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, 2015

(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, 2015

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) 30-Sep 2015		(Audited) 31-Dec 2014
ASSETS					
Current Assets					
Cash and cash equivalents	8	P	**1,897,120**	P	4,148,114
Trade receivables	9		**24,538,741**		20,119,243
Short term investments	10		**8,917,700**		11,617,700
Other current assets	11		**2,641,394**		2,641,394
Total Current Assets			**37,994,955**		38,526,451
Noncurrent Assets					
Advances for projects	12		**10,512,844**		14,812,844
Property and equipment - net	16		**124,827,303**		136,684,686
Investment properties	17		**45,287,800**		45,287,800
Investment in an associate	13		**109,438,472**		110,163,576
Franchise - net	14		**5,092,405**		5,542,405
Deferred tax assets			**812,127**		743,574
Other non-current assets	15		**7,811,636**		9,855,616
			303,782,587		323,090,501
		P	**341,777,542**	P	361,616,952
Current Liabilities					
Accounts payable and accrued expenses	18	P	**743,989**	P	1,083,172
Income tax payable			**-**		68,101
Total Current Liabilities			**743,989**		1,151,273
Noncurrent Liabilities					
Bank loans	19		**5,264,806**		5,264,806
Pension liability			**1,225,341**		1,225,341
Subscription payable			**35,250,000**		54,250,000
Total Noncurrent Liabilities			**41,740,147**		60,740,147
Total Liabilities			**42,484,136**		61,891,420
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			**-**		1,075,684
Retained earnings			**39,362,040**		38,718,482
Treasury shares			**(437,800)**		(437,800)
Total Equity			**299,293,406**		299,725,532
		P	**341,777,542**	P	361,616,952

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Quarter Ending			Nine (9) month ending		
		30-Sep-15	**30-Sep-14**		**30-Sep-15**		30-Sep-14
REVENUES							
Service income		**8,306,361**	8,030,800	**P**	**25,320,125**	**P**	24,512,235
Other income		**625,552**	635,662		**1,846,702**		1,482,763
		8,931,913	8,666,462		**27,166,827**		25,994,998
COST AND EXPENSES							
Direct cost		**8,461,681**	9,106,151		**26,217,178**		25,706,340
Administrative expenses		**30,001**	70,032		**489,455**		452,736
Finance cost		**43,863**	39,851		**119,575**		119,614
		8,535,545	9,216,034		**26,826,208**		26,278,690
INCOME (LOSS) FROM OPERATION		**396,368**	(549,572)		**340,619**		(283,692)
EQUITY IN NET LOSS OF AN ASSOCIATE		**307,607**	-		**725,104**		404,044
PROFIT (LOSS) BEFORE INCOME TAX		**88,761**	(549,572)		**(384,485)**		(687,736)
INCOME TAX EXPENSE		**(1,330)**	27,718		**104,256**		82,254
PROFIT (LOSS) FOR THE PERIOD		**90,091**	(577,290)		**(488,741)**		(769,990)
OTHER COMPREHENSIVE INCOME		**-**	-		**-**		-
TOTAL COMPREHENSIVE INCOME		**90,091**	(577,290)	P	**(488,741)**	P	(769,990)
EARNINGS PER SHARE					**(0.0022)**		(0.0035)

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC

STATEMENT OF CHANGES IN EQUITY

		Nine (9) months ending		
		30-Sep-15		30-Sep-14
SHARE CAPITAL	P	**222,019,330**	P	222,019,330
SHARE PREMIUMS		**29,428,020**		29,428,022
SHARE OPTIONS OUTSTANDING				
Balance, January 1		**8,921,814**		8,921,814
Options granted		**-**		-
Balance, Sept 30		**8,921,814**		8,921,814
REVALUATION INCREMENT ON PROPERTY AND AND EQUIPMENT - NET OF TAX				
Balance, January 1		**1,075,684**		3,300,498
Revaluation increment absorbed through depreciation		**(1,075,684)**		(1,668,611)
Balance, Sept 30		**-**		1,631,887
RETAINED EARNINGS (DEFICIT)				
Balance, January 1		**38,718,482**		43,034,838
Revaluation increment absorbed through depreciation		**1,132,299**		1,756,432
Profit (loss)		**(488,741)**		(769,990)
Balance, Sept 30		**39,362,040**		44,021,280
TREASURY SHARES		**(437,800)**		(437,800)
	P	**299,293,404**	**P**	305,584,533

