Company's financial position and performance.

<u>PAS 27, Separate Financial Statements (as revised in 2011)</u>
As a consequence of the issuance of the new PFRS 10, Consolidated Financial Statements, and PFRS 12, Disclosure of Interest in Other Entities, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The adoption of the amended PAS 27 will not have a significant impact on the separate financial statements of the Company. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

<u>PAS 28, Investments in Associates and Joint Ventures (as revised in 2011)</u>
As a consequence of the issuance of the new PFRS 11, Joint Arrangements, PFRS 12, Disclosure of Interests in Other Entities, PAS 28 has been renamed PAS 28, Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The application of this new standard will not have an impact on the financial statements of the company.

2. Cash and cash equivalents

As of March 31, 2013 and December 31, 2012 cash and cash equivalents represent cash on hand and cash in banks of P6.5 million and P9.5 million respectively. Cash in bank represents current account and USD dollar account that earn interest at the prevailing bank deposit rates.

3. Trade receivables

This account consists of:

	March 31, 2013	Dec. 31, 2012
Trade	P41,723,609	P36,733,816
Less: Allowance for doubtful accounts	6,354,166	6,354,166
	P35,369,443	P30,379,650

4. Other short term investment

Other short term investments are foreign currency deposit earmarked for the acquisition of capital equipments to augment the Company's expansion plans.

These investments with carrying value of P11,333,590 earns interest of 8% annually.

5. **Spare parts inventory**

Spare parts inventory consist of communication supplies and materials that are normally provided to the customers in the delivery of services. Spare parts inventory amounting to P3.8 million are carried at cost.

6. **Advances for projects**

As of March 31, 2013 the funds amounting to P23.7 million have been released to HRH to cover projects in the pipeline that HRH and the company are pursuing. The proposed projects have not been commenced and the funds remained unspent.

7. **Property and equipment**

The movements within this account as of March 31, 2013 are shown below:

	Building and Improvements	Uplink/Data Equipment	Transportation Equipment	Furniture And Fixtures	Leasehold Improvements	Total
Gross carrying amount:						
Balance, January 1	P21,393,402	P250,287,892	P14,675,284	P5,180,726	P19,145,709	P310,683,013
Additions		304,062				304,062
Transfers/Sold						
Balance	21,393,402	250,591,954	14,675,284	5,180,726	19,145,709	310,987,075
Accumulated dep'n:						
Balance, January 1	14,975,396	114,179,825	9,276,782	1,571,570	7,902,418	147,905,991
Provisions	267,418	3,127,272	387,638	53,267	224,712	4,060,306
Transfers/sold						
Balance	15,242,814	117,307,097	9,664,420	1,624,837	8,127,130	151,966,297
Carrying amount:						
Beginning	P6,418,006	P136,108,067	P5,398,502	P3,609,156	P11,243,291	P162,777,022
End	P6,150,588	P133,284,858	P5,010,864	P3,555,889	P11,018,580	P159,020,774

Building and improvements, uplink equipment, leasehold improvements and data equipment (installation-in-progress) were revalued on October 28, 2002 by a firm of independent professionally qualified appraisers at market prices. The net appraisal increment resulting from the revaluation is credited to the "Revaluation Increment" account shown under stockholders' equity. The amount of revaluation increment absorbed through depreciation is transferred from the revaluation increment to retained earnings.

8. **Investment property**

The breakdown of properties is shown below:

9F Condominium at Summit	P43,368,400
Land and Improvements in Cavite	6,919,000
	P50,287,400

9. **Investment in associates**

During 2010, the Company subscribed to 7.5 million shares in ATN Solar Energy Group, Inc., (ATN Solar) representing 20.69% ownership interest. From the 7.5 million shares subscribed it was paid in full in 2012.

10. **Franchise**

This account consists of:

	March 31, 2013	Dec. 31, 2012
Franchise	P6,742,405	P7,342,405
Amortization	150,000	600,000
	P6,592,405	P6,742,405

11. **Other non-current assets**

This account consists of:

	March 31, 2013	Dec. 31, 2012
Palladian Land Dev. Inc.	2,618,947	2,041,084
ATN Holdings	1,062,074	1,062,074
Others	455,505	455,505
	P4,136,526	P3,558,663

12. **Accounts payable and accrued expenses**

This account consists of non interest trade payables in the amount of P87,051.

13. **Interest-bearing liabilities**

This account consists of:

	March 31, 2013	Dec. 31, 2012
Foreign currency loans	P4,860,656	P4,860,656
Obligation under finance lease	339,927	412,870
	5,200,583	5,273,526
Less: current portion	5,091,711	5,164,653
	P108,872	P108,872

Long-term loans pertain to the principal amount of foreign currency loans with China Banking Corporation ("CBC") payable up to 2013. Annual interest ranges from 3.00% to 6.00% and is payable quarterly in arrears. The loan is secured by a real estate mortgage executed by Palladian Land Development, Inc., a related party.

