COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	2	1	8	1	7

COMPANY NAME

PT&T Corp. (Doing business under the name and style: PT&T) (formerly Philippine Telegraph & Telephone Corporation)

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/ Province)*

6th Floor SCC Bldg. 106 Carlos Palanca St., Legaspi Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@ptt.com.ph	(02) 8815-996	0917 893 8601

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
3,638	Last Friday of June	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Kenneth Maceren	kjmaceren@ptt.com.ph	(02) 8815-996	0917 893 8601

CONTACT PERSON'S ADDRESS

6th Floor SCC Bldg. 106 Carlos Palanca St., Legaspi Village, Makati City

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

SEC Number 21817
FILE Number ____

PT&T CORP.
Formerly Philippine Telegraph and Telephone Corporation

(Company's Full Name)

Spirit of Communications Centre,
106 C. Palanca Jr. St., Legaspi Village, Makati City

(Company's Address)

(632) 8815-9961

(Telephone Number)

December 31

(Calendar Year Ending)
(month & day)

Form 17-A

Form Type

____

Amended Designation (if applicable)

December 31, 2023

Period Ended Date

____

(Secondary License Type and File No.)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended **December 31, 2023**

2. SEC Identification Number **21817**

3. BIR Tax Identification No. **000-530-631**

4. **PT&T CORP.**
Exact name of issuer as specified in its charter:

5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **Spirit of Communication Centre Building, 106 Carlos Palanca Jr. St., Legaspi Village, Makati City**
Address of principal office
1229
Postal Code

8. **(632) 8815-9961 to 65**
Issuer's telephone number, including area code

9. **Philippine Telegraph and Telephone Corporation**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of each class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock	PhP1.00 par value 1,500,000,000 shares

11. Are any or all of these securities listed on a Philippine Stock Exchange?
Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange (PSE) – Common Stock

12. Indicate by check mark whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and the SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 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 that the registrant was required to file such reports):

Yes [x] No [ ]

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

Yes [x] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Not Applicable (PSE trading of PT&T common stock has been voluntarily suspended since December 13, 2004)

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [x] No [ ]

PT&T CORP.

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview

PT&T Corp. (Doing business under the name and style: PT&T) (the Company) was incorporated on November 14, 1962, under the laws of the Philippine as a diversified telecommunications entity catering to the corporate, small and medium business and residential segments. The Company is also a grantee of a franchise and holds various licenses to establish, install, maintain, operate and lease telecommunications systems, lines and circuits, wire or services, throughout the Philippines and other countries.

On November 3, 2023, the Securities and Exchange Commission (SEC) approved the following amendments to the Company's Articles of Incorporation:

a. change of corporate name from Philippine Telegraph and Telephone Corporation to PT&T Corp. (Doing business under the name and style: PT&T);
b. include the sale and distribution of information technology products, software, and services, and to provide shared services to subsidiaries, affiliates, and other companies in the Company's primary purpose; and
c. increase of the authorized capital stock from ₱3,800.0 million to ₱12,600.0 million in line with the Company's Corporate Rehabilitation Plan (Rehab Plan) (see Note 14).

The Company's registered office address is at the 6th Floor SCC Bldg. 106, Carlos Palanca St., Legaspi Village, Makati City and is domiciled in the Philippines.

<u>Legislative Franchise and Other Licenses</u>

Legislative Franchise
On June 20, 1964, the Company was granted a 25-year national legislative franchise under Republic Act (RA) No. 4161, as amended by RA Nos. 5048 and 6970, allowing the Company to establish, install, maintain and operate wire and/or wireless telecommunications systems, lines, circuits and stations throughout the Philippines for public domestic and international communications, and to provide domestic record communications services which consisted of telex, telegraph, and private leased circuits. On July 21, 2016, the Company was granted an extension of its franchise for another 25 years under RA No. 10894, *An Act Extending to Another Twenty-Five (25) Years the Franchise Granted to the Philippine Telegraph & Telephone Corporation (PT&T) to Establish, Install, Maintain and Operate Wire and/or Wireless Telecommunications Systems, Lines. Circuits and Stations Throughout the Philippines for Public Domestic and International Communications under RA No. 4161, as Amended.*

On August 25, 2017, Republic Telecommunications Holdings, Inc. (RETELCOM) and Menlo Capital Corporation (MENLO) entered into a Sale and Transfer Agreement wherein RETELCOM agreed to sell and transfer 560,000,000 common shares, representing 37.33% ownership interest of the Company in favor of MENLO. On February 20, 2018, the Subcommittee on Oversight (Legislative Franchise) (the "Subcommittee") of the House of Representatives conducted a public hearing on the alleged sale of the Company's ownership interest to MENLO without Congressional approval. Pursuant to Section 14 of RA No. 10894, a franchise grantee shall not sell its controlling interest without the prior approval of the Congress of the Philippines.

The Company submitted a Position Paper on March 7, 2018 followed by a Supplemental Position Paper on March 21, 2018 to clarify all concerns on the compliance by the Company of the provisions of its franchise. As at the date of the approval of these financial statements, the Company has yet to receive any response or resolution from the Subcommittee on Oversight (Legislative Franchise). Considering the facts and the applicable laws involved in this inquiry, the management, in consultation with its legal counsel, has assessed that this matter does not and will not have an impact on the Company's operations.

Licenses with National Telecommunications Commission (NTC)
The Company has various Certificates of Public Convenience and Necessities (CPCNs) granted by the NTC which enable the Company to (a) provide data communications (Datacom) services, (b) implement its expansion and improvement programs covering among others the installation, operation, and maintenance of an integrated digital network in the National Capital Region (NCR), and (c) install, operate and maintain a national packet data network with the accompanying authority to charge rates for said services.

Aside from the NTC-authorized Datacom services, the Company was granted a CPCN that enables the Company to participate in the government's liberalization of telecommunications industry as mandated under Executive Order (EO) No. 109. While beforehand the Company was already operating as inter-exchange carrier pursuant to the NTC Case No. 90-129 which enabled the Company to provide inter-exchange trunk facilities to connect with local exchange carriers (LEC) and public calling offices for long distance toll service, the said EO 109 thereafter enabled the Company to become a LEC operator authorized under NTC Case No. 94-022. As a LEC operator, the Company was granted Region IV-A comprising of the provinces of Aurora, Laguna, Marinduque, Quezon, Rizal, and Romblon for LEC services. The Company, along with its related party, Capitol Wireless, Inc. (CWI), has been granted the CPCN to establish, operate and maintain international gateway facilities to/from foreign countries as authorized under NTC Case Nos. 93-144 and 94-022.

The Company also has ongoing applications with the NTC to upgrade its existing CPCNs for additional service areas to complement the Company's plan of nationwide network rollout. As at the date of the approval of these financial statements, these applications are pending with the NTC.

The Company is also registered as a value-added service (VAS) provider with the NTC which allows the Company to offer internet access service; virtual private network, electronic mail service, messaging services, web hosting, electronic commerce, firewall service, e-learning, business application, network security, business resiliency, and data and analytics. The Company's VAS license is valid until September 5, 2026.

Status of the Shares Listing in the Philippine Stock Exchange (PSE)

On January 10, 1990, the Company listed its common shares in the PSE. On December 10, 2004, the Company requested the voluntary suspension of the trading of its shares which was approved by the PSE on December 13, 2004. The Company, however, continues to comply with the reportorial requirements of the SEC, the PSE, and the Bureau of Internal Revenue (BIR).

In 2017, the Company requested for the lifting of the voluntary suspension of the trading of its shares with the PSE. Accordingly, the Company submitted an Amended Registration Statement and other required reports to the Markets and Securities Regulation Department (MSRD) of the SEC.

After the Company's full compliance with the SEC requirements, the Company Registration and Monitoring Department issued a certification relating to the Company's good standing with the SEC on April 29, 2021. Subsequently, the MSRD issued an Order dated August 4, 2021, lifting the suspension of the Company's Registration Statement.

The Company continues to update the PSE on its implementation of the court-approved rehabilitation plan (the "Rehab Plan") as it evaluates the request for the lifting of the voluntary suspension of the trading of its shares. As at the date of the approval of these financial statements, the result of the said evaluation is still pending with the PSE.

Status of Corporate Rehabilitation

On August 20, 2009, the Company, RETELCOM, Philippine Wireless, Inc. (PWI), Capitol Wireless, Inc. (CWI), and Wavenet Philippines, Inc. (WPI) collectively referred to as the "RETELCOM Group" jointly filed a petition for Corporate Rehabilitation (Corp Rehab) and Suspension of Payments pursuant to the *Rules of Procedure on Corporate Rehabilitation* (A.M. No. 00-8-10-SC). On August 24, 2009, the rehabilitation court (Rehab Court) issued an order staying enforcement of all claims, whether for money or otherwise against the RETELCOM Group (Stay Order) and appointing a rehabilitation receiver (Rehab Receiver).

On April 1, 2011, the Rehab Court approved the RETELCOM Group's Rehab Plan which was immediately executory. However, during the same year, certain creditors whose claims constitute a minority of the Company's total liabilities filed before the Court of Appeals (CA) a petition assailing the Rehab Court's approval of the Rehab Plan. On May 19, 2017, the CA rendered a decision reversing the Rehab Court's approval of the Company's Rehab Plan. On December 4, 2017, the RETELCOM Group filed a Petition for Review before the Supreme Court (SC) assailing the decision of the CA. The result of the said review, however, is still pending with the SC at the date of these financial statements.

On July 27, 2018, the Company requested the Rehab Court that it be allowed to exit from rehabilitation subject to certain requirements which was approved by the Rehab Court on August 6, 2018. These requirements include, among others, the increase of the authorized capital stock which will allow the Company to settle its liabilities through debt-to-equity conversion as mandated by the approved Rehab Plan.

On November 3, 2023, the SEC approved the Company's increase in authorized capital stock to accommodate the debt-to-equity conversion of deposits for future stock subscriptions amounting to ₱8,709.6 million in accordance with the Rehab Plan and partially settled its statutory obligations, salaries, wages and other employee benefits out of its escrow accounts as at December 31, 2023.

Under the Rehab Plan, however, the Company still has to request for a temporary exemptive relief from the SEC under the Securities Regulation Code (SRC) Rule 72.2, and the PSE to lift the suspension of the trading of the Company's common shares, without any sanctions or penalties, and for the Company to comply with all the applicable rules and regulations of the SEC and PSE so that the trading of all the authorized shares of the Company shall not In any way be suspended or restricted except as provided by law. Moreover, the Company has to enroll and list all its authorized redeemable shares as freely "tradable" shares with PSE.

In the meantime, any sale or disposition of the petitioner's properties, whether real or personal, is subject to the Rehab Court's evaluation and approval, and all unpaid obligations to claimants covered by the Rehab Plan are subject to legal interest of 6% from the approval of the Rehab Plan until full payment.

Status of Operations

The Company has incurred a deficit of ₱11,665.0 million as at December 31, 2023 (and ₱11,672.9 million as at December 31, 2022) and is still under Corp Rehab. These factors indicate a material uncertainty which may cast doubt on the Company's ability to continue as a going concern.

In 2023, the SEC approved the Company's increase in capital stock and debt-to-equity conversions of liabilities into capital stock aggregating ₱9,426.3 million which resulted to a positive equity of ₱37.3 million as at December 31, 2023. The Company also partially paid its statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2023.

To further improve its financial position, sustain operations, and exit from the Corp Rehab status, the Company is expanding its digital infrastructure network and diversifying its service offerings through a combination of own build and strategic partnerships.

In June 2023, pursuant to an agreement with a foreign company, the Company offers Starlink services which includes, the Starlink kit, enterprise solutions for fixed broadband services, mobile application, maritime and data volume-based services. On December 28, 2023, with the Board of Directors (BOD) approval, the Company is exploring a potential joint venture with the same foreign supplier to expand and solidify the market base for Starlink services in the Philippines.

To expand its fiber footprint, achieve incremental connectivity targets and reduce maintenance costs, the Company also completed notable infrastructure projects in 2023 such as, node and building ports utilization, fiber upgrade, and pole attachments and access cable rehabilitation. Additions to property and equipment amounted to ₱23.6 million in 2023.

In December 2023, the BOD approved the Company's plan to upgrade its existing CPCNs and apply for additional service areas with the NTC to support the Company's expected nationwide network roll-out. The Company engaged the services of one of the world's largest financial advisory group to raise the necessary funds for the network expansion and roll-out.

Item 2. Properties

A. Description of Property

The principal properties of the Company which consists of land, buildings, other land improvements, telecommunication equipment, machinery and equipment, and office equipment are located at the main office of the Company which is situated at 106 C. Palanca Jr. St., Legaspi Village, Makati City.

The Company's real properties as of December 31, 2023 are as follows:

	Property Location	Address	Lot Area
1	SCC Bldg. Carlos Palanca, Makati	106 SCC Bldg., C. Palanca Street, Legaspi Village, Makati City	858 sqm lot with 7-storey bldng
2	Cavinti, Laguna	Caliraya	3,725 sqm
3	Tuba, Benguet	Mountain of Sto Tomas, Tuba, Benguet	2,000 sqm
4	Sta. Cruz, Laguna	Lot 1568 - A Bagumbayan, Sta. Cruz, Laguna	1,839 sqm
5	Calauan, Laguna	Kaunlaran Road, Calauan, Laguna	972 sqm
6	Carmen, North Cotabato	North Cotabato	949 sqm
7	San Pablo City Laguna	National Highway, Brgy. San Roque, San Pablo, Laguna	944 sqm
8	Mabalacat, Pampanga	Lot #018 McArthur Highway, Brgy. Camachile Mabalacat Pampanga	665 sqm
9	Paete, Laguna	J.P Rizal Street, Brgy. Macumbo, Paete, Laguna	479 sqm
10	Tacloban City, Anibong Dist	Lot 1713, Barrio of San Jose, City of Tacloban, Leyte	400 sqm

B. Mortgage, lien or encumbrance.

The Company's property, plant and equipment are pooled under a mortgage trust indenture (the MTI) which is managed by the MTI Trustee, Export Industry Bank – Trust as successor of Philippine National Bank – Trust Group. Mortgage participation certificates are given by the MTI Trustee to secured creditors principally as security for their long-term loans to the Company, representing their respective pro-rata interest over the collateral pool.

However, pursuant to the Rehab Order, the obligations to the secured creditors have been settled already by way of their conversion to 12-year Series "A" redeemable preferred shares. Consequently, it is the Company's contention that there are no more MTI liens and encumbrances over the Company's property, plant and equipment.

The Rehab Court, per its Order dated August 2, 2018, clarified that the 12-year payment plan under the Serial Redeemable Preferred Shares shall be counted from the issuance of the corresponding 12-year redeemable preferred stock certificates to the Claimants concerned. Likewise in the same Order, the Rehab Court granted the Company's Motion for Leave to Sell and/or Dispose Certain Assets dated October 12, 2015, and that all records of the PT&T-Mortgage Trust dated December 1991 including the owner's duplicate original of the Transfer Certificate of Title (TCT) and the chattel and other related documents under the custody of the MTI Trustee be transferred and released to the custody of the Rehab Receiver.

C. Lease Agreements

The company has entered into various lease agreements on office space, cell sites telecommunications equipment locations and car rentals. The operating lease agreements age for periods ranging from 1 to 5 years from the date of contracts.

The Company's investment properties consist of land and improvements in various locations in NCR and Region 4. Some of the land with improvements, which are not being used by the Company for its operations, are rented out in the ordinary course of business for a fee to third parties for one (1) to five (5) years lease term and are renewable subject to mutual consent of both parties, while others are held for capital appreciation.

Item 3. Legal Proceedings

The Company is a respondent in several labor cases. Majority of these labor cases stemmed from the financial difficulties experienced by the Company which led to the filing of a Petition for Rehabilitation in 2009. As a consequence of the Stay Order issued by the Rehabilitation Court, proceedings in all these labor cases were suspended. In compliance with the Rehabilitation Plan, the Company is currently undertaking the settlement of these labor cases. The possible liability of the Company arising from the labor disputes is indicated in Note 3 of the Company's Audited Financial Statements.

The Company is likewise a party in several collection cases. These collection cases were due to non-payment of obligations as a direct consequence of the financial difficulties experienced by the Company. This difficulty ultimately led to the filing by the Company of a Petition for Rehabilitation in 2009. The proceedings in these cases were likewise suspended pursuant to the Stay Order issued by the Rehabilitation Court. The amount involved in these cases are part of or are included in the obligations mentioned in the Audited Financial Statements which are to be settled through debt-to-equity conversion and the issuance of Series "A", "B" and "C" Serial Redeemable Preferred Stocks. Conducting a debt-to-equity conversion was mandated under the Company's Rehabilitation Plan which was approved by the Rehabilitation Court in an Order dated 01 April 2011.

The Company also filed before the Court of Appeals a petition against the NTC assailing the amount of the Supervision and Regulatory Fee ("SRF") the NTC is collecting from the Company. The Court of Appeals partially granted the petition of the Company but remanded the case to the NTC for the re-computation of the SRF. The Company filed a Motion for Partial Reconsideration while the NTC filed its own Motion for Reconsideration. The Company's Motion for Partial Reconsideration and the NTC's Motion for Reconsideration were denied by the Court of Appeals in a Resolution dated August 20, 2020.

On October 20, 2020, the company filed a Petition for Review with the Supreme Court to assail the Decision and Resolution of the Court of Appeals. The NTC likewise filed its own Petition for Review with the Supreme Court.

As of the date of this report, the said petitions are still pending with the Supreme Court.

The Company likewise filed a petition with the Supreme Court against the NTC and several entities questioning the selection process and the award of the New Major Player in the Philippine Telecommunications Market. The parties have already filed their respective pleadings and are awaiting further directive from the Supreme Court.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the annual meeting of stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

A. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

1. Market Information

Out of the current 1,500,000,000 common stocks of the company, 800,000,000 thereof are listed with the PSE. However, the trading of the listed stocks is currently suspended as a result of the Company's request for voluntary suspension of trading last December 10, 2004. The request of the Company to suspend the trading of its stocks was approved by the PSE last December 13, 2004.

The Company has also issued a total of 8,781,248,451 non-voting preferred stocks.

2. Holders

Common Stocks

The number of voting and common shareholders of record as of December 31, 2023, is 3,641.

The top 20 voting and common shareholders as of same date and presented also in the Company's General Information Sheet are the following:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Menlo Capital Corporation	Filipino	560,000,000	37.33%
2. Telectronic Systems, Inc.	Filipino	300,000,246	20.00%
3. Republic Telecommunications Holdings, Inc.	Filipino	278,873,526	18.59%
4. PCD Nominee Corporation	Filipino	149,267,825	9.99%
5. Timco Holdings, Inc.	Filipino	121,126,474	8.08%
6. PCD Nominee Corporation	Non-Filipino	7,370,664	0.50%
7. Lim, Ernesto B.	Filipino	2,500,000	0.17%
8. Pioneer Insurance and Surety Corporation	Filipino	2,148,000	0.14%
9. Tan, Felix L.	Filipino	1,808,500	0.12%
10. Ang, Teresa W.	Filipino	1,448,000	0.10%
11. Knights of Columbus Fraternal Association of the Philippines	Filipino	986,664	0.07%
12. G&L Sec. Co., Inc.	Filipino	923,667	0.06%
13. David Go Securities Corporation	Filipino	855,830	0.06%
14. Yan, Lucio W.	Filipino	850,000	0.06%
15. Pioneer Intercontinental Insurance Corp.	Filipino	850,000	0.06%
16. Santiago, Severina M.	Filipino	818,260	0.06%
17. Caedo, Jose Jr. P.	Filipino	811,963	0.05%
18. Camarines Minerals Inc.	Filipino	800,000	0.05%
19. Lopez-Santiago, Eleanor M.	Filipino	729,926	0.05%
20. Santiago, Virginia M.	Filipino	729,926	0.05%

Preferred Stocks

The number of shareholders of Serial Cumulative Convertible Redeemable Stock (Preferred 1) as of December 31, 2023 are as follows:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Menlo Capital Corporation	Filipino	37,139,068	51.81%
2. Republic Telecommunications Holdings, Inc.	Filipino	13,000,000	18.14%
3. Telectronic Systems, Inc.	Filipino	7,282,012	10.16%
4. Jose Luis Santiago	Filipino	5,574,183	7.78%
5. Timco Holdings, Inc.	Filipino	5,482,642	7.65%
6. El Jovir Redecor	Filipino	2,019,828	2.82%
7. Claudette Santiago	Filipino	806,719	1.13%
8. Consultronix Systems, Inc.	Filipino	256,911	0.36%

9. Claudio Holdings Corp.	Filipino	53,000	0.07%
10. Ideal Coco	Filipino	42,043	0.06%
11. Tesco Services, Inc.	Filipino	19,952	0.07%

The Top 20 shareholders of Series "A" Serial Redeemable Preferred Stock (Series A) as of December 31, 2023 are as follows:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Menlo Capital Corporation	Filipino	2,225,427,809	33.09%
2. Bank Leumi Le-Israel B.M. (Assignee of ECI ELECOM Ltd)	Non-Filipino	1,337,473,884	19.88%
3. Ssangyong Singapore Pte., Ltd. (Ssangyon Corp.)	Non-Filipino	441,565,160	6.56%
4. Tranche 1(SPV-AMC), Inc. (Philippine National Bank)	Filipino	306,561,982	4.56%
5. Frank Huang	Non-Filipino	288,000,000	4.28%
6. Onshore Strategic Assets(SPV-AMC)(UOB Formerly Westnut Bank)	Filipino	271,377,500	4.03%
7. Asset Pool A(Spv-Amc) Inc. (Ucpb)	Filipino	225,486,923	3.35%
8. JP Morgan Chase (Formerly Chemical Bank)	Non-Filipino	170,994,250	2.54%
9. Kookmin Bank (Formerly Korea Long Term Bank)	Non-Filipino	170,994,250	2.54%
10. Lehman Brothers Asean Opportunity Limited(Assignee Of First Commercial Bank)	Non-Filipino	170,994,250	2.54%
11. Woori Bank	Non-Filipino	170,994,250	2.54%
12. Asia Recovery Corp. And Camaron Granville 2 Asset Mgt., Inc.	Filipino	157,428,569	2.34%
13. Philippine Investment One (SPV-AMC) Inc. C/O CSAP, Inc.	Filipino	147,172,414	2.19%
14. International Exchange Bank	Filipino	146,566,500	2.18%
15. Steven Chiu	Non-Filipino	100,000,000	1.49%
16. Celia Chao	Non-Filipino	73,040,000	1.09%
17. Landbank	Filipino	68,965,517	1.03%
18. STAR (SPV-AMC) PHILIPPINE, INC (PDB Merged With PDB Leasing Corp)	Filipino	49,758,621	0.74%
19. Philippine Investment One (SPV-AMC), Inc. (Equitable Pcibank)	Filipino	40,201,147	0.60%
20. Government Service Insurance System	Filipino	40,000,000	0.59%

