SEC Number AS095-006755_
File Number ______________

TRANSPACIFIC BROADBAND GROUP INT'L, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

SEC Form 20-IS
(Preliminary Information Statement)

(Form Type)

Amendment Designation (if applicable)

Annual Stockholders Meeting
September 28, 2022

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

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

1. Check the appropriate box:

_____X________ **Preliminary Information Statement**

______________ **Definitive Information Statement**

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

3. Country of Incorporation **Philippines**

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

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

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

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

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

Date : September 28, 2022, Wednesday
Time : 1:30 PM
Place : **8TH floor, Summit One Tower PB, 530 Shaw Boulevard Mandaluyong City**
: **Stockholders' participation will be via remote communication via ZOOM meeting link below:**
https://us05web.zoom.us/j/2652054730?pwd=ZkhvY3c3d2taU3kvVG9GekZwd0xZQT09

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

September 07, 2022

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

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

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

YES __x___ **NO** _______

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

WHEN	**: September 28, 2022, Wednesday, 1:30 PM**
WHERE	**: 8TH floor, Summit One Tower PB, 530 Shaw Boulevard Mandaluyong City**
	: Stockholders' participation will be via remote communication via ZOOM meeting link below:
	https://us05web.zoom.us/j/2652054730?pwd=ZkhvY3c3d2taU3kvVG9GekZwd0xZQT09

Complete Mailing Address of Principal Office of Registrant

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

Approximate date on which the Information Sheet is first to be sent or given to security holders is **September 07, 2022**.

Item 2. DISSENTER'S RIGHT OF APPRAISAL

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

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's property and assets;

3. In case of merger or consolidation; and

4. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose.

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

Procedure for Exercise of Dissenter's Appraisal Right

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

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

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

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

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Common Shares	3,800,000,000
Less: Treasury shares	4,378,000
Total Outstanding Shares Voting /Shares as of record date July 31, 2022	3,795,622,000

The Company's capital stock consists of common shares only. Each share is entitled to one vote. All stockholders of record at the close of business on **September 01, 2022** shall be entitled to notice and to vote at the Annual Stockholders meeting. To conform with the Government's regulation on social distancing and prohibition on mass gatherings, the Company shall hold the Annual Stockholders' Meeting via remote communication and allow the stockholders to cast their votes by remote communication or in absentia, or by proxy.

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

(1) SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

Owners of more than 5% of voting securities as July **31, 2022:**

Class	Name of Record Owner and Relationship with Record Owner	Name of Beneficial Owner	Citizenship	Shares Owned	%
Common	3. Arsenio T. Ng 9F Summit One Tower, 530 Shaw Blvd. Mandaluyong City (CEO)	None	Filipino	1,712,370,990"r"	45.11%
Common	1. PCD Nominee Corp. (F) 37th floor Tower 1, the Enterprise Ctr., 6766 Ayala Ave, Makati City, Phil.	Various	Filipino	1,699,504,389"r"	44.72%
Common	2. Unipage Management, Inc. 9F Floor Summit One Tower, 530 Shaw Boulevard Mandaluyong City (Investor)	Stockholders	Filipino	365,900,000"r"	9.64%

The clients of PCD Nomination Corporation are the beneficial owners and have the power to decide how their shares are to be voted.

There is no Filipino and Non-Filipino holder of 5% or more under PCD Nominee Corporation.

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

(2) Security ownership of management as of July 31, 2022:

Class	Name of Beneficial Owner	No. of Shares and Nature of Beneficial Ownership	Citizenship	%
	Directors:			
Common	Arsenio T. Ng	1,712,370,990"d"	Filipino	45.11%
Common	Kenneth C. Co	42,590,000"d"	Filipino	1.12%
Common	Hilario T. Ng	4,008,040"d"	Filipino	0.11%
Common	Ardi Bradley Ng	100,000"r"	Filipino	0.00%
Common	Paul Saria	258,040"d"	Filipino	0.01%
Common	Simoun Ung	10,000"d"	Filipino	0.00%
Common	Oscar B. Mapua	40,000"d"	Filipino	0.00%
	Officer:			
Common	Santos Cejoco	10,000"d"	Filipino	0.00
	All directors and executive officers as a group	**1,759,387,070"d"**		**46.35%**

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

(3) VOTING TRUST HOLDERS OF 5% OR MORE

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

(4) CHANGES IN CONTROL

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

Item 5. DIRECTORS AND EXECUTIVE OFFICERS

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

Arsenio T. Ng – President and CEO
Age 63, Filipino Citizen
Period Served September 2000 to Present
Term of office as director – one year

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

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

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

Hilario T. Ng – Director, Chief Finance officer and member of Remuneration and Nomination Committee
Age 61, Filipino Citizen
Period Served September 2000 to Present
Term of office as director – one year

A graduate of Bachelor of Architecture at the Southern California Institute of Architecture, Mr. Ng took his MA in Urban Design at the University of California at Los Angeles. Presently, he is President of Palladian Land Dev't, Inc., Director of ATN Holdings, Inc., Executive Vice President of Palladian Land Development, Inc., Architect, and Managing Partner of HEO Group. He was previously connected with Nadel Partnership, Inc (Architect, 1990), Figure 5, Inc (Project Director, 1988-1989), Stephen Lam & Associates (Project Director, 1987), Richard Magee & Associates (Project Architect, 1985-1986), T.W. Layman & Associates (Project Architect, 1982), Michael Ross & Associates (Project Architect, 1982), and WOU International (Project Architect, 1981).

Simoun Ung – Director
Age 54, Filipino Citizen
Period Served May 2007 to Present
Term of office as director – one year

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

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

Paul B. Saria – Director, Chief Operating and Compliance Officer and member of Audit and Nomination Committee
Age 52, Filipino Citizen
Period Served September 2000 to Present
Term of office as director – one year

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

Atty. Leonides S. Respicio – Corporate Secretary
Age 70, Filipino Citizen
Period Served August 2018 to Present

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

Ardi Bradley L. Ng - Director
Age 28, Filipino Citizen
Period Served October 2019 to Present
Term of office as director – one year

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

Oscar B. Mapua, Jr. – Independent and Nomination Committee Chairman
Age 78, Filipino Citizen
Period Served May 2003 to Present
Term of office as director – one year

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.

Kenneth Chua Co – Independent and Remuneration and Audit Committee Chairman
Age 49, Filipino Citizen
Period Served May 2011 to Present
Term of office as director – one year

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.

The aforementioned directors and officers have served the fiscal year ended December 31, 2021, and shall continue to serve until their successors have been duly elected at the Company's next annual stockholders' meeting. Also, none of the current directors and officers work in government.

NOMINEES FOR ELECTION AS DIRECTORS OF THE COMPANY

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

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

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

The Corporation will observe the term limits for independent directors imposed by SEC Memorandum Circular No. 4, Series of 2017 which became effective on January 2, 2012. The Corporation's two current independent directors may serve as independent directors until 2021 in compliance with the maximum cumulative term of nine (9) years.

The independent directors undertake to submit an updated Certification of Qualifications and Disqualifications thirty (30) days after the date of the Annual Stockholders' Meeting. Only nominees whose names appear on the final list of candidates will be eligible for election as directors. No further nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

Hyland Si – Nomine
Age 64, Filipino

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

Paul C. Cheah – Nominee
Age 38, Filipino
Period Served – newly nominated

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

(2) SIGNIFICANT EMPLOYEES

The company has no significant employees.

(3) **FAMILY RELATIONSHIP**

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

RESIGNATION OF OFFICER

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

(4) **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

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

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

(D) RELATED PARTY TRANSACTIONS

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

There was no compensation paid or payable to key management personnel for the years ended December 31, 2021, 2020 and 2019.

Key management personnel have not been provided with retirement benefits.

(3) The registrant has no parent company.

Item 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

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

	2022 Estimated	**2021**	**2020**
Four most highly compensated Executive Officers			
1. Arsenio T. Ng – CEO			
2. Paul B. Saria – Chief Operating Officer			
3. Santos L. Cejoco – Corporate Planning Officer			
4. Vicente Layson – Network Engineer			
5. Christian Nucom – Asst. Network Engineer			
TOTAL	650,000	600,000	500,000
All other officers and directors	650,000	500,000	450,000
Total	1,200,000	1,100,000	1,100,000

The CEO and COO has not received compensation from the company except for the stock options mentioned above in Stock Options for the Chief Executive Officer.

No bonuses were given to directors and officers, payments were purely compensation in nature.

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

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

Warrants and Options

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

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

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

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

Item 7. INDEPENDENT PUBLIC ACCOUNTANT

The audited financial position of the Company for CY 2021 was audited by R. R. TAN & ASSOCIATES, CPAs.

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

R. R. TAN & ASSOCIATES, CPAs has acted as the Company's external auditor since 2009 and has complied with the five-year rotation requirement under SRC Rule 68(3)(b)(iv) (Qualifications and reports of Independent Auditors). Mr. Chester Nimitz F. Salvador is the current audit partner for R. R. TAN & ASSOCIATES, CPAs. He replaced Mr. Domingo A. Daza Jr., who serves as audit partner from 2012 to 2015.

The audit committee headed by Kenneth C. Co (Independent and Chairman) Arsenio T. Ng, and Paul B. Saria has no policies and procedures of the above services.

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

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

Item 8. COMPENSATION PLANS

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

The grant of options for the CEO was approved based on the following considerations:

1. The CEO has not received compensation since the strategic acquisition of the company in 2000 to date.

2. The CEO was responsible for (a) rehabilitation of P200 million loss arising from a bad financial structure, and (b) collection of P80 million of bad debts, bringing the company to its present state of profitable operations and strong financial position.

3. Under the leadership of the CEO, the company was able to comply with the mandate of its telecommunications franchise to successfully undertake an initial public offering (IPO) that was executed in early 2003 in the face of weak capital markets in Asia.

4. The CEO used personal bank credit lines for the (a) acquisition of majority stake in the company, (b) rehabilitation of financial position and telecommunications facilities, (c) expansion of digital data services and acquisition of institutional marketing partner for installation of IT laboratories nationwide.

5. The CEO needs the options to enable him to reimburse his personal bank credit lines that the CEO used over the years to fund the comprehensive rehabilitation and expansion of company operations.

6. The same grant of stock options for the CEO shall be approved by the Board and ratified by the shareholders.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

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

On September 17, 2018, in a meeting of the Board of Directors resolved to issue 400,000,000 shares to the Chairman, Arsenio T. Ng for investments amounting to Forty Million Pesos to be used solely for payment of subscription payable to ATN Philippines Solar Energy Group, Inc. The stockholders of the Corporation in the Annual Stockholders Meeting of October 3, 2018 resolved to approve for the application of listing of 130,000,000 common shares with waiver by a majorityof the minority of shareholders. The Philippine Stock Exchange has approved the listing application filed by the Corporation.

On April 2. 2019, in a meeting of the Board of Directors resolved to issue 1,179,806,700 common shares (0.1632 price per share) to the Chairman, Arsenio T. Ng for investments amounting to One Hundred Ninety Two Million Pesos (P192,500,000) to be used solely for payment of subscription payable to ATN Philippines Solar Energy Group, Inc. The issuance of additional shares to be taken from the unissued capital stock of the Company. The stockholders of the Corporation in the Annual Stockholders Meeting of October 6, 2019 resolved to approve for the application of listing of 130,000,000 common shares with waiver by a majority of the minority of shareholders. The Philippine Stock Exchange has approved the listing application filed by the Corporation.

Item 15. OTHER MATTERS

Action with Respect to Reports:

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

1. Minutes of the previous Annual Stockholders' Meeting
    a. Approval of previous annual minutes of meeting
    b. Report of the President
    c. Approval of FY December 31, 2021 audited Financial Statements
    d. Election of Directors
    e. Appointment of Independent Auditors
2. Annual Report of the President
3. Fiscal Year Ending December 31, 2021 Audited Financial Statements

The president reported the highlights of the audited fiscal year December 31, 2021 financial statements, and the acts of the Board and the executive officers during the above fiscal year. The corporate secretary read to the stockholders the minutes of the previous annual stockholders' meeting.