14. **Direct Cost**

This account consist of the following:

	March 31, 2013	March 31, 2012
Amortization of franchise	P150,000	P150,000
Depreciation and amortization	4,060,308	4,041,828
Insurance	30,332	51,237
Office supplies	15,792	122,426
Rental expense	511,955	454,453
Salaries, wages and other benefits	441,818	405,773
Security services	104,333	116,250
Taxes and licenses	17,045	17,045
Transponder lease	2,729,985	3,072,024
Transportation and travel	485,432	351,508
Utilities and communication	231,338	244,752
	P8,778,338	P9,027,296

15. **Other income**

This account consist of:

	March 31, 2013	March 31, 2012
Rental income	P556,510	P77,688
Interest income	2,012	163,365
	P558,522	P241,053

16. **Administrative expenses**

This account consist of:

	March 31, 2013	March 31, 2012
Legal and professional fee	P30,000	P30,000
Permits, taxes and licenses	313,584	324,286
Power, dues and communication	148,064	194,949
Salaries, wages and other benefits	151,621	154,066
Transportation expense	19,918	17,888
Miscellaneous	-	4,785
	P663,187	P725,974

17. **Early Adoption of PFRS**

PFRS 9, Financial Instruments: Classification and Measurement

PFRS 9 as issued reflects the first phase on the replacement of PAS 39, Financial Instruments: Recognition and Measurement, and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The standard is effective for annual periods beginning on or after January 1, 2015.

In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project. The Company decided not to early adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

18. Financial risk management objectives and policies

Financial Risk

The Company's activities expose it to 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's as at March 31, 2013 and December 31, 2012.

	Gross Maximum Exposure	
	March 31, 2013	December 31, 2012
Cash and cash equivalents	P6,555,737	P9,487,468
Trade receivables	35,006,557	36,733,816
Loans and interest receivable	-	62,638
Advances for projects	23,742,360	23,742,360
Other receivables	3,681,021	3,103,158
	P68,985,675	P73,129,441

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

March 31, 2013	Neither past due High grade	nor impaired Standard grade	Past due but not impaired	Past due and Impaired	Total
Cash and cash equivalents	P6,555,737				P6,555,737
Trade receivables		12,972,341	22,034,216		35,006,557
Advances					
For projects			23,742,360		23,742,360
For related parties			3,681,021		3,681,021
	P6,555,737	P12,972,341	P49,457,597	P-	P68,985,675

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:

March 31, 2013	Trade	Advances for projects	Advances to related party	Total
30-60 days past due	P4,655,130			P4,655,130
61-90 days past due	4,725,334			4,725,334
Over 90 days	12,653,752	23,742,360	3,681,021	40,077,133
	P22,034,216	P23,742,360	4,307,149	P49,457,597

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.

March 31, 2013	<1 month	>1month and <3months	3months and <1 year	>1year and 5 years	Total
Accounts payable and Accrued expenses	P87,051				P87,051
Interest bearing liabilities					
Loans payable			4,860,656		4,860,656
Obligation under finance lease			231,055	108,872	339,927
	P87,051	P-	P5,091,711	P108,872	P5,287,634

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 position.

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

	March 31, 2013	December 31, 2012
Cash and cash equivalents	US$111	US$506
Advances for projects	455,000	455,000
Bank loans	(118,000)	(118,000)
	US$337,111	US$337,506

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.

Effect on Income before taxes		
Increase/decrease in Peso to US$ Rate	March 31, 2013	December 31, 2012
+P5.00	US$1,685,555	US$1,687,530
-P5.00	US$(1,685,555)	US$(1,687,530)

There is no other impact on the Company's equity other than those affecting the 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:

	March 31, 2013		December 31, 2012	
	Principal	Interest rate	Principal	Interest rate
Foreign currency loans	P4,860,656	1M LIBOR +2.75% 1M LIBOR +3.00%	P4,860,656	1M LIBOR +2.75% 1M LIBOR +3.00%
Obligation under finance lease	P339,927	11%-19%	P412,870	11%-19%
	P5,200,583		P5,273,526	

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.

