
**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, 2023

(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, 2023
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 2023	(Audited) 31-Dec 2022
ASSETS			
Current Assets			
Cash and cash equivalents	5	P 24,514,992	P 46,339,082
Receivables - net	6	7,225,823	2,918,240
Other current assets	7	3,797	42,000
Total Current Assets		31,744,612	49,299,322
Noncurrent Assets			
Investment in an associate	8	407,998,864	407,998,864
Franchise - net	9	1,471,905	1,503,225
Property and equipment - net	11	79,112,596	86,359,238
Investment properties	12	61,568,800	61,568,800
Other non-current assets	10, 21	53,482,343	33,823,547
		603,634,507	591,253,674
		P 635,379,119	P 640,552,996
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	13	P799,544	P542,963
Short-term loans	14	5,400,000	5,450,000
Income tax payable		52,726	208,936
Total Current Liabilities		6,252,270	6,201,899
Noncurrent Liabilities			
Deposits	15	1,185,156	1,185,156
Pension liability		766,535	766,535
Advances from related parties	21	34,735,207	42,356,098
Deferred tax liabilities-net		716,337	716,337
		37,403,235	45,024,126
Total Liabilities		43,655,505	51,226,025
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		99,292,248	96,895,605
Treasury shares	16	(437,800)	(437,800)
Total Stockholders' Equity		591,723,614	589,326,971
		P 635,379,119	P 640,552,996

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Quarter ending		Six (6) month ending	
	Notes	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
REVENUES					
Service income	17	P7,657,300	P8,996,184	P15,718,800	P17,726,763
Other Income	19	221,878	849,569	443,676	1,710,422
		7,879,177	9,845,753	16,162,475	19,437,185
COST AND EXPENSES					
Direct cost	18	6,358,524	6,174,401	12,651,283	12,213,740
Administrative expenses	20	324,290	244,237	783,740	981,247
Finance costs - net		80,427	105,299	155,365	163,205
		6,763,241	6,523,937	13,590,388	13,358,192
INCOME (LOSS) FROM OPERATION		1,115,936	3,321,816	2,572,087	6,078,993
EQUITY IN NET LOSS OF AN ASSOCIATE		-	-	-	-
PROFIT (LOSS) BEFORE INCOME TAX		1,115,936	3,321,816	2,572,087	6,078,993
INCOME TAX EXPENSE		75,973	183,259	175,444	360,326
PROFIT (LOSS) FOR THE PERIOD		1,039,963	3,138,557	2,396,643	5,718,667
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME(LOSS)		P 1,039,963	P 3,138,557	P P 2,396,643	P P 5,718,667
EARNINGS PER SHARE				0.0006	0.0015

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CHANGES IN EQUITY

	Six (6) month ending	
	30-Jun-23	30-Jun-22
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	96,895,605	84,279,801
Profit (loss)	2,396,643	5,718,667
	99,292,248	89,998,468
TREASURY SHARES	(437,800)	(437,800)
	P591,723,614	P582,429,834

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CASH FLOWS

	Quarter ending			Six (6) month ending	
	30-Jun-23	30-Jun-22		30-Jun-23	30-Jun-22
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss) profit before income tax	P 1,115,936	P 3,321,817	P	2,572,087	P 6,078,993
Adjustments for:					
Depreciation and amortization	3,873,351	3,873,351		8,044,702	7,746,702
Amortization of franchise	15,660	15,660		31,320	31,320
Interest expense	80,427	105,299		155,365	163,205
Interest income	(1,191)	(6,167)		(2,301)	(16,922)
Operating income before working capital changes	5,084,184	7,309,960		10,801,174	14,003,298
Decrease (increase) in Operating Assets:					
Receivables	(4,656,437)	1,321,051		(4,307,583)	(226,043)
Other current assets	38,203	234,846		38,203	78,496
Increase/(decrease) in Operating liabilities					
Accounts payable and accrued expenses	82,608	(340)		256,581	(5,766,047)
Deposits	-	522,326		-	522,326
Cash generated from operation	548,558	9,387,843	#	6,788,375	8,612,030
Income taxes paid	(92,083)	(928,514)		(331,654)	(950,657)
Interest received	1,191	6,167		2,301	16,922
Net Cash Provided by Operation	457,665	8,465,496		6,459,021	7,678,295
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property and equipment	(798,059)	-		(798,059)	(23,873,926)
Advances made to related parties	(4,205,357)	(15,451,991)		(19,658,796)	(25,904,101)
Net Cash Used in Investing Activities	(5,003,416)	(15,451,991)		(20,456,855)	(49,778,027)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of loan:					
Principal	(50,000)	-		(50,000)	-
Interest	(80,427)	(105,299)		(155,365)	(163,205)
Availment of advances from related parties	-	-		(7,620,891)	18,307,378
Net Cash Provided by(used in) Financing Activities	(130,427)	(105,299)		(7,826,256)	18,144,173
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	(4,676,178)	(7,091,794)		(21,824,090)	(23,955,559)
CASH AT THE BEGINNING OF THE YEAR				46,339,082	55,249,289
CASH AT END OF YEAR				P24,514,992	P31,293,730

