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)

September 30, 2020

(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 September 30, 2020

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-Sep 2020		(Audited) 31-Dec 2019
ASSETS					
Current Assets					
Cash and cash equivalents	5	P	**9,986,804**	P	5,695,235
Receivables - net	6		**1,030,310**		1,524,080
Other current assets	7		**671,243**		651,810
Total Current Assets			**11,688,356**		7,871,125
Noncurrent Assets					
Investment in an associate	8		**407,600,737**		408,380,295
Franchise - net	9		**2,092,405**		2,542,405
Property and equipment - net	11		**95,697,975**		106,781,915
Investment properties	12		**61,568,800**		61,568,800
Other non-current assets	10		**9,023,439**		6,924,894
			575,983,355		586,198,309
		P	**587,671,712**	P	594,069,434
Current Liabilities					
Accounts payable and accrued expenses	13	P	**137,855**	P	574,131
Short-term loans	14		**5,500,000**		5,500,000
Unearned income	15		**3,721,106**		25,362,794
Income tax payable			**84,363**		148,583
Total Current Liabilities			**9,443,324**		31,585,508
Noncurrent Liabilities					
Deposits	16		**2,758,507**		662,830
Pension liability			**823,805**		823,805
Advances from related parties	22		**25,065,308**		13,846,319
Deferred tax liabilities-net			**707,033**		707,033
Total Noncurrent Liabilities			**29,354,653**		16,039,987
Total Liabilities			**38,797,978**		47,625,495
Equity					
Share Capital	17		**380,000,000**		380,000,000
Share premium			**103,947,352**		103,947,352
Share options outstanding	17		**8,921,814**		8,921,814
Retained earnings			**56,442,368**		54,012,573
Treasury shares			**(437,800)**		(437,800)
Total Equity			**548,873,734**		546,443,939
		P	**587,671,712**	P	594,069,434

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Notes	**30-Sep-20**	Quarter Ending 30-Sep-19		**30-Sep-20**		Nine (9) month ending 30-Sep-19
REVENUES							
Service income	**18**	**10,596,945**	9,334,450	**P**	**28,269,056**	**P**	26,845,300
Other income	20	**656,494**	687,205		**2,262,609**		2,053,501
		11,253,439	10,021,655		**30,531,665**		28,898,801
COST AND EXPENSES							
Direct cost	19	**9,397,511**	8,678,489		**26,155,124**		26,666,348
Administrative expenses	21	**138,950**	110,109		**668,664**		2,080,929
Finance cost		**115,199**	92,646		**280,342**		340,965
		9,651,660	8,881,244		**27,104,130**		29,088,242
INCOME (LOSS) FROM OPERATION		**1,601,779**	1,140,411		**3,427,535**		(189,441)
EQUITY IN NET LOSS OF AN ASSOCIATE		**324,612**	210,505		**779,558**		619,250
PROFIT (LOSS) BEFORE INCOME TAX		**1,277,167**	929,906		**2,647,977**		(808,691)
INCOME TAX EXPENSE		**92,426**	66,968		**218,182**		111,184
PROFIT (LOSS) FOR THE PERIOD		**1,184,741**	862,938		**2,429,795**		(919,875)
OTHER COMPREHENSIVE INCOME		**-**	-		**-**		-
TOTAL COMPREHENSIVE INCOME		**1,184,741**	862,938	P	**2,429,795**	P	(919,875)
EARNINGS PER SHARE					**0.0064**		(0.0024)

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC

STATEMENT OF CHANGES IN EQUITY

		Nine (9) months ending		
		30-Sep-20		30-Sep-19
SHARE CAPITAL	P	**380,000,000**	P	380,000,000
SHARE PREMIUMS		**103,947,352**		103,947,352
SHARE OPTIONS OUTSTANDING				
Balance, January 1		**8,921,814**		8,921,814
Options granted		**-**		-
Balance, Sept 30		**8,921,814**		8,921,814
RETAINED EARNINGS (DEFICIT)				
Balance, January 1		**54,012,573**		53,312,696
Profit (loss)		**2,429,795**		(919,875)
		56,442,368		52,392,821
TREASURY SHARES		**(437,800)**		(437,800)
	P	**548,873,734**	**P**	544,824,187