The Top 20 shareholders of Series "B" Serial Redeemable Preferred Stock (Series B) as of December 31, 2023 are as follows:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Tranche 1 (SPV-AMC) Inc. (Philippine National Bank)	Filipino	475,213,881	26.93%
2. Asset Pool A (SPV-AMC) Inc.	Filipino	325,218,151	18.43%
3. Tomen Corporation (Assigned to Deutsche Bank AG, London)	Filipino	126,945,299	7.19%
4. Asia Recovery Corp. and Cameron Granville 2 Asset Mgt., Inc.	Filipino	125,820,438	7.13%
5. Land Bank of the Philippines	Filipino	68,103,448	3.86%
6. Digital Telecommunications Phils., Inc.	Filipino	53,657,324	3.04%
7. Advent Capital and Finance Corp.	Filipino	49,983,342	2.83%
8. Penta Capital Investment Corp.	Filipino	49,325,083	2.79%
9. Ris (SPV-AMC) Inc. (Asiatrust Development Bank)	Filipino	48,300,001	2.74%
10. Philippine Investment One (SPV-AMC) Inc. c/o CSAP, Inc.)	Filipino	46,966,240	2.66%
11. Security Bank & Trust Company	Filipino	46,057,390	2.61%
12. East Asia (Aea) Capital Corp.	Filipino	42.110,000	2.39%
13. Manulife Financials	Filipino	26,000,000	1.47%
14. Meralco	Filipino	23,295,667	1.32%
15. International Exchange Bank	Filipino	20,000,000	1.13%

16. Philippine Investment One (SPV-AMC) Inc. (RCBC)	Filipino	20,000,000	0.98%
17. PLDT	Filipino	17,295,456	0.92%
18. Reach Network Phils. Inc.	Non-Filipino	16,208,797	0.85%
19. Bank of Commerce (Formerly Traders Royal Bank)	Filipino	15,000,000	0.84%
20. Export and Industry Bank	Filipino	14,757,699	8.88%

The shareholders of Series "C" Serial Redeemable Preferred Stock (Series C)

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. TIMCO Hodlings, Inc.	Filipino	154,894,243	70.95%
2. Telectronic Systems, Inc.	Filipino	32,978,101	15,11%
3. Tesco Services, Inc.	Filipino	26,508,836	12.14%
4. El Jovir Redecor	Filipino	1,623,585	0.74%
5. Consultronix System, Inc.	Filipino	1,601,175	0.73%
6. Fast Stock Transfer, Inc.	Filipino	443,349	0.20%
7. Atronics Integrated Marketing Corp	Filipino	252,265	0.12%

No acquisition, business combination or reorganization was implemented that would have affected the amount or percentage of the current holdings of the Company's common equity beneficially owned by more than 5% of the beneficial owners, each director and nominee and all directors as a group.

3. Dividends

The Company has not declared any dividends for its common equity in the last two (2) fiscal years. The Company is not in a position to declare dividends due to its accumulated deficits amounting to ₱11,887,647,954 as of December 31, 2023. Moreover, the Company is undergoing rehabilitation and should first settle its obligations before it can declare any dividends to its stockholders.

4. Recent Sales of Unregistered Securities

There are no recent sale of unregistered securities or exempt securities or recent issuance of securities constituting an exempt transaction.

B. Description of Registrant's Securities

1. Capital stock

The Company's authorized capital stock as of December 31, 2023, is ₱12,600,000,000.00 broken down as follows:

	Shares	Amount
Common Stock - ₱1.00 per share	1,500,000,000	₱1,500,000,000
Preferred 1 - ₱10.00 per share	230,000,000	2,300,000,000
Series A - ₱1.00 per share	6,750,000,000	6,750,000,000
Series B - ₱1.00 per share	1,800,000,000	1,800,000,000
Series C - ₱1.00 per share	250,000,000	250,000,000

The Company's issued and subscribed capital stock as of December 31, 2023, consists of

	Shares	Amount
Common Stock - ₱1.00 per share	1,500,000,000	₱1,500,000,000
Preferred 1 - ₱10.00 per share	71,676,358	716,763,580
Series A - ₱1.00 per share	6,726,392,237	6,726,392.237
Series B - ₱1.00 per share	1,764,878,303	1,764,878,303
Series C - ₱1.00 per share	218,301,553	218,301,553

a. Common Stock

To raise additional capital, the Company will increase the number of its Common Stocks. A total of 3,000,000,000 Common Stocks at PhP 1.00 per stock will be added to the existing 1,500,000,000 Common Stock which has been fully subscribed and paid.

The Common Stocks are entitled to dividends, have voting and pre-emptive rights pursuant to the provisions of the Revised Corporation Code of the Philippines.

The Common Stocks to be issued will be used to raise funds in the form of equity offering with a view of using the proceeds thereof to fund growth and expansion, general corporate purposes and/or for such other purposes to be determined by the Board of Directors.

b. Preferred 1

Currently, the Company has 230,000,000 Serial Cumulative Convertible Redeemable Preferred Stocks at PhP 10.00 per stock. A total of 71,676,358 of these stocks has been issued. Based on the Amended Articles of Incorporation these preferred stocks have no voting rights except in cases allowed under the law. The right to dividends of these preferred stocks are cumulative and non-participating.

c. Series A, B, and C

In addition to Preferred 1s, the Company is required to issue Series A, B, and C preferred stocks pursuant to its Rehab Plan, thus:

a.) 6,750,000,000 Series "A" at PhP 1.00 per stock;
b.) 1,800,000,000 Series "B" at PhP 1.00 per stock; and
c.) 250,000,000 Series "C" at PhP 1.00 per stock.

Series "A", "B" and "C" are redeemable under the terms and in such manner as may be determined by the Board of Directors. These class of shares have no pre-emptive rights and have no voting rights except in cases allowed under the law.

The Company is of the opinion that there are no provisions in its Amended Articles of Incorporation and in its Amended By-Laws that would have the effect of delaying, deferring, or preventing a change in control of the registrant.

Rationale for the issuance of Series “A”, “B” and “C” Serial Redeemable Preferred Stocks

In Rehab Plan, the Company was required to issue Series “A”, “B” and “C” Serial Redeemable Preferred Stocks through debt-to-equity conversion to pay the debts of the Company in an amount indicated in Note 15 of the Company’s Audited Financial Statement under respective classifications as shown below:

Type of Redeemable Serial Preferred Shares	**Type of obligation**
Series “A”	Secured obligations
Series “B”	Unsecured obligations
Series “C”	Obligations to affiliated companies

Since the issuance of the Series “A”, “B” and “C” Serial Redeemable Preferred Stocks are intended to settle the debts of the Company through debt-to-equity conversion, the Company is not expected to receive any compensation for the issuance of the said shares.

Item 6. **Management's Discussion and Analysis and Plan of Operation**

A. Management Discussion and Analysis

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and the related notes as at December 31, 2023 and 2022 included elsewhere in this Annual Report. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

In the Company's Annual Stockholders' Meeting held on September 20, 2018, the stockholders approved and ratified the amendment to the Company's By-Laws pertaining to change of accounting period from a fiscal year starting July 1 and ending on June 30 the following to calendar year commencing on January 1 and ending on December 31 of the same year.

We believe that the discussion and analysis of our financial condition and results of operations should reflect comparative financial statements on a calendar year basis in order to have more meaningful information and insight. Nonetheless, we ensure that these figures tie up to the audited financial statements released and issued for the previous periods.

Results of Operations based on Audited Financial Statements

(in '000 Philippine pesos)	Audited One-year period December 31, 2023	Audited One-year period December 31, 2022	Audited One-year period December 31, 2021	Audited One-year period December 31, 2020	Audited One-year period December 31, 2019
REVENUES	528,711	542,271	497,405	408,344	396,043
OTHER INCOME	88,670	41,606	23,343	30,374	8,644
	617,381	**583,877**	**520,748**	**438,717**	**404,687**
Core expenses					
SG&A	385,694	364,003	321,629	292,613	287,164
Leased channel	12,197	11,007	7,674	19,452	18,055
Cost of sales	81,819	99,865	92,513	36,925	48,351
CORE EXPENSES	**479,710**	**474,875**	**421,816**	**348,990**	**353,570**
CORE EBITDA	**137,671**	**109,002**	**98,933**	**89,727**	**51,117**
CORE EBITDA %	**22.30%**	**18.67%**	**19.00%**	**20.45%**	**12.63%**
Depreciation and amortization	69,390	76,048	73,202	53,885	43,731
Interest expense	4,876	4,360	4,908	3,352	2,995
CORE EARNINGS	**63,800**	**28,594**	**20,823**	**32,490**	**4,391**
Non-core charges					
Penalties and fines	394	-	41	3,990	77
Non-core expense	21,476	9,500	9,402	19,350	13,909
Rehab interest expense	34,023	33,342	35,134	36,676	39,935
Non-core income	-	-	-	-	-
NON-CORE CHARGES	**55,894**	**42,842**	**44,577**	**60,016**	**53,921**
TOTAL EARNINGS (LOSSES)	**7,907**	**(14,248)**	**(23,754)**	**(27,526)**	**(49,530)**
Income tax expense/benefit	-	-	(969)	3,795	2,873
NET INCOME (LOSS)	**7,907**	**(14,248)**	**(22,785)**	**(31,321)**	**(52,403)**

Financial Highlights based on calendar year financial statements.

	December 31, 2023				December 31, 2022				December 31, 2021			
(in '000 Philippine pesos)	**Broadband Services**	**IT Services**	**Others**		**Broadband Services**	**IT Services**	**Others**		**Broadband Services**	**IT Services**	**Others**	
REVENUES[1]	461,409	67,302	-	528,711	453,046	89,225	-	542,271	422,617	74,788	-	497,405
OTHER INCOME	-	-	88,670	88,670	-	-	41,606	41,606	-	-	23,343	23,343
	461,409	67,302	88,670	617,381	453,046	89,225	41,606	583,877	422,617	74,788	23,343	520,748
Core expenses												
SG&A	350,054	35,245	394	385,054	316,019	46,085	1,898	364,002	276,600	45,029	-	321,629
Leased channel[2]	12,197	-	-	12,197	11,007	-	-	11,007	7,231	442	-	7,674
Cost of sales	45,741	36,078	-	81,819	40,621	59,245	-	99,866	35,292	57,220	-	92,513
CORE EXPENSES	407,993	71,323	394	479,710	367,647	105,330	1,898	474,875	319,124	102,691	-	421,815
CORE EBITDA[1]	53,416	(4,021)	88,276	137,671	85,399	(16,105)	39,708	109,002	103,494	(27,903)	23,343	98,933
CORE EBITDA %	11.58%	-5.97%	99.56%	22.30%	18.85%	-18.05%	95.44%	18.67%	24,49%	-37.31%	100.00%	19,00%
Depreciation	67,910	1,481	-	69,391	71,073	4,975	-	76,048	70,511	2,691	-	73,202
Interest expense	3,507	1,369	-	4,876	3,945	415	-	4,360	4,710	198	-	4,908
CORE EARNINGS	(18,001)	(6,871)	88,276	63,404	10,381	(21,494)	39,708	28,594	28,272	(30,792)	23,343	20,823
Non-core charges												
Penalties and fines	-	-	-		-	-	-	-	40	1	-	41
Non-core expense	-	-	21,476	21,476	-	-	9,501	9,501	-	-	9,402	9,402
Rehab interest expense	-	-	34,023	34,023	-	-	33,342	33,342	-	-	35,134	35,134
Non-core income	-	-	-	-	-	-	-	-	-	-	-	-
NON-CORE CHARGES	-	-	55,499	55,499	-	-	42,843	42,843	40	1	44,536	44,577
TOTAL EARNINGS (LOSSES)	(18,001)	(6,871)	32,777	7,907	10,831	(21,494)	(3,135)	(14,248)	28,232	(30,793)	(21,193)	(23,754)
Income tax expense	-	-	-	-	-	-	-	-	-	-	(969)	(969)
NET INCOME (LOSS)	(17,998)	(6,871)	32,776	7,907	10,831	(21,494)	(3,135)	(14,248)	28,232	(30,793)	(20,224)	(22,785)

[1]Revenue allocation among segments has been adjusted in the prior years to improve comparability.
[2]Leased channel allocation among segments has been adjusted in the prior years to improve comparability.

Results of Operations (in '000 Philippine pesos)	December 31, 2023	December 31, 2022	December 31, 2021
REVENUES	528,711	542,271	497,405
OTHER INCOME	88,670	41,606	23,343
	617,381	583,877	520,748
Core expenses			
Selling, general and administrative expenses	385,054	364,002	321,629
Leased channel and interconnect cost	12,197	11,007	7,674
Cost of sales	81,819	99,866	92,513
CORE EXPENSES	479,710	474,875	421,815
CORE EBITDA	137,671	109,002	98,933
CORE EBITDA %	22.30%	18.67%	19.00%
Depreciation and amortization	69,391	76,048	73,202
Interest expense	4,876	4,360	4,908
CORE EARNINGS	63,404	28,594	20,823
Non-core charges			
Penalties and fines	-	-	41
Non-core expense	21,476	9,501	9,402
Rehab interest expense	34,023	33,342	35,134
Non-core income	-	-	-
NON-CORE CHARGES	55,499	42,843	44,577
TOTAL EARNINGS (LOSSES)	7,907	(14,248)	(23,754)
Income tax expense/benefit	-	-	(969)
NET INCOME (LOSS)	7,907	(14,248)	(22,785)

Revenue

For the year ended December 31, 2023, the Company's operating revenues is ₱528.7 million compared to ₱542.2 million and ₱497.4 million in 2022 and 2021, respectively. Fixed broadband business is still the main revenue stream of the Company, contributing 87% or ₱461.4 million.

Additionally, new revenue stream from IT Services made a significant impact on the revenue performance as the Company was able to generate additional ₱67.3M in revenues. IT Services is expected to provide new opportunities for the Company in the coming years.

Cost and expenses

For the year ended December 31, 2023, personnel related expenses amounted to ₱268.0 million as the Company's workforce increased following the ease in economic restrictions due to the pandemic. In 2023 and 2022, personnel related expenses increased to ₱268.0 million and ₱244,7 million., respectively, mainly driven by the implementation of skeletal workforce. The number of personnel decreased from 257 at the start of the year to 248 at year-end.

Premises-related expenses slightly increased to ₱25.5 million in 2023 from ₱24.5 million in 2022 and ₱26.9 million in 2021. In 2023, other selling, general and administrative expenses amounted to ₱91.5 million, higher than the previous year at ₱90.6 million as the Company recognized capital gains tax due to sale of property, and significantly higher than 2022 since the Company has invested in software to streamline its processes in the last 2 years. Due to the increasing bandwidth requirement of its clients, the Company's upstream connections and international connectivity increased to ₱12.2 million from ₱11.0 million in 2022. Lastly, cost of sales contributed ₱81.8 million in core expenses indicating more product offerings provided by the Company to its growing customer base.

The increase in operating costs and expenses due to the pandemic is aligned with the Company's strategy and is necessary to sustain its business.

Profitability Performance

Over the past three years, the Company has produced core EBITDA during the years 2023, 2022 and 2021 in the respective amounts of ₱138.1 million, ₱110.9 million and ₱98.9 million, with core EBITDA margin is steady at 19%. The Company posted ₱7.9 million net income for the year ended December 31, 2023, compared to net loss of ₱14.2 million in 2022.

Financial Condition (in '000 Philippine pesos)	**December 31, 2023**	December 31, 2022	December 31, 2021
Current assets	**383,639**	319,450	622,509
Non-current assets	**730,018**	725,744	443,829
ASSETS	**1,113,657**	1,045,194	1,066,338
Current liabilities	**857,342**	1,333,131	1,555,253
Non-current liabilities	**218,965**	9,046,395	9,050,197
LIABILITIES	**1,076,307**	10,379,526	10,605,450
Share capital	**11,556,310**	2,224,255	2,224,255
Retained deficit	**(11,664,968)**	(11,672,875)	(11,873,400)
Other equity items	**146,008**	114,287	110,033
EQUITY	**37,350**	(9,334,332)	(9,539,111)
LIABILITIES AND EQUITY	**1,113,657**	1,045,194	1,066,338

The Company's total assets amounted to ₱1,113.6 million as of December 31, 2023, compared to ₱1,045.1 million and ₱1,066.3 million as of December 31, 2022, and December 31, 2021, respectively. The increase in assets is driven by an increase in working capital from growth in fixed broadband operations and new IT Services business, and investments in fixed and plant assets to support the expansion of the Company's business.

The increase in total liabilities pertains to payables to suppliers and other accrued operating expenses and accrued interest payable under the rehabilitation plan.

B. Plan of Operation

PT&T believes that information and communication technologies are the backbone of innovation. But no innovation can occur without the high-speed broadband network. The future of countries, businesses and individuals will depend more than ever on whether they embrace technology and many of those who stand to gain the most are not yet connected.

The Company holds an optimistic view on the Philippines' broadband industry through our efforts to improve coverage and spur subscriber growth. PT&T aims to expand coverage and upgrade its network infrastructure, which will help it to cope with the growing demand and ensure that network congestion will be minimized.

The Philippines has made huge investment in the national broadband network and ramping up network modernization investments in order to take advantage of the huge data opportunities in a fast-growing nation. The Company continues to believe that the market can accommodate more players, which would be beneficial to innovations and long-term growth. The local economy's remarkable momentum will continue fueled by strong sequential gains in investment activity and private consumption.

PT&T also aims to help shape the high-speed internet connection as a true and open platform and as a driver of economic development and social progress.

In order to achieve these objectives, the Company has several projects lined up which will expand PT&T's capability to provide telecommunications services throughout the country.

PT&T is currently serving Metro Manila and the nearby CALABARZON. In order to increase its subscribers' base, PT&T is in the process of completing its plan to expand its existing telecommunications network. The network expansion will initially focus on key cities in the National Capital Region, CALABARZON and parts of Northern Luzon. Once fully implemented, the expanded network will be capable of servicing at least 40% of the Philippine population.

Our connectivity strategic focal points are:

- *Organic Expansion and WiFi projects.* PT&T will upgrade and use existing network in CALABARZON with a potential of additional 39,800 fiber kilometers and implement last mile (including WiFi) projects. Capital expenditure to complete the project is ₱1,340 million. The residential business is an important facet of the Company's future growth as a major telco player and will be a key undertaking in its network expansion plans. To enable the Company's growth aspirations in this segment, the Company have established pilot areas in a few communities in NCR so it can build a scalable model which PT&T plans to deploy upon rollout particularly in CALABARZON where demand continues to be underserved. In addition to these investments, the Company is also developing the process and systems that will allow for a simple customer journey for its residential service.

- *Nationwide Network Backbone.* PT&T aims to build a nationwide backbone for both enterprise and wholesale and carrier markets with a potential of additional 51,800 fiber kilometers, requiring future capital expenditure of ₱5,790 million. This development may take time, but the Company have built the foundations required to scale the Company's business successfully. Included here are plans which will allow us to serve an even larger market with much needed, improved internet services in the country. In the near-term, the Company is prioritizing network rollout inside industrial parks in CALABARZON such as Calamba Premiere International Park, Cavite Export Processing Zone Authority, First Philippine Industrial Park, and in new buildings within the Central Business District areas (Makati, Ortigas, and Bonifacio Global City) targeting SMEs and large enterprises.

PT&T is also teaming up with strategic partners for domestic backbone expansion covering Luzon, Visayas and Mindanao as well as international presence in the Asia and in the US.

Innovation is increasingly based on digital technologies and business models, which can drive economic and social gains from ICT if channeled in a smart way. The way businesses adopt ICT is key for leveraging them for development, so encouraging businesses to fully embrace the powers of digital technologies is a priority of PT&T. The Company aims to step up efforts to invest in innovative digital solutions to drive economic growth and social impact. This will include building capabilities in cyber security, Internet of Things and smart cities.

PT&T's IT Services business unit will focus on projects, services, and applications such as but not limited to:

- Offer a "One Stop E-Center". Another large project in *the Company's* pipeline is providing a common IT infrastructure to host all kinds of e-services. This includes e-learning, e-government, e-commerce, telemedicine and applications in order to fully support the government's initiatives as well as the increasing requirements and demands of the private sector.

- Build Data Centers. Over time, data centers have evolved from traditional vendor-specific hardware and software appliances to common-off-the-shelf server hardware and open-source software hosting individual network functions and services. Accordingly, *the Company* is building data centers that will shelter fixed broadband, IT, and mobile telecom infrastructure for contents, applications, and other network services. PT&T will employ the latest data center technology to reduce total cost of ownership across the different network domains and to offer end-to-end services to its customers. Specifically, *the Company* plans to deploy software through Network Function Virtualization (NFV), and for virtualization to scale, *the Company* will set up a cloud environment that will enable automated network operations and can save significant operational costs. And because the service is implemented entirely in software, the Company will be able to innovate more rapidly and drive new service revenues. New IT Services offerings will include co-location / hosting services, cloud solutions such as Infrastructure-As-A-Service (IaaS), Software-As-A-Service (SaaS), DR-As-A-Service (DRaaS) and other Managed Services.