The stockholders in said meeting approved and ratified the following:

1. the minutes of the previous annual stockholders' meeting,
2. the audited December 31, 2021 financial statements,
3. the appointment of R. R. Tan & Associates, CPAs as external auditor,
4. ratified the acts of the Board and the executive officers during the above fiscal year including but not limited to memberships in (a) remuneration committee, (b) audit committee, and (c) nomination committee. Membership in said committees, which include one independent director in compliance with Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code are as follows:

Compensation Committee:	**Audit Committee**	**Nomination Committee**
Kenneth C. Co (Chairman)	Kenneth C. Co (Chairman)	Oscar B. Mapua (Chairman)
Arsenio T, Ng – Member	Arsenio T. Ng – Member	Hilario T. Ng – Member
Hilario T. Ng - Member	Paul B. Saria - Member	Paul B. Saria - Member

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

MERGERS, CONSOLIDATION, ACQUISITIONS AND SIMILAR MATTERS

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

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

Item 17. AMENDMENTS OF CHARTER, BYLAWS AND OTHER DOCUMENTS

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

Item 19. VOTING PROCEDURES

A majority of the subscribed capital, present in person, shall be sufficient at a stockholders' meeting to constitute a quorum for the election of directors and for the transactions of any business whatsoever, except in those cases in which the Corporation Code requires the affirmative vote of a greater portion.

At each meeting of the stockholders, every stockholder shall be entitled to vote in person, for each share of stock held by him, which has voting power upon the matter in question. The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting, except with respect to the procedural questions determined by the chairman of the meeting, shall be by viva voce or show of hands.

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

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

The Articles of Incorporation may be amended by the affirmative vote of at least majority of the Board of Directors and stockholders representing a majority of the Board of Directors and stockholders' meeting called for that purpose. However, the power to amend, modify repeal or adopt new articles may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock of the Corporation.

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

MINUTES OF THE ANNUAL STOCKHOLDERS MEETING OF TRANSPACIFIC BROADBAND GROUP INT'L. INC. HELD ON OCTOBER 13, 2021, 1:30PM VIA ZOOM MEETING AT 8TH FLOOR, SUMMIT ONE TOWER, 530 SHAW BLOULEVARD, MANDALUYONG CITY

	No of shares	**%**
No. of Outstanding Voting shares	3,795,622,000	100%
Shareholders present	2,534,425,692	66.69%

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

1. **Call to Order.** The Chairman, Mr. Arsenio T. Ng, called the meeting to order at 1:30PM

2. **Notice of the Meeting.** The Corporate Secretary certified that the Notice of the Annual Stockholders' Meeting and Definitive Information Statement were sent on August 31, 2021 and September 16, 2021 respectively via (1) Disclosure in the PSE Edge system, (2) Disclosure in the Company's website, (3) Publication in two (2) newspapers Daily Tribune and Malaya both on September 6 and 7, 2021., and (4) via email upon request of stockholders.

3. **Determination of Quorum.** The Corporate Secretary certified that a quorum existed with 66.69% or 2,534,425,692 shares of the issued and outstanding shares were present in person or by proxy.

4. **Instructions on Rules of Conduct, Voting Procedures and Voting Requirements.** The Corporate Secretary explained the rules of conduct, voting procedures and voting requirements of the meeting via (1) show of hands or (2) registration and voting in absentia. Registration form and/or proxy forms were sent to stockholder that signified their intent to join the meeting via email or via downloadable form in the company website with a deadline of submission on October 6, 2021. Other question are to be taken up under "Other Matters"

5. **Approval of the Minutes of Meeting of 2020.** The Assistant Corporate Secretary presented an electronic copy of the previous minutes of meeting held on October 21, 2020. On motion duly made and seconded, the minutes of meeting of the previous meeting held on October 21, 2020 is duly ratified by the Stockholders present and voted on the resolution:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,534,425,692	0	0
% of total outstanding shares	66.7%	0%	0%

6. **Report of the President and Presentation of the Audited Financial Statements.** The President, Arsenio T. Ng instructed the Chief Operations Officer, Paul B. Saria to present the report and the Audited Financial Statements ending December 31, 2020 of the Corporation. Stockholders noted the President/Annual Report and the Audited Financial Statements ending December 31, 2020 without objections, as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,534,425,692	0	0
% of total outstanding shares	66.7%	0%	0%

7. **Ratification of the Acts of the Board of Directors and Officer.** The Corporate Secretary announced that stockholders' ratification is being sought for all the acts and resolution of the Board and other Board Committees exercising powers delegated by the Board, which were adopted for year 2020 to 2021, as well as for all the acts of the Corporation's officers performed in accordance with the resolutions of the Board. Stockholders ratified all the acts of the Board, Committees and Officers, with the following votes:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,534,425,692	0	0
% of total outstanding shares	66.7%	0%	0%

8. **Reaffirmation of the waiver of rights/public offering by the minority shareholders with respect to the p192,500,000 private placement.** The Assistant Corporate Secretary announced that reaffirmation from the majority of the minority shareholders of this meeting is being sought for the waiver to conduct rights/ public offering with respect to the P192,500,000 private placement by Mr. Arsenio T. Ng which was previously obtained in 2019, in compliance with the requirements of the Philippine Stock Exchange. Further explains that the 1,179,806,700 common shares (0.1632 price per share) were issued in favor of Chairman, Arsenio T. Ng for investments amounting to One Hundred Ninety Two Million Five Hundred Thousand Pesos (P192,500,000) used solely for the payment of subscription payable to ATN Philippines Solar Energy Group, Inc. The majority of the minority reaffirmed the above-mentioned waiver. No objections were received.

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

Director	FOR	%
Arsenio T. Ng	2,534,425,692	100%
Hilario T. Ng	2,534,425,692	100%
Simoun S. Ung	2,534,425,692	100%
Paul B. Saria	2,534,425,692	100%
Ardi Bradley L. Ng	2,534,425,692	100%
Oscar B. Mapua Jr.	2,534,425,692	100%
Kenneth Co.	2,534,425,692	100%

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

Directors	No. of Shares
Arsenio T. Ng - Director & Chairman	1,712,370,990
Hilario Ng - Director	4,008,040
Ardi Bradley L. Ng – Director	100,000
Simoun S. Ung - Director	10,000
Paul B. Saria – Director & Asst. Corporate Secretary	258,040
Oscar B. Mapua Jr. – Independent Director	40,000
Kenneth C. Co- Independent Director	42,590,000

10. **Appointment of External Auditor.** The Committee and the Board endorsed the appointment of R.R. Tan and Associates as the Corporation's External Auditor for the fiscal your 2021 to 2022. The Corporate Secretary, on behalf of the management, proposed the adoption of resolution for the appointment of the Corporation's external auditor. The stockholders voted on the resolution as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	2,534,425,692	0	0
% of total outstanding shares	66.7%	0%	0%

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

SIGNATURES

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

TRANSPACIFIC BROADBAND GROUP INT'L. INC.

Registrant

Date October 13, 2021

ATTY. LEONIDES S. RESPICIO
Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Mandaluyong on August 19, 2022.

Issuer : TRANSPACIFIC BROADBAND GROUP INT'L INC.
Date : August 19, 2022

PAUL B. SARIA
Corporate Information Officer

BUSINESS AND GENERAL INFORMATION

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

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

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

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

The Tenth Congress granted the Corporation a 25-year a Congressional Franchise on June 22, 1998 under Republic Act 8657, to construct, establish, install, maintain and operate communication systems for the reception and transmission of messages within the Philippines.

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

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

The conversion of additional paid-in capital amounting to Php58,341,330.00 into 58,341,330 shares of stock to be paid, as and by way of stock dividends, to all stockholders of the Company as of 31 December 2002 in proportion to the number of shares held by each stockholder and which will be issued out of the proposed increase in the authorized capital stock from One Hundred Fifty Million Pesos (Php150,000,000.00) to Three Hundred Eighty Million Pesos (Php380,000,000.00);

The increase in authorized capital stock from One Hundred Fifty Million Pesos (Php150,000,000.00) divided into One Hundred Fifty Million (150,000,000) shares with par value of One Peso (Php1.00) per share to Three Hundred Eighty Million Pesos (Php380,000,000.00) divided into Three Hundred Eighty Million (380,000,000) shares with par value of One Peso (Php1.00) per share; and

The amendment of Article Seventh of the Amended Articles of Incorporation in relation to the proposed increase in authorized capital stock. The Company's subscribed and paid-up capital as of 31 December 2002, after incorporating the effect of stock dividends in 2002, amounts to Php139,341,330.00. On April 15, 2003, the SEC approved the aforesaid increase and amendments.

TBGI generates revenues mainly from Internet, Intranet, and local loop services subscriptions of schools, corporate private sector and government agencies. The Company provides (1) data services for Internet connectivity and virtual private network connectivity, and (2) uplink services to underserved and unserved areas including but not limited to consumers of residential, commercial, schools, hospitals, government and public institutions, multinational corporations and local and foreign TV channels.

For the delivery of its services, TBGI owns and operates satellite facilities having separate buildings for transmitter and power generators at the 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 studios. TBGI connection to the Internet features the several platforms under Ka-Band and C-band connectivity via various satellite and fiber optic line to complete the link.

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

Properties

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

Complementing the facilities in Clark, Pampanga is the TBGI Network Monitoring and Operations Center at the 9th floor of Summit One Building in Mandaluyong City, Metro Manila. TBGI bought the remaining ATN financial interest in the 9thFloor of Summit One Tower Building with a total area of 853 square meters. In addition, TBGI owns a 210 square meter house inside a 248 square meter lot in Island Park 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.

Legal Proceedings

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

Submission of Matters to a Vote of Security Holders

There was no meeting held during the 4th quarter of fiscal year ending December 31, 2021.

Management's Discussion and Analysis or Plan of Operation

(1) Plan of operation

TBGI started to establish its data services network in 2001 with the installation of a satellite main hub transmitter-receiver to link the interactive broadband requirements of educational institutions.

Aside from its new market development efforts, the Company plans to 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.

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

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

CY 2021

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

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

a. Increase of PHP 41.453 million in cash primarily due to increase in revenue.
b. Increase of PHP 0.803 million in accounts receivables.
c. Decrease of PHP 0.028 million in other current assets.

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

(1) Amortization of franchise by PHP 0.376 million.
(2) Decrease of PHP 14.538 million in property and equipment.
(3) Decrease of PHP 0.344 million in other non-current assets due to decrease in advances to related parties.

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

Decrease in current liabilities of PHP 1.268 million arising from the following changes:
1) Increase of PHP 5.403 million in accounts payable and accrued expenses
2) Decrease of PHP 7.255 million in unearned income.
3) Increase in income tax payable of PHP 0.583 million.

Increase of non-current liabilities by PHP 2.797 million arising from the following changes:
9 Increase of PHP 74 thousand in pension liability.
10 Increase of PHP 2.729 million in advances from related parties.

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

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

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

The following are important performance indicators of the company:

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

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

CY 2020

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

Increase in current assets of P 8.064 million arising from the following changes:
(1) Increase of PHP 8.101 million in cash primarily due to additional investment in associates.
(2) Increase of PHP 0.400 million in accounts receivables.
(3) Decrease of PHP 0.436 million in other current assets.

Decrease in non-current assets of PHP 13.872 million due to the following:
(4) Amortization of franchise by PHP 0.6 million.
(5) Decrease of PHP 14.265 million in property and equipment.
(6) Increase of PHP 0.993 million in other non-current assets due to increase in advances to related parties.

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

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

4) Decrease of PHP 0.168 million in accounts payable and accrued expenses
5) Decrease of PHP 0.05 million in short term loan
6) Decrease of PHP 18.108 million in unearned income.
7) Increase in income tax payable of PHP 0.038 million.

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

1) Increase of PHP 0.015 million in deferred tax liability.
2) Increase of PHP 63 thousand in pension liability.
3) Increase of PHP 7.195 million in advances from related parties.

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

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

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

The following are important performance indicators of the company:

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

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

CY 2019

Total assets increased from PHP 563.359 million to PHP 594.0639 million as of December 31, 2019. The net increase of PHP 30.710 million in the total assets resulted from movements in the following:

Decrease in current assets of P 1.6 million arising from the following changes:

d. Decrease of PHP 2.162 million in cash primarily due to additional investment in associates.
e. Decrease of PHP 2.358 million in accounts receivables.
f. Decrease of PHP 332 thousand in other current assets.

