SEC Number 37535
File Number ________

ATN HOLDINGS, INC.

(Company)

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

(Address)

717-05-23

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A

(Form Type)

Amendment Designation (if applicable)

March 31, 2016

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **March 31, 2016**

2. SEC Identification Number: **37535**   3. BIR Tax Identification No. **005-056-869**

4. Exact name of registrant as specified in its charter:
   ATN Holdings, Inc.

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

6. (SEC Use Only)
   Industry Classification Code:

7. **9/F Summit One Tower, 530 Shaw Blvd., Mandaluyong City**   **1550**
   Address of principal office   Postal Code

8. **(632) 717-0523**
   Registrant's telephone number, including area code

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common A	**3,700,000,000**
Common B	**800,000,000**
TOTAL	**4,500,000,000**

11. Are any or all of these securities listed on the Philippine Stock Exchange?

    Yes []   **No [x]**

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 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 90 days.

Yes [X]   **No [ ]**

13. Aggregate market value of the voting stock held by non-affiliate of the registrant
    P358,052,155

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

ATN Holdings, Inc. (ATN) is holding company is mainly engaged in real estate, land development, energy and health care services. On March 14, 1996, The Company's change of par from One Centavo (P0.01) per share to One Peso (P1.00) per share was subsequently approved by the SEC in November, 1996.

On August 29, 2008 the Securities and Exchange Commission approved the increase in capital stock fromP200 million to P1.2 billion. The capital consisted of 720,0000 class "A" shares and 480,000 class "B" shares with a par value of P1 each. Out of the P1 billion capital increase, P250 million was subscribed and that P220 million was paid through the deposit for future subscription.

On March 27, 2015, the Securities and Exchange Commission approved the change in par value of ATN Holdings Shares from P1.00 per share to P0.10 per Class "A" and Class "B" share . The new capital denomination resulted in the increase of Class "A" and Class "B" into the following:

	Authorized Capital	Subscribed	Paid Up
Class "A" Share	7,200,000,000	3,700,000,000	370,000,000
Class "B" Share	4,800,000,000	800,000,000	80,000,000
Total	12,000,000,000	4,500,000,000	450,000,000

ATN Holdings invest in real properties and stocks. Its investments in real properties include several units of office condominium at Summit One Tower located at 530 Shaw Boulevard, Mandaluyong City. Summit One Tower is a 48-storey building. Units of Summit One Tower are office condominium spaces ready for occupancy with its own separate 6-level parking building and 2 basement parking levels. The units are for sale or leased through either direct sales or referrals from independent brokers.

ATN's subsidiaries are Palladian Land Development Inc. (PLDI), ATN Philippines Solar Energy Group, Inc.(ATN Solar), Advanced Home Concept Development Corp. (AHCDC) and Managed Care Phil., Inc. (MCPI).

Palladian Land Development Inc. is the developer and major owner of the 48 storey Summit One Tower and an adjacent 6 storey parking building, located at 530 Shaw Boulevard, Mandaluyong City, a subdivided residential land in Pasig City and the owner of 1.3 hectare commercial property located in San Fernando, Pampanga. The 1.3 hectare Pampanga property contains a 3 storey commercial building with usable area of 3,000 square meters. PLDI's main sources of revenue include sale and rent of condominium units and residential land.

Advanced Home Concept Development Corp. (AHCDC) is a corporation engaged in developing residential properties. AHCDC is a developer of various properties around Ever Gotesco in Pasig City. The main source of revenues is rent income and sale of residential land.

Managed Care Phil. Inc. (MCPI) is a corporation engaged in the healthcare industry with investments in outpatient clinics. One hundred doctors of MCPI manage the healthcare needs of the fifty thousand client patients. The company established a relatively large ambulatory surgical center at the ground floor of the Annex Building of Summit One under the umbrella of its subsidiary MCPI. The new state-of-the-art surgical center, includes 14 surgery rooms, 20 consultation rooms, 14 recovery rooms and an x-ray room, equipped with X-ray, 3D ultrasound, ECG, tread mill, dental clinic, Doctors of various surgical disciplines in medical and aesthetic surgery services have committed to practice their respective professions in the center, and HMOs have designated the center to deliver the diagnostic and surgical services required by their members.

ATN Philippines Solar Energy Group Inc., the project implementing entity of ATN Group for energy business, is setting up a 30 MW Solar PV Project. It will be situated in a 254-hectare property of parent company ATN Holdings, Inc. in Rodriguez (Montalban), Rizal. The site is less than 10 kilometers away from business districts in Metro Manila with a population of 10 million people.

The solar project is designed to have gross generation capacity of 30 MW peak of direct current (DC) at inception. The alternating current (AC) output will be distributed through Manila Electric Company (Meralco) franchise distribution area via a 34.5 KV transmission line connected to the Diliman, Novaliches and Parang circuits.

(2) Business of Company

(a) Description of Company

(i) As a holding company, ATN's main sources of income are derived from subsidiaries' sale and rent of real estate assets, healthcare and medical fee services and dividend income from its stock investments.

The company's investment in stocks in Transpacific Broadband Group International, Inc. can be withdrawn or disposed of without any restrictions.

(ii) The company's business activities serve mainly the Philippine market.

(iii) Given the nature of corporate business of a holding company, there is no product or services to be distributed by ATN Holdings.

(iv) There is no new product or service.

(v) Major competitors of ATN subsidiaries in real estate business are debt–saddled giants. Since the corporation enjoys low level of debts, it continues to effectively compete against rival firms. The low level of corporate debt gives ATN the competitive edge of a longer time frame with which real estate assets can be sold at higher prices. The company offers discounts to cash buyers of office condominium and residential units of Palladian Land Development Inc. and Advanced Home Concept Corporation. Major geographic selling focus for ATN real estate sales is primarily in Mandaluyong City, and Pasig City.

Managed Care is a leading ambulatory health care services company in the Philippines.

(vi) There is no major raw material supply contract that the company needs to procure for the next twelve months. The office condominium and residential units are ready for occupancy, interior construction outfitting, and finishing materials are carried by many hardware suppliers.

(vii) The company has no major customer that accounts for more than 10% of revenues.

(viii) In order to augment working capital requirements the company and its subsidiaries had receivables and payables to related parties and stockholders as of March 31, 2016 as properly disclosed in Note 24 of the Consolidated Financial Statements.

The company has no patent, trademarks, licenses, franchise, concessions, royalty agreements or labor contracts.

The principal products do not need government approval and there is no probable government regulation that will affect the business of the company. The company is not subject to environmental laws since its subsidiaries do not generate hazardous waste.

(xi) Existing government regulations have no significant effect on the business of ATN Holdings.

(xii) The company has no research and development.

(xiii) The company does not generate hazardous wastes or emissions; hence it has no foreseen costs of compliance to environmental laws.

(xiv) As of March 31, 2016 the group of companies has 12 officers and close to hundreds of employees deployed in operations and in administrative functions of subsidiaries. The employees have no union and no Collective Bargaining Agreement. The salaries and benefits of the employees are shared with other operating affiliates and computed based on the average number of hours worked.

Item 2 - Properties

The Company and its subsidiaries are the owners of (a) selected units and floors of Summit One Tower at 530 Shaw -Boulevard, Mandaluyong City, (b) Palladian project in Pasig City, (c) Lincoln Plaza in San Fernando, Pampanga and (d) land for development in Rodriguez, Rizal.

Due to its high inventory of landholdings, the company does not intend to acquire or purchase any real estate or major equipment in the next twelve months.

Item 3 - Legal Proceedings

The Company and its subsidiaries are rarely involved in litigation incidental to the conduct of its business. In 2012, the Company is a party to an intra-corporate dispute involving the Company's certificate of increase in capital and amendment of articles of incorporation filed with at the Company Registration and Monitoring Department of the Securities and Exchange Commission (CRMD-SEC).

On February 24, 2014, both parties (plaintiff and defendants) entered into a Compromise Agreement under Sec Case. No. MC-11-130 with the RTC Mandaluyong the following terms among others:

- The Group or its assignee will acquire the shares of stock held by the plaintiff. Payment of the shares acquired will be satisfied via deferred cash payment and real estate properties.
- Both parties filed a "Motion for Withdrawal of Complaint" or "Joint Motion to Dismiss" the CRMD-SEC case.

On February 24, 2014, a Motion to Withdraw Complaint was filed by Complainant Blue Stock Development Holdings under SEC-CRMD 12-305.

On March 7, 2014, the RTC Mandaluyong issued a Decision and approved the Compromise Agreement of both parties.

On April 3, 2014, the SEC issued an Order granting the Motion to Withdraw Complaint, having been duly executed and officially filed with the Commission, and it appearing that no third parties will be prejudiced thereto.

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

There was no meeting held during the 4th quarter of fiscal year ending March 31, 2016.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 - Market Price for Registrant's Common Equity and Related Stockholder Matters

(1) Market Information
The Company's common equity is publicly listed and traded on the Philippine Stock Exchange.

ATN High and Low Sales Prices per Quarter for the Last Two Fiscal Years:

Class A	Apr 1, 2014 to Mar. 31, 2015		Apr 1, 2015 to Mar. 31, 2016	
	High	Low	High	Low
Qtr. 1	1.72	1.66	.25	.23
Qtr. 2	2.77	2.66	.23	.22
Qtr. 3	2.74	2.63	.22	.21
Qtr. 4	2.84	2.80	.30	.29

Class B	Apr 1, 2014 to Mar. 31, 2015		Apr 1, 2015 to Mar. 31, 2016	
	High	Low	High	Low
Qtr. 1	1.72	1.72	.27	.23
Qtr. 2	2.75	2.73	.23	.23
Qtr. 3	2.70	2.64	.22	.22
Qtr. 4	2.83	2.82	.30	.29

(2) Holders

As of June 30, 2016, the company had 236 holders of Class "A" shares and 33 Class "B" shares. The price information as of the latest practicable trading date, July 21, 2016 has a high and low market price for Class A shares of P0.405 and P0.39, and P0.42 and P0.38 for Class B shares respectively.