- Offer Security and "Cyber Security" Services and Applications. PT&T aims to dramatically simplify IT security and compliance with best-in-class solutions that leverage next generation SIEM platform combined with crowdsourced global intelligence. The combination of this infrastructure with PT&T security experts provides enterprises unparalleled security protection and threat awareness. The Company have partnered with the leading security services provider with a complete set of security tools and services offering a variety of flexible delivery options that allow us to serve customers of all sizes and complexity. *The Company's* various alliances with global IT Security experts aims to develop and maintain an ecosystem of best of breed technology partnerships and alliances that result in a world-class IT Security solution stack and consulting services that offers best-fit technology and support requirements of its customers.

Lastly, despite the rapidly evolving technology, PT&T is still keen on its interests to provide mobile services in the Philippines since the smartphone penetration continues to grow and the advent of 5G technology provides an ability for PT&T to enhance various applications.

PT&T is likewise exploring and studying the latest network concepts in implementing "virtualization" of network components into data centers. This will expectedly reduce the numbers of network elements deployed throughout the country and substantially reducing cost and implementation period.

As of December 31, 2023, the Company has a total of 248 employees and the Company projects that the said number will increase to 265 by the end of 2023.

C. Key Performance Indicators

Key Performance Indicators	**Full year ended December 31, 2023**	**Full year ended December 31, 2022**	**Full year ended December 31, 2021**
Net income (loss)	7,906,864	(14,248,202)	(22,784,703)
Core EBITDA	138,066,593	110,875,669	98,932,811[1]
Core EBITDA %	22.36%	19.25%	19.00%
Operating Revenue Growth	-2.50.%	9.02%	21.81%
Operating Revenue	528,712,081	542,270,875	497,405,293
Number of Active Circuits	1,920	2,120	2,206
ARPU (in ₱)	19,928	16,271	15,659
Recurring Revenue (in ₱)	459,135,897	413,926,497	414,536,730

[1]*Non-core items include fees for the rehab-related initiatives.*
[2]*Non-core items include accrued penalties, rehab-related initiatives and third telco initiatives.*

Net income
Net income is a key performance metric that indicates how well the Company performed after all costs of the business have been considered.

PT&T made significant investments in network and operations to build sustainable growth in recent years. These investments to rehabilitate and its network and improve the Company's operational capabilities have resulted in an increase in expenses that affected the net income. However, because of the new IT services revenue stream and the continuously growing fixed broadband business, the Company reduced its net loss since 2020.

Core EBITDA and Core EBITDA Margin
Core EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is calculated as operating revenues and income fewer operating expenses attributable to the core business of the Company. Non-core expenditures pertain to those that are not related to the core business of the Company but are connected to improve PT&T's financial condition (e.g., rehab-related expenses, SEC fees for increase in capital stock for rehab exit, etc.). This metric provides an indication of how well the core business of the Company is performing before considering those initiatives being subsidized by operations. Core EBITDA has been adjusted for prior years to reflect changes in accounting standards to improve comparability.

Core EBITDA remains positive throughout the years. Impact of restrictions due to the pandemic lowered the core EBITDA in 2020 but was able to achieve almost 10% growth in 2021. This growth is attributable to the increase in revenues and savings in operating expenses. This continued in 2023 as the Company experienced a 24% growth in Core EBITDA as restrictions due to the pandemic eased.

Operating Revenue Growth
Revenue growth provides an indication of how well the Company generates revenue to support its operations and initiatives versus the comparative period.

For the past 3 years, the Company has consistently achieved positive revenue growth. In 2021, it experienced a steady revenue growth of 21.8% mainly due to the impact of the COVID-19 pandemic. Revenue growth in 2021 and 2022 is 9% and 2.5% respectively, as the Company continues its operations to bridge the technological gap of connectivity and IT solutions.

Number of billable/active circuits
Number of billable/active circuits pertain to the number of subscription lines or customers in the PT&T network.

The number of subscribers decreased slightly by 9% due to the implementation of stricter automatic disconnection due to non-payment. Enterprise subscribers comprise 86% of subscribers and are the main source of fixed broadband revenue.

Average revenue per unit (ARPU)
Average revenue per unit measures the recurring revenue generated for each circuit connected to the PT&T network. This is computed by dividing the recurring revenue for the period by the average number of active circuits and then dividing the resulting amount by the number of months in the period.

The Company's ARPU has slowly increased since 2023 indicating an increase in value of newly acquired subscribers.

Item 7. Financial Statements

The Audited Financial Statements for the year ended December 31, 2023, are attached for reference.

Item 8. Information on Independent Auditors and Other Related Matters

Independent Auditors' Fees and Services

The external auditor of the Company is the audit firm of Reyes Tacandong & Co. (RT &Co.). The Board appointed RT & Co, as the Company's independent auditor for 2023 in the meeting conducted last November 17, 2023. The appointment of RT& Co. as the Company's independent auditor was approved by the stockholders in the stockholders meeting conducted last January 5, 2024.

The company paid ₱1,045,000 for the audit of the financial statements for full year ending December 31, 2022. In the same manner, the company accrued ₱1,100,000 for its December 31, 2023, calendar year audit.

Changes in and Disagreements with Independent Auditors on Accounting and Financial Disclosure

To the best of our knowledge, there are no disagreements on any matter of accounting principles or practices, financial statement disclosure or accounting scope or procedure with the Company's external auditor.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

A. Directors, Executive Officers, Promoters and Control Persons

As of December 31, 2023, the name, age, citizenship and period of service of each of the current directors, including independent directors, of PT&T are as follows:

Name of Director	Age	Citizenship	Period of service
Roberto B. Ortiz	71	Filipino	July 30, 2018 to present
James G. Velasquez	58	Filipino	March 1, 2018 to present
Miguel Marco A. Bitanga	41	Filipino	Since July 2, 2018 to present
Salvador B. Zamora II	77	Filipino	August 10, 2017 to present
Ma. Cristina Z. Borra	49	Filipino	Since September 25, 2020 to present
Bryan Joseph P. Santiago	50	Filipino	Since November 29,2022 to present
Richard Alan P. Santiago	55	Filipino	Since November 29, 2022 to present
Serafin C. Ledesma, Jr.	82	Filipino	Since July 30, 2018 to present
Bienvenido S. Santos	66	Filipino	Since June 28, 2019 to present
Carlos Andres V. Reyes	48	Filipino	Since September 25, 2020 to present
Atty. Elmer B. Serrano	56	Filipino	Since November 29, 2022 to present

As of December 31, 2023, the name, age, position, citizenship and period of service of the executive officers of PT&T are as follows:

Name of Officer	Position	Age	Citizenship	Period Served
James G. Velasquez	President and Chief Executive Officer	58	Filipino	Since March 1, 2018 (as Director) Since July 2, 2018 (as President & CEO)
Miguel Marco A. Bitanga	Chief Operating Officer and Treasurer	41	Filipino	Since August 25, 2017 to present
Concepcion D.S. Roxas	Chief People & Culture Officer	63	Filipino	Since July 2, 2018
Oscar R. Sevilla	Chief Finance Officer	63	Filipino	Since January 9, 2023
Patrick Vincent G. Pena	SVP – Corporate Affairs	58	Filipino	Since July 2, 2018
Anthony Gil G. Jose	VP - IT Services	48	Filipino	Since May 2, 2022
Jeffrey E. Julian	Chief Technical Officer	49	Filipino	Since June 1, 2019
Juanita C. Rimando	VP - Carrier & Wholesale Business	53	Filipino	Since October 16, 2018
Alberto P. Ambuyo	Chief Information Officer	51	Filipino	Since November 23, 2020
Kenneth Joey H. Maceren	Corporate Secretary	44	Filipino	Since February 1, 2018
Kyra Kae B. Diola	Asst. Corporate Secretary	31	Filipino	Since February 27, 2023

The names of the incumbent Directors and Executive Officers of the Company and their respective current positions held, periods of service and business experience during the past five years are as follows:

Roberto B. Ortiz
Chairman and Independent Director

Mr. Ortiz has served as Chairman of PT&T since September 2021. He has been an Independent Director of the Company since July 2018. He has over 27 years of experience in Finance, Corporate Governance, and Investment Banking.

Mr. Ortiz worked for Price Waterhouse (now Price Waterhouse Coopers) from 1987-1994. He was the former Vice-President for Finance of Consolidated Industrial Gases Inc. from 1994-2003. From 2003-2009, Mr. Ortiz was the Chief Finance Officer of All Asian Countertrade Inc. and its subsidiaries: Sweet Crystals Integrated Sugar Mill Corporation and Basecom Inc.

Since 2010, he is a Director and Chief Finance Officer of Total Nutrition Corporation.

Currently, Mr. Ortiz is a Director and CFO of Premiere Horizon Alliance Corporation (PHA) formerly Premiere Entertainment Philippines, Inc. He is also the Chairman of the Board of Goshen Land Capital Inc., a major real property developer in Baguio and Benguet. Due to his expertise and extensive experience in finance, he also serves as a financial advisor of various companies engaged in fintech and stock market investment.

Mr. Ortiz received his B.S. in Management Engineering from Ateneo de Manila University in 1973.

James G. Velasquez
Director, President and Chief Executive Officer

Mr. Velasquez was a Senior Executive for IBM Global Technology Services, Asia Pacific with 30 years' experience in running several business units in the Philippines, ASEAN and in Asia Pacific focusing on P&L, IT business management, Operations, IT Infrastructure Management and Regional Sales. He was previously the President and Country General Manager for IBM Philippines where he was responsible for the overall IBM business operations and led both domestic and global delivery growth.

He previously served as Chairman of IBM Philippines and associated IBM subsidiaries, Board of Trustee of the PBSP, Board Member of the Management Association of the Philippines, Director of Asia Pacific College and Board Trustee of UST Engineering Alumni Association.

He is currently a board member of Disaster Recovery Institute of the Philippines.

He was a recipient of the following recognition: UST Engineering Centennial Award for Industry Leadership, UST's The Outstanding Alumni Award for Business Management and Letran Alumni Award for Industry. He also received the CEO EXCel Awards in 2011 in addition to garnering various recognition for IBM in the Philippines in the areas of Corporate Social Responsibility, Marketing Excellence, HR and ICT.

Miguel Marco A. Bitanga
Director, Chief Operating Officer and Treasurer

Mr. Bitanga received his Bachelor of Arts Degree in Interdisciplinary Studies Cum Laude from Ateneo de Manila University and a Master's in Business Administration from IESE Business School in Barcelona, Spain. He previously held the following positions: Managing Director of Benisons Shopping Center, Corporate Information Officer of MRC Allied, Inc. and Business Director of Flux Design Labs.

He was previously a Director of Mano Amiga Academy, a non-profit organization that provides free education to children in need and employment to their mothers.

He previously served as a Director, Treasurer and Chief Operations Officer of the Company from August 2017 until September 2018.

Salvador B. Zamora II
Director

Mr. Salvador "Buddy" Zamora II is a renowned Philippine industry player. He is the Chairman and Chief Executive Officer of Tranzen Group Inc., a wholly owned Filipino holding company engaged in renewable energy generation, agro industries, and resort development.

Buddy was educated in the Ateneo de Manila University in the Philippines and in New York University, USA where he received his Master's in Business Administration.

Mr. Zamora carved a name in the Philippine mining industry in the 1970's by establishing Nickel Asia Corporation, the largest lateritic nickel ore producer in the Philippines and one of the largest in the world. Mr. Zamora was the former president of Nickel Asia Corporation's operational sites: Hinatuan Mining Corporation, Taganito Mining Corporation and Cagdianao Mining Corporation. From 2006 to 2009, Mr. Zamora served as the President and Chief Executive Officer of Nickel Asia Corporation.

In 2008, Mr. Zamora formed Tranzen Group Inc. with a vision to become a leading diversified conglomerate in the country. Tranzen Group along with Carbon Assets Fund of Cayman Island built the Philippines' first methane production plant in Rizal. Also, in Tranzen Group's pipeline are significant projects in hydro power generation and mining interest in Dinagat Island.

Mr. Zamora is also the Chairman of the following companies Philippine Phosphate Fertilizer Corporation, Bacavalley Energy, Inc., One Pacstar Realty Corporation, Two Pactstar Realty Corporation, Agusan Power Corporation, Philphos Trading Inc., Lear Aero Ltd., Inc., Libjo Mining Corporation, and Lake Mainit Hydro Holdings Corporation.

Ma. Cristina Z. Borra
Director

Ms. Borra's work experience spans 24 years. She started her career in 1996 as a part-time Executive Assistant at Hinatuan International Inc. In 1998, she conducted research on both and international political issues and institutional policies for the Zamora Research Group, She started teaching Literature classes in 2000 for freshmen, sophomore, and graduate students at the University of Asia & the Pacific (UA&P). Deepening her career in teaching, she moved to Manresa School in 2015 as a full-time English Teacher. Most recently, Ms. Borra taught a fully online class for the Junior Academic Assistance Program of UA&P under Wordprime Reading Lab where she guided students in writing academic essays.

Ms. Borra received her Bachelor of Arts Degree in Humanities from the Center for Research and Communication – College of Arts and Sciences (CRC-CAS), now University of Asia & the Pacific. She took her master's degree in liberal studies under the Draper Program of New York University.

Bryan Joseph P. Santiago
Director

Mr. Santiago is the President & CEO of Telectronic Systems, Inc. (TSI). He has been a Director of TSI since 2012 and was appointed as President & CEO in 2019. Mr. Santiago started his career in the telecoms industry in 1996 with then sister company, PWI and PT&T where he also served as Director from 2012 to 2017. Concurrently, he also serves as a Director of other TSI affiliates under the TSI Group of Companies. Mr. Bryan Santiago completed his B.A. in English at the University of California, Berkeley in 1996.

Richard Alan P. Santiago
Director

Mr. Santiago is the President & CEO of Tesco Services, Inc. (TESCO). He has been involved in the telecommunications industry since 1989 in various operational capacities, having started his career with TESCO's parent-holding company, Telectronic Systems, Inc. (TSI) and it's the affiliate company, PT&T, and other affiliates in the TSI Group of Companies and RETELCOM, from 1989 to the present. Concurrently, he also serves as Director of TSI, RETELCOM, TIMCO and other affiliated companies, such as the GVM Private Security, Inc. and El Jovir Realty Development Corp. Mr. Richard Santiago finished his B.A. Economics at the University of California, Los Angeles (UCLA) in 1989.

Serafin C. Ledesma, Jr
Independent Director

Mr. Ledesma is from Davao City. He was a former Station Manager, News Director and Program Director of various radio stations and news agencies in Mindanao. He was a Branch Manager of Telefast Communications from 1976-1978. He was also an Area Manager of Philippine Telegraph and Telephone Corporation from 1978-1982 and later on, the company's Vice-President for Mindanao from 1982-2001. From 1986-2001, he was a Co-Chairman of the Technical Working Group for the Interconnection of Telecommunications Network in Mindanao.

He also served as a Director of Davao City Water District from 2014-2016 and is currently a columnist and opinion writer, respectively, of Sun Star Davao and Philippine News Agency.

Mr. Ledesma is likewise active in various civic organizations being the former President of the following organizations. Davao integrated Press Club (1974-1977). Media Dabaw (1978-1980) and Rotary Club of Davao (1997-1998).

Mr. Ledesma received his B.S. in Natural Science from the Mindanao Colleges (now University of Mindanao) in 1964.

Bienvenido S. Santos
Independent Director

Mr. Santos received his Bachelor of Science Degree in Management Engineering from Ateneo de Manila University. He is the Chairman of several corporations including, among others, BC Net, Asian Carmakers Corporation, GND Holdings, Beebeelee. He is also the Vice-Chairman of Sta. Rosa Motor Works, Inc., Eurobrands Distributor Inc., Columbian Motors Corporation, Columbian Manufacturing Corporation, and Subic Air, Inc. Mr. Santos is also a Director and President of several corporations operating different businesses in the Philippines.

Carlos Andres V. Reyes
Independent Director

Mr. Reyes has been an Independent Director of PT&T since September of 2020. He is currently the Assistant Vice President for Metro Manila Sales of Bluefire LPG Marketing.

Mr. Reyes received his Bachelor of Science Degree in Business Administration Major in Marketing Management from De La Salle College of Saint Benilde.

Atty. Elmer B. Serrano
Independent Director

Atty. Serrano is a practicing lawyer specializing in corporate law and is Managing Partner of Serano Law. He is the Corporate Secretary of SM Investments Corporation, SM Prime Holdings, Inc. Premium Leisure Corp, Atlas Consolidated Mining and Development Corporation and subsidiaries of BDO Unibank, Inc.

He is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippine in 2001.

He holds a Juris Doctor degree from Ateneo de Manila University and a B.S. Legal Management degree from the same university.

Concepcion D.S. Roxas
Chief People & Culture Officer

Ms. Roxas is an experienced human resource practitioner. She was employed by companies in various corporations in the field of human resources: Supervisor, Manager, Recruitment Manager, Senior Manager, Consultant, Senior Consultant and HR Director.

In the field of telecommunications, she worked for Smart Communications, Inc. from 1994-2005 where she held the following positions: Recruitment Consultant, Recruitment Manager and Senior Manager. After leaving Smart Communications, Inc. she returned to said company last 2015 as its Senior HR Consultant for Organizational Development. Before joining PT&T, Recie was the HR Director of Conduit Global.

Ms. Roxas is a graduate of the University of Sto. Tomas where she received her B.S. in Psychology.

Oscar R. Sevilla
Chief Finance Officer

Mr. Sevilla has more than twenty years of experience handling financial matters of various corporations. From 2000 to 2006, he was employed by Maynilad Water Services, first as Vice President for Corporate Finance and later as Chief Finance Officer. During this stint, he played a major role in the preparation and implementation of the rehabilitation plan, which included negotiations with the government regulators, the creation of the financial model supporting the rehabilitation plan, and the presentation to creditor banks and other shareholders, until the franchise was eventually awarded to the Ayala group. He also worked with Unistar Credit & Finance and then with TIPCO Group of Companies as Chief Finance Officer from 2010 to 2013.

He then joined the Lucio Tan Group, from 2013 to 2019, as a Business Development Officer where he spearheaded the portfolio diversification program of the conglomerate. This was followed by a move to one of the affiliate companies of the LT Group, AB Heineken, as Deputy Chief Finance Officer and Data Protection Officer. Prior to joining PT&T, Mr. Sevilla was a Business Consultant for a company with interests in telecommunications, a regional cable/internet services firm, and agriculture and dairy processing operations. In this stint, he was tasked with strategy formulation, corporate structuring, and capital fundraising.

Mr. Sevilla is a graduate of De La Salle University, where he completed his Bachelor of Science in Commerce degree. He also pursued his Master of Management degree from Northwestern University, Kellogg School of Management, with concentrations in finance, marketing and international business.

Patrick Vincent G. Peña
SVP – Corporate Affairs

Mr. Peña's experience in the telecommunications industry started in 1996 when he worked for Smart Communications, Inc. His work focused primarily on sales and marketing.

From 2000-2006, he was the Vice-President for Sales and Marketing for Meridian Telekoms, Inc., spending the last two years from 2004-2006 establishing Meridian's Broadband Wireless Product for the PLDT Group.

In 2007 he was named as the Vice-President and later, the Senior Vice-President, for Postpaid, Broadband, New Business and Marketing Services of Digitel Mobile Phils., Inc. (Sun Cellular).

Mr. Peña received his B.S. in Industrial Engineering from the University of the Philippines, Diliman where he remains active as the incumbent President of the UP IE Alumni Association.

Juanita C. Rimando
Senior Vice-President – Carrier and Wholesale Business

Nitz is a graduate of Polytechnic University of the Philippines (Sta. Mesa) where she completed a Bachelor in Office Administration (BOA) degree. She also completed a Six Sigma Greenbelt Course in Motorola University in Malaysia and Master's Degree in Development Management in Asian Institute of Management in Makati City.

Nitz has 29 years of sales and executive work experience in the field of information and communications technology. Before joining PT&T, Nitz was the Vice President for Business and Operations in Source Telecoms. She also worked at Wificity as Vice President for Business Development, Comclark Network & Technology Corporation as Division Head for Sales, Bayan Telecommunications, Inc. where she held various sales positions the last of which was Head for Corporate Key Accounts and in Eastern Telecommunications, Inc.

She was formerly a Board of Director of Philippine Electronics and Telecommunications Federation (PETEF) and is currently a member of the Board of Director of Philippine Information and Communications Technology Organization (PICTO).

Anthony Gil G. Jose
VP - IT Services

Mr. Jose has been PT&T's VP for IT Services since May 2022. He has almost 30 years of sales experience with expertise in cost containment, market plan execution, and business development.

Mr. Jose previously served as VP in Strategic Synergy Inc. where he developed strategic business plans to promote revenue, profitability growth, market reach expansion, new name customer acquisition and customer satisfaction.

Prior to that, he served the following positions: Director for Product Development of Eastern Telecommunications Philippines Inc., VP and General Manager of Scala Business Solutions Inc., and VP of Systems Standards Inc.

Mr. Jose received his Bachelor of Science in Computer Science with a Degree in Information Technology from De La Salle University.

Jeffrey E. Julian
Chief Technical Officer

Mr. Julian has 21-years of experience in telecommunications industry having worked in various capacities in different telecommunications companies in the Philippines and abroad. His prior experience includes stints as Senior Project Manager, Senior Consultant, Project Director and National Project Head in various telecommunications projects with Nextel, Sun Cellular, Huawei, Ericsson and Fiber Home.

Mr. Julian received his B.S. in Electronics and Communications Engineering from the University of Santo Tomas, Manila.

Alberto "Ambo" P. Ambuyo
Chief Information Officer

Ambo is a graduate of Meralco Foundation Institute where he completed his Electronics Technology course. He has chalked up twenty plus (20+) years of leadership experience in the IT industry, with companies such as Fritz and Macziol Asia as Vice President for Technology, SAHI Technologies as Assistance Vice President for Systems Operations, IBM Philippines as Country Technical Manager, among others. He has successfully managed large scale IT projects, including data warehousing, business intelligence, country-wide network and business solutions integration.

Kenneth Joey H. Maceren
Corporate Secretary

Atty. Maceren is a lawyer with litigation and corporate practice. For his litigation practice, he handles criminal, civil, and labor cases. His corporate practice includes business organization restructuring, corporate housekeeping, and administrative compliance. He was the former Legal Counsel of Megawide Construction Corporation and the former Corporate Secretary of MRC Allied, Inc., both publicly listed companies. He also worked for Makati based law firms immediately after passing the Bar Examinations.