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CASH FLOWS

		Quarter Ending			Nine (9) month ending	
		30-Sep-15	**30-Sep-14**		**30-Sep-15**	30-Sep-14
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit (Loss) after income tax	P	**(18,159)**	P 783,450	P	**(488,741)**	P (769,990)
Adjustments for:						
Depreciation and amortization		**3,952,461**	4,034,552		**11,857,383**	11,965,236
Amortization of franchise		**150,000**	150,000		**450,000**	450,000
Equity in net loss of an associate		**307,607**	-		**725,104**	-
Interest expense		**38,295**	2,118		**116,434**	117,753
Interest income		**(753)**	311,706		**(3,180)**	(1,861)
Operating income before working capital changes		**4,429,451**	5,281,826		**12,657,000**	11,761,138
Decrease (increase) in Operating Assets:						
Trade receivables - net		**(4,055,779)**	(6,143,153)		**(4,419,498)**	(13,146,866)
Decrease (increase) in Other non-current assets		**(1,503,355)**	(3,135,715)		**2,043,980**	(3,460,063)
Increase/(decrease) in Operating liabilities						
Accounts payable and accrued expenses		**(288,746)**	923,099		**(351,121)**	(140,582)
Income taxes payable		**(62,591)**	(25,225)		**(68,101)**	(50,455)
Net Cash Provided by/(Used in) Operating Activities		**(1,481,020)**	(3,099,168)		**9,862,260**	(5,036,828)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from shorterm investment		**-**	-		**2,700,000**	-
Excess from advances for projects		**-**	-		**4,300,000**	1,532,300
Investment and advances in an associates		**-**	-		**-**	(1,595,955)
Payment of subscription		**-**	-		**(19,000,000)**	-
Interest received		**753**	(311,706)		**3,180**	1,861
Net Cash Used in Investing Activities		**753**	(311,706)		**(11,996,820)**	(61,794)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bank loans						
Principal		**470,947**	362,074		**-**	(108,873)
Interest		**(38,295)**	(2,118)		**(116,434)**	(117,753)
Net Cash Provided by(used in) Financing Activities		**432,652**	359,956		**(116,434)**	(226,626)
NET INCREASE (DECREASE) IN CASH EQUIVALENTS		**(1,047,615)**	(3,050,918)		**(2,250,994)**	(5,325,248)
CASH AT THE BEGINNING OF THE YEAR					**4,148,114**	8,598,863
CASH AT END OF YEAR				P	**1,897,120**	P 3,273,615

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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 9.03% 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, it was granted Frequency Supportability, also by NTC.

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, Philippines. Pursuant to its registration with CSEZ, the Company is subject to a special tax rate of 5% on gross income.

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

2. Basis of Preparation and Presentation

Basis of Financial Statement Preparation and Presentation
The financial statements have been prepared on a historical cost basis except for certain property and equipment that are carried at revalued amounts.

The financial statements are presented in Philippine Peso, the Company's functional currency.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council.

3. Summary of Significant Accounting Policies

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

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

Trade Receivables
Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence

that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Financial Instruments

Date of Recognition
Financial assets and financial liabilities are recognized in the statements of financial position of the Company when it becomes a party to the contractual provisions of the instrument.

Initial Recognition
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs.

Determination of Fair Value
The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company recognizes the difference between the transaction price and fair value in the statements of income unless it qualifies for recognition as some other type of asset.

Classification of Financial Instruments
The Company classifies financial assets into the following categories, (i) At fair value through profit or loss (FVPL), (ii) Available-for-sale, (iii) Held-to-maturity and (iv) Loans and receivable. The Company classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

(i) Financial Assets and Financial Liabilities at FVPL

Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition as at FVPL.

A financial assets and financial liabilities are classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is part of an identified portfolio of financial instruments that the Company manages together and has recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistently that would otherwise arise; or
- The financial asset forms part of a group of financial assets that is managed and its performance is evaluated on a fair value basis.
- It forms part of a contract containing one or more embedded derivatives.

As of September 30, 2015 and December 31, 2014, there are no financial assets under this category.

(ii) Available-for-sale (AFS)

AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the statement of financial position. Changes in the fair value are recognized directly in equity account as "*Revaluation reserve on AFS financial assets*". Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in profit or loss for the period.

As of September 30, 2015 and December 31, 2014, there are no financial assets under this category.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the company's cash and cash equivalents, trade receivables, security deposits and other receivables.

(iv) Held-to-maturity (HTM)

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities wherein the Company has the positive intention and ability to hold to maturity. After initial measurement, HTM assets are carried at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Any changes to the carrying amount of the investment are recognized in statements of income.

As of September 30. 2015 and December 31, 2014, there are no financial assets under this category.

(v) Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statements of income.

Included under this category are accounts payable and accrued expenses and long term loans payable.

Reclassification of Financial Assets
A financial asset is reclassified out of the FVPL category when the following conditions are met (i) the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and (ii) there is a rare situation.
A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the statements of income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment

Financial Assets
The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Assets carried at amortized cost
If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognized in the profit and loss accounts.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

Any subsequent reversal of an impairment loss is recognized in the profit and loss accounts, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

(ii) Assets carried at cost
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are subject to impairment review at each end of the reporting period. Impairment loss is recognized when there is objective evidence such as significant financial difficulty of the issuer/obligor, significant or prolonged decline in market prices and adverse economic indicators that the recoverable amount of an asset is below its carrying amount.

Non-Financial Assets
The Company's property and equipment are subject to impairment testing. All other individual assets' or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.
An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

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

Derecognition of Financial Instruments

Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

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

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

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

Spare Parts Inventory
Spare parts inventory is stated at lower of cost or net realizable value (NRV). Cost is determined using the first-in first-out method. NRV is the selling price less the estimated cost to sell.

Property and Equipment
Transportation equipment, furniture, and fixtures are carried at cost less accumulated depreciation and impairment in value, if any. Buildings and improvements, uplink/data equipment and leasehold improvements are carried at revalued amounts less accumulated depreciation and impairment losses, if any. Appraisal was made by an independent firm appraiser with sufficient regularity to ensure that the carrying amounts of these assets do not differ materially from their fair values. Subsequent acquisitions are stated at cost less accumulated depreciation and impairment losses, if any.