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and December 31, 2022

1. Corporate Information

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

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

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Preparation

The interim financial statements as at June 30, 2023 and for the six-month periods ended June 30, 2023 and June 30, 2022 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, 2022 except for the adoption of new standards effective as at January 1, 2023.

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, 2023.

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, 2023 and December 31, 2022.

	Gross Maximum Exposure			
	June 30, 2023		2022	
Cash and cash equivalents *	P	24,514,992	P	46,339,082
Receivables		7,225,823		2,918,240
Other non current assets		3,797		42,000
	P	31,744,612	P	49,299,322

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, 2023 and December 31, 2022 is as follows:

June 30, 2023						
	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total	
	High grade	Standard grade				
Cash and cash equivalents	P 24,514,992	P -	P -	P -	P 24,514,992	
Receivables	-	7,225,823	-	4,436,227	11,662,050	
Other non-current assets	-	3,797	-	-	3,797	
	P 24,514,992	P 7,229,619	P -	P 4,436,227	P 36,180,838	

December 31, 2022						
	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total	
	High grade	Standard grade				
Cash and cash equivalents	P 46,339,082	P -	P -	P -	P 46,339,082	
Trade receivables	-	2,918,240	-	4,436,227	7,354,467	
Other non-current assets	-	42,000	-	-	42,000	
	P 46,339,082	P 2,960,240	P -	P 4,436,227	P 53,735,549	

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, 2023 and December 31, 2022.

June 30, 2023						
	< 1 month	> 1 month & < 3 months	> 3 months & < 1 year	> 1 year & < 3 years	Total	
Accounts payable and accrued expenses	P 799,544	P -	P -	P -	P 799,544	
Short-term loan	-	-	5,400,000	-	5,400,000	
	P 799,544	P -	P 5,400,000	P -	P 6,199,544	

December 31, 2022						
	< 1 month	> 1 month & < 3 months	> 3 months & < 1 year	> 1 year & < 3 years	Total	
Accounts payable and accrued expenses	P 542,963	P -	P -	P -	P 542,963	
Short-term loans	-	-	5,450,000	-	5,450,000	
	P 542,963	P -	P 5,450,000	P -	P 5,992,963	

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, 2023		2022	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Cash and cash equivalents	\$ 47,948	P 2,654,401	\$ 616,592	P 34,603,143

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, 2023 for the years ended December 31, 2022:

Increase/decrease in Peso to US Dollar Rate	Effect on Income Before Taxes	
	June 30, 2023	2022
+P5.00	P 239,740	P 3,082,960
-P5.00	(239,740)	P (3,082,960)

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

ii. Interest rate risk

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

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

Exposure to interest rate risk arises from bank loans with interest dependent on the prevailing market rate. As of March 31, 2023 and December 31, 2022, 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, 2023	2022
Equity	P591,723,614	P589,326,971
Total Assets	635,379,119	640,552,996
Ratio	0.931	0.920

5. Cash and Cash Equivalents

As of June 30, 2023 and December 31, 2022, cash and cash equivalents consist of:

	30-Jun-23	2022
Cash in banks	P 24,501,992	P 46,326,082
Cash on hand	13,000	13,000
	P 24,514,992	P 46,339,082

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-23		2022	
Trade				
In local currency	P	4,436,227	P	4,436,227
In foreign currency		7,225,823		2,918,240
		11,662,050		7,354,467
Less: Allowance for probable losses		4,436,227		4,436,227
	P	7,225,823	P	2,918,240

The aging of receivables as of June 30, 2023 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	3,107,104	4,118,719	-	7,225,823
	P 3,107,104	P 4,118,719	P 4,436,227	P 11,662,050

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 2023 and 2022.