He is a graduate of San Beda University College of Law (Mendiola, Manila) and was admitted to Philippine Bar in 2007.

Kyra Kae B. Diola
Assistant Corporate Secretary

Atty. Kyra Kae B. Diola is a corporate lawyer and is the Assistant Corporate Secretary of PT&T. She reports directly to PT&T's Legal Counsel and Corporate Secretary, Atty. Kenneth Joey H. Maceren.

Atty. Diola's core experience includes corporate structuring and taxation; mergers & acquisitions; legal due diligence, customs advisory, tax assessments and refund claims. She likewise represented clients in a wide range of industry sectors before the Court of Appeals, trial courts, and quasi-judicial bodies.

Before joining PT&T, Atty. Diola worked as an assistant tax manager at Isla Lipana & Co., and as a senior legal advisor at Cabrera & Co., both member firm of PriceWaterhouseCoopers(PwC).

She earned her Law Degree at San Beda College – Manila and was admitted to the Bar in 2017.

B. Significant Employees

There is not a person who is not an Executive Officer expected by the Company to make a significant contribution to the business.

C. Family Relationship

Ma. Cristina Z. Borra is the daughter of Salvador Zamora II.

Other than this, there are no other family relationships known to the Company.

D. Involvement of Directors and Officers in Certain Legal Proceedings

During the past five (5) years and until the date of distribution of this Information Statement, the members of the Board of Directors and the Executive Officers:

a. have not filed any bankruptcy petitions or have not had bankruptcy petitions filed against them;

b. have not been convicted by final judgment or have any pending criminal cases;

c. have not been subject to any order, judgment or decree, or any court of competent jurisdiction (in a civil action), not subsequently reversed or vacated limiting its involvement in any type of business, securities, commodities or banking activities;

d. have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission ("SEC") or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law.

Item 10. Executive Compensation

The following are the five (5) highest compensated officers of the Company:

Name of Executive Officer	Position
James G. Velasquez	President and Chief Executive Officer
Miguel Marco A. Bitanga	Chief Operating Officer and Treasurer
Concepcion D.S. Roxas	Chief People & Culture Officer
Patrick Vincent G. Pena	SVP – Corporate Affairs

The aggregate amount of compensation paid or accrued during the last three fiscal years to: (1) the Chief Operations Officer and four highest compensated officers and other officers of key management personnel (as a group unnamed) are as follows:

	Year	Salary	Bonus	Other Annual Compensation Income
CEO and three (3) compensated officers.	2024 Projected	23,103,945	none	1,530,000
CEO and four (4) compensated officers.	2023 Actual	28,303,945	none	1,836,000
	2022 Actual	21,326,718	none	1,308,000
All other officers and directors as a group unnamed	2024 Projected	10,968,750	none	612,000
	2023 Actual	16,168,750	none	888,000
	2022 Actual	14,925,000	none	888,000

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. Security Ownership of Certain Record and Beneficial Owners

Class	Name, Address of Owner and Relationship with the Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Common Shares	Menlo Capital Corporation Eurovilla 4 Bldg., Arnaiz Avenue, Makati City, Stockholder of Record	Same[1]	Filipino	560,000,000	37.33%
Common Shares	Telectronic Systems Inc. Spirit of Communications Center, 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same[2]	Filipino	300,000,241	20.00%
Common Shares	Republic Telecommunications Holdings, Inc. 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same[3]	Filipino	278,873,526	18.59%
Common Shares	PCD Nominee Corporation 37 Tower 1 The Enterprise Center, 6766 Ayala Avenue, Makati City	Various Stockholders	Filipino	149,267,825	9.99%
Common Shares	TIMCO Holdings, Inc. 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same[4]	Filipino	121,126,474	8.08%

B. Security Ownership of Management

Class	Name of the Beneficial Owner	Amount and Nature of the Beneficial Ownership	Citizenship	Percentage
Common Stock	Roberto B. Ortiz (Chairman of the Board)	Direct: 1	Filipino	NIL
Common Stock	James G. Velasquez (Director, President and Chief Executive Officer)	Direct: 1	Filipino	NIL
Common Stock	Miguel Marco A. Bitanga (Director, Treasurer and Chief Operating Officer)	Direct: 1	Filipino	NIL
Common Stock	Salvador B. Zamora II (Director)	Direct: 1	Filipino	NIL
Common Stock	Ma. Cristina Z. Borra (Director)	Direct: 1	Filipino	NIL
Common Stock	Serafin C. Ledesma, Jr. (Independent Director)	Direct: 1,000	Filipino	NIL
Common Stock	Bienvenido S. Santos (Independent Director)	Direct: 1	Filipino	NIL
Common Stock	Bryan Joseph P. Santiago (Independent Director)	Direct: 10	Filipino	NIL
Common Stock	Richard Allan P. Santiago (Independent Director)	Direct: 8,000	Filipino	NIL
Common Stock	Carlos Andrres V. Reyes (Independent Director)	Direct: 1	Filipino	NIL
Common Stock	Atty. Elmer B. Serrano (Independent Director)	Direct: 6	Filipino	NIL

C. Voting Trust Holders of 5% or More

The Board of Directors and Management of the Company have no knowledge of any person who, as of the Record Date, was directly or indirectly the beneficial owner of, or who has voting power with respect to, shares comprising more than 5% of shares of common stock.

[1] The Board of Directors of Menlo Capital Corporation has the power to decide how its shares in the Company are to be voted.

[2] The Board of Directors of Telectronic Systems Inc. has the power to decide how its shares in the Company are to be voted.

[3] The Board of Directors of Republic Telecommunications Holdings, Inc. has the power to decide how its shares in the Company are to be voted.

[4] The Board of Directors of Timco Holdings, Inc. has the power to decide how its shares in the Company are to be voted.

D. Changes in Control

On August 8, 2017, Republic Telecommunications Holdings, Inc. ("Retelcom") sold 560,000,000 common shares to Menlo Capital Corporation (" Menlo") which is equivalent to 37.33% of ownership in the Company. While Retelcom lost its control over the Company as a consequence of Menlo's acquisition, Menlo was not able to acquire control over the Company insofar as the number of shares it acquired is concerned.

Item 12. Certain Relationships and Related Transactions

The Company or any of its subsidiaries, for the last two (2) years, is not involved in any transaction or series similar transaction with any of its director, executive officer, or stockholder owning 10% or more of total outstanding shares and members of their immediate family who may have a direct or indirect material interest in such transaction.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

In compliance with its Manual on Corporate Governance, the Company has established and organized the following committees to perform certain management functions and achieve sound corporate governance.

1. Executive Committee
2. Nomination Committee
3. Audit Committee
4. Compensation and Remuneration Committee,
5. Risk Oversight Committee,
6. Related Party Transactions Committee, and
7. Corporate Governance Committee

Should It be necessary or depending on the decision of the current management, the Company may revise or improve the existing Manual.

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PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C.

Please refer to accompanying Index to Exhibit and Reports on SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati, Metro Manila, Philippines on APR 1 2 2024 2024.

By: **PT&T CORP.**
Issuer

JAMES G. VELASQUEZ
President and Chief Executive Officer

CONCEPCION D.S. ROXAS
OIC - Chief Finance Officer

KENNETH JOEY H. MACEREN
Corporate Secretary

APR 1 2 2024

SUBSCRIBED AND SWORN to before me this ____ day of _______ 2024 affiant(s) exhibiting to me his/their government issued ID's, as follows:

NAMES	PASSPORT NO.
James G. Velasquez	P7618208B
Concepcion D.S. Roxas	P8098089B

NAMES	DRIVERS LICENSE NO.
Kenneth Joey H. Maceren	NO1-19-021235

Doc No : 36
Page No : 9
Book No : 23
Series of : 2024

Notary Public
ATTY. RODRIGO S. DE REAL, JR.
Notary Public Makati until 12/31/2024
Apt. No. M-070 IBP No. 378931 12/28/2023
Roll No. 49763 MCLE No. VII-018902
PTR No. 1520873 01/02/2024
3rd Flr. VGP Center Room 305 6772 Ayala Ave. Makati

PT&T CORP.
INDEX TO FINANCIAL STATEMENTS

FORM 17-A, Item 7

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Report of Independent Public Accountants	3
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Statements of income (loss) for the year ended December 31, 2023, 2022 and 2021	8
Statements of Comprehensive Income (loss) for the year ended December 31, 2023, 2022 and 2021	9
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Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>
Fri 12/4/2024 12:13 PM
To:Finance - Accounting <accounting@ptt.com.ph>
Cc:Concepcion Roxas <concepcion.roxas@ptt.com.ph>

Hi PT&T CORP.,

Valid files

- EAFS000530631ITRTY122023.pdf
- EAFS000530631AFSTY122023.pdf
- EAFS000530631TCRTY122023-03.pdf
- EAFS000530631OTHTY122023.pdf
- EAFS000530631TCRTY122023-01.pdf
- EAFS000530631TCRTY122023-02.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-9HF76BDH0B9L9GCCNYTM3R3Q04ZVSNVT4**
Submission Date/Time: **Apr 12, 2024 12:13 PM**
Company TIN: **000-530-631**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
BUREAU OF INTERNAL REVENUE**

The Stockholders and the Board of Directors
PT&T Corp.
6th Floor SCC Bldg. 106
Carlos Palanca St., Legaspi Village
Makati City

We have audited the accompanying financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (formerly Philippine Telegraph & Telephone Corporation) (the Company) as at and for the year ended December 31, 2023, on which we have rendered our report dated April 1, 2024.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-005-2022
Valid until October 16, 2025
PTR No. 10072405
Issued January 2, 2024, Makati City

April 1, 2024
Makati City, Metro Manila

PT&T

106 Carlos Palanca St. Legazpi Village
Makati, Metro Manila Philippines, 1229
(+632) 8726-8888 • inquiries@ptt.com.ph • ptt.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **PT&T Corp.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

Reyes Tacandong & Co., the independent auditor appointed by the Stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

ROBERTO B. ORTIZ
Chairman of the Board

JAMES G. VELASQUEZ
Chief Executive Officer

CONCEPCION D.S. ROXAS
OIC - Chief Financial Officer

APR 12 2024

Signed this ____ day of April 2024

APR 12 2024

SUBSCRIBED AND SWORN to before me this ___day of ______ 2024 affiants exhibiting to me their government issued IDs, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Roberto B. Ortiz	P8784505B	January 27, 2022	Manila
James G. Velasquez	P7618208B	September 16, 2021	Manila
Concepcion D.S. Roxas	P8098089B	November 06, 2021	Manila

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PTR No. 1520873 01/02/2024
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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
PT&T Corp.
6th Floor SCC Bldg. 106
Carlos Palanca St., Legaspi Village
Makati City

Opinion

We have audited the accompanying financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (formerly Philippine Telegraph & Telephone Corporation) (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

As discussed in Note 1 to the financial statements, the Company has incurred a deficit of ₱11,665.0 million as at December 31, 2023 (₱11,672.9 million as at December 31, 2022) because of significant operating losses incurred in prior years and is still under Corporate Rehabilitation (Corp Rehab). Moreover, in 2018, the Company was subjected to a congressional inquiry on the compliance with the provisions of its legislative franchise. The resolution, however, is still pending as of date.

These factors indicate a material uncertainty which may cast doubt on the Company's ability to continue as a going concern.

As also discussed in Note 1, the Company submitted a position paper in March 2018 to clarify all concerns on the compliance with the provisions of the legislative franchise regarding the Company's sale of ownership interest to Menlo Capital Corporation. The Company has yet to receive any response or resolution from the Subcommittee on Oversight (Legislative Franchise) as at reporting date.

In 2023, the Securities and Exchange Commission (SEC) approved the increase in authorized capital stock and debt-to-equity conversions of liabilities into capital stock aggregating ₱9,426.3 million which resulted to a positive equity of ₱37.3 million as at December 31, 2023. The Company partially settled statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2023.

To further improve its financial position, sustain operations, and exit from the Corp Rehab status, the Company is expanding its digital infrastructure network and diversifying its service offerings through a combination of own build and strategic partnerships, which include: (a) entering into business ventures with a foreign supplier to offer Starlink services in the Philippines; (b) undertaking significant infrastructure projects to expand customer base; and (c) upgrading of its existing licenses to complement the Company's network expansion and roll-out. The Company is also engaging the services of one of the world's largest financial advisory group to raise funds for the Company's network expansion and roll-out. These business development initiatives are discussed in Note 1 to the financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

Other Matter

The financial statements of the Company as at and for the years ended December 31, 2022 and 2021 were audited by another auditor whose report dated May 2, 2023 expressed an unmodified opinion on those financial statements. The opinion of such auditor, however, does not include the restatements discussed in Note 4 to the financial statements.

As part of our audit of the 2023 financial statements, we also audited the restatement adjustments discussed in Note 4 that were applied to restate the 2022 and 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or perform any procedures to the 2022 and 2021 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 and 2021 financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Emmanuel V. Clarino.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-005-2022
Valid until October 16, 2025
PTR No. 10072405
Issued January 2, 2024, Makati City

April 1, 2024
Makati City, Metro Manila

PT&T Corp.
(Doing business under the name and style: PT&T)
(formerly Philippine Telegraph & Telephone Corporation)

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Comparative Figures for 2022)

	Note	December 31, 2023	December 31, 2022 (As Restated - Note 4)	January 1, 2022 (As Restated - Note 4)
ASSETS				
Current Assets				
Cash	5	**₱11,251,479**	₱17,411,489	₱33,150,864
Receivables	6	**147,202,196**	129,158,954	101,785,415
Due from related parties	20	**206,045,285**	158,220,032	43,260,647
Assets held for sale	8	**–**	–	368,594,244
Other current assets	7	**19,140,017**	14,659,668	12,789,311
Total Current Assets		**383,638,977**	319,450,143	559,580,481
Noncurrent Assets				
Property and equipment	8	**567,853,114**	532,226,263	183,435,978
Investment properties	9	**40,814,018**	79,311,918	171,984,268
Right-of-use (ROU) assets	21	**23,546,838**	26,436,465	50,272,792
Other noncurrent assets	7	**97,803,797**	87,769,712	69,454,646
Total Noncurrent Assets		**730,017,767**	725,744,358	475,147,684
		₱1,113,656,744	₱1,045,194,501	₱1,034,728,165
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)				
Current Liabilities				
Trade and other payables	10	**₱254,462,449**	₱290,048,121	₱289,056,818
Statutory liabilities	11	**486,247,673**	326,361,218	317,751,610
Due to related parties	20	**99,220,426**	689,409,109	676,188,588
Current portion of:				
Lease liabilities	21	**13,739,948**	21,949,135	27,467,164
Loans payable	12	**3,671,620**	5,363,494	1,448,322
Total Current Liabilities		**857,342,116**	1,333,131,077	1,311,912,502
Noncurrent Liabilities				
Deposits for future stock subscriptions (DFFS) in accordance with the court-approved rehabilitation plan	14	**2,164,488**	8,841,736,581	8,841,736,581
Noncurrent portion of:				
Lease liabilities	21	**26,117,013**	7,656,126	26,325,586
Loans payable	12	**–**	25,526,586	3,385,385
Retirement benefits liability	13	**152,125,155**	140,191,440	141,510,008
Net deferred tax liabilities	19	**38,557,989**	31,284,612	34,196,210
Total Noncurrent Liabilities		**218,964,645**	9,046,395,345	9,047,153,770
Total Liabilities		**1,076,306,761**	10,379,526,422	10,359,066,272

(Forward)

	Note	**December 31, 2023**	December 31, 2022 (As Restated - Note 4)	January 1, 2022 (As Restated - Note 4)
Equity (Capital Deficiency)				
Capital stock	14	**₱10,926,335,673**	₱1,500,000,000	₱1,500,000,000
Additional paid-in capital	14	**629,974,041**	724,255,313	724,255,313
Revaluation surplus	8	**141,570,000**	109,395,000	109,395,000
Other comprehensive income		**4,438,031**	4,892,392	638,004
Deficit		**(11,664,967,762)**	(11,672,874,626)	(11,658,626,424)
Total Equity (Capital Deficiency)		**37,349,983**	(9,334,331,921)	(9,324,338,107)
		₱1,113,656,744	₱1,045,194,501	₱1,034,728,165

See accompanying Notes to Financial Statements.

PT&T Corp.

(Doing business under the name and style: PT&T)
(formerly Philippine Telegraph & Telephone Corporation)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures for 2022 and 2021)

	Note	**2023**	2022 (As Restated - Note 4)	2021 (As Restated - Note 4)
REVENUES	16	**₱528,712,081**	₱542,270,875	₱497,405,293
COSTS OF SALE AND SERVICES	17	**(291,343,264)**	(275,358,496)	(266,146,434)
GROSS PROFIT		**237,368,817**	266,912,379	231,258,859
GENERAL AND ADMINISTRATIVE EXPENSES	17	**(279,233,026)**	(285,063,691)	(238,313,610)
OTHER INCOME (CHARGES)				
Gain on sale of investment properties	9	**58,837,100**	37,008,942	9,415,617
Interest expense	22	**(38,898,638)**	(37,702,468)	(40,041,986)
Other income - net	18	**29,832,611**	4,596,636	13,927,098
		49,771,073	3,903,110	(16,699,271)
INCOME (LOSS) BEFORE INCOME TAX		**7,906,864**	(14,248,202)	(23,754,022)
PROVISION FOR (BENEFIT FROM) INCOME TAX	19			
Current		**3,600,911**	4,360,009	1,600,099
Deferred		**(3,600,911)**	(4,360,009)	(2,569,418)
		–	–	(969,319)
NET INCOME (LOSS)		**7,906,864**	(14,248,202)	(22,784,703)
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss in subsequent periods				
Revaluation surplus - net of tax	8	**32,175,000**	–	–
Remeasurement gain (loss) on retirement benefits liability - net of tax	13	**(447,863)**	4,339,033	(7,078,928)
Unrealized gain (loss) on financial asset at fair value through other comprehensive income (FVOCI)		**(6,498)**	(84,645)	80,712
		31,720,639	4,254,388	(6,998,216)
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱39,627,503**	(₱9,993,814)	(₱29,782,919)
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	15	**₱0.005**	(₱0.009)	(₱0.015)

See accompanying Notes to Financial Statements.

PT&T Corp.
(Doing Business Under the Name and Style: PT&T)
(formerly Philippine Telegraph & Telephone Corporation)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures for 2022 and 2021)

	Note	2023	2022 (As Restated - Note 4)	2021 (As Restated - Note 4)
CAPITAL STOCK	14			
Balance at beginning of year		**₱1,500,000,000**	₱1,500,000,000	₱1,500,000,000
Issuance		**9,426,335,673**	–	–
Balance at end of year		**10,926,335,673**	1,500,000,000	1,500,000,000
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**724,255,313**	724,255,313	724,255,313
Stock issuance costs	14	**(94,281,272)**	–	–
Balance at end of year		**629,974,041**	724,255,313	724,255,313
REVALUATION SURPLUS - net of tax				
Balance at beginning of year		**109,395,000**	109,395,000	109,395,000
Revaluation gain	8	**32,175,000**	–	–
Balance at end of year		**141,570,000**	109,395,000	109,395,000
OTHER COMPREHENSIVE INCOME (LOSS)				
Cumulative remeasurement gains on retirement benefits liability - net of tax	13			
Balance at beginning of year		**5,166,505**	827,472	7,906,400
Remeasurement gain (loss) on retirement benefits liability		**(447,863)**	4,339,033	(7,078,928)
Balance at end of year		**4,718,642**	5,166,505	827,472
Cumulative unrealized losses on financial asset at FVOCI	7			
Balance at beginning of year		**(274,113)**	(189,468)	(270,180)
Unrealized gain (loss) on financial asset at fair value through other comprehensive income (FVOCI)		**(6,498)**	(84,645)	80,712
Balance at end of year		**(280,611)**	(274,113)	(189,468)
		4,438,031	4,892,392	638,004
DEFICIT				
Balance at beginning of year, as previously reported		**(11,887,647,954)**	(11,873,399,752)	(11,850,615,049)
Prior period adjustments	4	**214,773,328**	214,773,328	214,773,328
Balance at the beginning of year, as restated		**(11,672,874,626)**	(11,658,626,424)	(11,635,841,721)
Net income (loss)		**7,906,864**	(14,248,202)	(22,784,703)
Balance at end of year		**(11,664,967,762)**	(11,672,874,626)	(11,658,626,424)
		₱37,349,983	(₱9,334,331,921)	(₱9,324,338,107)

See accompanying Notes to Financial Statements.

PT&T Corp.