Any increase in revaluation is credited to the "Revaluation Increment" account shown under equity unless it offsets a previous decrease in value of the same asset recognized in the statements of income. A decrease in value is recognized in profit or loss where it exceeds the increase previously recognized in the "Revaluation Increment" account. The amount of revaluation increment absorbed through depreciation is transferred from revaluation increment to retained earnings. Upon disposal of the asset, the related revaluation increment is transferred to retained earnings and is taken into account in arriving at the gain or loss on disposal.

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

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

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

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

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

When the carrying amount of an asset is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount. Fully depreciated assets are retained in the accounts until they are no longer in use.

Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the company.

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

Investment property is derecognized when either it has been disposed of, or when the investment property is permanently withdrawn or sold and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Investment in Associate

An associate is an entity in which the investor has a significant influence and which is neither a subsidiary nor a joint venture.

Investment in associate is accounted for using the equity method of accounting and initially recognized at cost, and is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate.

Franchise

Franchise, which consists of directly attributable expenses, is carried at cost less accumulated amortization.

Franchise is amortized over its term of 25 years. When the carrying amount of the franchise is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount.

Franchise is derecognized either upon disposal or the right to use expired.

Deposits
Deposits are recognized at cost and are expected to be settled upon the expiration of the contract.

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

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

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

Revaluation increment represents appraisal increase on revaluation of certain property and equipment.

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

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

Revenue and Costs Recognition
Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Subscription fees
Revenues from uplink services and bandwidth subscriptions are recognized when services are rendered and billed. Related costs and expenses are recorded as incurred.

Rent income
Rent income is recognized on a straight line basis over the lease term.

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

Dividend income
Dividend income is recognized when the right to receive dividends is established.

Income Taxes
Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted as at the end of reporting period.
Deferred tax asset is recognized for all temporary differences that are expected to reduce taxable profit in the future, and for the carry forward of unused tax losses and unused tax credits. Deferred tax liability is recognized for all temporary differences that are expected to increase the taxable profit in the future. Deferred tax assets and liabilities are measured using the tax rates and loss substantively enacted at the end of the reporting period.

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

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

Employee Benefits

(i) Retirement Benefit Cost

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

(ii) Compensated absences

Compensated absences are recognized for the number of paid leaves days (including holiday entitlement) remaining at reporting date. They are included as part of Accounts payable and accrued expenses account at the undiscounted amount the Company expects to pay as a result of the unused entitlement.

Leases

Leases where the lessor retains substantially all the risk and benefits of ownership of the asset are classified as operating lease. Operating lease payments are recognized as expense on a straight line basis over the lease term.

Finance lease, which transfer to the company substantially all the risks and benefits incidental to the ownership of the leased asset, are capitalized at the lower of fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are recognized in the statements of income.

Foreign Currency Transactions and Translations

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

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

Related Party Transactions

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

Provisions

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

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

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

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

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

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

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

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

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2014

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning January 1, 2014. The adoption however did not result to any material changes in the financial statements.

PAS 32, Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities
These amendments to PAS 32 clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. While the amendment does not have any impact on the net assets of the Company, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The amendment does not have any material impact on the Company's financial position and performance.

Amendments to PAS 36, Impairment of Assets
The amendment requires the following disclosure if the recoverable amount is fair value less costs of disposal:

- the level of the fair value hierarchy (from PFRS 13 *Fair Value Measurement*) within which the fair value measurement is categorized;
- the valuation techniques used to measure fair value less costs of disposal and
- the key assumptions used in the measurement of fair value measurements categorized within 'Level 2' and 'Level 3' of the fair value hierarchy if recoverable amount is fair value less costs of disposal.

The amendments to PAS 36 are effective for annual periods beginning on or after January 1, 2014. The adoption of the standard affects disclosures only and does not affect the financial position and performance of the Company.

Amendments to PFRS 10, PFRS 12 and PAS 27, *Investment Entities* (effective for annual periods beginning on or after January 1, 2014)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments do not have material financial impact in the financial statements.

Philippine Interpretation IFRIC 21, *Levies* (effective for annual periods beginning on or after January 1, 2014)
IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that trigger payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The interpretation does not have material financial impact in the Company's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2014
Standards issued but not yet effective up to date of issuance of the Company's financial statements are listed below. The listing consists of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The Company does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

Effective 2015
PAS 19, "Defined Benefit Plans: Employee Contributions (*Amendments to PAS 19 Employee Benefits)*
The amendment clarifies that the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered. These amendments are effective for annual periods beginning on or after 1 July 2014. The amendment will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS
The Annual Improvements to PFRS (2010 to 2012 cycle and 2011 to 2013) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. Earlier application is permitted.

Annual Improvements to PFRS (2010 to 2012 cycle)
PFRS 2, "Share-based Payments"
The amendment clarifies the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition'). The amendment does not apply to the Company.

PFRS 3, "Business Combinations"
The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. The amendment does not apply to the Company.

PFRS 8, "Operating Segments"
The amendment requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if

the segment assets are reported regularly. The adoption of the standard will affect disclosures only and will not affect the financial position and performance of the Company.

PFRS 13, “Fair Value Measurement”
The amendment clarifies that issuing PFRS 13 and amending PFRS 9 and PAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 16, “Property, Plant and Equipment”
The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The Company is currently assessing impact of the amendments to PAS 16.