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CASH FLOWS

		Quarter Ending			Nine (9) month ending	
		30-Sep-20	30-Sep-19		**30-Sep-20**	30-Sep-19
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit (Loss) after income tax	P	**1,058,985**	P (634,549)	P	**2,429,795**	P (919,875)
Adjustments for:						
Depreciation and amortization		**3,842,589**	3,158,186		**11,083,940**	11,395,018
Amortization of franchise		**150,000**	150,000		**450,000**	450,000
Equity in net loss of an associate		**324,612**	146,150		**779,558**	619,250
Interest income		**(2,434)**	(104)		**(7,409)**	(8,771)
Operating income before working capital change		**5,373,752**	2,819,683		**14,735,884**	11,535,622
Decrease (increase) in Operating Assets:						
Trade receivables - net		**(334,640)**	(2,523,390)		**493,770**	(13,023,050)
Other current assets		**(134,096)**	-		**(19,433)**	151,697
Decrease (increase) in Other non-current assets		**(851,750)**	(1,175,009)		**(2,098,545)**	(803,480)
Increase/(decrease) in Operating liabilities						
Accounts payable and accrued expenses		**(3,106,603)**	(7,711,061)		**(436,276)**	(8,142,034)
Unearned income		**(7,047,192)**	-		**(21,641,688)**	-
Income taxes paid		**147,360**	-		**(64,220)**	-
Interest receives		**2,434**	-		**7,409**	8,771
Net Cash Provided by/(Used in) Operating Activities		**(5,950,734)**	(8,589,777)		**(9,023,098)**	(10,272,474)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from:						
Proceeds from stock subscription		**-**	192,500,000		**-**	192,500,000
Deposit for		**-**	(192,500,000)		**2,095,677**	(192,500,000)
Advances from related parties		**6,913,988**	14,713,456		**11,218,989**	12,199,926
Net Cash Used in Investing Activities		**6,913,988**	14,713,456		**13,314,666**	12,199,926
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of loan		**-**	400,000		**-**	-
Net Cash Provided by(used in) Financing Activities		**-**	400,000		**-**	-
NET INCREASE (DECREASE) IN CASH EQUIVALENTS		**963,255**	6,523,679		**4,291,569**	1,927,452
CASH AT THE BEGINNING OF THE YEAR					**5,695,235**	7,858,193
CASH AT END OF YEAR				P	**9,986,804**	P 9,785,645

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND DECEMBER 31, 2019

1. Corporate Information

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

The Company holds a 25-year Congressional Franchise to construct, establish, install, maintain, and operate communications systems for the reception and transmission of messages within the Philippines. It also has an approved Provisional Authority to transmit radio signals to satellites granted by the National Telecommunications Commission (NTC) on April 7, 1999.

In 2007, the Company received from NTC its Certificate of Registration as a value added services provider and offer Voice Over Internet Protocol (VOIP) service. In the same year, 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, 2020 and for the six-month periods ended September 30, 2020 and 2019 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, 2019 except for the adoption of new standards effective as at January 1, 2020.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective except for the amendment to PFRS 16, *Leases.*

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim financial statements of the company.

Amendments to PFRS 3, Definition of a Business The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business. An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted. These amendments will apply on future business combinations of the Company.

Amendments to PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements. An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Amendments to PFRS 16, COVD-19-related Rent Concessions
The amendments 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, 2021; 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 amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted. The amendments has no impact to the interim financial statements as of September 30, 2020.

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 six-month period ended September 30, 2020 except, as a consequence of COVID 19 pandemic.

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 September 30, 2020 and December 31, 2019.

	Gross Maximum Exposure			
		Sept. 30, 2020		2019
Cash and cash equivalents *	**P**	**9,986,804**	P	5,682,235
Trade receivables		**1,030,310**		1,524,080
Other non current assets		**9,023,439**		6,924,894
	P	**20,040,552**	P	14,131,209

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 September 30, 2020 and December 31, 2019 is as follows:

	Sept. 30, 2020									
	Neither past due nor impaired				**Past due**		**Past due**			
		High grade		**Standard grade**		**but not impaired**		**and impaired**		**Total**
Cash and cash equivalents	**P**	**9,986,804**	**P**	**-**	**P**	**-**	**P**	**-**	**P**	**9,986,804**
Trade receivables		**-**		**1,030,310**		**-**		**4,436,227**		**5,466,537**
Other non-current assets		**-**		**9,023,439**		**-**		**-**		**9,023,439**
	P	**9,986,804**	**P**	**10,053,747**	**P**	**-**	**P**	**4,436,227**	**P**	**24,476,778**

	December 31, 2019									
	Neither past due nor impaired				Past due		Past due			
		High grade		Standard grade		but not impaired		and impaired		Total
Cash and cash equivalents	P	5,682,235	P	-	P	-	P	-	P	5,682,235
Trade receivables		-		1,524,080		-		4,436,227		5,960,307
Other non-current assets		-		6,924,894		-		-		6,924,894
	P	5,682,235	P	8,448,974	P	-	P	4,436,227	P	18,567,436

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 September 30, 2020 and December 31, 2019.