Fair values

Comparative carrying amounts and fair values of financial instruments as at March 31, 2013 and December 31, 2012 follow:

	March 31, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	P6,568,737	P6,568,737	P9,500,468	P9,500,468
Trade receivables	35,006,557	35,006,557	30,379,651	30,379,651
Loans and interest receivables	-	-	62,638	62,638
Other short term investment	11,333,590	11,333,590	11,333,590	11,333,590
Advances for projects	23,742,360	23,742,360	23,742,360	23,742,360
	P76,651,244	P76,651,244	P75,018,707	P75,018,707
Accounts payable and accrued expenses	P87,051	P87,051	P446,837	P446,837
Interest bearing liabilities	5,200,583	5,200,583	5,273,526	5,273,526
	P5,287,634	P5,287,634	P5,720,363	P5,720,363

Due to short-term nature of transactions, Cash on hand and in banks' fair values approximates the carrying amounts at initial recognition.

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 the 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:

	March 31, 2013	December 31, 2012
Equity	P306,083,897	P306,974,505
Total assets	312,535,471	P313,868,431
Ratio	0.98	0.98

Management Discussion and Analysis of Operation

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

	March 30, 2013	March 30, 2012
Profit (Loss) for the period	(P919,881)	(P626,510)
Number of Outstanding Shares	221,581,530	221,581,530
Earnings per Share	(0.0042)	(P0.0028)

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

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

Disclosure on material events and uncertainties

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

Vertical and Horizontal Analysis

Total corporate assets almost remain the same from Php314 million in December 31, 2012 compared to Php312 million as of March 30, 2013. The net decrease of Php3.6 million (-1%) in total assets arose from the following items:

1. Decrease in cash by Php3 million (-31%) due to slower in collection.
2. Increase in trade receivable by Php5 million (16%) due to slower collection of trade receivables.
3. Decrease in loans and interest receivable by Php62 thousand (-100%) due to full payment of account.

Total liabilities decreased by Php0.44 million (-6%) from Php6.89 million in December 2012 to Php6.4 million in March 31, 2013. The net decrease in liabilities resulted from the following significant items:

1. Decrease in accounts payable and accrued expenses by Php0.4 million (-81%) due to payment.
2. Decrease in interest bearing liabilities Php73 thousand (-1%) due to payment of monthly amortization.

3. Decrease in deferred tax liability by Php29 thousand (-21%) due to amortization of revaluation increment absorbed through depreciation.

Stockholders' equity remains the same as of March 30, 2013 and December 31, 2012.

Total revenue decreased by Php0.96 million (-11%) from Php9 million as of March 30, 2012 to PhpP8 million as of March 30, 2013.

Direct costs almost remain the same from Php9.027 million in the 1st quarter ending March 31, 2012 to Php8.78 million (-3%) in the 1st quarter ending March 31, 2013. The net decrease arose from the following accounts:

1. Insurance decreased by Php20 thousand (-41%) from Php51 thousand to Php30 thousand due to adjustment in the principal amount of the insured property.
2. Office supplies decreased by Php106 thousand (-87%) from Php122 thousand to Php15 thousand due to non recurring procurement.
3. Rent expense increased by Php57 thousand (12.6%) from Php0.454 million to Php0.512 million due to increase in monthly rent.
4. Salaries, wages and other benefits increases by Php36 thousand (8.88%) from Php406 thousand.
5. Security services decreased by Php12 thousand (-10.25%) from Php116 thousand to Php104 due to decrease in contract rate.
6. Transportation increased by Php134 thousand (38%) due to increase in transportation cost.
7. Transponder lease decrease by Php0.342 million (-11.13%).from Php3 million to Php2.7million due to adjustment in contract rate.
8. Utilities and communication decreased by Php13 thousand (-5.48%) from Php245 thousand to Php231 thousand due to decrease in electric usage.

Administrative expenses decreased from Php0.726 million for the 1st quarter ending March 31, 2012 to Php0.663 million (8.65%) in the 1st quarter ending March 3, 2013. The following significant changes are as follows:

1. Power, dues and communication decreased by Ph46 thousand (-24%) from Php195 thousand to Php148 thousand due to cost cutting program.
2. Transportation and travel increased by Php2 thousand (11%) from Php17 thousand to Php20 thousand due to more errands.

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

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

Net Income to Sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

Computed performance indicators are as follows:

	March 31, 2013	March 31, 2012
Current Ratio	11	11
Debt-to-Equity Ratio	0.021	0.043
Asset-to-Equity Ratio	1.021	1.04
Interest Rate Coverage Ratio	-18.33	(7.914)
Gross Profit Margin	-2.37%	2.26%
EBITDA	P3,290,427	3,603,301
Net Income to Sales Ratio	-11.46%	-6.97%
Earnings per Share	(0.0042)	(0.0028)

SIGNATURES

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

COMPANY : TRANSPACIFIC BROADBAND GROUP INTERNATIONAL INC.

Signature and Title:

PAUL B. SARIA
Principal Operating Officer
July 20, 2013

CELINIA FAELMOCA
Principal Accounting Officer
July 20, 2013