PAS 24, “Related Party Disclosures”
The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 38, “Intangible Assets”
The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The amendment will not have any significant impact on the Company’s financial position or performance.

Annual Improvements to PFRS (2011 to 2013 cycle)
PFRS 1, “First-time Adoption of Philippine Financial Reporting Standards”
The amendment clarifies that an entity, in its first PFRS financial statements, has the choice between applying an existing and currently effective PFRS or applying early a new or revised PFRS that is not yet mandatorily effective, provided that the new or revised PFRS permits early application. An entity is required to apply the same version of the PFRS throughout the periods covered by those first PFRS financial statements. The amendment does not apply to the Company as it is not a first time adopter of PFRS.

PFRS 3, “Business Combinations”
The amendment clarifies that PFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 13, “Fair Value Measurement”
The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of PFRS 13 includes all contracts accounted for within the scope of PAS 39 *Financial Instruments: Recognition and Measurement* or PFRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32 *Financial Instruments: Presentation*. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

PAS 40, “Investment Property”
The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in PFRS 3 *Business Combinations* and investment property as defined in PAS 40 *Investment Property* requires the separate application of both standards independently of each other. The amendment will not have any significant impact on the Company’s financial position or performance.

Effective 2016
PAS 1, “Presentation of Financial Statements” – Disclosure Initiative
The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted. The

amendment will not have any significant impact on the Company’s financial position or performance.

PAS 16, “Property, Plant and Equipment” and PAS 38, “Intangible Assets” – Clarification of Acceptable Methods of Depreciation and Amortization
The amendments provide additional guidance on how the depreciation and amortization of property, plant and equipment and intangible assets should be calculated. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 28, “Investment in Associates and Joint Ventures” and PFRS 10, “Consolidated Financial Statements” – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address a conflict between the requirements of PAS 28 and PFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 27, “Separate Financial Statements” – Equity Method in Separate Financial Statements
The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 41, “Agriculture” – Agriculture: Bearer Plants
The amendments bring bearer plants, which are used solely to grow produce, into the scope of PAS 16 so that they are accounted for in the same way as property, plant and equipment. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any impact on the Company’s financial position or performance.

PFRS 10, “Consolidated Financial Statements”; PFRS 12, “Disclosure of Interest in Other Entities” and PAS 28, “Investment in Associates and Joint Ventures” – Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 11, “Joint Arrangements” – Accounting for Acquisitions of Interests in Joint Operations
The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 14, “Regulatory Deferral Accounts”
This Standard is intended to allow entities that are first-time adopters of PFRS, and that currently recognize regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to PFRS. The Standard is intended to be a short-term, interim solution while the longer term rate-regulated activities project is undertaken by the IASB. The IASB has stated that by publishing this Standard, they are not anticipating the outcome of the comprehensive rate-regulated activities project which is in its early stages. The Standard is effective for annual periods beginning on or after January 1, 2016. The Standard will not have any significant impact on the Company’s financial position or performance.

Annual Improvements to PFRS
The Annual Improvements to PFRS (2012 to 2014 cycle) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

PFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”
The amendment adds specific guidance in PFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The Company does not expect the amendments will have any significant impact on its financial position or performance.

PFRS 7, “Financial Instruments: Disclosures” (with consequential amendments to PFRS 1)
The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. The amendment also clarifies the applicability of the amendments to PFRS 7 on off-setting disclosures to condensed interim financial statements. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

PAS 19, “Employee Benefits”
The amendment clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level). The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 34, “Interim Financial Reporting”
The amendment clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.
Effective 2017

PFRS 15, “Revenue from Contracts with Customers”
PFRS 15 specifies how and when a PFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes PAS 18 'Revenue', PAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all PFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. This Standard is effective for financial statements for periods beginning on or after January 1, 2017. The Standard will not have any significant impact on the Company’s financial position or performance.

Effective 2018
PFRS 9, “Financial Instruments”
This version of PFRS 9 'Financial Instruments' brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace PAS 39 'Financial Instruments: Recognition and Measurement'. This version also adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The Standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018. The Company will assess the impact of this standard to its financial position and performance.

5. Summary of Significant Accounting Judgments and Estimates

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

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

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

Classification of leases
Judgment is exercise in determining whether substantially all the significant risk and rewards of ownership of the leased asset is transferred to the Company. Leases where the lessor transfer all the risk and rewards incidental to the ownership of the leased asset are taken up as finance leases. Leases where the lessor retains all the risk and rewards to assets are taken up as operating leases.

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

Estimating Allowance for probable losses on receivables
The Company estimates the allowance for probable losses related to its trade receivable based on assessment of specific accounts when the Company has information that certain customers are unable to meet their financial obligation. In these cases, management uses the best available facts and circumstances including but not limited to third party credit reports and known market factors.

No provision for probable losses on trade receivables is recognized during 2014.

Estimating Useful Lives of Property and Equipment
The Company reviews annually the estimated useful lives of property and equipment, based on the period on which the assets are expected to be available for use. It is possible that future results of operation could be materially affected by changes in these estimates. A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.

During the year, the Company assessed that fully depreciated items of transportation equipment have aggregate recoverable value amounting to P1 million when retired and/or sold to interested party. Accordingly, same amount was reversed from accumulated depreciation of property and equipment. The assessment was based on sales and listings of comparable items of the same type and condition.

The carrying value of property and equipment as at Sept. 30, 2015 and December 31, 2014 amounted to P124,827,303 and P136,684,686, respectively.