Increase in non-current assets of PHP 35 million due to the following:

a. Amortization of franchise by PHP 0.6 million.
b. Increase of PHP 35 million in property and equipment.
c. Increase of PHP 902 thousand in other non-current assets due to increase in advances to related parties.

Total liabilities decreased from PHP 210 million as of December 31, 2018 to PHP 47 million as of December 31, 2019. The net decrease of PHP 162 million was due to the following:

Increase in current liabilities of PHP 17.876 million arising from the following changes:

a. Decrease of PHP 7.805 million in accounts payable and accrued expenses
b. Increase of PHP 25 million in unearned income..
c. Increase in income tax payable of PHP 21 thousand.

Decrease of non-current liabilities by PHP 180 million arising from the following changes:

a. Decrease of PHP 192 million in deposits due stock subscription.
b. Increase of PHP 62 thousand in pension liability.
c. Increase of PHP11.859 million in advances from related parties.

On the equity side, total equity increased from PHP353.244 million as of December 31, 2018 to PHP546.443 million as of December 31, 2019. The net increase of PHP193 million was due to the following:

a. Increase of PHP118 million in share capital due to additional subscription.
b. Increase of PHP 74 million in share premium.

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

	December 31, 2019	December 31, 2018
Current Ratio	0.25	0.92
Debt-to-Equity Ratio	0.09	0.60
Gross Profit Margin	5.9%	5.1%
Net Income to Sales Ratio	1.8%	25%
Net Income (loss) in pesos	P699,877	P15,358,144

The following are important performance indicators of the company:

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

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

Disclosure on material events and uncertainties:

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

Information on Independent Accountant and related Matter

(1) External Audit Fees and Services

R. R. TAN & ASSOCIATES, CPAs, the external auditor of the company, audited the financial position with a contract amount of P378,400 for the year ended 2021 and P335,000 for 2020 respectively inclusive of out of pocket expenses.

R. R. Tan & ASSOCIATES, CPAs will audit the Company's statement of financial positions and the related statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ending and will provide an audit report on the financial statements referred to above in accordance with Philippine Financial Reporting Standards.

As part of the engagement, R. R. Tan & ASSOCIATES, CPAs will also assist in the preparation of the Company's annual income tax returns for filing with the Bureau of Internal Revenue;

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

There were no other fees paid by the company for product and other services provided by the auditor.

The audit committee headed by Kenneth C. Co (Chairman), Arsenio T. Ng (Member) and Paul B. Saria (Member) has no policies and procedures of the above services.

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

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

Expansion Plans

Transpacific website *www.tbgi.net.ph* list all services that the Corporation provides. TBGI has at its disposal the use of facilities owned by the ATN Group for the performance of broadband services. Summit One Tower hosts the fiber optic backbone, and the necessary tower height for wireless transmission within Metro Manila. With the fiber optic infrastructure available at Summit One Tower, the TBGI WIFI network envisaged for Metro Manila will be implemented in alliance with equipment suppliers from various countries.

TBGI expects to become a major wireless data services provider in the Philippines. There is no foreseeable event, which may have a material impact on its short-term liquidity, and no seasonal aspect had material effect on the financial condition of the Company's operation. Funding for the expansion will be sourced from borrowings and available credit facilities from local banks.

TBGI market development and business expansion are likewise focused on renewable energy. TBGI has made investments in ATN Philippines Solar Energy Group, Inc. (ATN Solar) in cooperation with project proponent ATN Holdings, Inc. The TBGI affiliate has secured its Solar Energy Service Contract from the Department of Energy for a 30 Megawatt Solar PV Power Plant near Metro Manila. The project is shovel ready and is undertaking financial closing with banks and private equity.

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

(1) Market Information

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

	Jan 1 to Dec 31, 2021		Jan 1 to Dec 31, 2020	
	High	Low	High	Low
Qtr. 1	0.68	0.29	0.16	0.15
Qtr. 2	0.46	0.43	0.18	0.17
Qtr. 3	0.53	0.36	0.2	0.19
Qtr. 4	0.42	0.29	0.36	0.34

The price information as of the latest practicable trading date, August 19, 2022 has a high of 0.29 and low of P0.28.

(2) Holders

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

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

There are approximately 375 holders of common shares of the Company as of July 31, 2022. (based on the number of accounts registered with the Stock Transfer Agent).

The top 20 common stockholders as of July 31, 2022 are as follows:

	Class "A" Stockholders	No of Shares Held	% of Total Shares Outstanding
1	NG, ARSENIO T.	1,712,370,990	45.11%
2	PCD NOMINEE CORP	1,699,504,389	44.78%
3	UNIPAGE MANAGEMENT INC.	365,900,000	9.64%
4	ATN HOLDINGS INC.	130,000,000	3.42%
5	PCD NOMINEE CORP (NON-FILIPINO)	120,304,991	3.17%
6	LIU, JESSILYN NG	10,000,000	0.26%
7	YAP, RODOLFO T.	8,000,000	0.21%
8	NG, HILARIO TUI	4,008,040	0.11%
9	NG, MARK T.	3,750,000	0.10%
10	NG, MATTHEW H.	3,750,000	0.10%
11	NG, ANNIE CGAM	3,750,000	0.10%
12	NG, TIFFANY ANNE	3,750,000	0.10%
13	OLIVA, DULCE MARIA S.	3,600,000	0.09%
14	NG, BUN KUI	3,600,000	0.09%
15	NG, IRENE T.	3,600,000	0.09%
16	LIMQUECO, MARGIE VILLAFLOR	3,500,000	0.09%
17	LIMQUECO, MARGIE V.	2,180,000	0.06%
18	CHUA, RICARDO R.	1,000,000	0.03%
19	CHOA, BONIFACIO N.	1,000,000	0.03%
20	TAN, CAESAR Y.	1,000,000	0.03%

(3) Dividends

There was no cash dividend declared for the last three fiscal years and there are no restrictions that limit the payment of dividend on common shares.

(4) Recent Sales of Unregistered Securities

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

Compliance with leading practice on Corporate Governance

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

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

SEC FORM 17-A

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

Paul B. Saria
Transpacific Broadband Group Int'l, Inc.
9^{th} Floor Summit One Tower
530 Shaw Blvd., Mandaluyong City, Metro Manila

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

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

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

April 12, 2022

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management on **TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

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

APR 13 2022

SUBSCRIBED AND SWORN to before me this ______day of April 2022, 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	03/13/2023	Manila
Paul B. Saria	DL N04-93-264992	12/15/2031	Mandaluyong
Hilario T. Ng	DL F03-89-049-506	08/23/2021	Manila

NOTARY PUBLIC
Doc. No. : 84
Page No. : 17
Book No. XXIV
Series of 2022

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2021-2022)
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022
PTR O.R. No. 2463255D 1/3/22 / Roll No. 33832 / TIN# 129-871-009
MCLE No. VI-0029583 valid from 12/16/19 valid until 04/14/22 Quezon City
Address: 31-F Harvard St. Cubao, Q.C.

R. R. TAN & ASSOCIATES, CPAs

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

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Report of Independent Public Accountants

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.** (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, 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, 2021, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Recoverability of Investment in an Associate

As of December 31, 2021 and 2020, the Company's investment in an associate amounted to ₱408 million, equivalent to a 29.93% equity interest. This asset represents 66% of the total assets at year-end. The associate, which is accounted under the equity method, is still in the pre-operating stage and is now venturing into quarrying activities. We consider this as a key audit matter based on the following key assessments: (i) volume of investment, (ii) complex nature of associate's operations and (iii) certainty or uncertainty of commencing operations.

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

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

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

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

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

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

Other Information
Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 32 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 8131887, January 12, 2022, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

April 12, 2022
Pasig City

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS	Notes		2021		2020
Current Assets					
Cash and cash equivalents	7	P	55,249,289	P	13,796,232
Receivables - net	8		2,728,187		1,924,608
Other current assets - net	9		186,618		214,728
Total Current Assets			58,164,094		15,935,568
Non-current Assets					
Investment in associate	10		408,216,118		408,161,917
Franchise - net	11		1,565,865		1,942,405
Property and equipment - net	12		77,978,716		92,517,158
Investment properties	13		61,568,800		61,568,800
Other non-current assets	14		7,792,081		8,135,750
Total Non-current Assets			557,121,580		572,326,030
TOTAL ASSETS		P	615,285,674	P	588,261,598

LIABILITIES AND EQUITY	Notes		2021		2020
Current liabilities					
Accounts payable and accrued expenses	15	P	6,145,491	P	742,283
Short-term loan	16		5,450,000		5,450,000
Unearned income	17		-		7,255,114
Income tax payable			769,197		186,165
Total Current Liabilities			12,364,688		13,633,562
Non-current Liabilities					
Deposits	18		662,830		662,830
Pension liability	19		960,469		886,230
Advances from related parties	25		23,770,891		21,041,383
Deferred tax liabilities - net	27		715,629		722,002
Total Non-current Liabilities			26,109,819		23,312,445
Total Liabilities			38,474,507		36,946,007
Equity					
Share capital	20		380,000,000		380,000,000
Share premium			103,947,352		103,947,352
Share options outstanding	20		8,921,814		8,921,814
Retained earnings			84,379,801		58,884,225
Treasury shares	20		(437,800)		(437,800)
Total Equity			576,811,167		551,315,591
TOTAL LIABILITIES AND EQUITY		P	615,285,674	P	588,261,598

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	Notes	**2021**	2020	2019
REVENUES				
Service income	*21*	**P 50,570,212**	P 41,032,940	P 36,884,773
Other income	*23*	**3,048,520**	2,650,449	2,844,503
		53,618,732	43,683,389	39,729,276
COST AND EXPENSES				
Direct costs	*22*	**24,391,428**	36,461,967	34,721,453
Administrative expenses	*24*	**2,061,104**	1,425,628	3,095,070
Finance costs	*16*	**276,330**	345,752	387,414
		26,728,862	38,233,347	38,203,937
INCOME FROM OPERATION		**26,889,870**	5,450,042	1,525,339
EQUITY IN NET INCOME (LOSS) OF ASSOCIATE	*10*	**54,201**	(218,378)	(613,332)
INCOME BEFORE INCOME TAX		**26,944,071**	5,231,664	912,007
INCOME TAX EXPENSE	*27*	**1,448,495**	360,012	212,130
INCOME FOR THE PERIOD		**25,495,576**	4,871,652	699,877
OTHER COMPREHENSIVE INCOME		**-**	-	-
TOTAL COMPREHENSIVE INCOME		**P 25,495,576**	P 4,871,652	P 699,877
EARNINGS PER SHARE				
Basic	*28*	**P 0.0067**	P 0.0013	P 0.0002
Diluted		**0.0061**	0.0012	0.0002

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	Notes	**2021**	2020	2019
SHARE CAPITAL				
Balance, January 1		**P 380,000,000**	P 380,000,000	P 262,019,330
Issuance during the year		**-**	-	117,980,670
Balance, December 31	*20*	**380,000,000**	380,000,000	380,000,000
SHARE PREMIUM				
Balance, January 1		**103,947,352**	103,947,352	29,428,022
Addition during the year		**-**	-	74,519,330
Balance, December 31		**103,947,352**	103,947,352	103,947,352
SHARE OPTIONS OUTSTANDING	*20*	**8,921,814**	8,921,814	8,921,814
RETAINED EARNINGS				
Balance, January 1		**58,884,225**	54,012,573	53,312,696
Income for the year		**25,495,576**	4,871,652	699,877
Balance, December 31		**84,379,801**	58,884,225	54,012,573
TREASURY SHARES - ***at cost***	*20*	**(437,800)**	(437,800)	(437,800)
		P 576,811,167	P 551,315,591	P 546,443,939