(Doing Business Under the Name and Style: PT&T)
(formerly Philippine Telegraph & Telephone Corporation)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures for 2022 and 2021)

	Note	2023	2022 (As Restated - Note 4)	2021 (As Restated - Note 4)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**₱7,906,864**	(₱14,248,202)	(₱23,754,022)
Adjustments for:				
Depreciation and amortization	8	**69,390,420**	76,047,894	73,201,860
Gain on sale of investment properties	9	**(58,837,100)**	(37,008,942)	(9,415,617)
Interest expense	22	**38,898,638**	37,702,468	40,041,986
Reversal of liabilities	18	**(27,504,326)**	(4,877,301)	(12,103,707)
Retirement benefit cost	13	**12,080,311**	12,422,702	10,908,564
Provision for expected credit loss	6	**11,612,530**	4,436,921	5,287,810
Dividend income	18	**(18,468)**	(12,825)	(14,022)
Interest income	5	**(14,891)**	(26,714)	(45,714)
Unrealized foreign exchange loss	18	**–**	886,637	1,009,215
Operating income before working capital changes		**53,513,978**	75,322,638	85,116,353
Increase in:				
Receivables		**(29,655,772)**	(31,810,467)	(84,151,705)
Other current assets		**(7,782,684)**	(23,632,669)	(3,426,811)
Increase (decrease) in:				
Trade and other payables		**(8,558,691)**	(10,043,946)	50,726,693
Statutory liabilities		**31,582,225**	8,609,609	4,970,997
Net cash generated from operations		**39,099,056**	18,445,165	53,235,527
Interest paid		**(2,039,648)**	(1,670,596)	(3,235,880)
Retirement benefits paid	13	**(743,747)**	(7,955,892)	(15,544,874)
Interest received		**14,891**	26,714	45,714
Net cash provided by operating activities		**36,330,552**	8,845,391	34,500,487
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from:				
Sale of investment properties	9	**97,335,000**	129,681,292	49,532,157
Dividends received	7	**18,468**	12,825	14,022
Sale of property and equipment	8	**–**	639,496	–
Acquisitions of:				
Property and equipment	8	**(23,614,825)**	(6,372,672)	(16,238,690)
Intangible assets	7	**(175,000)**	(4,830,000)	(96,000)
Increase in:				
Due from related parties		**(47,825,253)**	(114,959,385)	(31,803,243)
Other noncurrent assets		**(11,346,200)**	(16,659,449)	(22,847,405)
Net cash provided by (used in) investing activities		**14,392,190**	(12,487,893)	(21,439,159)

(Forward)

	Note	2023	2022 (As Restated - Note 4)	2021 (As Restated - Note 4)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loans	12	**(₱27,218,460)**	(₱3,943,627)	(₱1,308,587)
Lease liabilities	21	**(26,239,188)**	(37,633,101)	(38,296,076)
Due to related parties		**(3,425,104)**	(665,401)	–
Proceeds from:				
Availment of loans	12	**–**	30,000,000	1,574,400
Due to related parties		**–**	–	1,129,333
Net cash used in financing activities		**(56,882,752)**	(12,242,129)	(36,900,930)
EFFECT OF EXCHANGE RATE CHANGES ON CASH		**–**	145,256	8,998
NET DECREASE IN CASH		**(6,160,010)**	(15,739,375)	(13,830,604)
CASH AT BEGINNING OF YEAR		**17,411,489**	33,150,864	46,981,468
CASH AT END OF YEAR		**₱11,251,479**	₱17,411,489	₱33,150,864
NONCASH FINANCIAL INFORMATION				
Conversion of DFFS and liabilities to capital stock	14	**₱9,426,335,673**	₱–	₱–
Additions to ROU assets and lease liabilities	21	**34,132,202**	10,651,506	8,623,188
Reclassification of assets held for sale to property and equipment	8	**–**	368,594,244	–
Additions to property and equipment paid for by a related party on behalf of the Company	8	**–**	14,961,726	–

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Figures and Information for 2022 and 2021)

1. **Corporate Information**

PT&T Corp. (Doing business under the name and style: PT&T) (the Company) was incorporated on November 14, 1962 under the laws of the Philippines as a diversified telecommunications entity catering to the corporate, small and medium business and residential segments. The Company is also a grantee of a franchise and holds various licenses to establish, install, maintain, operate and lease telecommunications systems, lines and circuits, wire or services, throughout the Philippines and other countries.

On November 3, 2023, the Securities and Exchange Commission (SEC) approved the following amendments to the Company's Articles of Incorporation:

a. change of corporate name from Philippine Telegraph and Telephone Corporation to PT&T Corp. (Doing business under the name and style: PT&T);
b. include the sale and distribution of information technology products, software, and services, and to provide shared services to subsidiaries, affiliates, and other companies in the Company's primary purpose; and
c. increase of the authorized capital stock from ₱3,800.0 million to ₱12,600.0 million in line with the Company's Corporate Rehabilitation Plan (Rehab Plan) (see Note 14).

The Company's registered office address is at the 6th Floor SCC Bldg. 106, Carlos Palanca St., Legaspi Village, Makati City and is domiciled in the Philippines.

Legislative Franchise and Other Licenses

Legislative Franchise
On June 20, 1964, the Company was granted a 25-year national legislative franchise under Republic Act (RA) No. 4161, as amended by RA Nos. 5048 and 6970, allowing the Company to establish, install, maintain and operate wire and/or wireless telecommunications systems, lines, circuits and stations throughout the Philippines for public domestic and international communications, and to provide domestic record communications services which consisted of telex, telegraph, and private leased circuits. On July 21, 2016, the Company was granted an extension of its franchise for another 25 years under RA No. 10894, *An Act Extending to Another Twenty-Five (25) Years the Franchise Granted to the Philippine Telegraph & Telephone Corporation (PT&T) to Establish, Install, Maintain and Operate Wire and/or Wireless Telecommunications Systems, Lines, Circuits and Stations Throughout the Philippines for Public Domestic and International Communications under RA No. 4161, as Amended.*

On August 25, 2017, Republic Telecommunications Holdings, Inc. (RETELCOM) and Menlo Capital Corporation (MENLO) entered into a Sale and Transfer Agreement wherein RETELCOM agreed to sell and transfer 560,000,000 common shares, representing 37.33% ownership interest of the Company in favor of MENLO. On February 20, 2018, the Subcommittee on Oversight (Legislative Franchise) (the "Subcommittee") of the House of Representatives conducted a public hearing on the alleged sale of the Company's ownership interest to MENLO without Congressional approval. Pursuant to Section 14 of RA No. 10894, a franchise grantee shall not sell its controlling interest without the prior approval of the Congress of the Philippines.

The Company submitted a Position Paper on March 7, 2018 followed by a Supplemental Position Paper on March 21, 2018 to clarify all concerns on the compliance by the Company of the provisions of its franchise. As at the date of the approval of these financial statements, the Company has yet to receive any response or resolution from the Subcommittee on Oversight (Legislative Franchise). Considering the facts and the applicable laws involved in this inquiry, the management, in consultation with its legal counsel, has assessed that this matter does and will not have an impact on the Company's operations.

Licenses with the National Telecommunications Commission (NTC)
The Company has various Certificates of Public Convenience and Necessities (CPCNs) granted by the NTC which enable the Company to (a) provide data communications (Datacom) services, (b) implement its expansion and improvement programs covering among others the installation, operation, and maintenance of an integrated digital network in the National Capital Region (NCR), and (c) install, operate and maintain a national packet data network with the accompanying authority to charge rates for said services.

Aside from the NTC-authorized Datacom services, the Company was granted a CPCN that enables the Company to participate in the government's liberalization of telecommunications industry as mandated under Executive Order (EO) No. 109. While beforehand the Company was already operating as inter-exchange carrier pursuant to the NTC Case No. 90-129 which enabled the Company to provide inter-exchange trunk facilities to connect with local exchange carriers (LEC) and public calling offices for long distance toll service, the said EO 109 thereafter enabled the Company to become a LEC operator authorized under NTC Case No. 94-022. As a LEC operator, the Company was granted Region IV-A comprising of the provinces of Aurora, Laguna, Marinduque, Quezon, Rizal, and Romblon for LEC services. The Company, along with its related party, Capitol Wireless, Inc. (CWI), has been granted the CPCN to establish, operate and maintain international gateway facilities to/from foreign countries as authorized under NTC Case Nos. 93-144 and 94-022.

The Company also has ongoing applications with the NTC to upgrade its existing CPCNs for additional service areas to complement the Company's plan of nationwide network rollout. As at the date of the approval of these financial statements, these applications are pending with the NTC.

The Company is also registered as a value-added service (VAS) provider with the NTC which allows the Company to offer internet access service; virtual private network, electronic mail service, messaging services, web hosting, electronic commerce, firewall service, e-learning, business application, network security, business resiliency, and data analytics. The Company's VAS license is valid until September 5, 2026.

Status of the Shares Listing in the Philippine Stock Exchange (PSE)
On January 10, 1990, the Company listed its common shares in the PSE. On December 10, 2004, the Company requested the voluntary suspension of the trading of its shares which was approved by the PSE on December 13, 2004. The Company, however, continues to comply with the reportorial requirements of the SEC, the PSE, and the Bureau of Internal Revenue (BIR).

In 2017, the Company requested for the lifting of the voluntary suspension of the trading of its shares with the PSE. Accordingly, the Company submitted an Amended Registration Statement and other required reports to the Markets and Securities Regulation Department (MSRD) of the SEC.

After the Company's full compliance with the SEC requirements, the Company Registration and Monitoring Department issued a certification relating to the Company's good standing with the SEC on April 29, 2021. Subsequently, the MSRD issued an Order dated August 4, 2021, lifting the suspension of the Company's Registration Statement.

The Company continues to update the PSE on its implementation of the court-approved rehabilitation plan (the "Rehab Plan") as it evaluates the request for the lifting of the voluntary suspension of the trading of its shares. As at the date of the approval of these financial statements, the result of the said evaluation is still pending with the PSE.

Status of Corporate Rehabilitation

On August 20, 2009, the Company, RETELCOM, Philippine Wireless, Inc. (PWI), CWI, and Wavenet Philippines, Inc. (WPI) collectively referred to as the "RETELCOM Group" jointly filed a petition for Corporate Rehabilitation (Corp Rehab) and Suspension of Payments pursuant to the *Rules of Procedure on Corporate Rehabilitation* (A.M. No. 00-8-10-SC). On August 24, 2009, the rehabilitation court (Rehab Court) issued an order staying enforcement of all claims, whether for money or otherwise against the RETELCOM Group (Stay Order) and appointing a rehabilitation receiver (Rehab Receiver).

On April 1, 2011, the Rehab Court approved the RETELCOM Group's Rehab Plan which was immediately executory. However, during the same year, certain creditors whose claims constitute a minority of the Company's total liabilities, filed before the Court of Appeals (CA) a petition assailing the Rehab Court's approval of the Rehab Plan. On May 19, 2017, the CA rendered a decision reversing the Rehab Court's approval of the Company's Rehab Plan. On December 4, 2017, the RETELCOM Group filed a Petition for Review before the Supreme Court (SC). The result of the said review, however, is still pending with the SC as at the date of these financial statements.

On July 27, 2018, the Company requested the Rehab Court that it be allowed to exit from rehabilitation subject to certain requirements which was approved by the Rehab Court on August 6, 2018. These requirements include, among others, the increase of the authorized capital stock which will allow the Company to settle its liabilities through debt-to-equity conversion as mandated by the approved Rehab Plan.

On November 3, 2023, the SEC approved the Company's increase in authorized capital stock to accommodate the debt-to-equity conversion of deposits for future stock subscriptions amounting to ₱8,709. 6 million in accordance with the Rehab Plan (see Note 14) and partially settled its statutory obligations, salaries, wages and other employee benefits out of its escrow accounts as at December 31, 2023 (see Note 11).

Under the Rehab Plan, however, the Company still has to request for a temporary exemptive relief from the SEC under the Securities Regulation Code (SRC) Rule 72.2, and the PSE to lift the suspension of the trading of the Company's common shares, without any sanctions or penalties, and for the Company to comply with all the applicable rules and regulations of the SEC and PSE so that the trading of all the authorized shares of the Company shall not in any way be suspended or restricted except as provided by law. Moreover, the Company has to enroll and list all its authorized redeemable shares as freely "tradable" shares with the PSE.

In the meantime, any sale or disposition of the petitioner's properties, whether real or personal, is subject to the Rehab Court's evaluation and approval, and all unpaid obligations to claimants covered by the Rehab Plan are subject to legal interest of 6% from the approval of the Rehab Plan until full payment (see Note 11).

Status of Operations

The Company has incurred a deficit of ₱11,665.0 million as at December 31, 2023 (₱11,672.9 million as at December 31, 2022) and is still under Corp Rehab. These factors indicate a material uncertainty which may cast doubt on the Company's ability to continue as a going concern.

In 2023, the SEC approved the Company's increase in capital stock and debt-to-equity conversions of liabilities into capital stock aggregating ₱9,426.3 million which resulted to a positive equity of ₱37.3 million as at December 31, 2023 (see Note 14). The Company also partially paid its statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2023.

To further improve its financial position, sustain operations, and exit from the Corp Rehab status, the Company is expanding its digital infrastructure network and diversifying its service offerings through a combination of own build and strategic partnerships.

In June 2023, pursuant to an agreement with a foreign company, the Company offers Starlink services which includes, the Starlink kit, enterprise solutions for fixed broadband services, mobile application, maritime and data volume-based services. On December 28, 2023, with the Board of Directors (BOD) approval, the Company is exploring a potential joint venture with the same foreign supplier to expand and solidify the market base for Starlink services in the Philippines.

To expand its fiber footprint, achieve incremental connectivity targets and reduce maintenance costs, the Company also completed notable infrastructure projects in 2023 such as, node and building ports utilization, fiber upgrade, and pole attachments and access cable rehabilitation. Additions to property and equipment amounted to ₱23.6 million in 2023 (see Note 8).

In December 2023, the BOD approved the Company's plan to upgrade its existing CPCNs and apply for additional service areas with the NTC to support the Company's expected nationwide network roll-out. The Company engaged the services of one of the world's largest financial advisory group to raise the necessary funds for the network expansion and roll-out.

Approval of the Financial Statements

The financial statements as at and for the year ended December 31, 2023 (with comparative figures and information for the years ended 2022 and 2021) were approved and authorized for issue by the BOD, as approved and endorsed by the Audit Committee, on April 1, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) issued and approved by the Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), which is the Company's functional currency. All values are stated in absolute amounts, except when indicated.

The financial statements of the Company have been prepared on the historical cost basis, except for the following accounts:

- land measured at revalued amount;
- investment in equity securities measured at fair value;
- lease liabilities measured at the present value of future lease payments; and
- retirement benefit liabilities measured at the present value of estimated future cash outflows.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset or the fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities;

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 24, *Fair Value of Financial Instruments*.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS, which became effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amendments to PFRS did not materially affect the financial statements of the Company.

Amendments to PFRS in Issue But Not Yet Effective or Adopted

Relevant amendment to PFRS, which is not yet effective as at December 31, 2023 and has not been applied in preparing the financial statements, pertains to the amendments to PAS 1, *Noncurrent Liabilities with Covenants.* The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period. This amendment will be effective for annual periods beginning on or after January 1, 2024.

Under prevailing circumstances, the adoption of the foregoing amendment to PFRS is not expected to have any material effect on the financial statements. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of a financial instrument.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Financial Assets

In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

The Company's does not have financial assets measured at FVPL. As at December 31, 2023 (and 2022), the Company's investment in equity shares was classified as financial asset at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

This category includes cash, receivables (excluding contract asset and advances to suppliers), due from related parties and refundable security deposits (see Notes 5, 6, 7 and 20).

Impairment. The Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not measured at FVPL. Expected credit loss is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flow from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company has applied the simplified approach in measuring ECL. Simplified approach requires that ECL should always be based on the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, the Company applies the general approach in measuring the expected credit losses. The Company assessed that cash are deposited with reputable counterparty banks that possess good credit ratings. For notes and other receivables, the Company considered the financial capacity of the debtor to pay when the credit becomes due and demandable. For security deposits, the Company considered the financial capacity of the counterparties to refund the deposits once the agreement has been terminated.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there are no reasonable expectations of recovering the contractual cash flows.

The Company re-assesses the ECL on financial assets at amortized cost every reporting date.

Reclassification. The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

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

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial 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 control of the asset.

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

Financial Liabilities

Classification. The Company classifies its financial liabilities at initial recognition under the following categories: (a) financial liabilities at amortized cost, (b) financial liabilities at FVPL.

As at reporting date, the Company does not have financial liabilities measured at FVPL.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when 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 settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these 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 an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

This category includes trade and other payables (excluding nonrefundable other payables and contract liability), lease liabilities, loans payable and due to related parties (see Note 10, 12, 20 and 21).

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in the statement of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- 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.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Contract Balances

Contract Assets. A contract asset represents the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than a passage of time. Contract assets are reclassified to trade receivables when payment from the customers becomes due.

Contract Liabilities. A contract liability represents the Company's obligation to transfer goods to a customer for which the Company has received consideration from the customer. Contract liabilities are recognized as revenue when the Company performs its obligations under the contract.

Property and Equipment
Property and equipment (except land) are stated at cost less accumulated depreciation, and any accumulated impairment in value. Cost includes expenditures that are directly attributable to bringing the property and equipment to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, 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 additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Land is carried at revalued amounts, which represent fair value at date of revaluation less any accumulated impairment in value.

Valuations are performed frequently enough to ensure that the fair value of a revalued property and equipment does not significantly differ from its carrying value. The increase of the carrying value of the land as result of a revaluation is credited directly to other comprehensive income under "revaluation surplus" account, unless it reverses a revaluation decrease previously recognized as an expense, in which case it is credited in profit or loss. A revaluation decrease is charged directly against any related revaluation surplus, with any excess being recognized as an expense in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the property and equipment. The useful life of each of the Company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

Estimated useful lives of the Company's property and equipment are as follows:

	Number of Years
Buildings and improvements	25
Telecommunications equipment:	
Cable and wire facilities	14
Network equipment	5
Other work equipment	5

The carrying amounts of the assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The assets' useful lives and depreciation method are reviewed periodically, and adjusted if appropriate, at each reporting year-end.

Fully-depreciated assets are retained as property and equipment until these are no longer in use.

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss in the year the item is derecognized.

Investment Properties

Investment properties are carried at cost and any impairment in value. When the investment properties are sold or retired, the cost less any impairment in value are eliminated from the accounts and any resulting gain or loss is recognized in profit or loss.

The carrying amounts of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment properties are derecognized when either they have been disposed of or when permanently withdrawn from use and no future economic benefit expected from the 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.

Other Assets

Creditable Withholding Tax (CWT). CWT represents the amount withheld by the Company's customers in relation to its income. CWT is deducted from income tax payable in the same year the revenue was recognized. CWT in excess of income tax payable are carried forward to the succeeding year.

Prepayments. Prepayments are expenses paid in advance and recorded as an asset before these are utilized. These are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than twelve months or within the normal operating cycle. Prepayments are classified as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, these are classified as noncurrent assets.

Advances to Suppliers. Advances to suppliers are recognized at cost. These are non-refundable down payment made for future acquisition of capital asset which will be applied as part of payments upon execution of sale.

Plant Supplies. Plant supplies are stated at cost less accumulated impairment in value, if any. Cost of plant supplies comprise all costs of purchase and other costs incurred in bringing the plant supplies to their present location and condition. A regular review is undertaken to determine the extent of any provision for obsolescence. The Company provides allowance for impairment losses when the asset becomes obsolete.

Deposit. Deposit is recognized at cost. This is a non-refundable down payment made for future acquisition of capital asset which will be applied as part of payments upon execution of sale.

Software and Licenses. Software and licenses are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives, which does not exceed five (5) years.

Software and licenses with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category that is consistent with the function of the intangible assets.

Software and licenses are derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit or loss.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount. Recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Any impairment loss is recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount to the extent of the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Deposits for Future Stock Subscriptions

Deposits for future stock subscriptions represent funds received from existing and/or prospective stockholders or liabilities converted by the Company to be applied as payment for stock subscriptions on unissued shares or shares from the increase in authorized capital stock.

Under Financial Reporting Bulletin No. 6 as issued by the Philippine SEC, the Company shall classify a contract to deliver its own equity instruments under equity as a separate account from outstanding capital stock, if and only if, all of the following elements are present as at reporting date:

a. The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;

b. There is BOD and stockholders approval on the proposed increase in the authorized capital stock (for which a deposit was received by the corporation);

c. There is stockholders' approval of the proposed increase; and

d. The application for the approval of the proposed increase has been filed with the Philippine SEC.

If the above conditions are not met, the "Deposits for future stock subscription" is presented as a noncurrent liability.

Equity

Common Stock. Common stock is measured at par value of the issued common shares.

Preferred Stock. Preferred stock is classified as equity if it is non-redeemable, or redeemable only at the option of the Company, and any dividends are discretionary at the option of the Company. Dividends thereon are recognized as distributions upon approval by the BOD of the Company.

Additional Paid-in Capital (APIC). APIC represents proceeds and/or fair value of considerations received in excess of par value of the issued shares. Transaction costs directly attributable to the issuances of capital stock are recognized as a deduction from APIC.

Deficit

Deficit represents the accumulated results of operations of the Company.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expenses (including items previously presented under the statement of changes in equity) that are not recognized in profit or loss for the year.

Earnings (Loss) Per Share

Basic. Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to ordinary stockholders of the Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Company and held as treasury shares.

Diluted. Diluted earnings (loss) per share is calculated by dividing the net income (loss) attributable to ordinary stockholders of the company by the weighted average number of common shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all potentially dilutive common shares during the period.

Revenue Recognition

Revenue from Contract with Customers

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

The Company's revenue from contracts with customers generally include broadband internet access service contracts which are either offered separately or bundled with other services, information technology services and other services.

Broadband internet access services ranging from shared access to fully redundant (first to last mile) high availability service. These include fiber optic dedicated internet, e-line or shared broadband internet, wireless dedicated or shared broadband access and customized and value-added services.

Services may be rendered separately or bundled with other services. The specific recognition criteria are as follows:

Service arrangements may include fixed monthly charges (including excess of consumable fixed monthly service fees) generated from fixed line and other network services primarily through broadband and leased line services, which the Company recognizes on a straight-line basis over the customer's subscription period. Services provided to customers are billed throughout the month according to the billing cycles. Services availed by customers in addition to these fixed fee arrangements are charged separately at their stand-alone selling prices and recognized as the additional service is provided or as availed by the customers.

Installation fees for services are not capable of being distinct from the sale of modem since the customer obtains benefit from the combined output of the installation services and the device and is recognized upon delivery of the modem and performance of modem installation. The related incremental costs are recognized in the same manner in profit or loss.

Revenues from shared lines or shared access are recognized net of content provider's share in revenue. Revenue is recognized upon service availment. Revenue from server hosting, co-location services, and customer support services are recognized at point in time as the services are performed.

Upon signing of subscription agreement, customers are required to make payments equivalent to 2 months advance and 1 month deposit of internet broadband monthly subscription fee. These customers' deposits are refundable and/or to be applied to unpaid receivables of the customers. The Company recognized these advance payments and deposit as contract liability and "Customers' deposits" as part of liabilities.

The Company also provides IT services and products from IT infrastructure, applications, network security, and others.

