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

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

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

April 30, 2013

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

Dear Ms. Encarnacion,

In compliance with PSE's requirement, we are sending you herewith SEC Form 17Q for quarter ending March 31, 2013.

Thank you.

Very truly yours,

CELINIA FAELMOCA

SEC Number AS095-006755
File Number ____________

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

SEC Form 17Q

(Form Type)

Amendment Designation (if applicable)

March 31, 2013

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2013

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

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

5. Philippines

6. Industry Classification Code:

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

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

8. Telephone No. (0632) 717-0523

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

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

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

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

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

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

I. Financial Statements.

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

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

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.

STATEMENTS OF COMPREHENSIVE INCOME

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

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC

STATEMENT OF CHANGES IN EQUITY

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

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC

STATEMENT OF CASH FLOWS

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

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

1. **Basis for Financial Presentation**
The interim financial statements have been prepared in conformity with Philippine Financial Reporting Standards (PFRS).

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

3. **Trade receivables**
This account consists of:

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

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

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

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

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

7. **Property and equipment**
The movements within this account as of March 31, 2013 are shown below:

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

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

8. **Investment property**

The breakdown of properties is shown below:

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

9. **Investment in associates**

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

10. **Franchise**

This account consists of:

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

11. **Other non-current assets**

This account consists of:

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

12. **Accounts payable and accrued expenses**

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

13. **Interest-bearing liabilities**

This account consists of:

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

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

14. **Direct Cost**

This account consist of the following:

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

15. Other income

This account consist of:

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

16. Administrative expenses

This account consist of:

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

17. Early Adoption of PFRS

PFRS 9, Financial Instruments: Classification and Measurement

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

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

18. Financial risk management objectives and policies

Financial Risk

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

Credit Risk

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

The table below shows the gross maximum exposure to credit risk of the Company's as at March 31, 2013 and December 31, 2012.

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

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

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

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

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

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

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

Liquidity Risk

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

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

The table below summarizes the maturity profile of the Company's financial liabilities.

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

Market Risk

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

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

i. Currency risk

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

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

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

The following table demonstrates the sensitivity to a reasonable change in the US$ exchange rate, with all other variables held constant, the Company's income before tax.

Effect on Income before taxes

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

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

ii. Interest rate risk

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

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

Exposure to interest rate risk is as follows:

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

Operational risk

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