	Sept. 30, 2020				
	< 1 month	> 1 month& <3 months	>3 months &< 1 year	> 1 year & <3 years	Total
Accounts payable and accrued expenses	P 137,855	P -	P -	P -	P 137,855
Interest-bearing liabilities					
Loans payable	-		5,500,000	-	5,500,000
	P 137,855	P -	P 5,500,000	P -	P 5,637,855

	December 31, 2019				
	< 1 month	> 1 month& <3 months	>3 months & < 1 year	> 1 year & <3 years	Total
Accounts payable and accrued expenses	P 574,131	P -	P -	P -	P 574,131
Interest-bearing liabilities					
Loans payable	-	-	5,500,000	-	5,500,000
	P 574,131	P -	P 5,500,000	P -	P 6,074,131

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:

	Sept. 30, 2020		2019	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Cash and cash equivalents	**$ 127,865**	**P 6,239,845**	$ 111,103	P 5,637,828

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 September 30, 2020 for the years ended December 31, 2019:

	Effect on Income Before Taxes	
Increase/decrease in Peso to US Dollar Rate	Sept. 30, 2020	2019
+P5.00	P 639,325	P 555,515
-P5.00	(639,325)	P (555,515)

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 September 30, 2020, and December 31, 2019, 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:

	Sept. 30, 2020	2019
Equity	**P 548,873,734**	P 546,443,939
Total Assets	**587,671,712**	594,069,434
Ratio	**0.934**	0.920

5. Cash and Cash Equivalents

As of September 30, 2020 and December 31, 2019, cash and cash equivalents represent cash on hand and cash in banks of P9,986,804 and P5,695,235, respectively.

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 P7,409 and P11,252 in September 30, 2020 and December 31, 2019,

6. Receivables - net

The composition of this account is as follows:

	30-Sep-20	2019
Trade		
In local currency	**P 4,436,227**	P 5,351,227
In foreign currency	**1,030,309**	609,080
	5,466,536	5,960,307
Less: Allowance for probable losses	**4,436,227**	4,436,227
	P 1,030,309	P 1,524,080

The aging of receivables as of September 30, 2020 is as follows:

	Current	Over 31-60 days	More than One Year	Total
Trade				
In local currency	-		P 4,436,227	P 4,436,227
In foreign currency	1,030,309	-	-	1,030,309
	P 1,030,309	P -	P 4,436,227	P 5,466,536

7. Other current assets

The breakdown of this account is as follows:

	30-Sep-20	2019
Spare parts inventory	**P 613,911**	P 422,483
Prepaid taxes	**38,339**	153,356
Prepaid insurance	**18,993**	75,971
	P 671,243	P 651,810

Spare parts inventory includes of communication supplies and materials that are normally provided to customers in the delivery of services. Spare part inventory as of December 31, 2019 is measured at cost which approximates the NRV.

- Prepaid taxes represent advance payment of real property taxes that will be applicable and expensed in the subsequent period. Payments are made in advance so as to take advantage of the discounts granted by the local government. Expired portion is charged to taxes and licenses reported as part of administrative expenses in in the statement of comprehensive income.

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

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-Sep-20		2019
Cost				
Beginning balance	**P**	**209,500,000**	P	209,500,000
Equity in net loss				
Beginning		**(7,919,705)**		(7,306,373)
Share in net loss for the year		**(779,558)**		(613,332)
		(8,699,263)		(7,919,705)
Deposit for stock subscription		**206,800,000**		206,800,000
	P	**407,600,737**	P	408,380,295

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.

In a progress report submitted to the Department of Energy dated January 6, 2020, ATN Solar cannot yet reply to the BOI request for DOE document related to the revised Start of Commercial Operation which ATN has indicated to DOE to be in the second half of 2021. The Company is requesting DOE approval of Revised Work Plan so that commercial operation can start in the second half of 2021 of Phase 1 of 5 MW of the total 30 MW service contract. In addition, ATN Solar reiterate its request for DOE to issue the issuance of a Certificate of National Significance to the ATN Solar Project.