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

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

Retirement benefit cost recognized in the financial statements amounted to P123,227 in 2014.

Determining fair value of financial assets and liabilities
The Company measures fair value of its assets and liabilities in a manner disclosed in Note 6.

Impairment of financial assets
The company follows the guidance of PAS 39 on determining when the investment is other than temporarily impaired. This determination requires significant judgment. In making this

judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Impairment of non-financial asset

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

As at Sept. 30, 2015 and December 31, 2014, management believes that no provision for impairment losses is necessary.

Measurement of stock options

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

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

As at September 30, 2015, share options outstanding amounted to P8,921,814.

6. Fair Value Measurement

The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable price exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company recognizes the difference between the transaction price and the fair value in the statements of income unless it qualifies for recognition as some other type of asset.

The company measures fair value of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1

Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. An asset or liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The table below analyzes assets and liabilities measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized.

September 30, 2015	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	1,897,120	-	-	1,897,120
Trade receivables	24,538,741	-	-	24,538,741
Short term investments	-	8,917,700	-	8,917,700
Other current assets	-	2,641,394	-	2,641,394
Advances for projects	10,512,844	-	-	10,512,844
Property and equipment	-	124,827,303	-	124,827,303
Investment properties	-	45,287,800	-	45,287,800
Other non-current assets	7,811,636	-	-	7,811,636
Accounts payable and accrued expenses	-	(743,989)	-	(743,989)
Bank loans	(5,264,806)	-	-	(5,264,806)

December 31, 2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	4,148,114	-	-	4,148,114
Trade receivables	20,119,243	-	-	20,119,243
Short term investments	-	11,617,700	-	11,617,700
Other current assets	-	2,641,394	-	2,641,394
Advances for projects	14,812,844	-	-	14,812,844
Property and equipment	-	136,684,686	-	136,684,686
Investment properties	-	45,287,800	-	45,287,800
Other non-current assets	9,855,616	-	-	9,855,616
Accounts payable and accrued expenses	-	(1,083,172)	-	(1,083,172)
Interest-bearing liabilities	(6,264,806)	-	-	(6,264,806)

Fair values were determined as follows:

- *Cash and cash equivalents, short-term investments, receivables, prepayments and other financial liabilities* – the fair values are approximately the carrying amounts at initial recognition due to their short-term nature.
- *Property and equipment*– fair value was based on appraiser's report. It is estimated using Market Data Approach, which is based on sales and listings of comparable property registered within the vicinity that considered factors such as locations, size and shape of the properties.
- *Investment properties* – the valuation approach used in the independent appraiser's report was Sales Comparison Approach, which estimates the value of asset by comparing similar or substitute properties and related market data.

7. 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, 2015 and December 31, 2014.

	Gross Maximum Exposure	
	Sept-15	Dec-14
Cash and cash equivalents	1,897,120	4,148,114
Trade receivables	24,538,741	20,119,243
Advances for projects	10,512,844	14,812,844
Other non-current assets	7,811,636	9,855,616
	44,760,341	48,935,817

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

Trade receivables are accounts with CBCP World Corporation and Peachtree Investment Ltd. where appropriate trade relations have been established including billings and collections processes.

Advances for projects amounting to P10.5 million in September 30, 2015 and P14.8 million on December 2014 are secured by a pledge of shares of certain officer covering 10,756,429 shares of the Company's common shares with a fair value of P18,823,750 (*see Note 12*).

Other non-current assets are receivables from affiliated companies. These advances do not bear interest and have no fixed repayment period.

Credit quality of the Company's assets as at September 30, 2015 and December 31, 2014 s as follows:

	Sept 30, 2015				
	Neither past due nor impaired				
	High grade	Standard grade	Past due but not impaired	Past due and impaired	Total
Cash and cash equivalents	1,897,120	-	-	-	1,897,120
Trade receivables	-	4,697,459	18,841,282	6,955,358	31,494,099
Advances for projects	-	-	10,512,844	-	10,512,844
Other non-current assets	-	-	7,811,636	-	7,811,636
	1,897,120	4,687,459	38,165,762	6,955,358	51,715,699

	December 31, 2014				
	Neither past due nor impaired				
	High grade	Standard grade	Past due but not impaired	Past due and impaired	Total
Cash and cash equivalents	4,148,114	-	-	-	4,148,114
Trade receivables	-	4,536,651	15,582,592	6,955,358	27,074,601
Advances for projects	-	-	14,812,844	-	14,812,844
Other non-current assets	-	-	5,055,616	-	5,055,616
	4,148,114	4,536,651	35,461,052	6,955,358	51,091,175

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:

	Sept. 30, 2015			
	Trade	Advances for projects	Other non Current Assets	Total
61-90 days past due	6,746,036	-	-	6,746,036
0ver 90 days	13,095,246	10,512,844	7,811,636	31,419,728
	19,841,282	10,512,844	7,811,636	38,165,762

	31-Dec-14			
	Trade	Advances for projects	Other non Current Assets	Total
61-90 days past due	4,207,300	-	-	4,207,300
0ver 90 days	11,375,292	14,812,844	5,055,616	31,243,752
	15,582,592	14,812,844	5,055,616	35,451,052

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 at September 30, 2015 and December 31, 2014.