Revenue from sale of IT infrastructure is recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery of the equipment or software at the customer's location. Revenue from services is recognized when the service to the customer is performed, generally via milestone achievement.

Other Sources of Revenue
The following specific recognition criteria must be met before revenue is recognized:

Rental Income. Rent income is recognized on a straight-line basis over the term of the lease. The Company does not provide any ancillary services to the tenants of the investment property. The lease payments therefore relate entirely to rental and are recognized as rent income. It was not necessary to separate the considerations between lease and non-lease components on the adoption of PFRS 15.

Other Income. Other income is recognized when there is an incidental economic benefit that will flow to the Company through an increase in asset or reduction in liability and that can be measured reliably.

Cost and Expenses Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability, other than distributions to equity participants, has arisen that can be measured reliably.

Cost of Services. Cost of services are direct costs incurred in relation to broadband services and installation of software licenses. These are recognized as the services are rendered.

Cost of Sales. Cost of sales mainly pertains to purchases of software licenses. These are generally recognized when related goods are sold.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business and costs incurred to sell and market the services. These are expensed as incurred.

Interest Expense. Interest expense arising from borrowed funds are recognized in profit or loss using the effective interest method.

Employee Benefits

Short-term Benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Retirement Benefits. The Company has noncontributory defined benefit plan covering all qualified employees. The retirement liability is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs and interest costs in profit or loss.

Current service costs pertain to the increase in the present value of a defined benefit obligation resulting from employee service in the current period.

Interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Company also assesses whether a contract contains a lease for each potential separate lease component.

The Company as a Lessee. At the commencement date, the Company recognizes right-of-use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense in profit or loss on a straight-line basis.

For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Company will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

ROU Assets. At commencement date, the Company measures ROU assets at cost, which are comprised of the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- an estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets.

Lease Liabilities. At commencement date, the Company measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability consist of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

The Company as a Lessor. Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

Income Taxes

Current Tax. Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the end of the reporting period.

Deferred Tax. Deferred tax is provided on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) to the extent probable that there will be a taxable profit against which deductible temporary differences can be utilized, whereas deferred tax liabilities and for all taxable temporary differences, except when the deferred tax asset or liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at tax rates expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period.

Income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-Added Tax (VAT)

VAT represents the net amount of VAT recoverable from the taxation authority. Revenue, expenses and assets are recognized net of the amount of VAT except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or

- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT payable to the taxation authority is included as part of “Statutory liabilities” account in the statement of financial position.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed goods and services.

In accordance with Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of the Company of capital goods (depreciable assets for income tax purposes) made prior to January 1, 2022 with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT that is expected to be realized within 12 months after the financial reporting period is classified as current asset. Otherwise, it is classified as noncurrent asset.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million or if the purchase was made on or after January 1, 2022, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Related Party Relationships and Transactions

A related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

A related party transaction is a transfer of resources, services or obligation between a reporting entity and a related party.

Foreign Currency Transactions

Transactions in foreign currencies are recorded using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the rate of exchange prevailing at the reporting date. Foreign exchange differences between rate at transaction date and the rate at settlement date or financial statement date are credited to or charged against current operations.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies
Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date
Post year-end events that provide additional information about the Company's financial position at the end of the 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 financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS requires management to exercise judgment, make estimates and use assumptions that affect the amounts reported in the financial statements. The judgment, estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgment
In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations which have the most significant effect on the amounts recognized in the financial statements.

Assessment of the Company's Ability to Continue as a Going Concern. The Company has incurred recurring losses that resulted to a deficit amounting to ₱11,665.0 million as at December 31, 2023 (₱11,672.9 million as at December 31, 2022). These factors indicate material uncertainties which may cast doubt on the Company's ability to continue as a going concern.

With the Company's significant progress in fulfilling its obligations under the Corp Rehab which includes the increase in authorized capital stock through the conversion of the DFFS and the corporate initiatives as discussed in Note 1, management has assessed that the Company has the ability to continue to operate on a going concern basis.

Revenue Recognition. The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

1. *Identifying Performance Obligations.* The Company identifies performance obligations by considering whether the promised services in the contract are distinct services. A service is distinct when the customer can benefit from the service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the service to the customer is separately identifiable from the other promises in the contract.

Revenues earned from multiple element arrangements offered by the Company's fixed line and wireless businesses are split into separately identifiable performance obligations based on their relative stand-alone selling price in order to reflect the substance of the transaction. The transaction price represents the best evidence of standalone selling price for the services the Company offers since this is the observable price being charge if the services are sold separately.

2. *Timing of Revenue Recognition.* The Company recognizes revenue from contracts with customers over time or at a point in time depending on the evaluation of when the customer obtains control of the promised services and based on the extent of progress towards completion of the performance obligation. For the telecommunication service which is generally provided over the contract period of two years, because control is transferred over time, revenue is recognized monthly as the Company provides the service.

3. *Identifying Methods for Measuring Progress of Revenue Recognized Over Time.* The Company determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

   Revenue from telecommunication services is recognized through the use of input method wherein recognition is over time based on the customer subscription period since the customer simultaneously receives and consumes the benefits as the seller renders the services.

Classification of Preferred Shares. The Company has preferred shares which are redeemable and convertible at the option of the Company and there are no defined period or date over which redemption can take place.

Management has assessed that the preferred shares should be classified as equity as there are no defined period over which conversion or redemption can take place and the Company has control that no preferred shareholders will convert or redeem the shares in the foreseeable future. Moreover, as discussed in Note 1, the Company should list its authorized redeemable preferred shares as freely "tradable" shares with the PSE pursuant to the Rehab Order.

Assessment of the Lease Term of Contracts with Renewal and Terminal Options – The Company as a Lessee. The Company determined the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company included the renewal period as part of the lease term for leases of office premises, network equipment, and service vehicles with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be significant negative effect on production if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Distinction between Property and Equipment and Investment Properties. The Company determines whether a property qualifies as property and equipment or an investment property. In making this judgment, for investment properties, the Company considers whether the property generates cash flows largely independent of the other assets and is held primarily to earn rentals or for capital appreciation. Property and equipment are held for use in the supply of services or for administrative purposes. The Company considers each property separately in making its judgment.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

Assessment of the Impairment of Financial Assets at Amortized Cost. In assessing ECL, the Company uses historical credit loss experience adjusted for forward-looking factors, as appropriate. For trade receivables, ECL is computed on a lifetime basis using a provision matrix. For other financial assets at amortized cost, ECL is computed on a 12-month or lifetime basis using historical loss experience determined based on the default accounts.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information. A significant increase in credit risk can be measured by comparing the probability of default of the borrower from the initial recognition and the result of the current probability of default. When the result shows an upward movement of the probability of default, the change is considered as significant increase in credit risk.

While cash is subject to impairment, the Company has assessed that the ECL is not material because these are transacted with reputable banks that possess good credit ratings. The Company has also assessed that the Company's trade and other receivables and security deposits have minimal credit risk.

Provision for ECL recognized in 2023 (2022 and 2021) are disclosed in Note 6.

The carrying amounts of financial assets at amortized cost subject to ECL as at December 31, 2023 and 2022 are disclosed in Notes 5, 6, 7 and 20.

Estimation of Retirement Benefits. The costs of defined retirement benefits as well as the present value of the provision for retirement benefits are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, retirement benefits liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each reporting period.

Retirement benefits costs in 2023 (2022 and 2021) are disclosed in Note 13. Retirement benefits liability as at December 31, 2023 (and 2022) are disclosed in Note 13.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit retirement liability. Further details about the assumptions used are provided in Note 13.

Assessment of the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Recoverable amount represents the value in use, determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Management has assessed that there were no indications that the Company's nonfinancial assets are not recoverable as at reporting date; hence, no impairment loss was recognized in 2023 (2022 and 2021).

The carrying amounts of the Company's nonfinancial assets as at December 31, 2023 (and 2022) are disclosed in Notes 6, 7, 8, 9 and 21.

Assessment of the Realizability of Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces the amount 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 in the future. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Deferred tax assets as at December 31, 2023 (and 2022) are disclosed in Note 19.

Estimation of Provisions and Contingencies on Legal Proceedings. The Company is currently involved in various legal proceedings which are pending resolution in view of the Company's ongoing Corp Rehab. The estimate of the probable costs for the resolution of these claims has been developed in consultation with in-house and outside counsels handling the Company's defense in these matters and is based upon an analysis of potential results. The Company's management and legal counsels have made judgment that, while the proceedings are legally defensible, they cannot anticipate with certainty the progress and the outcome of the legal proceedings, the appreciation of the available evidence by the relevant courts or tribunal involved and the evolution of jurisprudence or similar cases that will be decided by the highest court, which will be relevant to these pending cases. The Company currently assessed that these proceedings will not have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

No provisions were made in relation to these ongoing legal proceedings.

Estimation of Accrued Interest Based on Court-Approved Rehab Plan. The Company determines the accrued interest based on the outstanding balances of its unpaid obligations to all claimants listed in the Rehab Plan. These obligations are subject to 6% legal interest in accordance with the court-approved Rehab Plan (see Note 1). The management believes that the accrued interest recognized by the Company is reasonable and appropriate following the interpretation of the court-approved Rehab Plan.

As at December 31, 2023 (and 2022), accrued interest on these obligations are disclosed in Note 10.

Interest expense recognized in 2023 (2022 and 2021) are disclosed in Note 22.

The Company settled labor-related statutory obligations covered by Corp Rehab in 2023 (and 2022) as disclosed in Note 11.

4. Prior Period Adjustments

The 2022 financial statements were restated to reflect the following adjustments:

- Reversal of long-outstanding trade payables of ₱15.7 million and statutory obligations which have already been settled of ₱227.4 million;
- Recognition of property and equipment amounting to ₱8.5 million which was paid for by a related party on behalf of the Company;
- Reversal of income tax payable which was already paid amounting to ₱9.3 million; and
- Write-off of receivables and other noncurrent assets amounting to ₱1,382.1 million and ₱66.0 million, respectively, which were previously provided with an allowance for impairment loss (see Notes 6 and 7).

Certain accounts in prior years were also reclassified to conform with the current year presentation, which included the following:

- Reclassification of trade payables and statutory obligations aggregating ₱361.9 million which was paid for by a related party on behalf of the Company to due to related parties in 2022; and
- Reclassification of general and administrative expenses to costs of sale and services aggregating ₱216.1 million in 2022 and ₱208.9 million in 2021.

The impact of these adjustments is summarized below:

	As at December 31, 2022		
	As Previously Reported	Effect of Restatement	As Restated
Receivables	₱166,736,870	(₱37,577,916)	₱129,158,954
Property and equipment	523,731,006	8,495,257	532,226,263
Trade and other payables	603,143,741	(313,095,620)	290,048,121
Statutory obligations	618,283,048	(291,921,830)	326,361,218
Due to related parties	318,018,427	371,390,682	689,409,109
Income tax payable	9,257,523	(9,257,523)	–
Deficit	(11,887,647,954)	214,773,328	(11,672,874,626)

	As at January 1, 2022		
	As Previously Reported	Effect of Restatement	As Restated
Receivables	₱139,363,331	(₱37,577,916)	₱101,785,415
Property and equipment	174,940,721	8,495,257	183,435,978
Trade and other payables	602,623,358	(313,566,540)	289,056,818
Statutory obligations	609,673,440	(291,921,830)	317,751,610
Due to related parties	304,797,906	371,390,682	676,188,588
Income tax payable	9,257,523	(9,257,523)	–
Deficit	(11,873,399,752)	214,773,328	(11,658,626,424)

5. **Cash**

This account consists of:

	2023	2022
Cash on hand	**₱315,000**	₱305,000
Cash in banks	**10,936,479**	17,106,489
	₱11,251,479	₱17,411,489

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱14,891 in 2023 (₱26,714 in 2022 and ₱45,714 in 2021) (see Note 18).

6. **Receivables**

This account consists of:

	Note	2023	2022 (As restated - see Note 4)
Trade:			
Third parties		**₱178,341,771**	₱145,162,372
Related parties	20	**21,479,149**	20,225,699
Advances to suppliers		**5,217,748**	5,363,522
Contract asset		**6,408,580**	3,112,919
Others		**5,663,487**	13,590,451
		217,110,735	187,454,963
Allowance for ECL		**(69,908,539)**	(58,296,009)
		₱147,202,196	₱129,158,954

Trade receivables are unsecured, noninterest-bearing and are normally collected within 30 to 60 days.

Advances to suppliers pertain to advance payments for promotional materials, and IT solutions, networks and telecommunications, and will be applied against the subsequent billings.

Contract assets arise from the Company's sale of broadband service contracts bundled with software licenses or gadgets wherein the Company has established its right to consideration in exchange for software or gadgets already delivered to the customers before payments are due.

Movements in allowance for ECL are as follows:

		2023		
	Note	**Trade**	**Others**	**Total**
Balance at beginning of year		**₱58,225,870**	**₱70,139**	**₱58,296,009**
Provision for ECL	17	**11,612,530**	**–**	**11,612,530**
Balance at end of year		**₱69,838,400**	**₱70,139**	**₱69,908,539**

		2022 (As restated - see Note 4)			
	Note	Trade	Nontrade	Others	Total
Balance at beginning of year, as previously reported		₱53,791,413	₱1,381,525,501	₱606,798	₱1,435,923,712
Prior period adjustment - Write-off		(2,464)	(1,381,525,501)	(536,659)	(1,382,064,624)
Balance at beginning of year, as restated		53,788,949	–	70,139	53,859,088
Provision for ECL	17	4,436,921	–	–	4,436,921
Balance at end of year		₱58,225,870	₱–	₱70,139	₱58,296,009

Receivables, which includes the nontrade receivables from the Company's LEC business and fully provided with allowance for ECL, were written-off and reflected as a prior period adjustment (see Note 4).

7. **Other Assets**

Current
This account consists of:

	2023	2022
CWT	**₱12,023,526**	₱6,858,865
Deferred input VAT	**3,601,867**	4,438,310
Prepayments	**3,514,624**	3,362,493
	₱19,140,017	₱14,659,668

Noncurrent
This account consists of:

	2023	2022 (As restated - see Note 4)
Plant supplies	**₱54,266,180**	₱43,441,032
Deposit	**23,266,667**	23,262,299
Refundable security deposits	**15,623,208**	15,106,524
Software and licenses	**4,429,033**	5,734,650
Financial asset at FVOCI	**218,709**	225,207
	₱97,803,797	₱87,769,712

Plant supplies pertain to cables and wires used for the installation network facilities which are carried at cost. Plant supplies amounting to ₱66.0 million were written-off and accounted for as a prior period adjustment (see Note 4). No provision for inventory obsolescence was recognized in 2023, 2022 and 2021.

CWT pertains to taxes withheld by the Company's customers and can be utilized as payment for income taxes subject to the prevailing tax rules.

Prepayments pertain to unamortized portion of software licenses, marketing fees, association dues, registration fees, and insurance.

Deposit pertains to down payments made for possible purchase of a capital asset which will be applied as part of purchase price upon execution of the acquisition.

Refundable security deposits represent deposits on various space rental for central office equipment and telecommunication nodes.

Movements of software and licenses are as follows:

	Note	2023	2022
Cost			
Balance at beginning of year		**₱7,301,000**	₱2,471,000
Additions		**175,000**	4,830,000
Balance at end of year		**7,476,000**	7,301,000
Accumulated Amortization			
Balance at beginning of year		**1,566,350**	505,150
Amortization	8	**1,480,617**	1,061,200
Balance at end of year		**3,046,967**	1,566,350
Carrying Amount		**₱4,429,033**	₱5,734,650

Financial asset at FVOCI pertain to investment in shares which is being traded in the PSE. The fair values of the financial assets are determined by reference to published price quotations in an active market and has been categorized as Level 1. Cumulative unrealized losses on financial asset at FVOCI amounted to ₱0.3 million as at December 31, 2023 (and 2022).

Dividend income from the financial asset at FVOCI amounted to ₱18,468 in 2023 (₱12,825 in 2022 and ₱14,022 in 2021) (see Note 18).

8. Property and Equipment

Movements in this account are as follows:

	2023					
	Land	**Cable and Wire Facilities**	**Network Equipment**	**Buildings and Improvements**	**Other Work Equipment**	**Total**
Cost						
Balances at beginning of year	**₱360,360,000**	**₱280,508,351**	**₱253,513,660**	**₱23,950,378**	**₱60,525,899**	**₱978,858,288**
Additions	**–**	**19,370,231**	**101,500**	**82,620**	**4,060,474**	**23,614,825**
Revaluation	**42,900,000**	**–**	**–**	**–**	**–**	**42,900,000**
Balances at end of year	**403,260,000**	**299,878,582**	**253,615,160**	**24,032,998**	**64,586,373**	**1,045,373,113**
Accumulated Depreciation						
Balances at beginning of year	**–**	**163,965,574**	**243,150,291**	**7,171,627**	**32,344,533**	**446,632,025**
Depreciation	**–**	**15,947,464**	**6,610,627**	**758,022**	**7,571,861**	**30,887,974**
Balances at end of year	**–**	**179,913,038**	**249,760,918**	**7,929,649**	**39,916,394**	**477,519,999**
Carrying Amount	**₱403,260,000**	**₱119,965,544**	**₱3,854,242**	**₱16,103,349**	**₱24,669,979**	**₱567,853,114**

	2022 (As restated - see Note 4)					
	Land	Cable and Wire Facilities	Network Equipment	Buildings and Improvements	Other Work Equipment	Total
Cost						
Balances at beginning of year	₱–	₱267,664,166	₱253,141,187	₱6,317,536	₱57,066,394	₱584,189,283
Additions		12,844,185	372,473	3,637,699	4,480,041	21,334,398
Disposals	–	–	–	–	(1,020,536)	(1,020,536)
Reclassifications	360,360,000	–	–	13,995,143	–	374,355,143
Balances at end of year	360,360,000	280,508,351	253,513,660	23,950,378	60,525,899	978,858,288
Accumulated Depreciation						
Balances at beginning of year	–	146,719,303	229,426,842	46,046	24,561,114	400,753,305
Depreciation	–	17,246,271	13,723,449	1,364,682	8,164,459	40,498,861
Disposals	–	–	–	–	(381,040)	(381,040)
Reclassifications	–	–	–	5,760,899	–	5,760,899
Balances at end of year	–	163,965,574	243,150,291	7,171,627	32,344,533	446,632,025
Carrying Amount	₱360,360,000	₱116,542,777	₱10,363,369	₱16,778,751	₱28,181,366	₱532,226,263

Depreciation and amortization charged to statement of comprehensive income consist of the following:

	Note	2023	2022	2021
Amortization of ROU assets	21	**₱37,021,829**	₱34,487,833	₱35,284,802
Depreciation of property and equipment		**30,887,974**	40,498,861	37,443,325
Amortization of intangible assets	7	**1,480,617**	1,061,200	473,733
		₱69,390,420	₱76,047,894	₱73,201,860

Service vehicles, presented under Other Work Equipment, with carrying value of ₱2.2 million as at December 31, 2023 (₱4.5 million as at December 31, 2022) serve as collaterals for bank loans (see Note 12).

In 2022, the Company sold a service vehicle, presented under Other Work Equipment, at the same amount of its net book value of ₱0.6 million.

Fully depreciated properties still in use amounted to ₱277.1 million as at December 31, 2023 (and 2022).

Land at revalued amount

The Company's land is measured using the revaluation model. In 2023, the land was revalued by an independent appraiser using the Sales Comparison Approach method, which considers the sales of similar or substitute properties and related market data, then establishes a value estimate by processes involving comparison.

Movement of revaluation surplus, net of tax, are as follows:

	2023	2022	2021
Balance at beginning of year	**₱109,395,000**	₱109,395,000	₱109,395,000
Revaluation surplus	**32,175,000**	–	–
Balance at end of year	**₱141,570,000**	₱109,395,000	₱109,395,000

Fair value measurement was categorized as Level 3 and the significant unobservable input used in determining fair values for 2023 is discussed as follows:

Price per square meter	₱470,000
Value adjustments	(5%)

Price per square meter pertains to the estimated value prevailing in the real estate market depending on the location, area and time element. Value adjustments are adjustments made to bring the comparative values in approximation to the properties taking into account internal factors such as marketability, location, terrain, size, shape and development.

No appraisal was made in 2022 and 2021 because management has assessed that the carrying amount of land approximates its fair value as at December 31, 2022 and 2021.

Sensitivity Analysis. The following factors were considered in determining the market value of the subject property:

- property location and neighborhood data;
- present use of the property is commercial utility;
- quantitative market value adjustments based on internal factors; and,
- highest and best use (commercial utility)

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

As at December 31, 2023 (and 2022), there were no transfers between levels in the fair value hierarchy.

9. Investment Properties

Movements in this account are as follows:

	2023	2022
Balance at beginning of year	**₱79,311,918**	₱171,984,268
Disposals	**(38,497,900)**	(92,672,350)
Balance at end of year	**₱40,814,018**	₱79,311,918

The Company's investment properties consist of land located in NCR, and Regions 3 and 4, which are held for rentals and for capital appreciation.

The Company sold investment properties costing ₱38.5 million for ₱97.3 million in 2023 (₱92.7 million for ₱129.7 million in 2022 and ₱40.1 million for ₱49.5 million in 2021). These resulted to gain on sale of ₱58.8 million in 2023 (₱37.0 million in 2022 and ₱9.4 million in 2021).

Fair Value

The fair value of the investment properties based on management's assessment using the sales comparison approach amounted to ₱88.7 million as at December 31, 2023 (and ₱169.8 million in 2022). Fair value measurement was categorized as Level 3 and the significant unobservable input used in determining fair values for 2023 is discussed as follows:

Price per square meter	₱900 to ₱22,500
Value adjustments	(5%) to (15%)

Price per square meter pertains to the estimated value prevailing in the real estate market depending on the location, area and time element. Value adjustments are adjustments made to bring the comparative values in approximation to the properties taking into account internal factors such as marketability, location, terrain, size, shape and development.