The top 20 stockholders as of June 30, 2016 are as follows:

Class "A" Stockholder	No. of Shares Held	% of Total Shares Outstanding	Class "B" Stockholder	No. of Shares Held	% of Total Shares Outstanding
1. Arsenio T. Ng	2,763,541,260	74.69%	1. PCD Nominee Corp. (Fil)	760,776,730	95.10%
2. PCD Nominee Corp. (Fil)	732,722,730	19.80%	2. PCD Nomi.Corp. (Non-Fil)	33,278,000	4.16%
3. Diana L. Ng	79,840,000	2.16%	3. Abraham Limqueco	4,000,000	0.50%
4. Hilario T. Ng	26,794,820	0.72%	4. Bonifacio N. Choa	1,000.000	0.13%
5. Susana Ng	28,793,960	0.78%	5. Yu Ting Guan	500,000	0.06%
6. Ng Bun Kui	12,792,960	0.35%	6. Jose Mariano Crisostomo	100,000	0.01%
7. Irene T. Ng	7,802,960	0.21%	7.Ansaldo, Godinez & Co.	43,950	0.01%
8. Vicente Tiu	3,999,000	0.11%	8. Manuel Ang	40,000	0.01%
9. Meling Tiu	3,999,000	0.11%	9. ATC Securities, Inc.	38,000	0.00%
10. Ng Eng Ching	3,000,000	0.08%	10. 7K Corporation	35,020	0.00%
11. Hermilando Mandanas	2,490,000	0.06%	11. Cualoping Securities Corp	30,000	0.00%
12. Uniwell Securities, Inc.	2,200,000	0.06%	12..Major Lord Desmond Clive	22,500	0.00%
13. Ardy Bradley Ng	2,000,000	0.05%	13. BPI Securities Corp.	20,000	0.00%
14. Matthew Hilary Ng	1,750,000	0.05%	14. Mario Mina	20,000	0.00%
15. Mark Timothy Ng	1,750,000	0.05%	15. IB.Gimenez SecuritiesInc.	13,000	0.00%
16. David Go. Securities Corp.	1,510,000	0.04%	16 Tansengco & Co., Inc.	10,000	0.00%
17. Anita Ty	1,500,000	0.04%	17. Jaime Villanueva	10,000	0.00%
18. Tiffany Anne Ng	1,500,000	0.04%	18. Ong Giok Kheng	10,000	0.00%
19. Trendline Securities, Inc.	1,040,000	0.03%	19. Barcelon, Roxas Sec. Inc.	10,000	0.00%
20.Merchantile Sec. Corp.	1,020,000	0.03%	20. Patrocinio Vllanueva	10,000	0.00%

(3) Dividends
There was no cash dividend declared for the last three fiscal years and there were no present or future restrictions that limit the ability to pay dividends on common equity.

(4) Recent Sales of Unregistered Securities

The Company has not sold any securities within the past three years that were not registered under the RSA.

Item 6 - Management's Discussion and Analysis or Plan of Operation

(1) Plan of operation
The company plans to continue in the manner it did last year. The company's proceeds from sale/rental of its office and residential condominium units and service income from healthcare clinics are sufficient to satisfy its cash requirements for the next twelve months. It will continue focus on its existing principal activities and has no plan to engage in product research and development or purchase or sell any plant and significant equipment. The Company values its human resources and it has no plan to decrease the number of its employees.

(2) Management's Discussion and Analysis of Financial Condition and Results of Operation

FY 2016

Financial and Operating Highlights
The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2016 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY2016	FY2015	CY2015	CY2014	CY2015	CY2014	CY2015	CY2014
Current Ratio	.485	3.844	55.43	6.69	-	19.48	9.16	3.27
Debt to Equity Ratio	.400	.427	0.43	0.42	-2.92	-2.95	1.87	3.11
Gross Profit Margin	56%	59%	88.9%	8.7%	N/A	N/A	28%	30%
Net Income to Sales Ratio	31.6%	18.3%	2.7%	5837.7%	N/A	N/A	22%	-0.7%
Net Income (Loss) in Pesos	P9,459,075	P5,047,764	P474,667,126	P559,407	-P86,002	-P2,350,511	P2,039,891	-P51,680

The following are important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital.
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
Net Income to sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges & the ability of the company to declare dividends for stockholders.

Total assets almost remain the same from P2.599 to P2.561 billion as of FY March 31, 2016. The significant movements in assets were as follows:

(1) Increase of P1.256 million in cash from P4.65 million to P5.9 million.
(2) Increase in accounts receivable from P0.921 million to P1.8 million.
(3) Decrease in other current assets from P2.266 million to P1.674 million.
(4) Decrease in available-for-sale securities from P51.5 million to P42 million due to change in fair value.
(5) Decrease in investment in associates from P177.679 million to P169.797 million.
(6) Decrease in property and equipment from P27.723 million to P25.764 million.
(7) Decrease in intangible assets from P8.400 million to P7.550 million.
(8) Decrease in advances to related party from P46.422 million to P27.535 million.

Current liability of the company increased from P3.206 million to P28,648 million as of FY March 2016. The net increase is due to the following:
(1) Increase in accounts payable and accrued expenses from P3.206 million to P3.389 million.
(2) Increase in bank loans to P25.259 million due to reclassification from non-current to current liability.

Noncurrent liabilities decreased from P775 million to P703 million as of FY March 31, 2016. The net decrease is due to the following:
(1) Reclassification bank loans of P24.456 million from non-current to current account.
(2) Increase in deposits from P37.372 million to P43.893 million.
(3) Decrease in subscription payable from P100.568 to P36.543 million.
(4) Increase in advances from related parties from P29.981 million to P41.410 million.

The company's equity remain the same from P1.821 billion in FY March 31, 2015 to P1.829 billion in FY March 31, 2016 due to:
(1) Decrease in unrealized gain on available-for-sale financial assets from P9.224 million to P8.350 million.
(2) Retained earnings increased from P1.339 million to P1.349 billion.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

The real estate inventory of the holding company, which forms the bulk of its subsidiary assets, are assigned higher values due to the fair value valuation of the investment properties.

There is no known trend, events or uncertainties that transpired or that is reasonably expected to have a material favorable or unfavorable impact on net sales or revenue. The company's real estate sales and rentals are dependent on the health of Philippine economy's growth.

Expansion Plans

ATN intends to pursue opportunities in renewable power generation, focusing on advanced solar photo-voltaic technology. On May 12, 2011 the Department of Energy issued Service Contract No. 2011-05-002 to ATN Philippines Solar Energy Group, Inc. for a 30 MW solar PV power generation project to be located in the 320-hectare property of Palladian Land, Inc.

FY 2015

Financial and Operating Highlights

The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2015 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY2015	FY2014	CY2014	CY2013	CY2014	CY2013	CY2014	CY2013
Current Ratio	3.84	4.52	6.69	6.37	19.48	13.15	3.27	2.64
Debt to Equity Ratio	0.43	0.37	0.42	0.42	-3.41	-7.81	3.10	3.37
Gross Profit Margin	77%	99%	88.7%	70.8%	N/A	N/A	30%	24%
Net Income to Sales Ratio	18.28%	67.61%	5837.7%	7.4%	N/A	N/A	-0.07%	-12.9%
Net Income (Loss) in Pesos	P5,047,764	P463,651,250	P474,667,126	P559,407	-P2,350,511	-P2,794,135	-P51,680	-P1,143,085

The following are important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital.
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
Net Income to sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

Total assets increased from P2.490 to P2.599 billion as of FY March 31, 2015. The significant movements in assets were as follows:

(5) Increase of P0.489 million in cash from P4.162 million to P4.651 million.
(6) Decrease in accounts receivable from p1.688 million to P0.921 million due to collection.
(7) Decrease in other current assets from P2.485 million to P2.267million.
(8) Decrease in available-for-sale securities from P55.881 million to P51.560 million due to change in fair value.
(5) Increase in investment in associates from P29.512 million to P177.679 million.
(6) Decrease in property and equipment from P31.328 million to P27.723 million.
(7) Decrease in intangible assets from P9.250 million to P8.400 million.
(8) Decrease in advances to related party from P68.232 million to P46.422 million.

Current liability of accounts payable and accrued expenses increased from P2.838 million in 2014, to P3.206 million in 2015.

Noncurrent liabilities increased from P3667,342 million to P775021 million. The net increase is due to the following:

(1) Decrease in bank loans from P28.541million to P24.456 million due to foreign exchange rate adjustment.
(2) Increase in deposits from P21.061 million to P37.372 million.
(3) Increase in subscription payable to P100.568 due to additional investment in ATN Solar.
(4) Decrease in payable to related parties from P35.393 million to P29.981 million.

The company's equity increased from P1.820 billion in FY March 31, 2014 to P1.821 billion in FY March 31, 2015 due to:

(1) Decrease in unrealized gain on available-for-sale financial assets from P49.505 million to P45.205 million.
(2) Retained earnings increased from P1.299 million to P1.303 billion.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

The real estate inventory of the holding company, which forms the bulk of its subsidiary assets, are assigned higher values due to the fair value valuation of the investment properties.

There is no known trend, events or uncertainties that transpired or that is reasonably expected to have a material favorable or unfavorable impact on net sales or revenue. The company's real estate sales and rentals are dependent on the health of Philippine economy's growth.

Expansion Plans

ATN intends to pursue opportunities in renewable power generation, focusing on advanced solar photo-voltaic technology. On May 12, 2011 the Department of Energy issued Service Contract No. 2011-05-002 to ATN Philippines Solar Energy Group, Inc. for a 30 MW solar PV power generation project to be located in the 320-hectare property of Palladian Land, Inc.

FY 2014

Financial and Operating Highlights

The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2014 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY2014	FY2013	CY2013	CY2012	CY2013	CY2012	CY2013	CY2012
Current Ratio	4.52	5.00	6.37	6.34	13.15	3.94	2.64	6.83
Debt to Equity Ratio	0.37	0.33	0.42	0.43	(7.81)	50.16	3.37	3.5
Gross Profit Margin	94%	-30.5%	70.8%	29.3%	N/A	N/A	24%	-14.15%
Net Income to Sales Ratio	94%	-30.5%	7.4%	33.4%	N/A	N/A	-12.9%	-43.6%
Net Income (Loss) in Pesos	P463,651,250	-P8,720,199	P592,407	P5,182,449	-P2,794,135	-P525,524	-P1,143,085	-P2,796,284

The following are important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital.
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
Net Income to sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

Total assets increased from P1.804 to P2.490 billion as of FY March 31, 2014. The significant movements in assets were as follows:

(1) Increase of P3.114 million in cash from P1.048 million to P4.162 million.
(2) Financial assets at fair value through profit or loss of P417 thousand is reclassified to available-for-sale securities.
(3) Decrease in accounts receivable from P3.694 million to P1.688 million due to collection.
(4) Decrease in other current assets from P3.884 million to P2.485million.
(5) Increase in investment in associates from P15.801 million to P29.512 million.
(6) Increase in available-for-sale securities from P30.854 million to P55.881 million due to fair value adjustment.
(7) Increase in investment properties from P1.608 billion to 2.283 billion to due to appraisal increase adjustment.
(8) Decrease in property and equipment from P35.133 million to P31.328 million.
(9) Decrease in intangible assets from P10.100 million to P9.250 million.