	September 30, 2015				
	<1 month	>1 month & <3 months	>3 months & < 1 year	>1 year & <3 years	Total
Accounts payable and accrued expenses	263,689	255,300	225,000		743,989
Interest-bearing liabilities				5,264,806	5,264,806
	263,689	255,300	225,000	5,264,806	6,008,795

	December 31, 2014				
	<1 month	>1 month & <3 months	>3 months & < 1 year	>1 year & <3 years	Total
Accounts payable and accrued expenses	414,274	243,898	425,000	-	1,083,172
Interest-bearing liabilities	-	-	-	5,264,806	5,264,806
	414,274	243,898	425,000	5,264,806	6,347,978

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:

	September 30, 2015		December 31, 2014	
	US Dollar	Peso	US Dollar	Peso
Cash and cash equivalents	$ 4,463	199,166	$ 1,818.00	81,109
Advances for projects	235,624	10,512,844	332,000	14,812,844
Bank loans	(118,000)	(5,264,806)	(118,000)	(5,264,806)
	$ 122,087	5,447,204	$ 215,818.00	9,629,147

The following table demonstrates the sensitivity to a reasonable change in the US$ exchange rate, with all other variables held constant, the Company's income before tax for the period ended March 31, 2015 and year ended December 31, 2014.

	Effect on Income Before Taxes	
Increase/decrease in Peso to US Dollar Rate	30 -Sept - 15	31-Dec-14
+P5.00	809,318	1,079,090
-P5.00	(809,318)	(1,079,090)

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 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:

	Sept 30, 2015		December 31, 2014	
	Principal	Interest rates	Principal	Interest rates
Foreign currency loans	5,264,806	1MLIBOR+2.5%	5,264,806	1MLIBOR+2.5%

The sensitivity analyses have been determined based on the exposure to interest rates for foreign currency loans that are subject to repricing. If interest rates had been 200 basis points higher/ lower and all other variables were held constant, the Company's profit before taxes would decrease/ increase by P105,296 in 2014 and P106,995 in 2013. This is mainly attributable to the Company's exposure to interest rates on its variable rate financial assets.

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, additional paid-in capital, revaluation increment and retained earnings.

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

	September 30, 2015	December 31, 2014
Equity	299,293,406	299,725,532
Total assets	340,858,505	361,616,952
Ratio	0.876	0.829

8. Cash and cash equivalents

As at September 30, 2015 and December 31, 2014, cash and cash equivalents represent cash on hand and cash in banks of P1,897,120 and P4,148,114, respectively.

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

9. Trade receivables

The composition of this account is as follows:

	Sept. 30, 2015	December 31, 2014
Trade	P31,494,099	P27,074,601
Less: Allowance for doubtful accounts	6,955,358	6,955,358
	P24,538,741	P20,119,243

As of Sept. 30, 2015 and Dec. 31, 2014, management believes that amounts are fully collectible and no provision for doubtful accounts is necessary.

10. Short-term investments

Short-term investments are foreign currency deposits earmarked for the acquisition of capital equipment to augment the Company's expansion plans.

These investments with carrying value of P8,917,700 as of Sept. 30, 2015 and P11,617,700 as of December 31, 2014 earn interest ranging from 5% to 5.5% annually.

11. Other current assets

Other current assets consist of spare parts inventory of communication supplies and materials that are normally provided to customers in the delivery of services. Spare parts inventory amounting to P2.641 million are carried at cost which approximately its net realizable value.

12. Advances for projects

The funds amounting to P10.512 million as of September 30, 2015 and P14.812 million as of December 31, 2014 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.

13. Investment in an Associate

Details of this account are as follows:

	Sept. 30, 2015	December 31,2014
ATN Phil's. Solar Energy Inc:		
Beginning of the year	P112,500,000	P30,000,000
Addition during the year	-	82,500,000
	112,500,000	112,500,000
Equity in net losses		
Beginning of the year	2,336,424	-
Addition during the year	725105	2,336,424
	3,061,528	2,336,424
	P109,438,472	P110,163,576

14. 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:

	Sept. 30, 2015	December 31, 2014
Balance, January 1	P5,542,405	P6,142,405
Amortization	450,000	600,000
	P5,092,405	P5,542,405

15. Other non-current assets

This account consists of:

	Sept. 30, 2015	December 31, 2014
Advances to:		
ATN Holdings	P1,062,074	P1,062,074
Managed Care Phils. Inc.	201,646	-
Palladian Land Dev. Inc.	1,139,965	3,538,0137
Security deposit	455,505	455,505
Other assets	5,407,951	4,800,000
	P7,811,636	P9,855,616

Advances to PLDI and ATN Holdings generally consist of cash advances. The company, PLDI and ATN are all affiliated companies. The aforementioned receivables are not subject to interest and have no fixed repayment period.

Other asset represents communication device (Rohn Tower) received by the Company from a client in settlement for its outstanding receivable.