See accompanying notes to financial statements

TRANSPACIFIC BROADBRAND GROUP INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	Notes	**2021**	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax expense		**P 26,944,071**	P 5,231,664	P 912,007
Adjustments for:				
Provisions for (Reversal of):				
Depreciation and amortization	*11,12*	**14,914,982**	15,481,827	15,152,613
Retirement benefits	*19*	**74,239**	62,425	62,255
Impairment of spare parts	*23*	**-**	(146,887)	-
Foreign exchange (gain) loss	*23*	**(172,064)**	(225,275)	136,508
Equity in net (income) loss of an associate	*10*	**(54,201)**	218,378	613,332
Interest income	*23*	**(32,116)**	(10,832)	(11,252)
Interest expense	*16*	**276,330**	345,752	387,414
Operating Income Before Working Capital Changes		**41,951,241**	20,957,052	17,252,877
Decrease (Increase) in Operating Assets:				
Receivables		**(747,373)**	137,556	2,356,147
Other current assets		**(108,551)**	14,598	(77,630)
Other non-current assets		**-**	976,508	(376,148)
Increase (Decrease) in Operating Liabilities:				
Accounts payable and accrued expenses		**5,403,208**	168,152	(7,508,111)
Unearned income		**(7,255,114)**	(18,107,680)	25,362,794
Deposits		**-**	-	320,963
Cash Generated by Operations		**39,243,411**	4,146,186	37,330,892
Income taxes paid		**(735,175)**	(307,461)	(237,945)
Interest received		**32,116**	10,832	11,252
Net Cash Provided by Operating Activities		**38,540,352**	3,849,557	37,104,199
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	*12*	**-**	(47,700)	(50,016,437)
Advances made to related parties		**-**	(3,778,174)	(526,714)
Collection of advances to related parties		**343,669**	1,590,810	-
Net Cash Provided by (Used in) Investing Activities		**343,669**	(2,235,064)	(50,543,151)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loan	*16*	**5,450,000**	5,450,000	5,500,000
Availments of advances from related parties		**5,573,848**	9,462,520	14,828,936
Payment of loan:				
Principal	*16*	**(5,450,000)**	(5,500,000)	(5,500,000)
Interest	*16*	**(276,330)**	(345,752)	(387,414)
Payment of advances from related parties		**(2,844,340)**	(2,267,455)	(2,969,759)
Net Cash Provided by Financing Activities		**2,453,178**	6,799,313	11,471,763
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		**115,858**	(312,809)	(195,769)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS		**41,453,057**	8,100,997	(2,162,958)
CASH AND CASH EQUIVALENTS, January 1		**13,796,232**	5,695,235	7,858,193
CASH AND CASH EQUIVALENTS, December 31		**P 55,249,289**	P 13,796,232	P 5,695,235

See accompanying notes to financial statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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.

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

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

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

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

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

The financial statements of the Company as of December 31, 2021 (including the comparative figures as of December 31, 2020 and 2019) were authorized for issue by the President on April 12, 2022.

2. Basis of Preparation and Presentation

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

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

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

3. Summary of Significant Accounting Policies

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

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

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

The Company classifies all other assets as noncurrent.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Financial Instruments

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

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

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

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

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

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

As at December 31, 2021 and 2020, the Company's financial assets represents financial asset measured at amortized cost. These are captioned in the statement of financial position as Cash and cash equivalents, Receivables, Deposits and Advances to Related Parties.

A financial asset is measured at amortized cost if:

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

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

- financial liabilities at FVPL
- other financial liabilities

Financial liabilities as of December 31, 2021 and 2020 are categorized as *Other financial liabilities.* These include accounts payable and accrued expenses, short-term loans and deposits.

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

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

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

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

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

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

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

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

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

Contract Assets and Liabilities
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. As of December 31, 2021 and 2020, the Company has no contract asset balances.

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

As of December 31, 2020, balance pertaining to this account is presented as Unearned income amounting to and P7.3 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

Investment in Associate

An associate is an entity over which the Company is able to exert significant influence but not control and which are neither subsidiaries nor interests in a joint venture. Investment in an associate is initially recognized at cost and subsequently accounted for using the equity method. The equity method of accounting for investment in associate recognizes the changes in the Company's share of net assets of the associate. The share in the net results of the operations of the associate is reported as *Equity in Net Loss/Earnings of an Associate* reported in the Statement of Comprehensive Income. However, when the Company's share of losses in an associate equal or exceed its interest in the associate the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognizing its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized. Changes resulting from other comprehensive income of the associate or items recognized directly in the associate's equity are recognized in other comprehensive income or equity of the Company, as applicable.

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

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

Franchise

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

During the year, the company was granted renewal of its Congressional franchise. Subsequently, the remaining unamortized amount from its original cost will be amortized for another 25 years.

Other Non-current Assets

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

Equity

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

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

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

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

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

Revenue Recognition

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

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

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

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

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

Commission income
Commission income is recognized when the service required to be rendered to subscribers is completed.
Rent income
Rent income is recognized on a straight-line basis over the lease term.

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

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

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

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

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

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

Employee Benefits

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

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

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

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

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

Borrowing Cost
Borrowing costs are:

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

- Other than the above, borrowing cost are expensed as incurred.

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

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

Impairment of Non-Financial Assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2021

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, 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

Amendments to PFRS 16, *Leases – COVID-19-Related Rent Concessions beyond June 30, 2021*
The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted. The Company adopted the amendments beginning April 1, 2021. As there are no rent concessions granted to the Company as a lessee, these amendments had no impact on the financial statements.

Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16 – *Interest Rate Benchmark Reform Phase 2*
The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Company shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively. These amendments had no impact on the financial statements of the Company.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2021

The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2021 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

Effective beginning on or after January 1, 2022

Amendments to PFRS 3, *Reference to the Conceptual Framework*

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

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

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

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before the asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2 *Inventories.*

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of a Company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and costs are presented separately in the statement of comprehensive income.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments are not expected to have significant impact on the Company's financial statements.

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

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

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

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

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

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

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

Effective beginning on or after January 1, 2023

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

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

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

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

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

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

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

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

Effective beginning on or after January 1, 2024

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

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

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

Effective beginning on or after January 1, 2025

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

The key principles in PFRS 17 are that an entity:

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

    i. a risk-adjusted present value of the future cash flows (the fulfillment cash flows) that incorporates all of the available information about the fulfillment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset); or

ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);

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

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

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

Deferred effectivity

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

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

5. Summary of Significant Accounting Judgments and Estimates

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

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

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

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

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

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

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

As of December 31, 2021 and 2020, the Company has 29.93% equity interest in an associate where the Company has significant influence over the associate's financial and operating policies.

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

Operating lease payment is reported in the Statement of Comprehensive Income (see Notes 22 and 29).

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

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

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

As of December 31, 2021 and 2020, trade receivables amounted to P2,728,187 and P1,924,608, respectively, net of allowance for probable losses of P4,436,227 for both years.

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

A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.
The carrying value of property and equipment as at December 31, 2021 and 2020 amounted to P77,978,716 and P92,517,158, respectively. (*See Note 12*)

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

The carrying value of deferred tax liabilities (net of deferred tax assets of P269,834 in 2021) as at December 31, 2021 amounted to P715,629. The carrying value of deferred tax liabilities (net of deferred tax assets of P266,122 in 2020) as at December 31, 2020 amounted to P722,002. (*See Note 27*)

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

Retirement benefit cost recognized in the financial statements amounted to P74,239 in 2021, P62,425 in 2020, and P62,255 in 2019. (*See Note 19*)

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

As at December 31, 2021 and 2020, management believes that no provision for impairment loss is necessary.

The carrying value of non-financial assets as of December 31, 2021 and 2020 are as follows:

		2021	2020
Investment in an associate	**P**	**408,216,118**	408,161,917
Franchise - net		**1,565,865**	1,942,405
Property and equipment - net		**77,978,716**	92,517,158
Investment properties		**61,568,800**	61,568,800

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

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

As at December 31, 2021 and 2020, share options outstanding amounted to P8,921,814. (*See Note 20*)

6. Financial Risk Management Objectives and Policies

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

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

The table below shows the gross maximum exposure to credit risk of the Company as at December 31, 2021 and 2020.

	Gross Maximum Exposure	
	2021	2020
Cash and cash equivalents *	**P 55,236,289**	P 13,783,232
Trade receivables	**7,164,414**	6,360,835
Other non current assets	**7,792,081**	8,135,750
	P 70,192,784	P 28,279,817

**excludes cash on hand of P13,000*

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

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

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

The credit quality of the Company's financial assets as at December 31, 2021 and 2020 is as follows:

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

	December 31, 2020				
	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
Cash and cash equivalents	P 13,783,232	P -	P -	P -	P 13,783,232
Trade receivables	-	1,924,608	-	4,436,227	6,360,835
Other non-current assets	-	-	8,135,750	-	8,135,750
	P 13,783,232	P 1,924,608	P 8,135,750	P 4,436,227	P 28,279,817

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

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

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

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

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2021 and 2020.

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

	December 31, 2020				
	< 1 month	> 1 month& <3 months	>3 months & < 1 year	> 1 year & <3 years	Total
Accounts payable and accrued expenses	P 742,283	P -	P -	P -	P 742,283
Short-term loan	-	-	5,450,000	-	5,450,000
	P 742,283	P -	P 5,450,000	P -	P 6,192,283

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:

	2021		2020	
	US Dollar	**Equivalent**	US Dollar	Equivalent
Cash and cash equivalents	**$ 323,278**	**P 16,414,117**	$ 73,205	P 3,516,476

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, 2021 and 2020:

	Effect on Income Before Taxes	
Increase/decrease in Peso to US Dollar Rate	**2021**	2020
+ P5.00	**P 1,009,204**	P 402,018
- P5.00	**(1,009,204)**	(402,018)

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

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

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

Exposure to interest rate risk arises from bank loans with interest dependent on the prevailing market rate.

The following table demonstrates the sensitivity to a reasonable change in interest rates, with all other variables held constant, the Company's income before tax for the years ended December 31, 2021 and 2020:

	Effect on Income Before Taxes	
Increase/decrease in interest rate	**2021**	2020
+2%	**P 109,000**	P 109,000
-2%	**(109,000)**	(109,000)

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

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

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

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

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

	2021	2020
Equity	**P 576,811,167**	P 551,315,591
Total Assets	**615,285,674**	588,261,598
Ratio	**0.937**	0.937

7. Cash and Cash Equivalents

As of December 31, 2021 and 2020, cash and cash equivalents consist of:

		2021		2020
Cash in banks	P	55,236,289	P	13,783,232
Cash on hand		13,000		13,000
	P	55,249,289	P	13,796,232

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

Interest income on these deposits amounted to P32,116 in 2021, P10,832 in 2020, and P11,252 in 2019.

8. Receivables - net

The composition of this account is as follows:

		2021		2020
Trade				
In local currency	P	4,436,227	P	4,727,611
In foreign currency		2,728,187		1,633,224
		7,164,414		6,360,835
Less: Allowance for probable losses		(4,436,227)		(4,436,227)
	P	2,728,187	P	1,924,608

Trade receivable in foreign currency represents US dollar subscription on uplink services from customers based in Hong Kong. The net unrealized foreign exchange gain (loss) on this account amounted to P56,206 in 2021, P538,084 in 2020 and (P1,872) in 2019.

There were no changes affecting allowance for probable losses in 2021 and 2020.

9. Other Current Assets

The breakdown of this account is as follows:

		2021		2020
Prepaid taxes	P	186,618	P	157,836
Prepaid insurance		-		56,892
	P	186,618	P	214,728

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

- Prepaid insurance represents unexpired portion of insurance paid during the year.

10. Investment in Associate

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

Details of this account are as follows:

	2021	2020
Cost	**P 209,500,000**	P 209,500,000
Equity in net loss		
Balance at beginning of year	**(8,138,083)**	(7,919,705)
Share in net income (loss) for the year	**54,201**	(218,378)
Balance at end of year	**(8,083,882)**	(8,138,083)
Deposit on stock subscription	**206,800,000**	206,800,000
	P 408,216,118	P 408,161,917

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

As of February 10 2022, ATN Solar has commenced discussion with Engineering Procurement Construction (EPC) groups for the construction of the plant. Construction phases are (1) 250kW pilot plant to test possible technical issues and improve construction efficiency of commercial scale plant to reduce construction timelines. (2) 250kW pilot plant to be expanded to 2MW for the complete modular assembly of DC/AC system.