Also, in the same report, the Company continues its community relations with Information, Communication Campaign and Dissemination to the affected families in the community. A new community survey was conducted in October 2019 to support the environmental impact study on the feasibility of developing a rock crusher project. A Social Impact Assessment was also piloted by the Company to understand the various needs of the community.

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.

The movement in this account is as follows:

		30-Sep-20		2019
Balance, January 1	**P**	**2,542,405**	P	3,142,405
Amortization		**(450,000)**		(600,000)
Balance, December 31	**P**	**2,092,405**	P	2,542,405

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.

10. Other Non-current Assets

This account consists of:

		30-Sep-20		2019
Advances to:				
Palladian Land Development Inc. (PLDI)	**P**	**3,998,180**	P	1,545,810
ATN Phils. Solar Energy Group Inc. (Solar)		**3,466,363**		3,788,189
Stockholder		**-**		45,000
Security deposits		**1,558,895**		1,545,895
	P	**9,023,439**	P	6,924,894

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:

Sept. 30, 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
Addition				-								-
At June 30, 2020		23,893,402		304,547,503		5,180,726		19,145,709		14,675,284		367,442,624
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		10,278,627		-		-		-		11,083,940
At June 30, 2020		23,893,402		209,366,383		5,063,871		19,145,709		14,275,284		271,744,649
Net Carrying Value												
At June 30, 2020	P	-	P	95,181,120	P	116,855	P	-	P	400,000	P	95,697,975

2019		Building & improvements		Uplink/data Equipment		Furniture & Fixtures		Leasehold improvements		Transportation equipment		Total
Carrying Amount												
At January 1, 2019	P	23,893,402	P	254,121,190	P	5,180,726	P	19,145,709	P	14,675,284	P	317,016,311
Reclassification from												
spare parts inventory		-		409,876		-		-		-		409,876
Additions		-		50,016,437		-		-		-		50,016,437
At Dec. 31, 2019		23,893,402		304,547,503		5,180,726		19,145,709		14,675,284		367,442,624
Accumulated depreciation												
At January 1, 2019		21,893,413		186,965,727		4,863,560		18,292,076		14,093,320		246,108,096
Provisions		1,194,676		12,122,029		200,311		853,633		181,964		14,552,613
At Dec. 31, 2019		23,088,089		199,087,756		5,063,871		19,145,709		14,275,284		260,660,709
Net Carrying Value												
At Dec. 31, 2019	P	805,313	P	105,459,747	P	116,855	P	-	P	400,000	P	106,781,915

During 2019, the Company entered into a contract to design, deliver, install and commission the antenna gateways for its satellite center in Subic Pampanga. Total cost incurred thereto amounted to P50 million.

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

12. Investment Properties

As of September 30, 2020 and December 31, 2019, investment property consists of the following:

		30-Sep-20
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.

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

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

		30-Sep-20
Rental income	P	2,255,200
Direct operating expenses that:		
Generated rental income		151,697
Did not generate rental income		829

13. Accounts Payable and Accrued Expenses

As of September 30, 2020 and December 31, 2020, accounts payable and accrues expenses amounted to P137,855 and P574,131 respectively.

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 loans are availed for working capital requirements. The loan carries a floating interest rate initially peg at 6% 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 September 30, 2020, and December 31, 2019, the balance of the loan amounted to P5.5 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 P280,342 in September 30, 2020 and P111,184 in September 30, 2019.

Management believes that the carrying value of the loan at year end is a reasonable approximation of its fair value as of September 30, 2020 and December 31, 2019.

15. Unearned income

As of September 30, 2020, and December 31, 2019, unearned income amounted to P3,721,106 and P25,362,794 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.

16. 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.

17. Equity

Share capital

The Company's capital movements is as follows:

	Authorized		Issued		Share Premium
	Shares	Amount	Shares	Amount	Amount
Balance, Jan 1, 2019	3,800,000,000	P 380,000,000	2,620,193,300	P 262,019,330	P 29,428,022
Issuance during the year	-	-	1,179,806,700	117,980,670	74,519,330
	3,800,000,000	P 380,000,000	3,800,000,000	P 380,000,000	P 103,947,352

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 will be 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 stock options were measured using the intrinsic value method since the fair value of the options cannot be measured reliably.