Current liability of accounts payable and accrues expenses increased from P2.704 million in 2013, to P2.838 million in 2014.

Noncurrent liabilities increased from P449.809 million to P667.342 million. The net increase is due to the following:

(1) Decrease in bank loans from P33.331 million to P28.541 million due to FX adjustment.
(2) Increase in deposits from P16.520 million to P21.061 million.
(3) Subscription payable was paid in full during the year.
(4) Increase in payable to related parties from P13.684 million to P35.393 million.

The company's equity increased from P1.356 billion in FY March 31, 2013 to P1.820 billion in FY March 31, 2014 due to:

(1) Increase in unrealized gain on available-for-sale financial assets from P48.7 million to P49.505 million.

(2) Retained earnings increased from P834 million to P1.298 billion.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

The real estate inventory of the holding company, which forms the bulk of its subsidiary assets, are assigned higher values due to the fair value valuation of the investment properties.

There is no known trend, events or uncertainties that transpired or that is reasonably expected to have a material favorable or unfavorable impact on net sales or revenue. The company's real estate sales and rentals are dependent on the health of Philippine economy's growth.

Expansion Plans

ATN intends to pursue opportunities in renewable power generation, focusing on advanced solar photo-voltaic technology. On May 12, 2011 the Department of Energy issued Service Contract No. 2011-05-002 to ATN Philippines Solar Energy Group, Inc. for a 30 MW solar PV power generation project to be located in the 320-hectare property of Palladian Land, Inc.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

Item 7 - Financial Information

Audited financial statements is attached.

Item 8 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no events in the past wherein R. R. TAN & ASSOCIATES, CPAs, and the company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

R. R. TAN & ASSOCIATES, CPAs has acted as the Company's external auditor since 2009 and has complied with the five-year rotation requirement under SRC Rule 68(3)(b)(iv) (Qualifications and reports of Independent Auditors). Mr. Domingo A. Daza Jr., the current audit partner for by R. R. TAN & ASSOCIATES, CPAs, has served as such since 2013. He replaced Ms. Sally S. Velasco, who serves as audit partner in 2012.

Information on Independent Accountant and Related Matter

(1) External Audit Fees and Services

R. R. TAN & ASSOCIATES, CPAs, the external auditor of the company, audited the fiscal years March 31, 2016, 2015 and 201 financial statements with the contract amount of P300,000 for 2016, P297,000 for 2015 and P284,000 for 2014 inclusive of VAT and out of pocket expenses.

R. R. TAN & ASSOCIATES, CPAs audited the Company's balance sheet and the related statements of income, changes in stockholders' equity and cash flows for the year then ending and provide an audit report on the financial statements referred to above in accordance with Philippine Financial Reporting Standards. As part of the engagement, R. R. TAN & ASSOCIATES, CPAs assisted in the preparation of the Company's annual income tax returns for filing with the Bureau of Internal Revenue.

There were no tax fees paid for the last two fiscal years for professional services rendered on tax accounting, compliance, advice, planning and any other form of tax services. There were no other fees paid by the company for product and other services provided by the auditor.

The audit committee has no policies and procedures of the above services.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9 - Directors, Executive Officers, Promoters and Control Persons

The names of the incumbent Directors and Executive officers of the Company and their respective ages and citizenship, current positions held, period of service and business experience during the past five years as required under Sec. 38 of the Code and SRC Rule 38.1 are as follows:

ARSENIO T. NG – Chairman, President and CEO
Age 57, Filipino
Period Served – 1995 to present
Term of office as director – one year

Mr. Arsenio Ng holds a degree in Business Administration, Major in Finance from the California State University Stanislaus (CSUS), and took his MBA degree at California State University, Stanislaus and the University of California at Los Angeles (UCLA). He also took special studies in political science at the US Congress in Washington, D.C. Mr. Ng started as a Senior Project Officer for the National Development Company (1982-1983). In 1984, he joined China Banking Corporation as a Trust Investment Officer and rose up Vice President and Area Head in 1992. In 1994, he became the President and CEO of the Energy Corporation. He is also a Director and Treasurer of Hambrecht and Quist Philippine Ventures II, a private equity fund managed by Hambrecht and Quist, Philippines Inc. He is the Chairman of Transpacific Broadcast Group Int'l, Inc. (TBGI), a technology business for commercial telecommunications and television broadcasting operations and Vice Chairman of CBCP World Corporation a broadband internet service provider and the information technology arm of the Catholic Bishop Conference of the Philippines (CBCP). He is the Chief Executive Officer of Managed Care Phil's. Inc., Palladian Land Development Inc., and Advanced Home Concept Dev. Corp.

HILARIO NG – Director
Age 56, Filipino Citizen
Period Served - 1995 to present
Term of office as director - one year

Architect Hilario Ng is the President of his own architectural firm, Palladian International, Inc. A member of both the Philippine and American architectural boards, Architect Ng placed third overall in the Philippine architectural board exams. He has twenty (20) years of experience in his chosen field, garnering several US design awards. His major projects center on design of shopping malls for the GAISANO Group.

SANTOS L. CEJOCO - Director
Age 63, Filipino Citizen
Period Served - 2002 to present
Term of office as director - one year

Formerly Vice President of Philippine Associated Smelting and Refining Corporation and Project Manager in National Development Company. Finished his Master in Business Management at the Asian Institute of Management.

HYLAND SI - Independent Director
Age 58, Filipino
Period Served - 1995 to present
Term of office as director - one year

Engineer Hyland Si is the Executive Vice President of Torque Builders, Inc., a major supplier and contractor of local electrical construction works for dozens of high-rise office buildings and manufacturing plants.

CHEE CHOONG CHEAH - Independent Director
Age 64, Malayan
Period Served - 1995 to present
Term of office as director - one year

Mr. Chee Choong Cheah is the director of a Malaysian firm, Philma Industrial PTE Ltd., with business concerns in Singapore, Indonesia and China.

BONIFACIO CHOA - Independent Director
Age 73, Filipino Citizen
Period Served - 1995 to present
Term of office as director - one year

Mr. Bonifacio Choa is the President of Bon Mar Realty, and also President of two technology firm, Future Logic and Omron Philippines.

MANUEL R. MOJE
Age 81, Filipino Citizen
Period Served - 2010
Term of office as director – one year

Mr. Moje has vast experience in private business enterprise, banking, and finance, both in major government and private financial institutions, and in socio–civic organizations. Mr. Moje's current positions are Chairman of Unihomes Development Corp., Director of Abacus Consolidated Resources and Holdings, Inc., Director of Philippine Regional Investment and Development Corporation, and President of Space Line Remittance Center (UAE). Mr. Moje finished his Bachelor of Laws at the University of the Philippines in 1963. He is a retired member of the Armed Forces of the Philippines with the rank of Colonel.

ARTURO MAGTIBAY- Director
Age 67, Filipino Citizen
Period Served - 2010
Term of office as director – one year

Engr. Arturo Magtibay is concurrent President of Omincor Industrial Estate Realty Center, Inc. and President of Abacus Global Technovisions, Inc. He is also Director in Abacus Consolidated Resources & Holdings, Inc. and Philippine Regional Investment Development Corp. Engr. Magtibay served as provincial engineer of Batangas and currently serves as Chairman and Professor in the University of Batangas.

PAUL SARIA – Asst. Corp. Sec.
Age 46, Filipino Citizen
Period Served - 2002 to present
Term of office as director - one year

Arch. Saria is the Vice President for operations of Palladian Land Development Inc., Advanced Home Concept Development Corp., Transpacific, and comptroller of CBCP World Corporation.

The aforementioned directors and officers have served the fiscal year ended March 31, 2014, and shall continue to serve until their successors are duly elected at the Company's next annual stockholders' meeting.

EDUARD O. JALANDONI
Age 46, Filipino Citizen
Period Served – 2016 Nominee
Term of office as director – one year
Mr. Eduard Jalandoni holds a degree in Marketing Management at De La Salle University. He served as an Investment Analyst in Astra Securities Inc. (1988-1990), Campos, Lanuza & Co. Inc. (1991-1996), and AGJ Securities Inc. (1997-1998). He also served as consultant to Senator Ralph Recto from 2001-2004. At present, he serves as consultant to S.B. Equities Inc., Gov. Emilio

Osmeña, Mr. Mariano Osmeña and Mr. Ramon Atayde. He is Managing Director of Zamboanga Restaurant.

ATTY. RENATO E. TAGUIAM – Corp. Sec
Age 70, Filipino Citizen
Period Served – 2012 to present
Term of office as Corp. Sec. – one year

Atty. Taguiam is a graduate of Bachelor of Laws at the University of the Philippines in 1970. He was admitted to the Philippine Bar on March 12, 1971. From 1994 to present, he actively handles litigation cases whether civil, criminal or administrative, before Philippine courts and administrative agencies with areas of specialization including remedial account management, estate and family relations law, land registration law, labor relations law and corporate law under Orbos, Caburosora, Taguiam Law Office. His past positions include the following: From 1988 to 1993, he was an Associate of Linsangan Law Office. He was a Trial Lawyer at Chargekard Corporation in 1984 to 1987. He served as Partner at Montilla Law Office and Gonzales Rivera & Taguiam from 1982 to 1984 and 1975 to 1981, respectively. Atty. Taguiam also worked with Kimberly-Clark Philippines, Inc. from 1981 to 1982 and Utilities Developments Corporation from 1973 to 1974 as legal officer. He served as assistant attorney of Salcedo Del Rosario Bito Misa & Lozada and Agrava & Agrava in 1971.

There are no other significant employees.

Family Relationships
The Chairman, Arsenio T. Ng and Arch. Hilario T. Ng are brothers.