16. Property and equipment - net

The movements within this account as of Sept. 30, 2015 are shown below:

	Building and Improvements	Uplink/Data Equipment	Transportation Equipment	Furniture And Fixtures	Leasehold Improvements	Total
Gross carrying amount:						
Balance, January 1	23,893,402	P252,459,042	P14,675,284	P5,180,726	P19,145,709	P315,354,163
Additions						
Transfers/Sold						
Balance	23,893,402	252,459,042	14,675,284	5,180,726	19,145,709	315,354,163
Accumulated dep'n:						
Balance, January 1	17,114,739	139,197,994	10,658,924	1,997,710	9,700,110	178,669,477
Provisions	802,253	9,381,812	839,381	159,802	674,135	11,857,363
Balance	17,916,992	148,579,906	11,498,305	2,157,512	10,374,245	190,526,860
Net Book Value	P5,976,410	P103,879,236	P3,176,979	P3,023,214	P8,771,465	P124,827,303

The movements within this account as of December 31, 2014 are shown below:

	Building and Improvements	Uplink/Data Equipment	Transportation Equipment	Furniture And Fixtures	Leasehold Improvements	Total
Gross carrying amount:						
Balance, January 1	P23,893,402	P251,599,388	P14,675,284	P5,180,726	P19,145,709	P314,494,509
Reclassification from						
Spare parts inventory		859,654				859,654
Additions						
Balance	23,893,402	252,459,042	14,675,284	5,180,726	19,145,709	315,354,163
Accumulated dep'n:						
Balance, January 1	16,045,068	126,688,911	10,539,753	1,784,641	8,801,264	147,905,993
Provisions	1,069,672	12,509,086	119,171	213,069	898,846	15,953,644
Balance	17,114,736	139,197,994	10,658,924	1,997,710	9,700,110	178,669,477
Net Book Value	P6,778,663	P113,261,048	P4,016,360	P3,183,016	P9,445,599	P136,684,686

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.

17. Investment properties

As of Sept. 30, 2015 and December 31, 2014, the breakdown of the Company's investment properties is shown below:

9F Condominium at Summit	P38,368,800
Land and Improvements in Cavite	6,919,000
	P45,287,800

The fair market value of the condominium units is based on the appraisal made by a firm of independent appraisers on March 4, 2014.

The fair market value of the land and improvement is based on the latest available appraisal made by a firm of independent appraisers on January 23, 2003. The assigned value was estimated using the Market Data Approach, which is based on sales and listing of comparable property registered within the vicinity that considered factors such as location, size and shape of the properties.

Portion of the condominium unit is rented out without incurring additional expense on the part of the Company. Rent income earned on investment properties amounted to P1,846,702 in Sept. 2015, and P1,482,763 in Sept. 2014.

18. Accounts payable and accrued expenses

This account consists of:

	Sept. 30, 2015	December 31, 2014
Trade payables	P10,615	P243,897
Accruals	225,874	414,275
Security deposit	507,500	425,000
	P743,989	P1,083,172

Trade payables which include transponder lease and internet services are settled on a 1-3 months term. Accrued expenses are settled on a 30-day term. Other liabilities include statutory liabilities payable in subsequent month.

Deposits are amounts paid by clients as guarantee to agreements entered into by the Company. The amount is expected to be settled upon the termination of the contract.

19. Bank loans

This account consist of foreign currency loan with principal amount of P5,264,806 as of Sept. 30, 2015 and December 41, 2014.

Foreign currency loans
Foreign currency loans were obtained from China Banking Corporation. The original principal amounting to $118,000 matured in 2013 and was renewed for another 3 years which is payable in full in 2016. Annual interest rate is 1M LIBOR + 2.5% and is payable monthly in arrears. The loan is secured by real estate mortgages executed by related parties, namely, Palladian Land Development, Inc. and ATN Holdings, Inc.

The proceeds of the loans were used for working capital requirements. Interest expense paid as of Sept. 30, 2015 and June 30, 2014 is P75,712 and P79,763 respectively.

20. Retirement benefits

The movement in Liability for Retirement benefits is as follows:

	September 30, 2015	December 31, 2014
Balance, January 1	P1,225,341	P1,102,114
Expense recognized	-	123,227
	P1,225,341	P1,225,341

Management believes that retirement benefits computed under RA 7641 does not materially differ from that of PAS 19.

21. Equity

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

	Shares	Amount
Authorized - P1 par value per share	380,000,000	380,000,000
Issued and Outstanding	222,019,330	222,019,330
Shares held in treasury	437,800	437,800

22. Direct costs

This account consists of:

	Sept 30, 2015	Sept. 30, 2014
Depreciation	P 11,857,383	P11,965,236
Transponder lease	8,439,991	8,006,161
Rental expense	1,923,283	1,684,535
Salaries, wages and other benefits	1,280,266	1,259,293
Utilities and communication	615,445	603,439
Amortization of franchise fee	450,000	450,000
Transportation and travel	326,466	423,016
Security services	289,122	259,071
Insurance	76,244	188,937
Taxes and licenses	810,466	793,421
Office supplies	148,512	73,231
	P 26,217,178	P 25,706,340

23. Other Revenues

The composition of this account is as follows:

	Sept. 30, 2015	Sept. 30, 2014
Rent Income	P1,843,522	P1,4802,902
Interest Income	3,180	1,861
	P1,846,702	P1,82,763

24. Administrative expenses

This account consists of:

	Sept. 30, 2015	Sept. 30, 2014
Permits, taxes and licenses	P340,677	P 362,736
Legal and professional fees	90,000	90,000
Miscellaneous	58,746	-
	P489,455	P 452,736

25. Related party transactions

The following are transactions with related parties as of Sept. 30, 2015.