On April 23, 2009 in a special meeting of the BOD, additional terms and conditions were agreed upon defining the vesting schedule of the options as management believes that a one-time recognition of the options cannot be afforded in 2008 alone. 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 stock options of the CEO. No options were exercised prior to the said deferment.

18. Service Income

Revenues from customers pertain to broadband and uplink services that are based on fixed monthly fee. All of the Company's revenues are earned overtime.

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

		30-Sep-20		**30-Sep-19**
VSAT uplink services				
In local currency	**P**	**2,737,618**	P	2,432,550
In foreign currency		**25,531,438**		24,412,750
	P	**28,269,056**	P	26,845,300

19. Direct Costs

This account consists of:

		30-Sep-20		30-Sep-19
Depreciation	**P**	**11,083,940**	P	11,395,018
Taxes and licenses		**5,833,375**		1,069,732
Transponder lease		**3,196,594**		7,710,569
Rental		**3,150,221**		2,860,626
Salaries, wages & other benefits		**1,144,622**		1,494,614
Utilities and communication		**479,028**		803,069
Amortization of franchise		**450,000**		450,000
Security services		**350,384**		387,702
Transportation and travel		**327,767**		378,267
Miscellaneous		**139,193**		116,751
	P	**26,155,124**	P	26,666,348

20. Other Income

The composition of this account is as follows:

		30-Sep-20		20-Sep-19
Rent income *(see Note 16)*	**P**	**2,255,200**	P	2,044,730
Interest income		**7,409**		8,771
	P	**2,262,609**	P	2,053,501

21. Administrative expenses

This account consists of:

		30-Sep-20		**30-Sep-19**
Permits, taxes and licenses	**P**	**386,174**	P	1,629,371
Legal and professional fees		**131,628**		182,000
Office supplies		**50,155**		136,329
Miscellaneous		**100,708**		133,230
	P	**668,664**	P	2,080,930

22. 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 September 30, 2020 and December 31, 2019:

Related party		Nature of transaction	Amount of Transaction **30-Sep-20**	Amount of Transaction 2019	Year-end balances **30-Sep-20**	Year-end balances 2019	Terms and condition
Associate							
ATN Solar		Collection of advances	**321,826**	526,714	**P 3,466,364**	P 3,788,190	Unsecured, unimpaired and no payment terms
Affiliated companies							
Palladian Land Devt. Inc (PLDI)	(i)	Rent income	**2,452,370**	2,969,759	**-**	-	
		Collection of advances	**-**	1,176,051	**3,998,180**	1,545,810	Unsecured, unimpaired and no payment terms
ATN Holdings (ATN)		Availment of intercompany advances	(3,600,000)	-	**(16,100,000)**	(12,500,000)	Unsecured, unimpaired and no payment terms
Stockholder	(ii)	Advances	**(7,618,989)**	(640,823)	**(8,965,308)**	(1,346,319)	Unsecured, unimpaired and no payment terms
	(iii)	Deposit for future subscription	-	192,500,000	**-**	-	
	Total advances to repated parties				**7,464,544**	5,334,000	
	Total advances from reated paries				**(25,065,308)**	(13,846,319)	
	Total				**(17,600,765)**	(8,512,320)	

Details of significant related party transactions are as follows:

(i) As discussed in Note 12, 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 P2,255,200 and P2,044,730 as of September 30, 2020 and September 30, 2019 respectively.

(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.

(iii) Deposit for future stock subscription was received from a stockholder as payment for additional stock subscription to ATN Solar.

For the quarter ending September 30, 2020 and year ended December 31, 2019 the Company did not provide compensation to its key management personnel.

23. Registration with Clark Special Economic Zone

The Company is a duly registered Clark Special Economic Zone ("CSEZ") enterprise with Registration Certificate No. C2013-683 issued last January 10, 2014. This certificate supersedes Certificate of Registration No. 2002-065 dated July 25, 2002 and 95-53 dated November 29, 1995, issued by Clark Development Corporation ("CDC") to the Company, and shall be valid until December 15, 2016 unless earlier revoked by CDC. As of December 31, 2019, the Company has renewed its tax exemption with CDC.

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

Subject to compliance with BIR Revenue Regulations and such other laws on export requirements, exemption from all local and national taxes, including but not limited to corporate withholding taxes and value added taxes ("VAT"). In lieu of 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.