Involvement in Certain Legal Proceedings
The company is not aware of or not involved in any legal proceedings, with material adverse consequence, of the nature required to be disclosed under Part IV of Annex “C” of the SRC with respect to directors and executive officers.

Item 10 - Executive Compensation

The CEO, to signify his solidarity with the Company’s stakeholders waived his rights to the compensation due a CEO, as set by the Board of Directors for the fiscal year, thereby taking on the same risks and rewards as the common shareholders. Aggregate compensation in last 2 fiscal years paid to other officers of the Company’s as a group, are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total Compensation of the Other officers and management team	2016 estimated	P 1.80 Million	0	0	P 1.80 Million
	2015	P 1.73 Million	0	0	P 1.73 Million
	2014	P 2.15 Million	0	0	P 2.15 Million

Compensation of Directors

Since the date of election, the directors have been receiving P 5,000.00 per meeting. Aside from the foregoing, the directors have served without compensation. The directors did not also receive any amount or form of compensation for committee participation or special assignments.

Under the By-Laws of the Company, by resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. There are no other arrangements for compensation either by way of payments for committee participation or special assignments. There are also no outstanding warrants or options held by the Company’s Chief Executive Officer, other officers and/or directors.

Item 11 - Security Ownership of Certain Record and Beneficial Owners and Management

Owners of more than 5% of voting securities as of June 30, 2016:

Class	Name and address of record Owner and relationship with Issuer	Name of beneficial ownership and relationship with record owner	Citizenship	Shares Owned	%
A	1. Arsenio T. Ng 9Floor Summit One Tower 530 Shaw Boulevard, Mand, City Chairman, President and CEO	None	Filipino	2,763,541,260"r"	61.41%
A B	2. PCD Nominee Corp. (Fil) 37F Tower 1, The Enterprise Center 6766 Ayala Avenue, Makati City	various various	Filipino Filipino	732,722,730"r" 761,146,730"r"	16.28% 16.91%

The clients of PCD Nominee Corporation are the beneficial owners and have the power to decide how their shares are to be voted.

(2) Security ownership of Management as of June 30, 2016:

Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	%
	Directors:			
A	Arsenio T. Ng	P2,763,541,260"r"	Filipino	61.41%
A	Hilario T. Ng	26,794,820"r"	Filipino	00.60%
A&B	Bonifacio Choa	2,000,000"r"	Filipino	00.04%
B	Chee Choong Cheah	1,000"r"	Malaysia	00.00%
A	Santos L. Cejoco	1,000"r"	Filipino	00.00%
A	Hyland Si	1,000,000"r"	Filipino	00.02%
A	Manuel R. Moje	10,000"r"	Filipino	00.00%
A	Arturo Magtibay	10,000"r"	Filipino	00.00%
A	Edward Jalandoni	10,000"r"	Filipino	00.00%
A	Paul Saria	10,000"r"	Filipino	00.00%
A	Renato E. Taguiam	10,000"r"	Filipino	00.00%
	All directors and executive officers as a group	**P2,793,9388,080"r"**		**62.09%**

Each every security holder is the beneficial owner in his own right.

Voting Trust Holders of 5% or More
The company has no voting trust agreement with any person or entity.

Changes in Control

There is no change in control or ownership of the company.

Item 12 - Certain Relationship and Related Transaction

ATN Solar
ATN Solar is a grantee of a 25-year Renewable Energy Contract with the Department of Energy under Republic Act 9513. The service contract grants ATN Solar the exclusive right to explore develop and utilize the solar energy source within Rodriguez, Rizal, as its contract area. The contract includes setting up a 30 MW Solar PV Project (*the Project*). The project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for 25 years.

The Project contains a 2-year pre-development stage and another 2 years for development stage, after which construction of power plants and connection to distribution network is to commence.

In a letter submitted to the Energy Regulatory Commission last March 4, 2016, ATN Solar is 98% complete on its pre-development stage by acquiring approval and authority to import and construct and/or install solar photovoltaic equipment and by signing of agreements with different government agencies, 9.3% in construction of its solar PV plants, and 44% complete on its development of interconnection facilities. As of the same date, commercial operation of ATN Solar has not yet started.

To be able to completely finance the Project, the ATN Solar intends to list its shares of stock in the stock market. In relation thereto, a third party valuator was engaged to determine ATN Solar's fair market value. In its report dated June 11, 2014, its 30MW project including the land is between P3.02 billion to P3.99 billion, determined under Discounted Cash Flow valuation.

On October 31, 2014, the Company subscribed to additional 155,625,000 shares with a par value of P1 when ATN Solar increased its common share, bringing the Company's equity interest to 49.5%. The Company paid P46,156,250 upon subscription and P8,600,000 on February 11, 2015 and P64,025,050 in 2016.

During 2016, various payments were made for its share subscription to ATN Solar totaling to P64,025,050.

On March 14, 2016 and March 17, 2015, the Parent Company sold 6 million shares and 4 million shares, respectively, of ATN Solar to Unipage Management, Inc. (UMI) with a carrying value of P1 per share subject to the following conditions:

- the Project should complete all governmental and grid approvals;
- the Company should deliver the shares of ATN Solar within 12 months from execution of the Investment Agreement;
- the Company should cause the registration of the shares sold to UMI in the stock and transfer book of ATN Solar.

The Company recognized a gain on sale of its investment in ATN Solar amounting to P12 million and P8 million in 2016 and 2015, respectively and is reflected in the Consolidated Statements of Income.

Unipage Management Inc.(UMI)
During fiscal year 2015, the Group transferred certain investment property to UMI to settle a case against the Group.

Pursuant to the compromise agreement, certain investment property with carrying value of P8.3 million owned by PLDI was transferred to the plaintiff in exchange for the Parent Company's shares of stock which the plaintiff held. The shares of stock was transferred to Unipage Management, Inc. (UMI), an affiliated company. Settlement between the Company, PLDI and UMI are taken up as inter-company advances.

Transpacific Broadband Group Int'l. Inc. (TBGI)
Advances from TBGI of P910,483 in 2016 and P4,600,110 in 2015 represent amounts advanced by TBGI on the share of PLDI in their common expenses, pursuant to a Teaming Agreement entered into by both parties.

Sierra Madre Consolidated Mines (SMCM)
Advances to SMCM on previous periods were fully impaired by the Group last fiscal year 2014.

Stockholders
Amount due to stockholders amounted to P40.2 million in 2016 and P24.3 million in 2015. These amounts are not subject to interest.

Item 13 – Part IV - Compliance with leading practice on Corporate Governance

Please refer to attached Annual Corporate Governance Report.

Reports on SEC Form 11-C
No reports on SEC Form 11-C were filed during the year.

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 MANDALUYONG on ______________.

By:

ARSENIO T. NG	**ARCH. HILARIO T. NG**	**PAUL B. SARIA**
Principal Executive Officer	Principal Operating Officer	Principal Financial Officer

SUBSCRIBED AND SWORN to before me this 28 JUL 2016 day of July 2016, affiant(s) exhibiting to me their driver's license, as follows:

NAMES	CPI. NO.	DATE EXPIRES	PLACE OF ISSUE
ARSENIO T. NG	DL#N01-86-031588	Expires 3/13/2018	San Juan
HILARIO T. NG	DL#F03-890495056	Expires 8/23/2018	Manila
PAUL SARIA	DL#N04-93-264992	Expires 12/15/2016	Mandaluyong

ATTY. AGUSTIN B. CABREDO
Notary Public for Manila
Notarial Commission No. 2015-030
Until December 31, 2016
Roll No. 26047
PTR No. 4886571 / 1-4-16 / Manila
IBP Life Member 05097
MCLE No. V-0003138 / 7-26-14

Notary Public

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Book No.: 41
Series of 2016

ATN HOLDINGS, INC.

9[TH] Floor Summit One Tower
530 Shaw Blvd. Mandaluyong City
Tel. Nos. 717-0523 / 404-0239

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

July 11, 2016

The management **of ATN HOLDINGS, INC.** is responsible for the preparation and fair presentation of the consolidated financial statements for the fiscal years **March 31, 2016 and 2015**, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and the implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to stockholders.

R. R. TAN & ASSOCIATES, CPAs, the independent auditors and appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Arsenio T. Ng
Chairman and
Chief Executive Officer

Hilario T. Ng
Chief Operating Officer

Paul Saria
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 12 JUL 2016 day of July 2016, affiants exhibiting to me their driver's license as follows:

NAMES	RES. CERT. NO.	DATE OF EXPIRATION	PLACE OF ISSUE
Arsenio T. Ng	DL# NO1-86-031588	03/13/2018	Mandaluyong
Hilario T. Ng	DL# F03-89-049-506	08/23/2018	Manila
Paul B. Saria	DL# N04-93-264-992	12/15/2016	Mandaluyong

NOTARY PUBLIC
ATTY. AGUSTIN B. CABREDO
Notary Public for Manila
Notarial Commission No. 2015-030
Until December 31, 2016
Roll No. 26047
PTR No. 4S8[illegible] / 1-4-16 / Manila
IBP Life Member 05097
MCLE No. V-0003138 / 7-26-14

Doc. No. : 74
Page No. : 8
Book No. 39
Series of 2016 2016

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2018
SEC Accreditation No.0220-FR-1, valid until March 25, 2017
BIR Accreditation No. 07-000125-001-2013, valid until October 3, 2016

Report of Independent Public Accountants

The Board of Directors and Stockholders
ATN HOLDINGS, INC. AND SUBSIDIARIES
9TH Floor, Summit One Tower
530 Shaw Blvd.,
Mandaluyong City

We have audited the accompanying consolidated financial statements of ATN Holdings, Inc. and Subsidiaries which comprise the consolidated statements of financial position as of March 31, 2016 and 2014 and the related statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended March 31, 2016, and a summary of significant accounting policies and other explanatory information. We did not audit the financial statements of subsidiaries as of and for the three years ended December 31, 2015, 2014 and 2013, which are consolidated in the accompanying financial statements. Total assets and total liabilities of these subsidiaries included in the accompanying consolidated financial statements amounted to P2.3 billion and P704 million, respectively, in December 31, 2015, 2.3 million and P675 million respectively, in December 31, 2014, and P1.6 billion and P438 million, respectively, in December 31, 2013. Gross income and total expenses amounted to P9.9 million and P8.4 million, respectively, for the year ended December 31, 2015, P9.3 million and P12.3 million, respectively, for the year ended December 31, 2014, and P7.8 million and P12.1 million for the year ended December 31, 2013. The financial statements of these subsidiaries were audited by other auditor whose unmodified reports thereon have been furnished to us, and our opinion, insofar as it relates to these amounts included for these subsidiaries is based solely on the reports of the other auditor.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, based on our audits and the reports of the other auditor, the consolidated financial statements present fairly, in all material respects, the financial position of **ATN HOLDINGS, INC. AND SUBSIDIARIES** as of March 31, 2016 and 2015 and its financial performance and its cash flows for each of the three years in the period ended March 31, 2016 in accordance with Philippine Financial Reporting Standards.