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

10. Trade and Other Payables

This account consists of:

	2023	2022 (As restated - see Note 4)
Trade	**₱67,643,619**	₱107,550,074
Customers' deposits	**150,471,575**	158,232,575
Advances from customers	**36,347,255**	24,265,472
	₱254,462,449	₱290,048,121

Trade payables are non-interest bearing and are settled on a 30 to 120 days' term, and include accrued interest payable under Corp Rehab amounting to ₱110.9 million as at December 31, 2023 (₱151.0 million as at December 31, 2022). The Company reversed long-outstanding liabilities of ₱27.5 million in 2023 (₱4.9 million in 2022 and ₱12.1 million 2021) because management assessed that no further claims will be made for these payables (see Note 18).

Customers' deposits are refundable upon expiration and/or termination of the subscription.

Advances from customers, equivalent to two months subscription fee, will be applied as payment upon the expiration and/or termination of the subscription.

11. Statutory Liabilities

This account consists of:

	2023	2022 (As restated - see Note 4)
Covered by Corp Rehab		
Labor-related	**₱76,131,049**	₱76,131,049
NTC	**48,724,945**	48,724,945
Home Development Mutual Fund (HDMF)	**28,448,186**	28,448,186
Social Security System (SSS)	**15,101,233**	15,101,233
Philippine Health Insurance Corporation (PHIC)	**12,145,658**	12,145,658
National Home Mortgage Finance Corp. (NHFMC)	**1,132,874**	1,132,874
	181,683,945	181,683,945
Outside Corp Rehab		
NTC	**149,095,423**	87,240,673
BIR and other government agencies	**155,468,305**	57,436,600
	304,563,728	144,677,273
	₱486,247,673	₱326,361,218

Covered by Corp Rehab

As discussed in Note 1, all outstanding obligations covered by the Corp Rehab are subject to the legal interest of 6% from the approval of the Plan. Interest expense arising from liabilities covered by the Corp Rehab amounted to ₱21.5 million in 2023 (₱21.6 million in 2022 and ₱22.8 million in 2021) (see Note 22).

Labor-related pertains to unpaid salaries and wages of employees, and National Labor Relation Commission fees.

NTC represents unpaid Supervision and Regulation Fee and Spectrum User Fees charged by the NTC to telecommunications company with valid legislative franchise.

HDMF, SSS, PHIC and NHFMC pertain to unremitted employer and employees' contributions.

Outside Corp Rehab
Statutory obligations outside the Corp Rehab are current obligations which are incurred in the normal operations of the Company. These are usually settled within the succeeding month.

12. Loans Payable

Movements in this account are as follows:

	2023	2022
Balance at beginning of year	**₱30,890,080**	₱4,833,707
Payments	**(27,218,460)**	(3,943,627)
Additions	**–**	30,000,000
Balance at end of year	**₱3,671,620**	₱30,890,080

Loans payable are classified as follows:

	2023	2022
Current	**₱3,671,620**	₱5,363,494
Noncurrent	**–**	25,526,586
	₱3,671,620	₱30,890,080

<u>Loans from Bank</u>
The Company obtained several loans from a local bank to finance the purchase of transportation equipment. These loans bear annual interest rates ranging from 11% to 19% and have maturity dates from December 2022 to May 1, 2026. Outstanding balance of these loans aggregate ₱3.6 million as at December 31, 2023 (₱5.4 million as at December 31, 2022).

The carrying value of service vehicles pledged as collaterals for the loan amounted to ₱2.2 million as at December 31, 2023 (₱4.5 million as at December 31, 2022) (see Note 8).

Interest expense recognized related to the loans amounted to ₱0.4 million in 2023 (₱0.5 million in 2022 and ₱0.6 million in 2021) (see Note 22).

<u>Loans from a Related Party</u>
In 2022, the Company obtained loans from a related party amounting to ₱28.0 million with an interest rate of 8.75% per annum, and payable in equal monthly amortization up to July 2027. As at December 31, 2022, the carrying amount of loan from a related party amounted to ₱25.5 million. These were fully paid in 2023.

Interest expense recognized related to the loans amounted to ₱13.9 million in 2023 (₱12.8 million in 2022, and ₱12.3 million in 2021) (see Note 22).

13. **Retirement Benefits Liability**

The Company has an unfunded defined benefit plan covering all regular and permanent employees. The latest actuarial valuation report as at December 31, 2023 is determined using the projected unit credit actuarial cost method.

The following tables summarize the retirement benefits liability recognized in the statement of financial position and the components of retirement benefits costs recognized in the statement of comprehensive income for the retirement plan:

Retirement benefits costs are as follows:

	2023	2022	2021
Current service cost	**₱8,991,008**	₱10,015,887	₱9,227,209
Interest expense on defined benefit plan	**3,089,303**	2,406,815	1,681,355
	₱12,080,311	₱12,422,702	₱10,908,564

Retirement benefit cost attributable to key management personnel amounted to ₱7.1 million in 2023 (₱7.3 million in 2022 and ₱3.3 million in 2021) (see Note 20).

Changes in the present value of the retirement benefits liability are as follows:

	2023	2022
Balance at beginning of year	**₱140,191,440**	₱141,510,008
Current service cost	**8,991,008**	10,015,887
Interest expense	**3,089,303**	2,406,815
Benefits paid from company operating funds	**(743,747)**	(7,955,892)
Remeasurement (gain) loss	**597,151**	(5,785,378)
Balance at end of year	**₱152,125,155**	₱140,191,440

As disclosed in Note 1, the Company has been under Corp Rehab since 2011. Pursuant to the Court Rehab orders, the Company may put on hold the benefits of separated employees for service rendered prior to August 24, 2009 Stay Order. As at December 31, 2023 (and 2022), the Company has retirement benefits liability attributable to separated employees amounting to ₱93.7 million.

Movements in the cumulative remeasurement gain on retirement benefits liability, net of tax, follows:

	2023	2022
Balance at beginning of year	**₱5,166,505**	₱827,472
Remeasurement gain (loss)	**(447,863)**	4,339,033
Balance at end of year	**₱4,718,642**	₱5,166,505

The principal actuarial assumptions used to determine pension for the Company are as follows:

	2023	2022
Discount rate	**6.11%**	7.23%
Salary increase rate	**5.00%**	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2023, assuming all other assumptions were held constant:

	Increase (Decrease)	Total
Discount rates	7.11% (Actual + 1.00%)	₱148,827,884
	6.11%	152,125,155
	5.11% (Actual - 1.00%)	155,905,335
Salary increase rate	6.00% (Actual +1.00%)	156,157,624
	5.00%	152,125,155
	4.00% (Actual - 1.00%)	148,548,456

Shown below is the maturity analysis of the Company's undiscounted benefit payments as at December 31, 2023:

	Total
Less than 1 year	₱108,028,641
1 to less than 5 years	27,587,713
5 to less than 10 years	42,815,196
10 to less than 15 years	36,375,165
15 to less than 20 years	67,585,856
20 years and above	145,096,048
	₱427,488,619

The average duration of the retirement benefits liability as at December 31, 2023 is 7.1 years (and 6.6 years as at December 31, 2022).

14. Equity

Capital Stock

The Company's capital stock comprises of common and preferred stock, broken down as follows:

	2023		2022		2021	
	Number of shares	**Amount**	Number of shares	Amount	Number of shares	Amount
Authorized						
Common - ₱1.00 par value	**1,500,000,000**	**₱1,500,000,000**	1,500,000,000	₱1,500,000,000	1,500,000,000	₱1,500,000,000
Preferred (Serial, Cumulative, Convertible and Redeemable) - ₱10.00 par value	**230,000,000**	**2,300,000,000**	230,000,000	2,300,000,000	230,000,000	2,300,000,000
Preferred (Serial and Redeemable) - ₱1.00 par value	**8,800,000,000**	**8,800,000,000**	–	–	–	–
	10,530,000,000	**₱12,600,000,000**	1,730,000,000	₱3,800,000,000	1,730,000,000	₱3,800,000,000
Subscribed						
Common	**1,500,000,000**	**₱1,500,000,000**	1,500,000,000	₱1,500,000,000	1,500,000,000	₱1,500,000,000
Preferred 1 (Serial, Cumulative, Convertible and Redeemable)	**71,676,358**	**716,763,580**	–	–	–	–
Preferred 2 (Serial and Redeemable)	**8,709,572,093**	**8,709,572,093**	–	–	–	–
	10,281,248,451	**₱10,926,335,673**	1,500,000,000	₱1,500,000,000	1,500,000,000	₱1,500,000,000

Pursuant to the Rehab Plan (see Note 1), the BOD and stockholders approved the increase in the Company's authorized capital stock (ACS) from ₱3,800.0 million, divided into 1,500.0 million common stock at ₱1 par value a share and 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share, to ₱12,600.0 million, divided into 1,500.0 million common stock at ₱1 par value a share, 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share and 8,800.0 million serial and redeemable preferred stock (Series "A", "B" and "C") at ₱1 par value a share, in 2021. DFFS related to the increase in ACS aggregated ₱8,709.6 million, resulting to remaining DFFS of ₱2.2 million as at December 31, 2023. On November 3, 2023, the SEC approved the increase in the ACS.

Preferred 1 (Serial, Cumulative, Convertible and Redeemable)
In 2023, the BOD approved the conversion of advances from MENLO amounting to ₱371.8 million, the debt-in-possession amounting to ₱215.0 million and DFFS amounting to ₱130.0 million into 71,676,858 Preferred 1 shares, or equivalent to ₱716.8 million.

Preferred 1 shares rights and features are as follows:

1. Has no voting rights or right to be voted except as provided by law.
2. Entitled to cumulative and non-participating dividends.
3. Issued into different series and at different dividend rates as determined by the BOD.
4. Convertible into common shares as determined by the BOD.
5. Redemption period shall be fixed by the BOD and may be re-issued upon redemption as preferred or as common stock at the option of the BOD.

Preferred 2 (Serial and Redeemable)
As disclosed in Note 1, the Rehab Court requires the Company to settle its liabilities through a debt conversion to 12-year serial and redeemable preferred stock, under the following classifications:

Type of Serial and Redeemable Preferred Stock	Type of Obligation
Series "A"	Secured obligations
Series "B"	Unsecured obligations
Series "C"	Obligations to affiliate companies

Following the SEC's approval of the increase in ACS in 2023, DFFS amounting to ₱8,709.6 million were converted into Preferred 2 shares. Details are as follows:

	Number of shares	Amount
Authorized		
Series A	**6,750,000,000**	**₱6,750,000,000**
Series B	**1,800,000,000**	**1,800,000,000**
Series C	**250,000,000**	**250,000,000**
Increase and balance at end of year	**8,800,000,000**	**₱8,800,000,000**
Subscribed		
Series A	**6,726,392,237**	**₱6,726,392,237**
Series B	**1,764,878,303**	**1,764,878,303**
Series C	**218,301,553**	**218,301,553**
Subscription and balance at end of year	**8,709,572,093**	**₱8,709,572,093**

APIC
Movements in the Company's APIC follows:

	2023	2022	2021
Balance at beginning of year	**₱724,255,313**	₱724,255,313	₱724,255,313
Stock issuance costs	**(94,281,272)**	–	–
Balance at end of year	**₱629,974,041**	₱724,255,313	₱724,255,313

Stock issuance costs pertains to the documentary stamp taxes on the subscriptions of shares in 2023.

15. Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the net loss attributable to stockholders of the Company by the weighted average number of ordinary shares in issue during the year/period, excluding ordinary shares purchased by the Company and held as treasury shares.

Earnings (loss) per share are as follows:

	2023	2022	2021
Net income (loss)	**₱7,906,864**	(₱14,248,202)	(₱22,784,703)
Weighted average number of common shares	**1,500,000,000**	1,500,000,000	1,500,000,000
Basic/diluted earnings (loss) per share	**₱0.005**	(₱0.009)	(₱0.015)

There were no potential dilutive shares in 2023 (2022 and 2021).

16. Revenues

This account consists of:

	2023	2022	2021
Broadband services	**₱459,135,897**	₱455,393,245	₱418,534,873
Information Technology (IT) services	**69,576,184**	86,877,630	78,870,420
	₱528,712,081	₱542,270,875	₱497,405,293

Disaggregation of the Company's contracts with customers is presented below:

	2023	2022	2021
Service fees - *over a period of time*	**₱432,788,869**	₱457,583,660	₱427,414,914
Sale of goods - *at a point in time*	**93,514,619**	84,687,215	69,990,379
	₱526,303,488	₱542,270,875	₱497,405,293

Facilities Exchange and Revenue Sharing Agreement with Telectronic Systems, Inc. (TSI)

The Company and TSI, a related party, has a Memorandum of Understanding where both parties agree to exchange usufruct including, but not limited to, the Company's fiber facilities, capacities, and upgrades which were funded by TSI, TSI's multiplex and other equipment upgrades. These facilities shall be used to provide data transport facilities to customers for which the Company and TSI shall share revenue based on gross receipts. TSI and the Company's revenue sharing varies from 30:70, 40:60, and 50:50, respectively. TSI shall be an authorized reseller of the Company's data transport services (see Note 20). The Memorandum of Understanding shall be effective for a period of 15 years from the execution date.

17. Costs and Expenses

Cost of Sales and Services

This account consists of:

	2023	2022	2021
Personnel cost	**₱147,647,983**	₱110,127,166	₱120,769,835
Upstream internet connectivity	**57,937,880**	51,627,315	42,965,844
IT equipment and software	**36,078,326**	59,244,760	57,220,382
Depreciation and amortization	**30,129,952**	33,020,688	31,784,914
Utilities	**5,593,317**	6,141,229	1,678,143
Outside services	**4,414,440**	1,301,749	1,635,414
Professional and other contracted services	**4,421,136**	5,518,720	3,076,122
Others	**5,120,230**	8,376,869	7,015,780
	₱291,343,264	₱275,358,496	₱266,146,434

General and Administrative Expenses

This account consists of:

	Note	**2023**	2022	2021
Personnel cost		**₱120,431,301**	₱134,599,869	₱101,232,152
Taxes and licenses		**41,563,735**	23,510,519	16,869,648
Depreciation and amortization		**39,260,468**	43,027,206	41,416,946
Utilities		**19,632,566**	20,476,547	20,221,778
Professional and other contracted services		**16,508,742**	20,607,176	11,486,391
Provision for ECL	6	**11,612,530**	4,436,921	5,287,810
Outside services		**7,108,869**	10,719,613	13,467,263
Marketing and commissions		**6,586,351**	6,868,908	7,032,258
Repair and maintenance		**6,233,461**	3,712,424	2,441,933
Software licenses		**3,903,087**	7,671,285	4,301,786
Others		**6,391,916**	9,433,223	14,555,645
		₱279,233,026	₱285,063,691	₱238,313,610

Personnel cost consists of:

	Note	2023	2022	2021
Salaries, wages and other short-term benefits		**₱255,998,973**	₱232,304,333	₱211,093,423
Retirement benefit costs	13	**12,080,311**	12,422,702	10,908,564
		₱268,079,284	₱244,727,035	₱222,001,987

18. **Other Income (Charges)**

This account consists of:

	Note	2023	2022	2021
Reversal of liabilities	10	**₱27,504,326**	₱4,877,301	₱12,103,707
Realized foreign exchange gain (loss)		**52,532**	(212,866)	(58,288)
Interest income	5	**14,891**	26,714	45,714
Dividend income	7	**18,468**	12,825	14,022
Unrealized foreign exchange loss		**–**	(886,637)	(1,009,215)
Others		**2,242,394**	779,299	2,831,158
		₱29,832,611	₱4,596,636	₱13,927,098

19. **Income Taxes**

The provision for current income tax pertain to MCIT in 2023 (2022 and 2021).

The reconciliation of the provision for (benefit from) income tax computed at statutory income tax rate to the benefit from income tax shown in the statement of comprehensive income follows:

	2023	2022	2021
Provision for (benefit from) income tax computed at statutory rate	**₱1,976,716**	(₱3,562,051)	(₱5,938,506)
Change in unrecognized deferred taxes	**32,473,371**	8,217,463	3,813,088
Stock issuance costs charged to APIC	**(23,570,318)**	–	–
Tax effects of:			
Nontaxable income	**(14,712,998)**	(9,262,121)	(2,401,039)
Nondeductible expenses	**63,430**	581,982	2,019,045
Expired MCIT	**3,769,799**	2,873,472	–
Expired NOLCO	**–**	1,151,255	2,486,742
Effect of change in tax rates	**–**	–	(948,649)
	₱–	₱–	(₱969,319)

The Company's net deferred tax liabilities are as follows:

	2023	2022	2021
Deferred tax asset -			
Excess MCIT over RCIT	**₱10,503,469**	₱6,902,558	₱2,542,549
Deferred tax liabilities:			
Revaluation surplus	**48,912,170**	35,935,841	46,945,364
Net retirement benefit liability	**149,288**	2,249,263	275,825
Unrealized foreign exchange gain	**–**	2,066	–
Effect of change in tax rates	**–**	–	(10,482,430)
	49,061,458	38,187,170	36,738,759
Net deferred tax liabilities	**₱38,557,989**	₱31,284,612	₱34,196,210

The following deferred tax assets were not recognized because management has assessed that it is not probable that there will be sufficient taxable income against which these deferred tax assets can be utilized.

	2023	2022	2021
Accrued interests	**₱83,552,768**	₱75,493,442	₱67,112,445
Retirement benefits costs	**39,790,106**	36,770,029	35,653,326
NTC outside Court Rehabilitation	**37,440,748**	37,273,856	34,326,718
NOLCO	**19,194,104**	–	2,349,698
Provision for ECL on receivables	**8,217,437**	5,314,304	4,205,074
Excess of ROU assets over lease liabilities	**3,949,359**	828,062	910,852
Unrealized foreign exchange loss	**–**	221,659	252,304
	192,144,522	155,901,352	144,810,417
Excess MCIT over RCIT	**–**	3,769,799	6,643,271
	₱192,144,522	₱159,671,151	₱151,453,688

The NOLCO incurred in 2023 amounting to ₱76.1 million can be claimed until 2026 as deduction to future taxable income.

Details of excess MCIT over RCIT are as follows:

Year incurred	Amount	Incurred	Expired	Balance at end of year	Valid until
2023	₱–	₱3,600,911	₱–	₱3,600,911	2026
2022	4,360,009	–	–	4,360,009	2025
2021	2,542,549	–	–	2,542,549	2024
2020	3,769,799	–	(3,769,799)	–	2023
	₱10,672,357	₱3,600,911	(₱3,769,799)	₱10,503,469	

20. **Related Party Transactions**

The Company, in the normal course of business, has the following transactions with related parties:

		Transaction during the year			Outstanding balances	
	Nature of Transaction	**2023**	2022 (As restated - see Note 4)	2021 (As restated - see Note 4)	**2023**	2022 (As restated - see Note 4)
Receivables *(see Note 6)*	Resell of data transport	**₱1,253,450**	₱7,584,589	₱6,996,530	**₱21,479,149**	₱20,225,699
Due from related parties						
Stockholder	Advances	**₱47,141,992**	₱115,642,645	₱114,959,385	**₱198,993,472**	₱151,851,479
Entities under common control		**683,280**	467,808	–	**7,051,813**	6,368,553
					₱206,045,285	₱158,220,032
Due to related parties						
Stockholders	Advances	**₱1,654,240**	₱493,739	₱2,147,979	**₱68,795,323**	₱67,513,981
Entities under common control		–	375,622,202	373,967,962	**30,425,103**	621,895,128
					₱99,220,426	₱689,409,109
Loans *(see Note 12)*						
Entity under common control	Loan	**₱–**	₱30,000,000	₱–	**₱–**	₱25,526,586

Terms and Conditions of Transactions with Related Parties

Due To and From Related Parties. Outstanding balances with related parties as at year-end are unsecured, noninterest-bearing, payable on demand and are expected to be settled in cash.

Loans. These are unsecured loans with a related party bearing an interest rate of 8.75% per annum, and payable in equal monthly amortization up to July 2027 (see Note 12). These were fully paid in 2023.

Compensation of Key Management Personnel

Compensation of key management personnel of the Company are as follows:

	Note	**2023**	2022	2021
Short-term employee benefits		**₱30,662,985**	₱31,167,212	₱36,243,951
Retirement benefit cost	13	**7,103,957**	7,333,991	3,260,790
		₱37,766,942	₱38,501,203	₱39,504,741

21. **Leases**

Company as Lessee

The Company has lease contracts for various network equipment for cell sites telecommunications equipment locations and leased poles and other work equipment for car rentals used in its operations which generally have lease terms between one (1) and ten (10) years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease payments which are further discussed below.

Movements in ROU assets are as follows:

	Note	**2023**	2022
Cost			
Balance at beginning of year		**₱128,438,190**	₱117,786,684
Additions		**34,132,202**	10,651,506
Balance at end of year		**162,570,392**	128,438,190
Accumulated Amortization			
Balance at the beginning of year		**102,001,725**	67,513,892
Amortization	8	**37,021,829**	34,487,833
Balance at end of year		**139,023,554**	102,001,725
Carrying Amount		**₱23,546,838**	₱26,436,465

Movements in lease liabilities are as follows:

	Note	**2023**	2022
Balance at beginning of year		**₱29,605,261**	₱53,792,750
Additions		**34,132,202**	10,651,506
Payments		**(26,239,188)**	(37,633,101)
Accretion of interest	22	**2,358,686**	2,794,106
Balance at end of year		**39,856,961**	29,605,261
Less current portion		**13,739,948**	21,949,135
Noncurrent portion		**₱26,117,013**	₱7,656,126

Future minimal rentals payments as at December 31 are as follows:

	2023	2022
Within one year	**₱6,156,257**	₱22,007,579
After one year but not more than five years	**16,424,360**	3,583,160
More than five years	**17,276,344**	4,014,522
	₱39,856,961	₱29,605,261

22. **Interest Expense**

This account consists of:

	Note	**2023**	2022	2021
Corp Rehab obligations	11	**₱21,470,622**	₱21,581,592	₱22,805,466
Loans from a related party		**13,921,155**	12,824,816	12,328,360
Lease liabilities	21	**2,358,686**	2,794,106	4,287,083
Bank loans	12	**477,346**	500,941	616,881
Others		**670,829**	1,013	4,196
		₱38,898,638	₱37,702,468	₱40,041,986

Others pertain to interest expenses paid by the Company to various suppliers.