7. Other current assets

This account represents 12% input tax on purchases of goods and services. Input VAT is creditable against Output VAT in the subsequent period. Balance of this account is P3,797 as of June 30, 2023 and P42,000 as of December 31, 2022.

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-23		2022	
Cost	P	209,500,000	P	209,500,000
Equity in net loss				
Beginning		(8,301,136)		(8,083,882)
Share in net loss for the year		-		(217,254)
		(8,301,136)		(8,301,136)
Deposit for stock subscription		206,800,000		206,800,000
	P	407,998,864	P	407,998,864

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.

During the year, 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.

As of April 4, 2023, the Company is finalizing its Power Supply Agreement with Meralco and various RES. Demand for electricity given the expected depletion of the Malampaya Natural Gas, which supplies to 2,400MW power plants. The increase in coal prices by 400x, due to the Ukraine war, hasten the need of renewable energy like solar to supply peak hour demands.

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-23		2022
Balance, January 1	P	1,503,225	P	1,565,865
Amortization		31,320		62,640
Balance, December 31	P	1,471,905	P	1,503,225

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

10. Other Non-current Assets

This account consists of:

	30-Jun-23	2022
Advances to:		
ATN Phils. Solar Energy Group Inc.	P 46,056,251	P 28,310,615
Palladian Land Dev. Inc.	6,856,705	4,943,545
Security deposits	569,387	569,387
	P 53,482,343	P 33,823,547

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, 2023	Building & improvements	Uplink/data Equipment	Furniture & Fixtures	Leasehold improvements	Transportation equipment	Total
Carrying Amount						
At January 1, 2023	P 23,893,402	P 328,990,799	P 5,228,426	P 19,145,709	P 14,675,284	P 391,933,620
Addition		798,060				P 798,060
At June 30, 2023	23,893,402	329,788,859	5,228,426	19,145,709	14,675,284	392,731,680
Accumulated depreciation						
At January 1, 2023	23,893,402	243,132,610	5,127,377	19,145,709	14,275,284	305,574,382
Provisions	-	8,044,702	-	-	-	8,044,702
At June 30, 2023	23,893,402	251,177,312	5,127,377	19,145,709	14,275,284	313,619,084
Net Carrying Value						
At June 30, 2023	P -	P 78,611,547	P 101,049	P -	P 400,000	P 79,112,596

Dec. 31, 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 Dec. 31, 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	-	15,493,404	-	-	-	15,493,404
At Dec. 31, 2022	23,893,402	243,132,610	5,127,377	19,145,709	14,275,284	305,574,382
Net Carrying Value						
At Dec. 31, 2022	P -	P 85,858,189	P 101,049	P -	P 400,000	P 86,359,238

12. Investment Properties

As of June 30, 2023 and December 31, 2022, 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, 2023, 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, 2023.

As at June 30, 2023 and December 31, 2022, 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-23		30-Jun-22
Rental income	P	441,375	P	1,693,500
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-23		2022
Trade payables	P	799,544	P	-
Accrued expenses		-		542,963
	P	799,544	P	542,963

The aging of accounts payable as of June 30, 2023 is as follows:

		Current	Over 31-60 days	More than One Year		Total
Trade	P	799,544	-	-	P	799,544
Accrued expenses		-		-		-
	P	799,544	P	-	P	799,544

Trade payables and accrued expenses are various expenses and are usually settled for a maximum period of 3 months.

14. Short-term loans

Short-term loan is availed for working capital requirements. The loan carries a floating interest rate initially 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 June 30, 2023 and December 31, 2022, the balance of the loan amounted to P5.4 million and P5.45 million respectively.

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 P155,365 in June 2023 and P163,205 in June 2022.

Management believes that the carrying value of the loan at year end is a reasonable approximation of its fair value as of June 30, 2023 and December 31, 2022.