R.R.TAN AND ASSOCIATES, CPAs

By: DOMINGO A. DAZA, JR.
Partner
CPA Certificate No. 0109993
Tax Identification No. 203-917-449
PTR No. 1462755, January 19, 2016, Pasig City
SEC Accreditation No. 1088-AR-1, valid until March 25, 2017
BIR Accreditation No. 07-000124-001-2013, valid until October 3, 2016

July 11, 2016
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

	Notes		**2016**		2015
ASSETS					
Current Assets					
Cash and cash equivalents	*9*	**P**	**5,907,888**	P	4,651,518
Accounts receivable	*10*		**1,833,570**		921,607
Real estate inventories	*11*		**4,485,000**		4,485,000
Other current assets	*12*		**1,674,800**		2,266,706
			13,901,258		12,324,831
Non-current Assets					
Investments in:					
Available-for-sale investments	*14*		**42,037,122**		51,560,258
Associates	*13*		**169,797,733**		177,679,814
Investment properties	*15*		**2,275,270,962**		2,275,270,962
Property and equipment - net	*16*		**25,764,230**		27,723,518
Intangible asset	*17*		**7,550,000**		8,400,000
Advances to related parties	*24*		**27,535,144**		46,422,652
			2,547,955,191		2,587,057,204
TOTAL ASSETS			**2,561,856,449**		2,599,382,035
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	*18*		**3,389,433**		3,206,601
Bank loans - current	*19*		**25,259,054**		-
			28,648,487		3,206,601
Non-current Liabilities					
Bank loans - non-current	*19*		**-**		24,456,807
Deposits on real estate	*20*		**43,893,805**		37,372,130
Subscription payable			**36,543,700**		100,568,750
Advances from related parties	*24*		**41,410,247**		29,981,923
Pension liability	*25*		**652,914**		590,051
Deferred tax liabilities - net	*26*		**580,968,204**		582,052,206
			703,468,870		775,021,867
TOTAL LIABILITIES			**732,117,357**		778,228,468
EQUITY					
Share capital	*21*		**450,000,000**		450,000,000
Additional paid-in capital			**22,373,956**		22,373,956
Unrealized gain on available-for-sale financial assets - net of tax	*21*		**8,350,602**		9,224,153
Retained earnings - March 31			**1,349,014,534**		1,339,555,459
TOTAL EQUITY			**1,829,739,092**		1,821,153,567
TOTAL LIABILITIES AND EQUITY		**P**	**2,561,856,449**	P	2,599,382,035

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2016, 2015 AND 2014

	Notes		**2016**		2015		2014
REVENUES							
Health care services		**P**	**9,256,390**	P	7,135,533	P	8,872,342
Lease of properties	*15*		**8,615,932**		8,381,143		8,704,274
Other income:							
Gain on sale of investment in associate	*13*		**12,000,000**		8,000,000		-
Gain on foreign exchange			**27,524**		4,084,423		2,162,708
Fair value gain on investment properties			-		-		676,057,674
Reversal of retirement liability	*25*		-		-		250,915
Unrealized gain on financial assets at FVPL			-		-		54,600
Interest income			**8,971**		4,974		4,896
			29,908,817		27,606,073		696,107,409
COSTS AND EXPENSES							
Cost of sales and services	*22*		**7,855,803**		6,283,701		9,076,182
Administrative expenses	*23*		**7,754,892**		10,941,503		9,609,388
Equity in net loss of an associate	*13*		**1,882,081**		3,457,235		289,056
Loss on foreign exchange			**1,411,810**		-		-
Finance costs	*19*		**669,958**		879,540		882,472
Impairment losses			**-**		-		9,378,000
			19,574,544		21,561,979		29,235,098
INCOME BEFORE INCOME TAX EXPENSE			**10,334,273**		6,044,094		666,872,311
INCOME TAX EXPENSE							
Current	*26*		**1,520,509**		996,330		282,832
Deferred	*26*		**(645,311)**		-		202,938,230
			875,198		996,330		203,221,062
INCOME FOR THE PERIOD		**P**	**9,459,075**	P	5,047,764	P	463,651,249
EARNINGS PER SHARE	*27*	**P**	**0.00210**	P	0.00112	P	0.10303

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2016, 2015 AND 2014

	Notes	**2016**	2015	2014
INCOME FOR THE PERIOD		**P 9,459,075**	P 5,047,764	P 463,651,249
OTHER COMPREHENSIVE INCOME (LOSS)				
Items to be reclassified to profit or loss in subsequent periods:				
Fair value changes in Available-for-sale financial assets - net of deferred tax	*21*	**(873,550)**	(4,299,171)	751,205
TOTAL COMPREHENSIVE INCOME		**P 8,585,525**	P 748,593	P 464,402,454

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2016, 2015 AND 2014

	Notes		**Share Capital**		**Additional Paid-in Capital**		**Unrealized gain on Available-for-sale financial assets - net of deferred income tax**		**Retained Earnings**		**Total**
Balance at March 31, 2013		P	450,000,000	P	22,373,956	P	12,772,119	P	870,856,446	P	1,356,002,521
Changes in fair value of Available-for-sale financial assets	*21*		-		-		751,205		-		751,205
Income for the period			-		-		-		463,651,249		463,651,249
Balance at March 31, 2014		P	450,000,000	P	22,373,956	P	13,523,324	P	1,334,507,695	P	1,820,404,975
Changes in fair value of Available-for-sale financial assets	*21*		-		-		(4,299,171)		-		(4,299,171)
Income for the period			-		-		-		5,047,764		5,047,764
Balance at March 31, 2015		P	450,000,000	P	22,373,956	P	9,224,153	P	1,339,555,459	P	1,821,153,568
Changes in fair value of Available-for-sale financial assets	*21*		-		-		(873,551)		-		(873,551)
Income for the period			-		-		-		9,459,075		9,459,075
Balance at March 31, 2016		**P**	**450,000,000**	**P**	**22,373,956**	**P**	**8,350,602**	**P**	**1,349,014,534**	**P**	**1,829,739,092**

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2016, 2015, AND 2014

	Notes		**2016**	2015		2014
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax expense		**P**	**10,334,273**	6,044,094	P	666,872,311
Adjustments for:						
Depreciation and amortization	*16,17*		**4,454,824**	4,454,824		4,654,824
Unrealized foreign exchange loss (gain)			**1,350,406**	(4,084,423)		(2,162,708)
Gain on sale of investment in associate			**(12,000,000)**	(8,000,000)		-
Equity in net loss of an associate	*13*		**1,882,081**	3,457,235		289,056
Interest expense	*19*		**669,958**	879,540		882,472
Interest income			**(8,971)**	(4,974)		(4,896)
Provision (Reversal) for retirement liability	*25*		**62,863**	451,933		(250,915)
Provision for impairment loss			**31,540**	-		9,378,000
Mark-to-market gain on FVPL			**-**	-		(54,600)
Fair value gains on investment properties			**-**	-		(676,692,786)
Operating Income Before Working Capital Changes			**6,776,974**	3,198,229		2,910,758
(Increase) Decrease in Operating Assets:						
Accounts receivable			**(911,963)**	631,360		2,005,117
Real estate inventories			**-**	-		-
Other current assets			**591,906**	218,946		1,834,453
Increase (Decrease) in Operating Liabilities:						
Accounts payable and accrued expenses			**182,832**	367,881		134,221
Deposits			**4,338,160**	8,127,146		1,772,717
Cash provided by operations			**10,977,909**	12,543,562		8,657,266
Income tax paid			**(1,954,653)**	(996,330)		(2,752)
Retirement benefits paid			**-**	-		(73,437)
Interest received			**8,971**	4,974		4,896
Net Cash Provided by Operating Activities			**9,032,227**	11,552,206		8,585,973
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of property and equipment	*16*		**(1,645,536)**	-		-
Disposal of:						
Available-for-sale investments	*14*		**8,613,500**	-		-
Advances to related parties			**-**	(19,400,000)		(17,500,000)
Collections of advances to related parties			**36,887,508**	61,500,000		-
Increase in deposits			**2,183,515**	2,183,470		2,768,101
Payment of subscription			**(64,025,050)**	(55,056,250)		(9,375,000)
Net Cash Used in Investing Activities			**(17,986,063)**	(10,772,780)		(24,106,899)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of :						
Bank loans			**(4,548,160)**	-		(2,626,938)
Interest	*19*		**(669,958)**	(879,540)		(882,472)
Proceeds of bank loans			**4,000,000**	-		-
Advances from related parties			**11,428,324**	589,191		22,144,736
Net Cash Provided by (Used in) Financing Activities			**10,210,206**	(290,349)		18,635,326
INCREASE IN CASH AND CASH EQUIVALENTS			**1,256,370**	489,077		3,114,400
CASH AT BEGINNING OF YEAR			**4,651,518**	4,162,441		1,048,041
CASH AT END OF YEAR		**P**	**5,907,888**	4,651,518	P	4,162,441

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016, 2015, AND 2014

1. Corporate Information

ATN Holdings, Inc. (*ATN or the Parent*) was formerly registered under the name Jabpract Mining and Industrial Corporation. On March 14, 1996, Jabpract Mining and Industrial Corporation changed its corporate name to ATN Holdings, Inc. and its primary and secondary purposes were amended to enable it to perform the acts of a holding company.

The common shares of ATN are listed and traded on the Philippine Stock Exchange. The registered office address of ATN is 9th Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City. ATN Holdings, Inc. has no ultimate Parent company.

The accompanying consolidated financial statements were authorized for issue by the President on July 11, 2016.