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

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

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

The financial information of ATN Solar as of and for year ended December 31, 2021 and 2020 is as follows:

	2021	2020
Total current assets	**P 13,436,018**	P 20,874,619
Total non-current assets	**1,822,156,259**	1,791,339,263
Total current liabilities	**48,281,037**	70,065,587
Total non-current liabilities	**1,117,680,108**	1,069,479,810
Net income (loss)	**181,094**	(729,628)
Cash flow from investing activities	**(55,290,508)**	(85,397,647)
Cash flow from financing activities	**26,598,526**	56,994,388

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

		2021		2020
Net asset of associate	P	**669,631,132**	P	672,668,485
proportionate ownership interest (%)		**29.93**		29.93
		200,420,598		201,329,678
Pre-acquisition adjustment		**32,239**		32,239
Prior period adjustment		**963,281**		-
Deposit on stock subscription		**206,800,000**		206,800,000
	P	**408,216,118**	P	408,161,917

11. Franchise - net

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

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

The movement in this account is as follows:

		2021		2020
Balance, January 1	P	**1,942,405**	P	2,542,405
Amortization		**(376,540)**		(600,000)
Balance, December 31	P	**1,565,865**	P	1,942,405

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

12. Property and Equipment – net

The movement in this account is as follows:

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

2020	Building & improvements	Uplink/data Equipment	Furniture & Fixtures	Leasehold improvements	Transportation equipment	Total
Carrying Amount						
At January 1, 2020	P 23,893,402	P 304,547,503	P 5,180,726	P 19,145,709	P 14,675,284	P 367,442,624
Reclassification from spare parts inventory	-	569,370	-	-	-	569,370
Additions	-	-	47,700	-	-	47,700
At December 31, 2020	23,893,402	305,116,873	5,228,426	19,145,709	14,675,284	368,059,694
Accumulated depreciation						
At January 1, 2020	23,088,089	199,087,756	5,063,871	19,145,709	14,275,284	260,660,709
Provisions	805,313	14,013,008	63,506	-	-	14,881,827
At December 31, 2020	23,893,402	213,100,764	5,127,377	19,145,709	14,275,284	275,542,536
Net Carrying Value						
At December 31, 2020	P -	P 92,016,109	P 101,049	P -	P 400,000	P 92,517,158

On January 15, 2020, the Company entered into an agreement with Unipage Management, Inc. (UMI) for the expansion of its VSAT network located in Clark, Pampanga.

UMI has provided turnkey Engineering Procurement and Construction services for the establishment of a 9.3 meter satellite ground station in Clark, Pampanga for the delivery of new services by the Company. Repayment of the said facility will commence on the 2nd half of year 2022 until year 2030 for the total EPC contract of P65 million. UMI has the option to convey and deliver the title of equipment to the Company after full payment of the EPC services.

13. Investment Properties

As of December 31, 2021 and 2020, investment properties consist of the following:

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

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

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

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

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

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

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

As of December 31, 2021, the lot remains idle and no immediate plan to develop or sell the property. There is no contractual obligation to develop the property or for repairs, maintenance and enhancements. Management believes that there are no significant events during 2021 that increase or decrease the carrying value of investment property as at December 31, 2021.

During 2021 and 2020, there were no transfers between levels of fair value hierarchy.

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

	2021	2020	2019
Rental income	**P 2,844,340**	P 2,267,455	P 2,969,759
Direct operating expenses on investment properties that:			
Generated rental income	**151,687**	151,697	151,697
Did not generate rental income	**1,659**	829	829

14. Other Non-current Assets

This account consists of:

	2021	2020
Advances to (see Note 25):		
ATN Phils. Solar Energy Group Inc. (Solar)	**P 6,065,089**	P 7,566,363
Palladian Land Dev't., Inc. (PLDI)	**1,157,605**	-
Security deposits	**569,387**	569,387
	P 7,792,081	P 8,135,750

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

15. Accounts Payable and Accrued Expenses

	2021	2020
Accounts payable	**P 6,039,548**	P -
Accrued expenses	**105,943**	742,283
	P 6,145,491	P 742,283

Accounts payable amounting to P6 million as of December 31, 2021 represents unremitted collection from the company's reselling agreement with a foreign entity (see Note 29). The full amount was subsequently remitted on January 14, 2022.

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

16. Short-term Loan

Short-term loan is availed for working capital requirements. The loan carries a floating interest rate initially at 4.25% per annum, payable monthly in arrears. The principal is payable after 12 months renewable at the option of the both parties. The maximum credit line with the bank is up to P6 million. As of December 31, 2021 and 2020, the balance of the loan amounted to P5.45 million.

The loan is collateralized by the following:

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

Total interest paid and accrued reported in the Statement of Comprehensive Income amounted to P276,330 in 2021, P345,752 in 2020 and P387,414 in 2019.

Management believes that the carrying value of the loan at year end is a reasonable approximation of its fair value as of December 31, 2021 and 2020.

17. Unearned Income

As of December 31, 2021 and 2020, unearned income amounted to nil and P7,255,114, respectively. This represents advance payment received from the customer based in Hong Kong related to uplink services.

Unearned income is recognized as earned income on the Statement of Comprehensive Income as the service is provided to the customer.

18. Deposits

Deposits on lease contracts are amounts paid by various lessees as guarantee for the faithful compliance to the terms and conditions of the lease contract. The amount is expected to be settled at the termination of the contract. As of December 31, 2021 and 2020, deposits on lease contracts amounted to P662,830.

19. Pension Liability

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

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

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

The movements of pension liability as of December 31, 2021, 2020 and 2019 are as follows:

		2021		2020		2019
Balance at the beginning of the year	**P**	**886,230**	P	823,805	P	761,550
Provision for retirement		**74,239**		62,425		62,255
Balance at year end	**P**	**960,469**	P	886,230	P	823,805

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

20. Equity

Share capital
The Company's share capital as of December 31, 2021 and 2020 is detailed below:

	2021	2020
Common Stock - P0.10 par value per share		
Authorized - 3,800,000,000 shares in 2021 and 2020		
Issued and outstanding - 3,8000,000,000 shares in 2021 and 2020	**P 380,000,000**	P 380,000,000
Shares held in treasury - 4,378,000 shares in 2021 and 2020	**437,800**	437,800

All of the Company's issued shares of 3,800,000,000 are listed in the Philippine Stock Exchange (PSE). As of December 31, 2021 and 2020, 4,378,000 shares are held in treasury. The Company's shares listing started on December 12, 2003.

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

The share option comprises the following:

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

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

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

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

As of December 31, 2021 and 2020, the stock options has a carrying value of P8,921,814.

21. Service Income

This account is broken down as follows:

	2021	2020	2019
Subsciption fee	**P 38,768,647**	P 39,549,691	P 36,884,773
Commission income *(see Note 29)*	**11,801,565**	1,483,249	-
	P 50,570,212	P 41,032,940	P 36,884,773

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

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

Commission income is earned based on a reseller agreement with another company providing internet services. (See Note 29)

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

	2021	2020	2019
Domestic	**P 8,864,949**	P 6,069,712	P 4,214,550
Hong Kong	**41,705,263**	34,963,228	32,670,223
	P 50,570,212	P 41,032,940	P36,884,773

22. Direct Costs

This account consists of:

	2021	2020	2019
Depreciation *(see Note 12)*	**P 14,538,442**	P 14,881,827	P 14,552,613
Rental *(see Note 29)*	**4,480,254**	4,265,284	3,878,865
Salaries, wages and other benefits	**1,495,831**	1,525,000	1,650,289
Taxes and licenses	**1,065,407**	6,870,897	1,062,157
Transportation and travel	**905,213**	498,428	554,188
Utilities and communication	**758,028**	549,600	1,107,662
Security services	**533,942**	449,018	511,400
Amortization of franchise *(see Note 11)*	**376,540**	600,000	600,000
Insurance	**163,532**	129,147	88,115
Provision for retirement *(see Note 19)*	**74,239**	62,425	62,255
Transponder lease *(see Note 29)*	**-**	6,629,841	10,653,909
	P 24,391,428	P 36,461,967	P 34,721,453

23. Other Income

The composition of this account is as follows:

		2021		2020		2019
Rent income *(see Note 13)*	**P**	**2,844,340**	P	2,267,455	P	2,969,759
Foreign exchange gain (loss):						
Cash		**115,858**		(312,809)		(195,769)
Accounts receivable		**56,206**		538,084		(1,872)
Deposits		**-**		-		61,133
Interest income		**32,116**		10,832		11,252
Recovery of impairment on spare parts		**-**		146,887		-
	P	**3,048,520**	P	2,650,449	P	2,844,503

24. Administrative Expenses

This account consists of:

		2021		2020		2019
Legal and professional fees	**P**	**844,225**	P	571,628	P	544,000
Permits, taxes and licenses		**418,473**		432,088		1,855,130
Transportation and travel		**239,474**		15,000		15,000
Office supplies		**170,663**		48,155		116,669
Repairs and maintenance		**44,555**		56,850		132,832
Representation and entertainment		**-**		-		54,580
Miscellaneous		**343,714**		301,907		376,859
	P	**2,061,104**	P	1,425,628	P	3,095,070

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

25. Related Party Transactions

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

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

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

The BOD shall have the overall responsibility in ensuring that transactions with Related Parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interests of the company's shareholders and other stakeholders.
The following related party transactions occurred during 2021 and 2020:

			Outstanding balance		
Category	Year	Amount of transactions	Advances to related parties	Advances from related parties	Terms and conditions
Associate					
ATN Solar					
Cash advances	**2021**	**P (1,501,274)**	**P 6,065,089**	**P -**	Demandable; Non-interest
	2020	3,778,174	7,566,363		bearing; Unsecured;
	2019	526,714	3,788,189	-	Payable in cash
Affiliated companies					
Palladian Land Dev't, Inc. (PLDI) -net					
Rent income	**2021**	**2,844,340**	**-**	**-**	
	2020	2,267,455	-	-	
	2019	2,969,759	-	-	
Advances for utilities	**2021**	**(1,500,000)**	**-**	**-**	
	2020	(2,409,190)	-	-	
	2019	(1,688,113)	-	-	
Total	**2021**	**1,344,340**	**1,157,605**	**-**	Demandable; Non-interest
	2020	(141,735)	-	186,735	bearing; Unsecured;
	2019	1,281,646	-	45,000	Payable in cash
ATN Holdings, Inc (ATN)					
Cash advances	**2021**	**-**	**-**	**16,100,000**	Demandable; Non-interest
	2020	(3,600,000)	-	16,100,000	bearing; Unsecured;
	2019	(12,500,000)	-	12,500,000	Payable in cash
Stockholder					
Cash advances	**2021**	**(2,916,243)**	**-**	**7,670,891**	Demandable; Non-interest
	2020	(3,453,330)	-	4,754,648	bearing; Unsecured;
	2019	(640,823)	-	1,301,318	Payable in cash
	2021		**P 7,222,694**	**P 23,770,891**	
	2020		P 7,566,363	P 21,041,383	
	2019		P 3,788,189	P 13,846,318	

Details of significant related party transactions are as follows:

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

Rent income collected by PLDI on these properties amounted to P2,844,340 in 2021 and P2,267,455 in 2020, and P2,969,759 in 2019.

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

For the years ended December 31, 2021, 2020 and 2019, the Company received advances from PLDI amounting to P1,500,000, P2,409,190 and P1,688,113, respectively, for its share of communication, dues, and utilities expenses.

(iii) In the ordinary course of business, a certain stockholder provides cash advances to the company for additional working capital requirement. For the years ended December 31, 2021, 2020 and 2019, cash advances from stockholder for working capital requirement amounted to P2,916,243, P3,453,330 and P640,823, respectively.

For the years ended December 31, 2021, 2020, and 2019, the Company did not provide compensation to its key management personnel.

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 such time the new Certificate of Registration is issued pursuant to the Implementing Rules and Regulations of Republic Act 9400 or unless earlier revoked by CDC or declared invalid by virtue of any legal issuance.

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

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

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

However, in cases where the Company generated income from its sale of services to customs territory customers exceeding 30% of its total income, the entire income from all sources is subjected to the regular corporate income tax of 20% or 25% based on net income (e.i. gross income less allowable deductions) rather than the 5% preferential tax based on gross income.