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, 2023		2022	
	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, 2023 and December 31, 2022, 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:

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

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

On April 23, 2009 in a special meeting of the BOD, additional terms and conditions were agreed upon defining the vesting schedule of the options as management believes that the Company cannot afford a one-time recognition of the options in 2008. The vesting period

was stretched up to 2023 of which 5,000,000 shares may be exercised starting 2013 up to 2022. Another 55 million shares in 2022 and finally, 300 million shares in 2023

During 2022, a special meeting was held to extend the vesting period for another 3 years in consideration of the Covid-19 pandemic. Accordingly, the period in which the options can be exercised was stretched up to 2026.

As of June 30, 2023 and December 31, 2022, the stock options has a carrying value of P8,921,814.

17. Service Income

This account is broken down as follows:

	30-Jun-23		30-Jun-22	
In local currency	P	1,236,729	P	4,095,060
In foreign currency		14,482,071		13,631,703
	P	15,718,800	P	17,726,763

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-23		30-Jun-22	
Depreciation	P	8,044,702	P	7,746,702
Rental		2,240,127		2,240,127
Salaries, wages & other benefits		659,517		766,888
Utilities and communication		832,399		590,585
Transportation and travel		436,651		487,038
Security services		287,595		306,689
Taxes and licenses		30,717		20,310
Amortization of franchise		31,320		31,320
Insurance		88,255		24,081
	P	12,651,283	P	12,213,740

19. Other Income

The composition of this account is as follows:

	30-Jun-23		30-Jun-22	
Rent income (see Note 16)	P	441,375	P	1,693,500
Interest income		2,301		16,922
	P	443,676	P	1,710,422

20. Administrative expenses

This account consists of:

	30-Jun-23	30-Jun-22
Legal and professional fees	P 728,000	734,000
Office supplies	38,740	120,500
Permits, taxes and licenses	10,407	P 86,508
Repairs and maintenance	6,593	-
Miscellaneous	-	40,239
	P 783,740	P 981,247

21. Related party transactions

The following related party transactions occurred as of June 30, 2023 and December 31, 2022:

Category	Year	Amount of transactions	Outstanding balance		Terms and condition
			Advances to related parties	Advances from related parties	
Associate					
ATN Phil. Solar Energy Group					
Cash advances	June 2023	P 17,745,636	P 46,056,251	P -	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2022	22,245,526	28,310,615		
Affiliated companies					
Palladian Land Dev. Inc.					
Rent income	June 2023	441,375			Demandable; Non-interest bearing; Unsecured; Payable in cash
	2022	2,113,500			
Advances	June 2023	1,473,785			
	2022	1,672,440			
Total	June 2023		6,858,705		
	2022	3,785,940	4,943,545		
ATN Holdings, Inc.					
Cash advances	June 2023	-		16,387,829	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2022	(287,829)		16,387,829	
Unipage Mgt. Inc.					
EPC contract	June 2023	1,920,000		18,347,378	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2022	(20,267,378)		20,267,378	
Stockholder					
Cash advances	June 2023	(5,700,891)		-	Demandable; Non-interest bearing; Unsecured; Payable in cash
	2022	1,970,000		5,700,891	
	2022	P -	P 33,254,160	P 42,356,098	
	June 2023		52,914,956	34,735,207	

For the period June 30, 2023 year ended December 31, 2022, the Company did not provide compensation to its key management personnel.

22. Registration with Clark Special Economic Zone

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

Pursuant to Section 15 of Republic Act No. 7227, Section 5 of Executive Order No. 80 and Proclamation 163, and as further confirmed by BIR Ruling No. 046-95 dated March 3, 1995, the Company is entitled to all incentives available to a CSEZ-registered enterprise, including but not limited to exemption from customs and import duties and

national and internal revenues taxes on importation of capital of goods, equipment, raw materials, supplies and other articles including household and personal items.

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

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

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

23. Earnings (loss) per share

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

	30-Jun-23	30-Jun-22
Profit (loss) for the year (a)	P 2,396,643	P 5,718,667
Weighted average number of shares outstanding during the year (b)	3,795,622,000	3,795,622,000
Earnings (loss) per share (a/b)	0.0006	0.0015

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 P2,240,127 in June 30, 2023 and June 30, 2022.