2. Basis of Preparation and Presentation

Basis of Financial Statement Preparation and Presentation
The accompanying consolidated financial statements of the Parent Company and Subsidiaries (*the Group*) have been prepared in accordance with Philippine Financial Reporting Standards on a historical cost basis, except for available-for-sale financial assets (AFS) and investment properties that have been measured at fair values.

The consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency. All values represent absolute amounts except when otherwise indicated.

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

Principle for Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and those of the subsidiaries. The reporting dates of the subsidiaries are December 31. A parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, control is achieved if and only if the parent company has the following;

(i) Power over the investee;
(ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
(iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The parent reassesses whether or not it controls a subsidiary if facts and circumstances indicates that there are changes to one or more of the three elements of control.

As of March 31, 2016, 2015 and 2014, the consolidated subsidiaries are as follows:

Name of Subsidiary	Principal Activity	% of Ownership
Palladian Land Development, Inc. (PLDI)	Real Property Developer	99.98%
Advanced Home Concept Development Corporation (AHCDC)	Real Property Developer	99.98%
Managed Care Philippines, Inc. (MCPI)	Health Care Provider	99.80%

For consolidation purposes, the financial statements of the subsidiaries with calendar period ending December 31, are consolidated in the Parent Company's financial statements as of March 31 which is allowed by the existing standard if the difference is not more than three months. Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of subsidiaries' financial statements and the date of the consolidated financial statements.

Subsidiaries are consolidated from the date when control is transferred to the ATN Group and cease to be consolidated when control is transferred out of the ATN Group.

3. Summary of Significant Accounting Policies

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

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or use to settle a liability for at least twelve months after the end of the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

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

Financial Instruments

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

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

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

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

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

As of March 31, 2016 and 2015, the Group's financial instruments are of the nature of AFS, loans and receivables, and other financial liabilities.

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

Included under this category are shares of stock of publicly listed companies.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried at amortized cost in the consolidated statement of financial position. Amortization is determined using the effective interest method less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the Group's cash and receivables.

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

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

Included under this category are accounts payable and accrued expenses, bank loans, deposits, subscription payable and advances from related parties.

Reclassification of Financial Assets
A financial asset is reclassified out of the FVPL category when the following conditions are met (i) the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and (ii) there is a rare situation.

A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the consolidated statements of income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment

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

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

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

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

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

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

Non-Financial Assets
The Group's investment properties, property and equipment, investment in associates and intangible asset are subject to impairment testing. All other individual assets or cash generating

units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

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

Derecognition of Financial Instruments

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

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

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

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

<u>Real Estate Inventories</u>
Real estate inventories are carried at the lower of cost and net realizable value (NRV). Cost includes the value of land plus expenditures necessary to complete the housing units. Net realizable value is the estimated selling price in the ordinary course of business less cost to complete and sell the units. NRV is determined in a manner provided in Note 5.

As of March 31, 2016 and 2015, real estate inventories are carried at cost.

<u>Other Current Assets</u>
Other current assets include 12% input tax from purchases of goods and services which can be claimed against output tax, prior year's excess credit and security deposits. Other current assets are carried at original amounts.

Investment Properties

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

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

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statements of income in the year of retirement or disposal.

Investment in Associates

The Group's investments in associates are accounted for using the equity method. An associate is an entity in which a company has significant influence. Under the equity method, the investments in associates is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Upon loss of significant influence over the associate, the equity method is discontinued and the investment is accounted in accordance with PAS 39, Financial Instruments: Recognition and Measurement.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

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

	Number of years
Medical equipment and fixtures	15
Office furniture and fixtures	10
Leasehold improvements	3-13 or lease term whichever is shorter
Transportation equipment	5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting period.

An item of property and equipment 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 included in the consolidated statements of income in the year the item is derecognized.

Intangible Asset
The Group's portal and enterprise system is carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortization is computed based on the aggregate predicted life of 15-20 years from the date of launch.

Accounts Payable and Accrued Expenses
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Accounts payable are non-interest bearing and are stated at their original invoice amount since the effect of discounting is immaterial.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Bank Loans
Bank loans are measured at their nominal values and subsequently recognized at amortized costs less payments.

Deposits
Deposits represent security deposits from clients and reservation fees from real estate buyers. The same will be applied to contract price when the buyer committed to purchase the unit. Reservation fees are non-refundable should the buyer decided not to go through with the acquisition of the property.

Payable to Related Parties
Payable to related parties are non-interest bearing borrowings. These are measured at their original amounts and have no fixed repayment period.

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

Additional paid-in capital includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Unrealized gain/loss on AFS financial assets pertains to mark-to-market valuation of available-for-sale financial assets.

Retained earnings include all current and prior period results of operations as disclosed in the consolidated statements of comprehensive income.

Other Comprehensive Income
Other comprehensive income comprises items of income and expenses that are not recognized in the profit or loss for the year in accordance with PFRS.

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

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

(ii) Profit from assets sold or exchanged – recognized when the title to the asset is transferred to the buyer or if the collectability is reasonably assured. If collectability is not reasonably assured, revenue is recognized only to the extent cash is received.

(iii) Rental from operating leases - properties leased out under operating leases are included in investment property in the consolidated statements of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

(iv) Sales of services – revenue are recognized upon rendering of services or completion of services made.

(v) Dividends - dividends are recognized in the period in which they are declared.

(vi) Fair value gains on investment properties – fair value gains on investment properties are recognized when the market value of the investment properties are higher than its carrying value. Measurement of fair value is discussed in Note 6.

Cost and expenses are recognized in the consolidated statements of income upon utilization of the assets or services or at the date they are incurred. Interest expense is reported on accrual basis.

Service charges, fees and penalties are recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan.

Retirement Benefit Cost
The Group accrues retirement expense based on the provision of the Retirement Pay Law (R.A. 7641). The RA requires that employers with no formal retirement plan or agreement providing for retirement benefits shall provide for retirement pay equivalent to at least 15 days plus 1/12 of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leave for employees who have rendered at least five (5) years of service and have reach the age of 60 at the time of retirement. Annually, the Group assesses the sufficiency of the recorded retirement liability. Any increase or decline thereto is adjusted in the Consolidated Statement of Financial Position.

Because of the undue cost or effort in measuring retirement benefit cost under defined benefit plan using the projected unit credit method, the Group elected to measure its retirement benefit obligation with respect to current employees with the following simplifications:

(a) Ignored estimated future salary increases;
(b) Ignored future service of current employees; and,
(c) Ignored possible in-service mortality of current employees between March 31, 2016 and the date employees are expected to begin receiving post-employment benefits.

Borrowing Costs
Borrowing costs are generally expense as incurred. Borrowing costs are capitalized if they are attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are ready for their intended use.

Income Taxes
Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the end of reporting period.

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

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

Foreign Currency Transactions and Translations

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

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

Provisions

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

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

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

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Earnings (Loss) Per Share

Earnings (Loss) per share are determined by dividing the profit for the year by the weighted average number of common shares outstanding during the fiscal year.

Related Party Transactions and Relationships
Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Segment Reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

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

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of April 1, 2015
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning April 1, 2015. The adoption however did not result to any material changes in the financial statements.

Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. The amendment does not have any significant impact on the Group's financial position or performance.

Annual Improvements to PFRS (2010 to 2012 cycle)

The Annual Improvements to PFRSs (2010 to 2012 cycle) contain non-urgent but necessary amendments to the following standards. These are effective for annual periods beginning on or after July 1, 2014. Except as otherwise stated, the amendments do not have a significant impact on the financial statements.

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

  - A performance condition must contain a service condition
  - A performance target must be met while the counterparty is rendering service
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
  - A performance condition may be a market or non-market condition
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39. This amendment is not relevant to the Group.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  The amendments are applied retrospectively and clarify that:

  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- PAS 16, *Property, Plant and Equipment: Revaluation Method - Proportionate Restatement of Accumulated Depreciation*, and PAS 38, *Intangible Assets: Revaluation Method - Proportionate Restatement of Accumulated Amortization*
  The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- PAS 24, *Related Party Disclosures - Key Management Personnel*
  The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

Annual Improvements to PFRS (2011 to 2013 cycle)

The Annual Improvements to PFRSs (2011 to 2013 cycle) contain non-urgent but necessary amendments to the following standards. These are effective for annual periods beginning on or after January 1, 2015. Except as otherwise stated, the amendments have no significant impact on the financial statements.

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

  - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*
  The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.

- PAS 40, *Investment Property*
  The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the

purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

<u>New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to March 31, 2016</u>
Standards issued but not yet effective up to date of issuance of the Group's financial statements are listed below. The listing consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. The Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

Effective 2018

Amendments to PAS 1, *Presentation of Financial Statements – Disclosure Initiative*
The amendments include narrow-focus improvements in five areas; namely, materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. The amendments are effective on or after January 1, 2016. The amendment will not have any significant impact on the Group's financial position or performance.

Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization*
The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. The amendment will not have any significant impact on the Group's financial position or performance.

Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

Amendments to PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements*
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The management is still assessing its impact on the financial statements.

Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
The amendments address certain issues that have arisen in applying the investment entities exception under PFRS 10. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's financial statements.

Amendments to PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The amendment will not have any significant impact on the Group's financial position or performance.

PFRS 14, *Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. The Standard will not have any significant impact on the Group's financial position or performance.

Annual Improvements to PFRSs (2012-2014 cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact to the Group's financial statements. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*
  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*
  The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective 2019

PFRS 9, *Financial Instruments - Hedge Accounting and Amendments to PFRS 9, PFRS 7 and PAS 39*
PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

The Group is currently assessing the impact of adopting this standard.

The adoption of the third phase of the project is not expected to have any significant impact on the Group's financial statements.

PFRS 9, *Financial Instruments*
In July 2014, the final version of PFRS 9 was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

The Group is currently assessing the impact of adopting this standard.

The adoption of the other phases of the project is not expected to have any significant impact on the Group's financial statements.

The following new standard issued by the IASB has not yet been adopted by the FRSC.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017, with early adoption permitted. This mandatory adoption date was moved to January 1, 2018.

  The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

Deferred

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely.

5. Summary of Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about varying values of assets and liabilities that are not readily apparent from other sources. Although, these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

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

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

Classification of financial assets
In classifying its financial assets, the Group follows the guidance of PFRS 9. In making the judgment, the Group evaluates its intention, marketability of the instrument and its ability to hold the investments until maturity.