27. Income Tax Expense (Benefit)

The major components of provision for income tax for the years ended December 31, 2021, 2020 and 2019 are as follows:

		2021		2020		2019
Current	**P**	**1,454,868**	P	345,043	P	259,767
Deferred		**(6,373)**		14,969		(47,637)
	P	**1,448,495**	P	360,012	P	212,130

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

		2021		2020		2019
Gross profit before income tax	P	29,227,304	P	7,221,422	P	5,007,823
Statutory income tax (@5%)		1,461,365		361,071		250,391
Adjustments for:						
Interest income subject to final tax		(1,606)		(541)		(563)
Non-taxable income		(11,264)		(12,331)		(37,698)
Non-deductible expenses		-		11,813		-
Actual provision for income tax	P	1,448,495	P	360,012	P	212,130

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

		2021		2020
Deferred tax assets				
Pension liability	P	48,023	P	44,311
Unrealized loss on foreign exchange		-		-
Allowance for probable losses		221,811		221,811
		269,834		269,827
Deferred tax liability				
Unrealized gain on fair value adjustment on investment property - net		(976,860)		(976,860)
Unrealized gain on foreign exchange		(8,603)		(11,264)
		(985,463)		(988,124)
Net	P	(715,629)	P	(722,002)

28. Earnings Per Share

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

		2021		2020		2019
(a) Profit for the year	P	25,495,576	P	4,871,652	P	699,877
Number of shares						
Shares issued		3,800,000,000		3,800,000,000		2,620,193,300
Effect of changes in par value from P1 to P0.10		-		-		-
Weighted average number of shares issued during the year		-		-		688,220,575
Treasury shares (see Note 20)		(4,378,000)		(4,378,000)		(4,378,000)
(b) Adjusted weighted average number of shares outstanding - basic		3,795,622,000		3,795,622,000		3,304,035,875
Effect of dilutive potential shares (see Note 20)		400,000,000		400,000,000		400,000,000
(c) Adjusted weighted average number of shares outstanding - diluted		4,195,622,000		4,195,622,000		3,704,035,875
EPS:						
Basic (a/b)	P	0.0067	P	0.0013	P	0.0002
Diluted (a/c)		0.0061		0.0012		0.0002

29. Significant Agreements

Lease Agreements

Company as a Lessee

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

Transponder lease recognized in the Statements of Comprehensive Income amounted to P6,629,481 in 2020, and P10,653,909 in 2019. None of these leases include contingent lease rental.

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

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

Rent expense recognized in the Statements of Comprehensive Income amounted to P4,480,254 in 2021, P4,265,284 in 2020, and P3,878,865 in 2019.

Future minimum lease payments from these lease contracts as of December 31, 2021, 2020 and 2019 amounted to P6,850,235, P6,662,809 and P11,293,535, respectively.

Company as a Lessor

(d) Lease Agreement with Various Lessees
Through PLDI, the Company's investment properties are leased out to various third parties (see Note 25). The lease is for a period of one year subject to renewal upon mutual agreement of the lessee and the lessor.

Rent income recognized in the Statements of Income amounted to P2,844,340 in 2021, P2,267,455 in 2020, P2,969,759 in 2019. (See Note 13)

Reseller Agreement

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

Commission income received on new subscription amounted to P11,801,565 in 2021 and P1,483,249 in 2020.

30. Segment Reporting

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

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

	2021	2020	2019
Revenues	**P 50,570,212**	P 41,032,940	P 36,884,773
Cost and expenses	**10,337,176**	21,626,267	20,899,579
Non-cash expenses	**14,989,226**	15,544,252	15,214,868
Net Income	**25,243,811**	3,862,422	770,327
Reportable segment asset	**137,522,057**	110,180,403	116,966,118
Reportable segment liabilities	**13,325,157**	14,519,792	32,409,313

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

	2021	2020	2019
Total revenue in the income statement of comprehensive income	**P 53,618,732**	P 43,683,389	P 39,729,276
Less: revenues other than broadband and internet services	**3,048,520**	2,650,449	2,844,503
Total segment revenues	**P 50,570,212**	P 41,032,940	P 36,884,773

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

	2021	2020	2019
Net income in the statement of comprehensive income	**P 25,495,576**	P 4,871,652	P 699,877
Less: unallocated segment items			
Income	**3,048,520**	2,650,449	2,844,503
Expenses	**(2,796,755)**	(1,641,219)	(2,914,953)
Segment income	**P 25,243,811**	P 3,862,422	P 770,327

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

	2021	2020	2019
Investment in associate	**P408,216,118**	P408,161,917	P408,380,295
Investment properties	**61,568,800**	61,568,800	61,568,800
Other assets	**7,978,699**	8,350,478	7,154,221
Deposits	**662,830**	662,830	662,830
Deferred tax liabilities	**715,629**	722,002	707,033
Advances from related parties	**23,770,891**	21,041,383	13,846,319

31. Other matters

Supplemental disclosure to statements of cash flows
Details of the movement in cash flows from financing activities for the years ended December 31, 2021 and 2020 are as follows:

2021		**January 1**		**Net cash flows**		**Others**		**December 31**
Advances from related parties	**P**	**21,041,383**	**P**	**2,729,508**	**P**	**-**	**P**	**23,770,891**
Short term loan		**5,450,000**		**-**		**-**		**5,450,000**
Interest payable		**-**		**(276,330)**		**276,330**		**-**
	P	**26,491,383**	**P**	**1,295,573**	**P**	**276,330**	**P**	**29,220,891**

2020		January 1		Net cash flows		Others		December 31
Advances from related parties	P	13,846,319	P	7,195,064	P	-	P	21,041,383
Short term loan		5,500,000		(50,000)		-		5,450,000
Interest payable		-		(345,752)		345,752		-
	P	19,346,319	P	6,799,312	P	345,752	P	26,491,383

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

32. Supplementary Information Required Under Revenue Regulation 15-2010

The Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) 15-2010 which requires additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the calendar year ended December 31, 2021 is presented in compliance thereto.

- The Company is a CSEZ-registered entity subject to zero-rated value-added tax. Pursuant to Section 15 of Republic Act No. 7227, Section 5 of Executive Order No. 80 and Proclamation 163, the Company is entitled to all incentives available to a CSEZ-registered enterprise.

- Expanded withholding tax paid during the year amounted to P18,411.

- As of December 31, 2021, the Company has no pending tax cases within and outside the administration of the BIR.
- Taxes and licenses presented in the statements of comprehensive income are as follows:

Direct cost		
Supervision and regulatory fee - NTC	**P**	**1,065,407**
Administrative expenses		
Annual listing fee - PSE		**250,000**
Real property tax		**157,836**
Business permits and licenses		**10,137**
BIR annual registration fee		**500**
		418,473
Total	**P**	**1,483,880**

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Independent Auditors' Report on Supplementary Schedules

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Transpacific Broadband Group International, Inc. (the Company) as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, included in this Form 17-A, and have issued our report thereon dated April 12, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 8131887, January 12, 2022, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

April 12, 2022
Pasig City

Transpacific Broadband Group International, Inc.
Index to the Financial Statements and Supplementary Schedules
Under Revised Securities Regulation Code Rule 68
December 31, 2021

Table of Contents

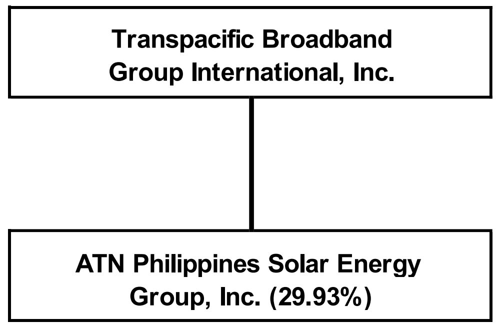
Transpacific Broadband Group International, Inc.
Schedule I - Financial Soundness Indicators

Key Performance Indicators	Formula	For the Year Ended December 31	
		2021	**2020**
A. Current/Liquidity Ratio			
Current Ratio	Current Assets / Current Liabilities	**4.70:1**	1.17:1
Quick Ratio	Current Assets - Other Current Assets / Current Liabilities	**4.69:1**	1.15:1
B. Solvency Ratio/Debt-to-Equity Ratio			
Solvency Ratio	Net Income Before Depreciation and Amortization / Total Liabilities	**1.05:1**	0.55:1
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**0.07:1**	0.07:1
C. Asset to Equity Ratio			
Asset-to-Equity Ratio	Total Assets / Total Equity	**1.07:1**	1.07:1
D. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	Profit Before Tax Add: Depreciation and Amortization Interest Expense Less: Interest Income Foreign Exchange Gain	**(P41.9) Million**	(P20.8) Million
E. Profitability Ratios			
Profit Before Tax Margin Ratio	Profit Before Tax / Total Revenue	**50.25%**	11.98%
Return on Assets	Net Income / Average Total Assets	**4.24%**	0.82%
Return on Equity	Net Income / Average Total Equity	**4.52%**	0.89%

Transpacific Broadband Group International, Inc.
Schedule II - Reconciliation of Retained Earnings Available for Dividend Declaration
DECEMBER 31, 2021

Retained Earnings as at December 31, 2020, *as previously reported*		P 58,884,225
Adjustments:		
Cumulative share in losses of associate - prior period		8,138,083
Gain on fair value adjustment of investment properties - prior period		(17,053,000)
Deferred tax assets - net		722,002
Retained Earnings as at December 31, 2020, *as adjusted*		50,691,310
Add: Net income actually earned during the period		
Net income during the period closed to retained earnings	25,495,576	
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	54,201	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	56,206	
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	6,373	
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	116,780	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
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)	-	
Subtotal	-	
Net income actually earned during the period		25,378,796
Add(less):		
Dividend declarations during the period	-	
Appropriations of retained earnings during the year	-	
Reversals of appropriations	-	
Revaluation surplus realized through sale	-	
Treasury shares	(437,800)	
Subtotal		(437,800)
Retained Earnings as at December 31, 2021		P 75,632,306

Transpacific Broadband Group International, Inc.
Schedule III - A Map Showing the Relationship Between and Among the Parent Company and its Subsidiaries
December 31, 2021



Transpacific Broadband Group International, Inc.
Schedule B - Amount Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2021

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts collected	Amounts Written Off	Current	Not Current	Balance at End of Period
ATN Philippines Solar Energy Group, Inc. - Related Party	P 7,566,363	P -	P 1,501,274	P -	P -	P 6,065,089	P 6,065,089
Palladian Land Development, Inc. - Related Party	-	1,157,605	-	-	-	1,157,605	1,157,605

Transpacific Broadband Group International, Inc.
Schedule E - Indebtedness to Related Parties
December 31, 2021

Related Party		Balance at Beginning of Period		Balance at End of Period
Palladian Land Development, Inc.	P	186,735	P	-
ATN Holdings, Inc.		16,100,000		16,100,000
Arsenio T. Ng		4,754,648		7,670,891
	P	21,041,383	P	23,770,891

Transpacific Broadband Group International, Inc.
Schedule G - Capital Stock
December 31, 2021

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Convertion and other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common shares - P0.10 par value	3,800,000,000	3,800,000,000	400,000,000	626,320,000	1,716,379,030	1,452,922,970

SEC Number AS095-006755_
File Number ____________

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

SEC Form 17Q

(Form Type)

Amendment Designation (if applicable)

June 30, 2022

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2022

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

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

5. Philippines

6. Industry Classification Code:

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

8. Telephone No. (0632)7 717-0523

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

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

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

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

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

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

I. Financial Statements.

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

	Notes	(Unaudited) 30-Jun 2022	(Audited) 31-Dec 2021
ASSETS			
Current Assets			
Cash and cash equivalents	5	**P31,293,729**	P55,249,289
Receivables - net	6	**2,954,230**	2,728,187
Other current assets	7	**108,122**	186,618
Total Current Assets		**34,356,082**	58,164,094
Noncurrent Assets			
Investment in an associate	8	**408,216,118**	408,216,118
Franchise - net	9	**1,534,545**	1,565,865
Property and equipment - net	11	**94,105,940**	77,978,716
Investment properties	12	**61,568,800**	61,568,800
Other non-current assets	10, 21	**33,696,182**	7,792,081
		599,121,586	557,121,580
		P633,477,667	P615,285,674
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	13	**P379,444**	P6,145,491
Short-term loans	14	**5,450,000**	5,450,000
Income tax payable		**178,867**	769,197
Total Current Liabilities		**6,008,310**	12,364,688
Noncurrent Liabilities			
Deposits	15	**1,185,156**	662,830
Pension liability		**960,469**	960,469
Advances from related parties	21	**42,078,269**	23,770,891
Deferred tax liabilities-net		**715,629**	715,629
		44,939,523	26,109,819
Total Liabilities		**50,947,833**	38,474,507
Equity			
Share capital	16	**380,000,000**	380,000,000
Share premium		**103,947,352**	103,947,352
Share option outstanding	16	**8,921,814**	8,921,814
Retained earnings		**90,098,468**	84,379,801
Treasury shares	16	**(437,800)**	(437,800)
Total Stockholders' Equity		**582,529,834**	576,811,167
		P633,477,667	P615,285,674