23. **Segment Reporting**

The Company has only one operating segment which is the broadband internet access services which include, among others: (a) fiber optic dedicated, e-line or shared broadband; (b) wireless dedicated or shared broadband; (c) very small aperture terminal; and (d) gateway peering. Revenues derived from these services consists of fixed monthly subscription rate plus installation charges and other one-time fees associated with the customer service.

The Company shifted its products and services from LEC to broadband data services, fixed wireless services Point to Point and Point to Multipoint Wireless Communications Services and Network Operations Center using the same LEC Network (see Note 1).

The Company monitors the operating results based on earnings before interest, taxes and depreciation and amortization (EBITDA).

The Company's EBITDA are as follows:

	Note	**2023**	2022	2021
Net income (loss)		**₱7,906,864**	(₱14,248,202)	(₱22,784,703)
Interest expense	22	**38,898,638**	37,702,468	40,041,986
Depreciation and amortization	8	**69,390,420**	76,047,894	73,201,860
Benefit from income tax	19	**–**	–	(969,319)
		₱116,195,922	₱99,502,160	₱89,489,824

24. **Financial Instruments**

Financial Risk Management Objectives and Policies

The Company's principal financial instruments are cash, trade and other receivables (excluding advances to employees), due from related parties, security deposits, trade and other payables (excluding advance rent and statutory payables), loans payable, lease liabilities and refundable deposits. The main purpose of these financial instruments is to raise funds for the Company's operations. It is the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The general policies for managing each of these risks are summarized below:

Credit Risk

The Company's credit risk is primarily attributable to its cash in bank and trade and other receivables and due from related parties. The Company has adopted stringent procedure in extending credit terms to customers and in monitoring its credit risk.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company manages the level of credit risk it accepts through comprehensive credit risk policy setting out assessment and determination of what constitutes credit risk for the Company; setting up exposure limits by each counterparty or group of counterparties, geographical and industry segments; guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and breaches to the monitoring authority; monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment.

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the exposure to bad debts is not significant.

The exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of its financial instruments.

There are no significant concentrations of credit risk within the Company.

The table below shows the maximum exposure to credit risk for the components of the 2023 (and 2022) statement of financial position. The maximum exposure is shown gross, without taking into account collateral and other credit enhancement.

	2023	2022
Cash in banks	**₱10,936,479**	₱17,106,489
Receivables*	**135,575,868**	120,682,513
Due from related parties	**206,045,285**	158,220,032
Refundable security deposits	**15,623,208**	15,106,524
Financial asset at FVOCI	**218,709**	225,207
	₱368,399,549	₱311,340,765

**Excluding advances to suppliers and contract assets*

The tables below show the credit quality by class of financial asset based on the rating system of the Company as at December 31, 2023 (and 2022):

	2023			
	Neither Past Due nor Impaired			
	High Grade	**Standard Grade**	**Impaired**	**Total**
Cash in banks	**₱10,936,479**	**₱–**	**₱–**	**₱10,936,479**
Receivables*	**–**	**135,575,868**	**69,908,539**	**205,484,407**
Due from related parties	**–**	**206,045,285**	**–**	**206,045,285**
Refundable security deposits	**–**	**15,623,208**	**–**	**15,623,208**
Financial asset at FVOCI	**–**	**218,709**	**–**	**218,709**
	₱10,936,479	**₱357,463,070**	**₱69,908,539**	**₱438,308,088**

**Excluding advances to suppliers and contract assets.*

	2022			
	Neither Past Due nor Impaired			
	High Grade	Standard Grade	Impaired	Total
Cash in banks	₱17,106,489	₱–	₱–	₱17,106,489
Receivables*	–	120,682,513	58,296,009	178,978,522
Due from related parties	–	158,220,032	–	158,220,032
Refundable security deposits	–	15,106,524	–	15,106,524
Financial asset at FVOCI	–	225,207	–	225,207
	₱17,106,489	₱294,234,276	₱58,296,009	₱369,636,774

**Excluding advances to suppliers and contract assets.*

The Company evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparties. The Company determines if credit risk have increased significantly when financial assets are more than 30 days past due.

For trade receivables, the Company has adopted a lifetime expected loss allowance in estimating ECL to receivables through the use of a provisions matrix using fixed rates of credit loss provisioning based on recent historical collection rates after incorporating forward-looking information.

For other financial assets at amortized cost, the Company has adopted a 12-month expected loss allowance in estimating ECL to other financial assets at amortized cost, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

Due from related parties have sufficient liquid asset to pay and the risk of default is assessed to be minimal.

Generally, receivables are written off if collection cannot be made despite exhausting all extra-judicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Company does not hold collateral as security.

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. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

The Company manages liquidity through a liquidity risk policy which determines what constitutes liquidity risk for the Company; specifies minimum proportion of funds to meet emergency calls; setting up contingency funding plans; specify the sources of funding and the vents that would trigger the plan, concentration of funding sources; reporting of liquidity risk exposures and breaches to the monitoring authority; monitoring compliance with liquidity risk policy and review of liquidity risk policy for pertinence and changing environment.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated funds.

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company manages this risk through daily and periodically monitoring of cash flows in consideration of future payment due dates and daily collection amounts. The Company also ensures that there are sufficient, available, and approved working capital lines that it can draw from anytime.

The Company maintains an adequate amount of cash and cash equivalents in the event of unforeseen interruption of its cash collections. The Company also maintains accounts with several relationship banks to avoid significant concentration of cash with one institution.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	2023			
	On demand	**Within one year**	**More than one year**	**Total**
Trade and other payables*	**₱–**	**₱218,115,194**	**₱–**	**₱218,115,194**
Due to related parties	**–**	**99,220,426**	**–**	**99,220,426**
Lease liabilities	**–**	**13,739,948**	**26,117,013**	**39,856,961**
Loans payable	**–**	**3,671,620**	**–**	**3,671,620**
	₱–	**₱334,747,188**	**₱26,117,013**	**₱360,864,201**

**Excluding advances from customers amounting to ₱36.4 million.*

	2022			
	On demand	Within one year	More than one year	Total
Trade and other payables*	₱–	₱265,782,649	₱–	₱265,782,649
Due to related parties	–	689,409,109	–	689,409,109
Lease liabilities	–	21,949,135	7,656,126	29,605,261
Loans payable	–	5,363,494	25,526,586	30,890,080
	₱–	₱982,504,387	₱33,182,712	₱1,015,687,099

**Excluding advances from customers amounting to ₱24.3 million.*

Fair Value of Financial Assets and Financial Liabilities

The table below represents the carrying values and fair values of the Company's financial assets and financial liabilities as of December 31, 2023 (and 2022).

	Carrying Amount		**Fair Value**	
	2023	2022	**2023**	2022
Financial Assets				
Cash	**₱11,251,479**	₱17,411,489	**₱11,251,479**	₱17,411,489
Receivables*	**135,575,868**	120,682,513	**135,575,868**	120,682,513
Due from related parties	**206,045,285**	158,220,032	**206,045,285**	158,220,032
Refundable security deposits	**15,623,208**	15,106,524	**15,623,208**	15,106,524
Financial asset at FVOCI	**218,709**	225,207	**218,709**	225,207
	₱368,714,549	₱311,645,765	**₱368,714,549**	₱311,645,765

**Excluding advances to suppliers and contract assets*

	Carrying Amount		Fair Value	
	2023	2022	**2023**	2022
Financial Liabilities				
Trade and other payables*	**₱218,115,194**	₱265,782,649	**₱218,115,194**	₱265,782,649
Due to related parties	**99,220,426**	689,409,109	**99,220,426**	689,409,109
Lease liabilities	**39,856,961**	29,605,261	**39,856,961**	29,605,261
Loans payable	**3,671,620**	30,890,080	**3,671,620**	30,890,080
	₱360,864,201	₱1,015,687,099	**₱360,864,201**	₱1,015,687,099

**Excluding advances from customers*

Cash, Receivables, Trade Payables and Accrued Expenses. The carrying amounts of cash, trade receivables and trade payables and accrued expenses approximate their fair value due to their short-term maturity.

Due to/from Related Parties. Advances to related parties have no definite fixed terms and are not expected to be realized within the next 12 months. Accordingly, the fair values are not determinable, as the timing of future cash flows cannot be estimated reliably.

Lease Liabilities. The fair value of the current portion of lease liabilities approximates their carrying value due to the short-term maturities of these liabilities. The fair value of the noncurrent portion of lease liabilities is based on the discounted value of future cash flows using the prevailing interest rate ranging from 7.03% to 7.07% in 2023 (and 2022).

Security and Refundable Deposits. The fair value of security and refundable deposits are based on discounted value of future cash flows using the applicable market interest rates. Discount rate ranging from 4.57% to 4.73% were used in calculating the fair values of deposits in 2023 (and 2022).

Capital Management
The Company manages its capital to ensure that it will be able to continue as a going concern, while maximizing the return on investments of stockholders.

The Company considers the following as its capital:

	2023	2022 (As restated - see Note 4)	2021 (As restated - see Note 4)
Capital stock	**₱10,926,335,673**	₱1,500,000,000	₱1,500,000,000
APIC	**629,974,041**	724,255,313	724,255,313
Revaluation surplus	**141,570,000**	109,395,000	109,395,000
Other comprehensive income	**4,438,031**	4,892,392	638,004
Deficit	**(11,664,967,762)**	(11,672,874,626)	(11,658,626,424)
DFFS in accordance with the court-approved rehabilitation plan	**2,164,488**	8,841,736,581	8,841,736,581
	₱39,514,471	(₱492,595,340)	(₱482,601,526)

25. **Notes to Statement of Cash Flows**

The following are the financing activities resulting to changes in the Company's liabilities:

2023	**Beginning of year**	**Cashflows**	**Effect of foreign exchange**	**Others**	**End of year**
Due to related parties	**₱689,409,109**	**(₱3,425,104)**	**₱–**	**(₱586,763,579)**	**₱99,220,426**
Lease liabilities	**29,605,261**	**(26,239,188)**	**–**	**36,490,888**	**39,856,961**
Loans payable	**30,890,080**	**(27,218,460)**	**–**	**–**	**3,671,620**
	₱749,904,450	**(₱56,882,752)**	**₱–**	**(₱550,272,691)**	**₱142,749,007**

2022 (As restated - see Note 4)	Beginning of year	Cashflows	Effect of foreign exchange	Others	End of year
Due to related parties	₱676,188,588	(₱665,401)	₱1,543,953	₱12,341,969	₱689,409,109
Lease liabilities	53,792,750	(37,633,101)	–	13,445,612	29,605,261
Loans payable	4,833,707	26,056,373	–	–	30,890,080
	₱734,815,045	(₱12,242,129)	₱1,543,953	₱25,787,581	₱749,904,450

PT&T Corp.
(Doing business under the name and style: PT&T)
(formerly Philippine Telegraph & Telephone Corporation)

SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

DECEMBER 31, 2023

The information for 2023 required by the above regulation is presented below:

Output VAT
Output VAT declared for the year ended December 31, 2023 and the sales upon which the same was based consist of:

	Gross sales	Output VAT
VATable Sales	₱454,648,568	₱54,557,828
Sale to Government	36,661,712	4,399,405
Exempt sales	16,742,482	–
Input VAT applied against output VAT		(18,190,178)
Penalties		(2,362,842)
		₱38,404,213

The gross revenues shown above are based on gross receipts of the Company for VAT purposes while gross revenues in the statement of comprehensive income are measured in accordance with PFRS.

Net output VAT payable is included as part of “Statutory Liabilities” account in the statement of financial position.

Movements in input VAT claimed for the year ended December 31, 2023 are as follows:

Balance at beginning of year	₱–
Add: Current year’s domestic purchases of goods other than capital goods	2,510,632
Importation of goods other than capital goods	24,508
Domestic purchase of services	23,285,084
Input tax on sale to Government	1,637,302
Total available input VAT	27,457,526
Less: VAT payments	7,434,262
VAT withheld on sales to Government	1,833,086
Input VAT applied against output VAT	(18,190,178)
Balance at end of year	₱–

Other Local and National Taxes

All other local and national taxes paid and accrued by the Company for the year ended December 31, 2023 consist of:

Documentary stamp tax	₱17,779,310
Business permits and licenses	11,857,316
Real property taxes	1,992,684
Capital gains tax	5,760,000
Others	4,774,719
	₱42,164,029

The above local and national taxes are recorded as part of “Taxes and licenses” line item under “General administrative expenses” account in the statement of comprehensive income.

Withholding taxes

The Company paid and accrued withholding taxes amounting to ₱28.1 million and ₱3.6 million, respectively, for the year ended December 31, 2023.

Tax Assessments and Tax Cases

The Company has no outstanding tax assessments and tax cases as at and for the year ended December 31, 2023.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
PT&T Corp.
6th Floor SCC Bldg. 106
Carlos Palanca St., Legaspi Village
Makati City

We have audited in accordance with Philippine Standards on Auditing the basic financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (formerly Philippine Telegraph & Telephone Corporation) (the Company) as at and for the year ended December 31, 2023, and have issued our report thereon dated April 1, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Reconciliation of Retained Earnings Available for Dividends Declaration

These schedules are presented for the purpose of complying with the Revised SRC Rule 68 and are not part of the basic financial statements. The information in these supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
BIR Accreditation No. 08-005144-005-2022
Valid until October 16, 2025
PTR No. 10072405
Issued January 2, 2024, Makati City

April 1, 2024
Makati City, Metro Manila

PT&T Corp.
(Doing business under the name and style: PT&T)
(formerly Philippine Telegraph & Telephone Corporation)

SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II OF THE REVISED SRC RULE 68
December 31, 2023

Schedule	Description	Page
A	Financial Assets*	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)**	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	N/A
D	Long-Term Debt	1
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)***	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	2
H	Conglomerate Map	3

** There are no outstanding financial assets which constitute 5% or more or the total current assets as at December 31, 2023.*
*** There are no amounts to whom the aggregate indebtedness is ₱1.0 million or 1% of total assets as at December 31, 2023.*
**** Indebtedness to related parties are classified as current as at December 31, 2023.*

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SCHEDULE D – LONG-TERM DEBT

December 31, 2023

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown under caption "Current portion of loan payable"	Amount shown under caption "Noncurrent portion of loan payable"
Philippine Savings Bank (PSBank)	₱3,671,620	₱3,671,620	–

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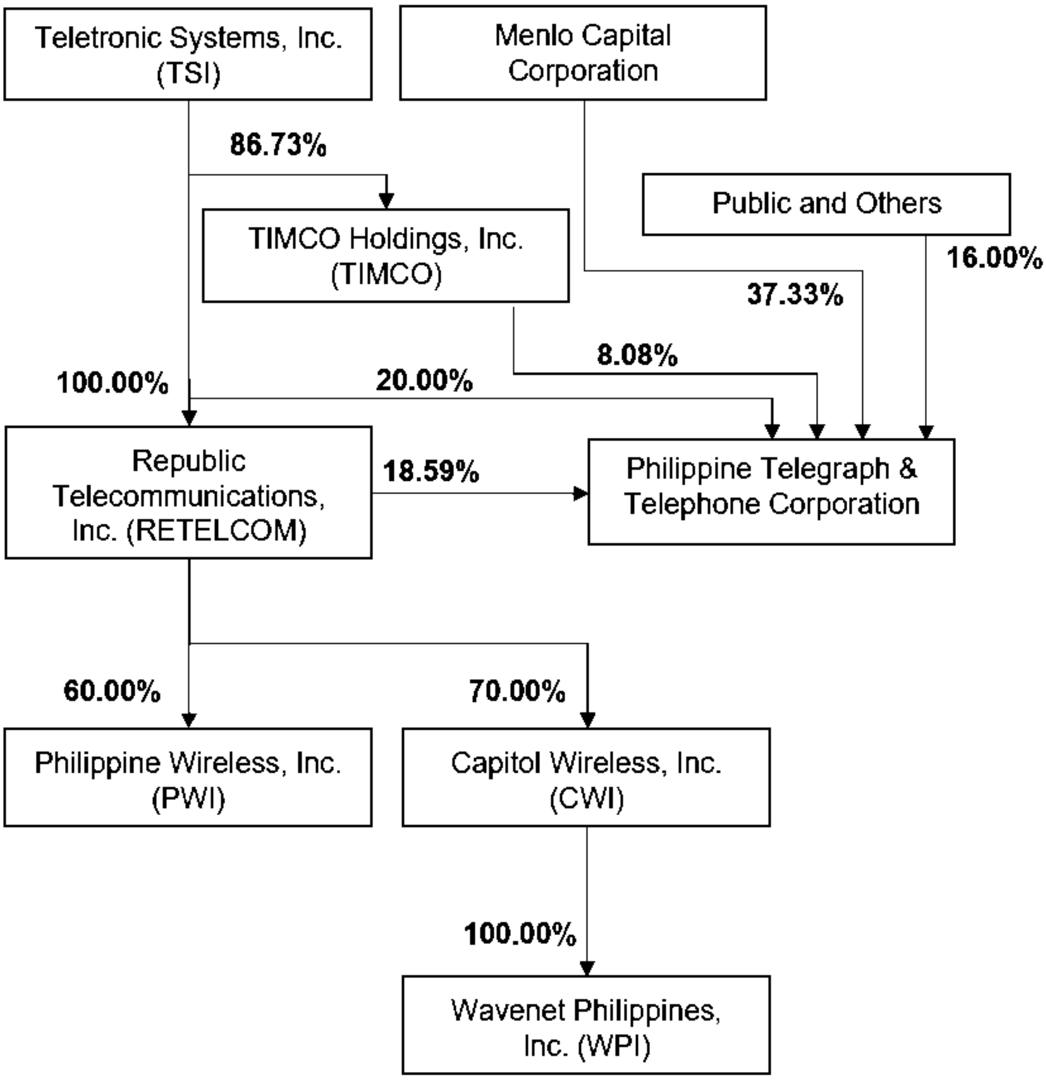
SCHEDULE G – CAPITAL STOCK
December 31, 2023

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for captions, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by directors, officers and employees	Others
Common shares	1,500,000,000	1,500,000,000	–	1,162,500,000	1,337,500,300	–
Serial RPS	230,000,000	71,636,358	–	–	71,636,358	
Series (A,B,C) RPS	8,800,000,000	8,709,572,093	–	2,225,427,809	–	6,487,144,284

SCHEDULE H – CONGLOMERATE MAP

December 31, 2023



PT&T Corp.

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SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

December 31, 2023

	Amount
Deficit, beginning of reporting period	(₱11,887,647,954)
Add: Category A: Items that are directly credited to unappropriated retained earnings	
Effect of restatements or prior-period adjustments	214,773,328
Deficit, as adjusted	(11,672,874,626)
Add: Net income for the current year	7,906,864
Add: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	3,600,911
Total deficit available for dividend declaration at end of year	**(₱11,661,366,851)**

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Registration No. PP201007009

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INDEPENDENT AUDITORS' REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
PT&T Corp.
6th Floor SCC Bldg. 106
Carlos Palanca St., Legaspi Village
Makati City

We have audited in accordance with Philippines Standards on Auditing, the accompanying financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (formerly Philippine Telegraph & Telephone Corporation) (the Company) as at and for the year ended December 31, 2023, and have issued our report dated April 1, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at and for the year then ended December 31, 2023, and no material exceptions were noted.

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SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
December 31, 2023 and 2022

Ratio	Formula	2023	2022
Current/Liquidity Ratio			
	Current assets	**₱383,638,977**	₱319,450,143
	Divided by: Current liabilities	**857,342,116**	1,333,131,077
	Current/Liquidity ratio	**0.45:1.00**	0.24:1.00
Solvency Ratio			
	Net income before depreciation and amortization	**₱77,297,284**	₱61,799,692
	Divided by: Total liabilities	**1,076,306,761**	10,379,526,422
	Solvency ratio	**0.07:1.00**	0.006:1.00
Debt-to-Equity Ratio			
	Total liabilities	**₱1,076,306,761**	₱10,379,526,422
	Divided by: Total equity	**37,349,383**	(9,334,331,921)
	Debt-to-Equity ratio	**28.82:1.00**	(1.11:1.00)
Asset-to-Equity Ratio			
	Total assets	**₱1,113,656,744**	₱1,045,194,501
	Divided by: Total equity	**37,349,983**	(9,334,331,921)
	Asset-to-Equity ratio	**29.82:1.00**	(0.11:1.00)
Interest Rate Coverage Ratio			
	Income before interest and taxes	**₱46,805,502**	₱23,454,266
	Divided by: Interest expense	**38,898,638**	37,702,468
	Interest Rate Coverage ratio	**1.11:1.00**	0.62:1.00
Return on Assets Ratio			
	Net income (loss)	**₱7,906,864**	(₱14,248,202)
	Divided by: Total assets	**1,113,656,744**	1,045,194,501
	Return on Assets ratio	**0.01:1.00**	(0.01:1.00)
Return on Equity Ratio			
	Net income (loss)	**₱7,906,864**	(₱14,248,202)
	Divided by: Total equity	**37,349,983**	(9,334,331,921)
	Return on Equity ratio	**0.21:1.00**	0.00:1.00
Net Profit Margin			
	Net income (loss)	**₱7,906,864**	(₱14,248,202)
	Divided by: Revenues	**528,712,081**	542,270,875
	Net Profit Margin	**0.01:1.00**	(0.03:1.00)

PT&T CORP.
INDEX TO EXHIBITS

FORM 17-A

No.		**Page No.**
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession	*
(5)	Instruments Defining the Rights of Security Holders, including Indentures	*
(8)	Voting Trust Agreement	*
(9)	Material Contracts	*
(10)	Annual Report to Security Holders, Form 17-Q or Quarterly Report to Security Holders	*
(13)	Letter re: Change in Certifying Accountant	*
(16)	Report Furnished to Security Holders	*
(18)	Subsidiaries of the Registrant	*
(19)	Published Report Regarding Matters submitted to Vote of Security Holders	*
(20)	Consent of Experts and Independent Counsel	*
(21)	Power of Attorney	*
(29)	Additional Exhibits	*

* These Exhibits are either not applicable to the Company or require no answer.