Estimating net realizable value of real estate inventories
The carrying value of real estate inventories is carried at the lower of cost and net realizable value (NRV). The estimates used in determining NRV is dependent on the recoverability of its cost with reference to existing market prices, location or the recent market transactions. The amount and timing of recorded cost for any period would differ if different estimates were used.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. If an insignificant portion is leased out under the operating lease, the property is treated as property and equipment. If the property is not occupied and is held to earn, it is treated as investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Operating leases – Group as lessor
The Group has entered into property leases on a portion of its investment property. The Group has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Group’s rental income amounted to P8,615,932 in 2016, P8,381,143 in 2015, and P8,704,274 in 2014.

Provision and contingencies
Judgment is exercised by management to distinguish between provisions and contingencies.

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

Determination of fair value of assets and liabilities
The Company measures fair value of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value determination is discussed below.

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

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Estimation of allowance for impairment losses on receivables
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible accounts. The level of allowance for impairment losses is evaluated by management on the basis of factors affecting collectability of the receivables. In

addition, a review of the accounts designed to identify accounts to be provided with allowance, is made on a continuing basis.

Determination of fair value of assets and liabilities
The fair value of assets and liabilities were determined in a manner disclosed in Note 6.

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

Property and equipment, net of accumulated depreciation and impairment losses, amounted to P25.76 million and P27.72 million as of March 31, 2016 and 2015, respectively.

Estimating fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

(i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
(iii) appraisal of independent qualified appraisers.

In March 2014, a reappraisal was made for part of the Group's investment properties. The appraisal resulted into an increment amounting to P676.7 million. For lots, raw land and condominium units, the value were arrived at using the *Sales Comparison Approach.* This is a comparative approach to value that considers the sales of similar substitute properties and related market data and establishes a value estimate by processes involving comparison, listings and offerings. The value of improvements was determined under the *Cost approach*. The approach is based on the reproduction cost of the subject property, less depreciation, plus the value of the land to which an estimate of entrepreneurial incentive is commonly added.

Investment properties amounted to P2.275 billion as of March 31, 2016 and 2015.

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

The net carrying value of Investment in and Advances to Associates as of March 31, 2016 and 2015 is as follows:

	2016			2015		
	Gross carrying amount	**Allowance for impairment**	**Net carrying value**	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in associates:						
ATN Phils Solar Energy Group, Inc.	**P 169,797,733**	**P -**	**P 169,797,733**	P 177,679,814	P -	P 177,679,814
Mariestad Mining Corporation (MMC)	**7,000,000**	**7,000,000**	**-**	7,000,000	7,000,000	-
Advances to related parties:						
Unipage Management Inc. (UMI)	**27,786,255**	**-**	**27,786,255**	45,322,652	-	45,322,652
Sierra Madre Consolidated Mines (SMCM)	**11,756,000**	**11,756,000**	**-**	11,756,000	11,756,000	-
	P 216,339,988	**P 18,756,000**	**P 197,583,988**	P 241,758,466	P 18,756,000	P 223,002,466

6. Fair Value Measurement

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

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

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

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

2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**P 5,907,888**	**P -**	**P -**	**P 5,907,888**
Available-for-sale financial assets	**20,353,122**	**21,684,000**	**-**	**42,037,122**
Accounts receivable	**-**	**1,833,570**	**-**	**1,833,570**
Other current assets	**-**	**1,674,800**	**-**	**1,674,800**
Advances to related parties	**-**	**27,535,144**	**-**	**27,535,144**
Investment properties	**-**	**2,275,270,962**	**-**	**2,275,270,962**
Accounts payable and accrued expenses	**-**	**(3,389,433)**	**-**	**(3,389,433)**
Bank loans	**-**	**(25,259,054)**	**-**	**(25,259,054)**
Deposits	**-**	**(43,893,805)**	**-**	**(43,893,805)**
Subscription payable	**-**	**(36,543,700)**	**-**	**(36,543,700)**
Advances from related parties	**-**	**(41,410,247)**	**-**	**(41,410,247)**

2015	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	P 4,651,518	P -	P -	P 4,651,518
Available-for-sale financial assets	21,262,758	30,297,500	-	51,560,258
Accounts receivable	-	921,607	-	921,607
Other current assets	-	2,266,706	-	2,266,706
Advances to related parties	-	46,422,652	-	46,422,652
Investment properties	-	2,275,270,962	-	2,275,270,962
Accounts payable and accrued expenses	-	(3,206,601)	-	(3,206,601)
Bank loans	-	(24,456,807)	-	(24,456,807)
Deposits	-	(37,372,130)	-	(37,372,130)
Subscription payable	-	(100,568,750)	-	(100,568,750)
Advances from related parties	-	(29,981,923)	-	(29,981,923)

Fair values were determined as follows:

- *Cash and cash equivalents, receivables, other current assets, deposits and other financial liabilities* – the fair values are approximately the carrying amounts at initial recognition due to their short-term nature.
- *Quoted AFS financial asset (equity securities)* – the fair values were determined from the published references from Philippine Stock Exchange.
- *Non-quoted AFS investment* – valuation technique using significant observable inputs. Where valuation technique is not representative of fair values, the acquisition cost is used as fair value.
- *Investment properties* – fair value was based on appraiser's report. It is estimated using Sales Comparison Approach, which is based on sales and listings of comparable property registered within the vicinity that considered factors such as location, size and shape of the properties.

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and market risk. Risk management policies are summarized below.

<u>*Liquidity Risk*</u>
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 a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Group is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Group manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; c) be able to access funding when needed at the least possible cost, and d) maintain an adequate time spread of financial maturities.

The table below summarizes the maturity profile of the Group's financial liabilities at March 31, 2016 and 2015 based on contractual undiscounted payments:

2016	**Not later than one month**	**Later than 1 month & not Later than 3 months**	**Later than 3 months & not later than 1 year**	**Later than 1 year & not later than 5 years**	**Total**
Accounts payable and accrued expenses	**1,399,433**	**P 1,990,000**	**P -**	**P -**	**P 3,389,433**
Bank loans	**-**	**-**	**25,259,054**	**-**	**25,259,054**
Deposits	**-**	**-**	**-**	**43,893,805**	**43,893,805**
Advances from related parties	**-**	**-**	**-**	**41,410,247**	**41,410,247**
	P 1,399,433	**P 1,990,000**	**P 25,259,054**	**P 85,304,052**	**P113,952,539**

2015	Not later than one month	Later than 1 month & not Later than 3 months	Later than 3 months & not later than 1 year	Later than 1 year & not later than 5 years	Total
Accounts payable and accrued expenses	P 719,980	P 2,486,621	P -	P -	P 3,206,601
Bank loans	-	-	-	24,456,807	24,456,807
Deposits	-	-	-	37,372,130	37,372,130
Advances from related parties	-	-	-	29,981,923	29,981,923
	P 719,980	P 2,486,621	P -	P 91,810,860	P 95,017,461

Credit Risk

Credit risk is risk due to uncertainty in a counterparty's (also called an obligor) ability to meet its obligation.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The table below shows the gross maximum exposure to credit risk of the Group as of March 31, 2016 and 2015. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	2016	2015
Cash and cash equivalents*	**P 5,897,888**	P 4,641,518
Available-for-sale financial assets	**42,068,662**	51,560,258
Accounts receivable	**1,833,570**	921,607
Advances to related parties	**39,291,144**	58,178,652
** excludes cash on hand*	**P 89,091,264**	P 115,302,035

The credit quality of the Group's assets as of March 31, 2016 and 2015 is as follows:

	Neither past due nor impaired		Past due	Past due	
	High	Standard	*but not*	*and*	
2016	grade	grade	impaired	impaired	Total
Cash and cash equivalents*	**P 5,897,888**	**P -**	**P -**	**P -**	**P 5,897,888**
Available for sale financial assets	**-**	**42,037,122**	**-**	**31,540**	**42,068,662**
Accounts receivable	**-**	**-**	**1,833,570**	**-**	**1,833,570**
Advances to related parties	**-**	**18,000,000**	**9,535,144**	**11,756,000**	**39,291,144**
** excludes cash on hand*	**P 5,897,888**	**P 60,037,122**	**P 11,368,714**	**P 11,787,540**	**P 89,091,264**

	Neither past due nor impaired		Past due	Past due	
	High	Standard	*but not*	*and*	
2015	grade	grade	impaired	impaired	Total
Cash and cash equivalents*	P 4,641,518	P -	P -	P -	P 4,641,518
Available for sale financial assets	-	51,560,258	-	-	51,560,258
Accounts receivable	-	-	921,607	-	921,607
Advances to related parties	-	12,000,000	34,422,652	11,756,000	58,178,652
** excludes cash on hand*	P 4,641,518	P 63,560,258	P 35,344,259	P 11,756,000	P 115,302,035

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

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

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

The aging analysis of past due accounts which are unimpaired is as follows:

2016	Accounts Receivable	Advances to related parties	Total
Over 120 days	**P 1,833,570**	**P 9,535,144**	**P 11,368,714**

2015	Accounts Receivable	Advances to related parties	Total
Over 120 days	P 921,607	P 34,422,652	P 35,344,259

Market Risk

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

Market risk represents what the Group would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

The Group manages market risk by evenly distributing capital among investment instruments in different financial institution.

Sensitivity analysis of market risk exposure follows:

Currency Risk
The Group is exposed to currency risk arising from currency exposures primarily with respect to the Yen and Dollar loans. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Significant fluctuation in the exchange rates could significantly affect the Group's financial position.

The carrying amount of the Group's foreign currency denominated monetary liabilities at the reporting date is as follows:

	2016				2015			
	Peso Equivalent		**Foreign Currency Equivalent**		Peso Equivalent		Foreign Currency Equivalent	
Japanese Yen Loan	**P**	**21,259,054**	**JPY**	**54,232,278**	P	21,333,617	JPY	57,565,074
US Dollar Loan		**-**		**-**		3,123,190	USD	70,000
	P	**21,259,054**			P	24,456,807		

The table below details the Group's sensitivity to a 5% increase and decrease in the functional currency of the Group against the relevant foreign currencies. The sensitivity rate used in reporting foreign currency risk is 5% and it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period and in foreign currency rates. The sensitivity analysis includes all of the Group's foreign currency denominated liabilities. A positive number below indicates an increase in net income when the functional currency of the Group strengthens at 5% against the relevant currency. There would be an equal and opposite impact on the net income when the balances would be negative.