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Quarter ending		Six (6) month ending	
	Notes	**30-Jun-22**	30-Jun-21	**30-Jun-22**	30-Jun-21
REVENUES					
Service income	**17**	**P8,996,184**	P9,015,852	**P17,726,763**	P18,900,584
Other Income	**19**	**849,569**	470,553	**1,710,422**	1,069,813
		9,845,753	9,486,405	**19,437,185**	19,970,397
COST AND EXPENSES					
Direct cost	**18**	**6,174,401**	7,473,964	**12,213,740**	11,687,740
Administrative expenses	**20**	**244,237**	424,269	**981,247**	951,685
Finance costs - net		**105,299**	99,508	**163,205**	158,588
		6,523,936	7,997,741	**13,358,191**	12,798,013
INCOME (LOSS) FROM OPERATION		**3,321,817**	1,488,664	**6,078,994**	7,172,384
EQUITY IN NET LOSS OF AN ASSOCIATE		**-**	-	**-**	-
PROFIT (LOSS) BEFORE INCOME TAX		**3,321,817**	1,488,664	**6,078,994**	7,172,384
INCOME TAX EXPENSE		**183,259**	100,333	**360,326**	413,456
PROFIT (LOSS) FOR THE PERIOD		**3,138,557**	1,388,331	**5,718,667**	6,758,928
OTHER COMPREHENSIVE INCOME		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME(LOSS)		**3,138,557**	1,388,331 P	**5,718,667** P	6,758,928
EARNINGS PER SHARE				**0.0015**	**0.0018**

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CHANGES IN EQUITY

	Six (6) month ending	
	30-Jun-22	30-Jun-21
SHARE CAPITAL	**P 380,000,000**	P 380,000,000
SHARE PREMIUMS	**103,947,352**	103,947,352
SHARE OPTIONS OUTSTANDING	**8,921,814**	8,921,814
RETAINED EARNINGS (DEFICIT)		
Balance, January 1	**84,379,801**	58,884,225
Profit (loss)	**5,718,667**	6,758,928
	90,098,468	65,643,153
TREASURY SHARES	**(437,800)**	(437,800)
	P582,529,834	P558,074,519

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CASH FLOWS

		Quarter ending			Six (6) month ending			
		30-Jun-22		30-Jun-21		**30-Jun-22**		30-Jun-21
CASH FLOWS FROM OPERATING ACTIVITIES								
(Loss) profit before income tax	P	3,321,817	P	1,488,664	P	6,078,994	P	7,172,384
Adjustments for:								
Depreciation and amortization		3,873,351		3,961,149		7,746,702		7,269,221
Amortization of franchise		15,660		150,000		31,320		300,000
Interest income		(6,167)		(4,181)		(16,922)		(4,975)
Operating income before working capital changes		7,204,661		5,595,632		13,840,094		14,736,630
Decrease (increase) in Operating Assets:								
Receivables		1,321,051		(338,717)		(226,043)		(784,324)
Other current assets		234,846		(33,167)		78,496		24,165
Increase/(decrease) in Operating liabilities								
Accounts payable and accrued expenses		(340)		5,444,676		(5,766,047)		5,277,149
Deposits		522,326		-		522,326		-
Unearned income		-		11,272,207		-		3,933,727
Cash generated from operation		9,282,542		21,940,631	#	8,448,824		23,187,347
Income taxes paid		(928,514)		(499,288)		(950,657)		(499,288)
Interest received		6,167		4,181		16,922		4,975
Net Cash Provided by Operation		8,360,195		21,445,524		7,515,089		22,693,034
CASH FLOWS FROM INVESTING ACTIVITIES								
Acquisition of property and equipment		-		-		(23,873,926)		-
Advances made to related parties		(15,451,991)		4,303,737		(25,904,101)		3,470,496
Net Cash Used in Investing Activities		(15,451,991)		4,303,737		(49,778,027)		3,470,496
CASH FLOWS FROM FINANCING ACTIVITIES								
Availment of advances from related parties		-		416,224		18,307,378		2,721,224
Net Cash Provided by(used in) Financing Activities		-		416,224		18,307,378		2,721,224
NET INCREASE (DECREASE) IN CASH EQUIVALEN		(7,091,796)		26,165,485		(23,955,560)		28,884,754
CASH AT THE BEGINNING OF THE YEAR						55,249,289		13,796,232
CASH AT END OF YEAR						**P31,293,729**		**P42,680,986**

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and December 31, 2021

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.

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Preparation

The interim financial statements as at June 30, 2022 and for the six-month periods ended June 30, 2022 and June 30, 2021 have been prepared on a historical cost basis, except for building and improvements, uplink equipment, leasehold improvements and data equipment, and investment properties that are carried at fair value.

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

Statement of Compliance

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

New Standards. Interpretations and Amendments adopted by the Company

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2021 except for the adoption of new standards effective as at January 1, 2022.

3. Significant Judgements Estimates and Assumptions

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

There were no significant changes in the significant accounting judgments, estimates, and assumptions used by the Company for the period ended June 30, 2022.

4. Financial Risk Management Objectives and Policies

Financial Risk

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

- *Credit Risk*

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

  The table below shows the gross maximum exposure to credit risk of the Company as at June 30, 2022 and December 31, 2021.

	Gross Maximum Exposure			
		June 30, 2022		2021
Cash and cash equivalents *	**P**	**31,293,729**	P	55,249,289
Trade receivables		**2,954,230**		2,728,187
Other non current assets		**108,122**		186,618
	P	**34,356,081**	P	58,164,094

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

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

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

  The credit quality of the Company's assets as at June 30, 2022 and December 31, 2021 is as follows:

	June 30, 2022				
	Neither past due nor impaired		Past due	Past due	
	High grade	Standard grade	but not impaired	and impaired	Total
Cash and cash equivalents	**P 31,293,729**	**P -**	**P -**	**P -**	**P 31,293,729**
Trade receivables	**-**	**2,954,230**	**-**	**4,436,227**	**7,390,457**
Other non-current assets	**-**	**108,122**	**-**	**-**	**108,122**
	P 31,293,729	**P 3,062,351**	**P -**	**P 4,436,227**	**P 38,792,307**

	December 31, 2021				
	Neither past due nor impaired		Past due	Past due	
	High grade	Standard grade	but not impaired	and impaired	Total
Cash and cash equivalents	P 55,236,286	P -	P -	P -	P 55,236,286
Trade receivables	-	2,728,187	-	4,436,227	7,164,414
Other non-current assets	-	7,792,081	-	-	7,792,081
	P 55,236,286	P 10,520,268	P -	P 4,436,227	P 70,192,781

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

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

Liquidity Risk

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

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

The table below summarizes the maturity profile of the Company's financial liabilities at June 30, 2022 and December 31, 2021.

	June 30, 2022				
	< 1 month	**> 1 month& <3 months**	**>3 months &< 1 year**	**> 1 year & <3 years**	**Total**
Accounts payable and accrued expenses	**P 379,444**	**P -**	**P -**	**P -**	**P 379,444**
Interest-bearing liabilities					
Loans payable	**-**		**5,450,000**	**-**	**5,450,000**
	P 379,444	**P -**	**P 5,450,000**	**P -**	**P 5,829,444**

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

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

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

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

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

	June 30, 2022		2021	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Cash and cash equivalents	**$ 368,086**	**P 53**	$ 323,278	P 16,414,117

The following table demonstrates the sensitivity to a reasonable change in the US$ exchange rate, with all other variables held constant, the Company's income before tax as at June 30, 2022 for the years ended December 31, 2021:

	Effect on Income Before Taxes	
Increase/decrease in Peso to US Dollar Rate	June 30, 2022	2021
+P5.00	P 1,840,430	P 1,616,390
-P5.00	(1,840,430)	P (1,616,390)

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

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

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

Exposure to interest rate risk arises from bank loans with interest dependent on the prevailing market rate. As of June 30, 2022 and December 31, 2021, the Company is not exposed to any interest rate risk from fluctuation of market interest.

Operational risk
Operational risk is the risk of loss from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot

expect to eliminate all operational risk but initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education, and assessment processes. Business risk such as changes in environment, technology, and industry are monitored through the Company's strategic planning and budgeting processes.

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

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

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

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

	June 30, 2022	2021
Equity	P 582,529,834	P 576,811,167
Total Assets	633,851,022	615,285,674
Ratio	0.919	0.937

5. Cash and Cash Equivalents

As of June 30, 2022 and December 31, 2021, cash and cash equivalents consist of:

	30-Jun-22	2021
Cash in banks	P 31,280,729	P 55,236,289
Cash on hand	13,000	13,000
	P 31,293,729	P 55,249,289

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

6. Receivables - net

The composition of this account is as follows:

	30-Jun-22	2021
Trade		
In local currency	P 4,436,227	P 4,436,227
In foreign currency	2,954,230	2,728,187
	7,390,457	7,164,414
Less: Allowance for probable losses	4,436,227	4,436,227
	P 2,954,230	P 2,728,187

The aging of receivables as of June 30, 2022 is as follows:

	Current	Over 31-60 days	More than One Year	Total
Trade				
In local currency	-		P 4,436,227	P 4,436,227
In foreign currency	2,954,230	-	-	2,954,230
	P 2,954,230	P -	P 4,436,227	P 7,390,457

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

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

7. Other current assets

The breakdown of this account is as follows:

	30-Jun-22	2021
Prepaid taxes	**P 32,273**	P 186,618
Prepaid insurance	**75,849**	-
	P 108,122	P 186,618

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

8. Investment in an Associate

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

The composition of this account is as follows:

	30-Jun-22	2021
Cost	**P 209,500,000**	P 209,500,000
Equity in net loss		
Beginning	**(8,083,882)**	(8,138,083)
Share in net loss for the year	**-**	54,201
	(8,083,882)	(8,083,882)
Deposit for stock subscription	**206,800,000**	206,800,000
	P 408,216,118	P 408,216,118

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

As of February 10 2022, ATN Solar has commenced discussion with Engineering Procurement Construction (EPC) groups for the construction of the plant. Construction phases are (1) 250kW pilot plant to test possible technical issues and improve construction efficiency of commercial scale plant to reduce construction timelines. (2) 250kW pilot plant to be expanded to 2MW for the complete modular assembly of DC/AC system.