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 P441,375 and P1,693,500 as of June 30, 2023 and June 30, 2022 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, 2023	June 30, 2022
Profit for the period	P2,396,643	P5,718,667
Number of Outstanding Shares	3,795,622,000	3,795,622,000
Earnings per Share	P0.0006	P0.0005

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

1. The same accounting policies and methods of computation are followed in the interim financial statements as compared to the most recent and previous financial statements.
2. There is no seasonality or cyclicity of interim operations.
3. There is no item that has unusual effect on asset, liabilities, equity, net income and cash flows.
4. There is no change in the nature and amounts reported in prior interim periods of the current financial year or prior financial year.
5. There is no issuance, repurchase nor repayment of debt and equity securities during the interim period.
6. There is no dividend paid for ordinary or other shares.
7. Disclosure on segment revenue is not required.
8. There is no material event subsequent to the end of the interim period that has not been reflected in the financial statements.
9. There is no change in the composition of the issuer such as business combination, acquisition, disposal of subsidiary and long-term investment, and restructuring during the interim period.
10. There is no change in contingent assets or contingent liabilities since the last annual balance sheet date.
11. There is no seasonal effect that had material effect on financial condition or result of operation 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 Php640 million in December 31, 2022 compared to Php635 million in June 30, 2023. The net decrease of Php5 million (1%) in total assets arose from the following items:

1. Decrease in cash by Php22 million (-47%)
2. Increase in receivables by Php4.3 million (148%).
3. Decrease in other current assets by P38 thousand (91%)
4. Decrease in property and equipment by Php7.2 million (-8%)
5. Increase in other non-current assets by Php19.6 million (58%)

Total liabilities decreased by Php7.5 million (-15%) from Php51.226 million in December 2022 to Php43.655 million in June 30, 2023. The net decrease in liabilities resulted from the following significant items:

1. Increase in accounts payable and accrued expenses by Php256 thousand (47%).
2. Decrease in income payable by Php156 thousand (-75%).
3. Decrease in advances from related parties by Php7.6 million (-18%).

Stockholders' equity almost the same from Php589 million as of December 31, 2022 to Php591 million in June 30, 2023. The net increase of Php2.396 million resulted from the net income during the quarter ending June 30, 2023.

Total revenue decreased from Php17.726 million as of June 30, 2022 to Php15.718 million as of June 30, 2023.

Direct costs almost remained the same from Php12.2 million in the 2nd quarter ending June 30, 2022 to Php12.651 million (4%) in the 2nd quarter ending June 30, 2023. The net increase arose from the following accounts:

1. Utilities and communication increased by Php241 thousand (40%) from Php590 thousand to P832 thousand.
2. Transportation and travel decreased by Php50 thousand (-10.35%) from Php487 thousand to Php436 thousand.
3. Security services decreased by Php19 thousand (-6%) from Php306 thousand to Php287 thousand.
4. Taxes and licenses increased by P10 thousand (51%) from P20 thousand to P30 thousand.
5. Insurance increased by Php64 thousand (266%) from Php24 thousand to Php88 thousand.

Administrative expenses decreased from Php981 thousand for the 2nd quarter ending June 30, 2022 to Php783 thousand (-20%) in the 2nd quarter ending June 30, 2023. The net decrease arose from the following account:

1. Permits, taxes and licenses decreased by Php76 thousand (-88%)
2. Legal and professional services increased by Php106 thousand (48%)
3. Office supplies decreased by Php81 thousand (-67%)

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:

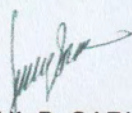
	June 30, 2023	June 30, 2022
Current Ratio	5.08	7.95
Debt-to-Equity Ratio	0.07	0.08
Asset-to-Equity Ratio	1.07	1.09
Interest Rate Coverage Ratio	17	38
Gross Profit Margin	22%	37%
EBITDA	P 10,772,154	P 13,988,900
Net Income to Sales Ratio	14.80%	29.42%
Earning per share	P 0.0006	P 0.0015


SIGNATURES

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

COMPANY : TRANSPACIFIC BROADBAND GROUP INTERNATIONAL INC.

Signature and Title:


PAUL B. SARIA
Principal Operating Officer
August 18, 2023


CELINIA FAELMOCA
Principal Accounting Officer
August 18, 2023