Category	Amount	Outstanding Balance	Terms	Conditions
(Associate				
(i)ATN Philippines Solar Energy Group Inc.			Not subject to any payment term	Not delinquent
Subscription Payable	19,000,000	(35,250,000)		
Other Related parties				
(ii) Palladian land Dev. Inc.			Non - interest bearing payable	Not delinquent
Rent Income	1,105,653	287,992		
(iii)Expenses	444,572			
Collection/Advances from	(4,800,000)			
ATN Holdings, Inc.		1,062,074	Non - interest bearing receivable	Unsecured, no impairment
Managed Care Phils., Inc.	115,226	115,226	Non - interest bearing receivable	Unsecured, no impairment
(iv)HRH Prince Abdul Aziz Bin Talal	(4,300,000)	10,512,844	Based on project allocation	To be expended only based on project allocation

Details of these transactions are as follows:

(i) As discussed in Note 13, the Company subscribed to the increase in authorized capital of ATN Solar amounting P112.5 million. An additional cash payment of P19 million was paid on February, 2015. The balance of P35.25 million was presented in the Statement of Financial Position as Subscription payable.

(ii) The Company is a beneficial owner of certain condominium units classified in the Statement of Financial Position as Investment properties. Title to the properties has not been released to the Company as it intends to sell the properties using the marketing expertise of PLDI. In 2014 and 2013, these properties are leased out to third parties thru PLDI. Proceeds of the rent were remitted to the Company.

(iii) Certain cost expenses were advanced by a related party.

(iv) As discussed in Note 12, funds were released to HRH to cover various projects. In 2015 the amount of P4.3 million was repaid back to the Company and $35,000 in 2014 following the re-alignment of different projects.

26. 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 as follows:

	Sept. 30, 2015	Sept. 30, 2014
Profit (loss) for the period	P(488,741)	P(769,990)
Weighted average number of shares Outstanding during the year	222,019,330	222,019,330
	(0.0022)	(0.003)

Management Discussion and Analysis of Operation

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

	Sept. 30, 2015	Sept. 30, 2014
Profit (Loss) for the period	(P488,741)	(P769,990)
Number of Outstanding Shares	222,019,330	222,019,330
Earnings per Share	(0.0022)	(P0.0035)

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

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

Disclosure on material events and uncertainties

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

Vertical and Horizontal Analysis

Total corporate assets almost remain the same from Php361.317 million in December 31, 2014 compared to Php341 million as of Sept. 30, 2015. The net decrease of Php20.7 million (-6%) in total assets arose from the following items:

1. Decrease in cash by Php2.2 million (-54%).
2. Increase in trade receivables by Php4.4 million (22%) due to slower in collection.
3. Decrease in short-term investment by Php2.7 million (-23%) due to maturity of investment.
4. Decrease in advances for projects by Php4.3 million (-29%) due to pay-back and re-alignment of projects.
5. Decrease in other non-current assets by Php2.97 million (-30%) due to collection of advances to affiliates.

Total liabilities decreased by Php19.4 million (-31%) from Php61.891 million in December 2014 to Php42.4 million in Sept. 30, 2015. The net decrease in liabilities resulted from the following significant items:

1. Decrease in accounts payable and accrued expenses by Php339 thousand (-31%) due to payment.
2. Decrease in subscription payable by Php19 million (-35%) due to payment made.

Stockholders' equity remains the same as of September 30, 2015 and December 31, 2014.

Total revenue increased by Php0.807 million (3%) from Php24.512 million as of Sept. 30, 2014 to Php25.320 million as of Sept. 30, 2015.

Direct costs almost remain the same from Php25.706 million in the 3rd quarter ending Sept, 2014 to Php26 million (2%) in the 3rd quarter ending Sept. 30, 2015. The net decrease arose from the following accounts:

1. Transponder lease increase by Php433 thousand (5%) from Php8,006,161 million to Php8,440 million due to foreign rate adjustment.
2. Rent expense increased by Php238 thousand (14%) from Php01.684 million to Php1.923 million due to increase in monthly rent.
3. Utilities and communication increased by Php12 thousand (2%) from Php603 thousand to Php615 thousand.
4. Transportation and travel decreased by Php96 thousand (-23%) from Php423 thousand to Php326 thousand.
5. Security services increased by Php30 thousand (12%) from Php259 thousand to Php289 thousand due to increase in contract price.
6. Insurance decreased by Php112 thousand (-60%) from Php188 thousand to Php76 thousand.
7. Office supplies increased by Php75 thousand (103%) from Php73 thousand to Php148 thousand due to bulk purchases.

Administrative expenses increased from Php452 thousand for the 3rd quarter ending Sept 30, 2014, to Php489 thousand (8%) in the 3rd quarter ending Sept. 30, 2015. The net increase arose from the following accounts:

1 Decrease in permits, taxes and licenses by Php22 thousand (-6%) from Php362 thousand to Php340 thousand.
2 Increase in miscellaneous expenses toPhp58.7 thousand.

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:

	Sept. 30, 2015	Sept. 30, 2014
Current Ratio	51	33
Debt-to-Equity Ratio	0.142	0.206
Asset-to-Equity Ratio	1.142	1.206
Interest Rate Coverage Ratio	3.8	-1.4
Gross Profit Margin	3.5%	1.11%
EBITDA	P11,472,898	P11,277,500
Net Income to Sales Ratio	-1.93%	-3.14%
Earnings per share	(0.0022)	(0.0035)

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
Nov. 12, 2015

CELINIA FAELMOCA
Principal Accounting Officer
Nov. 12, 2015