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

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

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

9. Franchise - net

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

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

The movement in this account is as follows:

		30-Jun-22		2021
Balance, January 1	**P**	**1,565,865**	P	1,942,405
Amortization		**31,230**		376,540
Balance, December 31	**P**	**1,534,635**	P	1,565,865

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

10. Other Non-current Assets

This account consists of:

		30-Jun-22		2021
Advances to:				
ATN Phils. Solar Energy Group Inc.	**P**	**30,072,470**	P	6,065,089
Palladian Land Dev. Inc.		**3,054,325**		1,157,605
Security deposits		**569,387**		569,387
	P	**33,696,182**	P	7,792,081

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

11. Property and Equipment – net

The movement in this account is as follows:

June 30, 2022		Building & improvements		Uplink/data Equipment		Furniture & Fixtures		Leasehold improvements		Transportation equipment		Total
Carrying Amount												
At January 1, 2022	P	23,893,402	P	305,116,873	P	5,228,426	P	19,145,709	P	14,675,284	P	368,059,694
Addition				23,873,926							P	23,873,926
At June 30, 2022		23,893,402		328,990,799		5,228,426		19,145,709		14,675,284		391,933,620
Accumulated depreciation												
At January 1, 2022		23,893,402		227,639,206		5,127,377		19,145,709		14,275,284		290,080,978
Provisions		-		7,746,702		-		-		-		7,746,702
At June 30, 2022		23,893,402		235,385,908		5,127,377		19,145,709		14,275,284		297,827,680
Net Carrying Value												
At June 30, 2022	P	-	P	93,604,891	P	101,049	P	-	P	400,000	P	94,105,940

2021		Building & improvements		Uplink/data Equipment		Furniture & Fixtures		Leasehold improvements		Transportation equipment		Total
Carrying Amount												
At January 1, 2021	P	23,893,402	P	305,116,873	P	5,228,426	P	19,145,709	P	14,675,284	P	368,059,694
At December 31, 2021		23,893,402		305,116,873		5,228,426		19,145,709		14,675,284		368,059,694
Accumulated depreciation												
At January 1, 2021		23,893,402		213,100,764		5,127,377		19,145,709		14,275,284		275,542,536
Provisions		-		14,538,442		-		-		-		14,538,442
At December 31, 2021		23,893,402		227,639,206		5,127,377		19,145,709		14,275,284		290,080,978

On January 15, 2020, the Company entered into an agreement with Unipage Management, Inc. (UMI) for the expansion of its VSAT network located in Clark, Pampanga.

UMI has provided turnkey Engineering Procurement and Construction services for the establishment of a 9.3 meter satellite ground station in Clark, Pampanga for the delivery of new services by the Company. Repayment of the said facility will commence on the 2nd half of year 2022 until year 2030 for the total EPC contract of P65 million. UMI has the option to convey and deliver the title of equipment to the Company after full payment of the EPC services.

12. Investment Properties

As of June 30, 2022 and December 31, 2021, investment property consists of the following:

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

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

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

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

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

As of June 30, 2022, the lot remains idle and no immediate plan to develop or sell the property. There is no contractual obligation to develop the property or for repairs, maintenance and enhancements. Management believes that there are no significant events that increase or decrease the carrying value of investment property as at June 30, 2022

During 2022 and 2021, there were no transfers between levels of fair value hierarchy.

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

		30-Jun-22		30-Jun-21
Rental income	**P**	**1,693,500**	P	1,056,268
Direct operating expenses that:				
Generated rental income		**151,697**		151,697
Did not generate rental income		**1,659**		1,659

13. Accounts Payable and Accrued Expenses

This account consists of:

		30-Jun-22		2021
Trade payables	**P**	**-**	P	6,039,548
Accrued expenses		**379,444**		105,943
	P	**379,444**	P	6,145,491

The aging of accounts payable as of June 30, 2022 is as follows:

		Current		Over 31-60 days		More than One Year		Total
Trade	P	-		-		-	P	-
Accrued expenses		379,444				-		379,444
	P	379,444	P	-	P	-	P	379,444

Trade payables and accrued expenses are various expenses and are usually settled for a maximum period of 6 months.

14. Short-term loans

Short-term loan is availed for working capital requirements. The loan carries a floating interest rate initially at 4.25% per annum, payable monthly in arrears. The principal is payable after 12 months renewable at the option of the both parties. The maximum credit line with the bank is up to P6 million. As of June 30, 2022 and December 31, 2021, the balance of the loan amounted to P5.45 million.

The loan is collateralized by the following:

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

Total interest paid and accrued reported in the Statement of Comprehensive Income amounted to P163,205 in June 2022 and P158,588 in June 2021.

Management believes that the carrying value of the loan at year end is a reasonable approximation of its fair value as of June 30, 2022 and December 31, 2021.

15. Deposits

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

16. Equity

Share capital
The Company's capital movements is as follows:

	June 30, 2022			2021		
	Shares		Amount	Shares		Amount
Authorized - P0.10 par value per share	3,800,000,000	P	380,000,000	3,800,000,000	P	380,000,000
Issued and outstanding, January 1	3,800,000,000	P	380,000,000	3,800,000,000	P	380,000,000
Shares held In treasury	4,378,000	P	437,800	4,378,000	P	437,800

All of the Company's issued shares of 3,800,000,000 are listed in the Philippine Stock Exchange (PSE). As of June 30, 2022 and December 31, 2021, 4,378,000 shares are held in treasury. The Company's shares listing started on December 12, 2003.

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

The share option comprises the following:

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

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

On April 23, 2009 in a special meeting of the BOD, additional terms and conditions were agreed upon defining the vesting schedule of the options as management believes that the

Company cannot afford a one-time recognition of the options in 2008. The vesting period was stretched up to 2023 of which 5,000,000 shares may be exercised starting 2013 up to 2022. Another 55 million shares in 2022 and finally, 300 million shares in 2023

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

As of June 30, 2022 and 2021, the stock options has a carrying value of P8,921,814.

17. Service Income

This account is broken down as follows:

		30-Jun-22		20-Jun-21
In local currency	**P**	**4,095,060**	P	4,544,883
In foreign currency		**13,631,703**		14,355,701
	P	**17,726,763**	P	18,900,584

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

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

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

18. Direct Costs

This account consists of:

		30-Jun-22		30-Jun-21
Depreciation	**P**	**7,746,702**	P	7,269,221
Rental		**2,240,127**		2,245,127
Salaries, wages & other benefits		**766,888**		694,336
Utilities and communication		**590,585**		452,421
Transportation and travel		**487,038**		345,888
Security services		**306,689**		264,000
Taxes and licenses		**20,310**		20,310
Amortization of franchise		**31,320**		300,000
Insurance		**24,081**		96,437
	P	**12,213,740**	P	11,687,740

19. Other Income

The composition of this account is as follows:

		30-Jun-22		30-Jun-21
Rent income *(see Note 16)*	**P**	**1,693,500**	P	1,056,268
Interest income		**16,922**		13,545
	P	**1,710,422**	P	1,069,813

20. Administrative expenses

This account consists of:

		30-Jun-22		30-Jun-21
Permits, taxes and licenses	**P**	**86,508**	P	305,096
Legal and professional fees		**734,000**		218,600
Office supplies		**120,500**		100,600
Repairs and maintenance		**-**		185,030
Miscellaneous		**40,239**		142,359
	P	**981,247**	P	951,685

21. Related party transactions

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

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

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

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

The following related party transactions occurred as of June 30, 2022 and December 31, 2021:

Related party	Nature of transaction	Amount of Transaction 30-Jun-22	Amount of Transaction 2021	Year-end balances 30-Jun-22	Year-end balances 2021	Terms and condition
Associate						
ATN Solar	Advances	**24,007,381**	526,714	**P 30,072,470**	P 6,065,089	Unsecured, unimpaired and no payment terms
Affiliated companies						
Palladian Land Devt. Inc (PLDI) (i)	Rent income	**1,896,720**	-	**3,054,325**	1,157,605	Unsecured, unimpaired and no payment terms
ATN Holdings (ATN)	Availment of intercompany advances	-	-	**(16,100,000)**	(16,100,000)	Unsecured, unimpaired and no payment terms
Unipage Mgt. Inc. (UMI)	Availment of advances	(20,267,378)	-	**(20,267,378)**	-	Unsecured, unimpaired and no payment terms
Stockholder (ii)	Advances	**1,959,999**	(640,823)	**(5,710,891)**	(7,670,890)	Unsecured, unimpaired and no payment terms
Total advances to repated parties				**33,126,795**	7,222,694	
Total advances from reated paries				**(42,078,269)**	(23,770,890)	
Total				**(8,951,474)**	(16,548,196)	

For the period June 30, 2022 year ended December 31, 2021, the Company did not provide compensation to its key management personnel.

22. Registration with Clark Special Economic Zone

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

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

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

Exemption from inspection of all importations at the port of origin by the Societe Generale de 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.

23. Earnings (loss) per share

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

		30-Jun-22		30-Jun-21
Profit (loss) for the year (a)	**P**	**5,718,667**	P	6,758,928
Weighted average number of shares outstanding during the year (b)		**3,795,622,000**		3,795,622,000
Earnings (loss) per share (a/b)		**0.0015**		0.0018

24. Lease commitments

Company as a Lessee

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

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

Rent expense recognized in the Statements of Comprehensive Income amounted to P3,370,190 in June 30, 2022 and P3,150,221 in June 30, 2021.

Company as a Lessor

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

Rent income recognized in the Statements of Income amounted to P1,696,500 and P1,056,268 as of June 30, 2022 and June 30, 2021 respectively.

Reseller Agreement

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

25. Segment Reporting

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

Management Discussion and Analysis of Operation

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

	June 30, 2022	June 30, 2021
Profit for the period	P5,718,667	P6,758.28
Number of Outstanding Shares	3,795,622,000	3,795,622,000
Earnings per Share	P0.015	P0.0178

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 except for the potential impact of the Covid-19 pandemic.

Disclosure on material events and uncertainties

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

Vertical and Horizontal Analysis

Total corporate assets almost remained the same from Php615 million in December 31, 2021 compared to Php633 million in June 30, 2022. The net increase of Php18million (3%) in total assets arose from the following items:

1. Decrease in cash by Php23.955 million (-43%)
2. Increase in receivables by Php0.2 million (8%).
3. Decrease in other current assets by Php0.78 million (-42%)
4. Increase in property and equipment by Php16 million (21%)
5. Increase in other non-current assets by Php26 million (332%)

Total liabilities increased by Php12.4 million (32%) from Php38.474 million in December 2021 to Php50.966 million in June 30, 2022. The net increase in liabilities resulted from the following significant items:

1. Decrease in accounts payable and accrued expenses by Php5.765 million (-94%).
2. Decrease in income payable by Php590 thousand (-77%).

3. Increase in deposits by Php0.522 million (79%)
4. Increase in advances from related parties by Php18 million (77%).

Stockholders' equity almost the same from Php576.811 million as of December 31, 2021 to Php582.529 million in June 30, 2022. The net increase of Php5.718 million resulted from the net income during the quarter ending June 30, 2022.

Total revenue decreased from Php18.9 million as of June 30, 2021 to Php17.726 million as of June 30, 2022.

Direct costs almost remained the same from Php11.687 million in the 2nd quarter ending June 30, 2021 to Php12.213 million (5%) in the 2nd quarter ending June 30, 2022. The net increase arose from the following accounts:

1. Depreciation increased by Php477 thousand (6.57%) from Php7.269 million to Php7.746 million.
2. Salaries, wages and other benefits increased by Php72 thousand (10.45%) from Php694 thousand to Php766 thousand.
3. Utilities and communication increased by Php138 thousand (30%) from Php452 thousand to P590 thousand.
4. Transportation and travel increased by Php141 thousand (41%) from Php345 thousand to Php487 thousand.
5. Security services increased by Php42 thousand (16%) from Php264 thousand to Php306 thousand.
6. Amortization of franchise decreased by Php268 thousand (-89%) from Php300 thousand to Php31 thousand.
7. Insurance decreased by Php72 thousand (-75%) from Php96 thousand to Php24 thousand.

Administrative expenses almost remained the same from Php951 thousand for the 2nd quarter ending June 30, 2021 to Php981thousand (3%) in the 2nd quarter ending June 30, 2022.The net increase arose from the following account:

1. Permits, taxes and licenses decreased by Php218 thousand (-71%)
2. Legal and professional services increased by Php515 thousand (235%)
3. Office supplies increased by 19 thousand (19%)

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

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

Computed performance indicators are as follows:

	June 30, 2022	June 30, 2021
Current Ratio	5.72	2.0
Debt-to-Equity Ratio	0.087	0.087
Asset-to-Equity Ratio	1.09	1.09
Interest Rate Coverage Ratio	38.25	46.23
Gross Profit Margin	37%	28/%
EBITDA	P13,857,015	P14,741,605
Net Income to Sales Ratio	29.42%	23.23%
Earnings per share	0.0015	0.018

SIGNATURES

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

COMPANY : TRANSPACIFIC BROADBAND GROUP INTERNATIONAL INC.

Signature and Title:

PAUL B. SARIA
Principal Operating Officer
August 11, 2022

CELINIA FAELMOCA
Principal Accounting Officer
August 11, 2022