24. 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-Sep-20		30-Sep-19
Profit (loss) for the year (a)	**P**	**2,429,795**	P	(919,875)
Weighted average number of shares outstanding during the year (b)		**380,000,000**		380,000,000
Earnings (loss) per share (a/b)		**0.0064**		(0.0024)

25. Lease commitments

Company as a Lessee

(a) Transponder lease with APT Satellite Company Ltd.
The Company renewed its lease agreement with APT Satellite Company Ltd. to provide transponder satellite service requiring payment of US$16,380 until September 2020.

Transponder lease recognized in the Statements of Comprehensive Income amounted to P2,879,262 in March 31, 2020and P2,908,828 in March 31, 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 with Clark Development Corporation for a period of twenty-five years starting July 10, 1995 to July 10, 2020.

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

Rent expense recognized in the Statements of Comprehensive Income amounted to P3,150,221 in September 30, 2020 and P2,860,626 in September 30, 2019.

Company as a Lessor

(d) 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 P2,255,200 and P2,044,730 as of September 30, 2020 and September 30, 2019 respectively.

26. 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:

	September 30, 2020	September 30, 2019
Profit(Loss) for the period	P2,429,795	(P919,875)
Number of Outstanding Shares	380,000,000	380,000,000
Earnings per Share	P0.0056	(P0.0024)

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 remained the same from Php594 million in December 31, 2019 compared to Php587 million in September 30, 2020. The net decrease of Php6.4million (1%) in total assets arose from the following items:

1. Increase in cash by Php4.2million(75%).
2. Decrease in receivables by Php493 thousand (-32%).
3. Increase in other non-current assets by Php2million (30%)

Total liabilities decreased by Php8.8 million (-19%) from Php47 million in December 2019 to Php38.7 million in September 30, 2020. The net decrease in liabilities resulted from the following significant items:

1. Decrease in accounts payable and accrued expenses by Php436 thousand (-76%).
2. Decrease in unearned income by Php21.6 million (-85%)
3. Decrease in income payable by Php64 thousand (-43%).
4. Increased in deposits from Php662 thousand to Php2.7 million (300%)
5. Increase in advances from related parties by Php11.2 million (81%).

Stockholders' equity almost the same from Php546 million as of December 31, 2019 to Php548 million in September 30, 2020. The net increase of Php2 million resulted from the net income during the quarter ending September 30, 2020.

Total revenue almost the same from Php26.8 million as of September 30, 2019 to Php28.2 million as of September 30, 2020.

Direct costs decreased from Php26.6 million in the 3rd quarter ending September 30, 2019 to Php26.6 million (-2%) in the 3rd quarter ending September 30, 2020. The net decrease arose from the following accounts:

1. Taxes and licenses increased by Php4.7 million (445%) from Php1 million to Php5.8 million.
2. Transponder lease decreased by Php4.5 million (-58%) from Php7.7 million to Php3.1 million.
3. Rental increased by Php289 thousand (10%) from Php2.8 million to Php3.1 million.
4. Salaries, wages and other benefits decreased by Php349 thousand (-23%) from Php1.4 million to Php1.1 million.
5. Utilities and communication decreased by Php324 thousand (-40%) from Php803 thousand to Php479 thousand.
6. Transportation and travel decreased by Php50 thousand (-13%) from Php378 thousand to Php327 thousand.
7. Security services decrease by Php37 thousand (-9%) from Php387 thousand to Php350 thousand.

Administrative expenses decreased from Php2.08 million for the 3rd quarter ending September 30, 2019 to Php668 thousand (-67%) in the 3rd quarter ending September 30, 2020.The net decrease arose from the following account:

1. Permits, taxes and licenses decreased by Php1.2 million (-76%).
2. Legal and professional services decreased by Php50 thousand (-27%)
3. Miscellaneous expenses decreased by Php32 thousand (-24%).

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:

	September 30, 2020	September 30, 2019
Current Ratio	1	5
Debt-to-Equity Ratio	0.07	0.04
Asset-to-Equity Ratio	1.07	1.04
Interest Rate Coverage Ratio	13.2	0.4
Gross Profit Margin	14%	7.73%
EBITDA	P13,731,917	P10,586,327
Net Income to Sales Ratio	8.6%	-3.43%
Earnings per share	0.0064	0

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
November 17, 2020

CELINIA FAELMOCA
Principal Accounting Officer
November 17, 2020