2016		**Effect on income before taxes**
Increase/Decrease in Peso to US Dollar Rate		
+5%	**P**	**-**
- 5%		-
Increase/Decrease in Peso to Japanese Yen Rate		
+5%		**1,062,953**
- 5%		**(1,062,953)**

2015		Effect on income before taxes
Increase/Decrease in Peso to US Dollar Rate		
+5%	P	156,160
- 5%		(156,160)
Increase/Decrease in Peso to Japanese Yen Rate		
+5%		1,066,681
- 5%		(1,066,681)

Interest Rate Risk
The primary source of the Group's interest rates risk relates to debt instruments. The interest rates on this liability are disclosed in Note 19.

An estimate of 100 basis points increase or decrease is used in reporting interest rate changes on fair value of loans and represents management's assessment of the reasonable possible change in interest rates.

The effect on profit for the year is increase or decrease by P212,591 in 2016 and P244,568 in 2015.

Price Risk
The Group is exposed to property price and property rentals risk and to market price changes of financial assets through profit or loss.

Capital Management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders or issue new shares.

The capital structure of the Group consists of issued share capital and additional paid-in capital.

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

	2016	2015
Equity	**P 1,829,739,092**	P 1,821,153,567
Total assets	**2,561,856,449**	2,599,382,035
Ratio	**0.71**	0.70

8. Segment information

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The industry segments where the Group operates are (i) Real estate development and (ii) Health care management.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

The segment information in the consolidated financial statements as of March 31, 2016, 2015 and 2014 follows:

	As of March 31, 2016				
	Real estate	Health care	Corporate and others	Adjustment	Total
Revenues	**P 8,332,207**	**P 9,256,390**	**P 283,725**	**P -**	**P 17,872,322**
Direct costs	**922,842**	**6,932,961**	**-**	**-**	**7,855,803**
Gross profit	**7,409,365**	**2,323,429**	**283,725**	**-**	**10,016,519**
Other income	**31,558**	**4,435**	**12,000,502**	**-**	**12,036,495**
	7,440,923	**2,327,864**	**12,284,227**	**-**	**22,053,014**
Administrative expenses	**6,512,773**	**1,559,093**	**1,094,836**	**-**	**9,166,702**
Equity in net loss of associate	**-**	**-**	**1,882,081**	**-**	**1,882,081**
Finance cost	**669,958**	**-**	**-**	**-**	**669,958**
	7,182,731	**1,559,093**	**2,976,917**	**-**	**11,718,741**
Income before income tax expense	**258,192**	**768,771**	**9,307,310**	**-**	**10,334,273**
Income tax expense	**-**	**-**	**-**	**875,198**	**875,198**
Income	**P 258,192**	**P 768,771**	**P 9,307,310**	**P (875,198)**	**P 9,459,075**
Segment assets	**2,227,764,335**	**31,855,842**	**302,236,272**	**-**	**2,561,856,449**
Segment liabilities	**91,712,490**	**5,969,952**	**52,735,328**	**581,699,587**	**732,117,357**
Segment cash flows:					
Operating	**4,815,652**	**2,828,923**	**1,387,652**	**-**	**9,032,227**
Investing	**2,183,515**	**8,067,964**	**(28,237,542)**	**-**	**(17,986,063)**
Financing	**5,827,662**	**5,187,308**	**(804,764)**	**-**	**10,210,206**
Other information:					
Depreciation and amortization	**1,314,516**	**3,140,308**	**-**	**-**	**4,454,824**
Non-cash expenses other than depreciation	**1,350,406**	**-**	**1,913,621**	**-**	**3,264,027**

	As of March 31, 2015				
	Real estate	Health care	Corporate and others	Adjustment	Total
Revenues	P 8,381,143	P 7,135,533	P -	P -	P 15,516,676
Direct costs	922,388	5,361,313	-	-	6,283,701
Gross profit	7,458,755	1,774,220	-	-	9,232,975
Other income	4,086,881	2,168	8,000,348	-	12,089,397
	11,545,636	1,776,388	8,000,348	-	21,322,372
Administrative expenses	8,053,473	1,785,831	1,102,199	-	10,941,503
Equity in net loss of associate	-	-	3,457,235	-	3,457,235
Finance cost	879,540	-	-	-	879,540
	8,933,013	1,785,831	4,559,434	-	15,278,278
Income before income tax expense	2,612,623	(9,443)	3,440,914	-	6,044,094
Income tax expense	-	-	-	996,330	996,330
Income (Loss)	P 2,612,623	P (9,443)	P 3,440,914	P (996,330)	P 5,047,764
Segment assets	2,234,088,370	37,759,468	327,534,199	-	2,599,382,037
Segment liabilities	80,347,943	1,035,458	114,201,360	582,643,707	778,228,468
Segment cash flows:					
Operating	8,975,805	3,709,342	(1,132,941)	-	11,552,206
Investing	10,473,320	(1,100,000)	(20,146,100)	-	(10,772,780)
Financing	18,709,651	-	(19,000,000)	-	(290,349)
Other information:					
Depreciation and amortization	2,299,061	2,155,763	-	-	4,454,824
Non-cash expenses other than depreciation	-	-	3,457,235	-	3,457,235

	As of March 31, 2014				
	Real estate	Health care	Corporate and others	Adjustment	Total
Revenues	P 8,704,274	P 8,872,342	P -	P -	P 17,576,616
Direct costs	2,337,206	6,738,976	-	-	9,076,182
Gross profit	6,367,068	2,133,366	-	-	8,500,434
Other income	678,223,691	52,910	254,192	-	678,530,793
	684,590,759	2,186,276	254,192	-	687,031,227
Administrative expenses	6,886,443	1,757,628	965,316	-	9,609,387
Impairment losses	2,153,000		7,225,000		9,378,000
Equity in net loss of associate	-	-	289,055	-	289,055
Finance cost	882,472	-	-	-	882,472
	9,921,915	1,757,628	8,479,371	-	20,158,914
Income before income tax expense	674,668,844	428,648	(8,225,179)	-	666,872,313
Income tax expense	-	-	-	203,221,062	203,221,062
Income (Loss)	P 674,668,844	P 428,648	P (8,225,179)	P (203,221,062)	P 463,651,250
Segment assets	2,244,749,621	39,332,594	206,545,900	-	2,490,586,680
Segment liabilities	54,832,353	1,091,009	31,908,082	582,350,261	670,181,705
Operating	3,736,595	3,084,735	1,764,643	-	8,585,973
Investing	5,746,476	3,834,913	(33,688,288)	-	(24,106,899)
Financing	(7,432,475)	(5,850,562)	31,918,363	-	18,635,326
Other information:					
Depreciation and amortization	1,314,517	3,340,307	-	-	4,654,824
Non-cash expenses other than depreciation	2,153,000	-	7,225,000	-	9,378,000

Segment liabilities for each segment do not include the following:

	2016	2015	2014
Deferred tax liabilities	**P 580,968,204**	P 582,052,206	P 582,209,391
Retirement liability	**652,914**	590,051	138,118
Income tax payable	**78,469**	1,450	2,752
	P 581,699,587	P 582,643,707	P 582,350,261

9. Cash and Cash Equivalents

The composition of this account as of March 31 is as follows:

	2016	2015
Cash in banks	**P 5,897,888**	P 4,641,518
Cash on hand	**10,000**	10,000
	P 5,907,888	P 4,651,518

Cash accounts with the banks generally earn interest at rates based on prevailing bank deposit rates.

10. Accounts Receivable

The composition of this account as of March 31 is as follows:

		2016		2015
Receivable from:				
Real estate owners	**P**	**231,269**	P	414,839
Medical and health related services		**1,602,301**		506,768
	P	**1,833,570**	P	921,607

The terms and conditions of the above receivables are as follows:

- Receivables from real estate owners are expenses paid by the Group. These receivables are not subject to interest.

- Trade receivables from medical and health related services are normally collectible on a 30 to 90 days term.

As of March 31, management believes that amounts are fully collectible and no provision for probable loss is necessary.

11. Real Estate Inventories

This represents residential lots in various locations and are carried at cost. Breakdown of this account is as follows:

Residential unit		Cost
1	P	1,462,500
2		1,560,000
3		1,462,500
	P	4,485,000

No sales transaction occurred during the fiscal years ended March 31, 2016 and 2015.

12. Other Current Assets

The composition of this account as of March 31 is as follows:

		2016		2015
Prepaid taxes	**P**	**1,339,615**	P	1,602,557
Input taxes		**236,385**		565,349
Others		**98,800**		98,800
	P	**1,674,800**	P	2,266,706

Prepaid taxes represent 5% withholding tax on rental income. The same may be applied against future income tax liabilities.

Input taxes represent the 12% tax on domestic purchases of goods and services. Input tax is applied against output taxes on a monthly basis.

Others are rental deposit of the Group and will be used to pay the last rental or any expenses related to the lease to be paid upon termination of the lease contract.

13. Investments in Associates

This account consists of the following:

		2016		2015
Cost				
Beginning of the year				
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P**	**181,625,000**	P	30,000,000
Mariestad Mining Corporation (MMC)		**7,000,000**		7,000,000
		188,625,000		37,000,000
Additions during the year (ATN Solar)		**-**		155,625,000
Disposal during the year (ATN Solar)		**(6,000,000)**		(4,000,000)
		182,625,000		188,625,000
Equity in net losses				
Beginning of the year		**(3,945,186)**		(487,951)
Current year		**(1,882,081)**		(3,457,235)
		(5,827,267)		(3,945,186)
Total		**176,797,733**		184,679,814
Allowance for impairment losses		**(7,000,000)**		(7,000,000)
	P	**169,797,733**	P	177,679,814

ATN Solar
ATN Solar is a grantee of a 25-year Renewable Energy Contract (*service contract*) with the Department of Energy (DOE) under Republic Act 9513 (*the RA*). The service contract grants ATN Solar the exclusive right to explore develop and utilize the solar energy source within Rodriguez, Rizal, as its contract area. More specifically, the contract includes setting up a 30 MW Solar PV Project (*the Project*). The project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for the next 25 years.

The Project contains a 2-year pre-development stage and another 2 years for development stage, after which construction of power plants and connection to distribution network is to commence.

In a letter submitted to the Energy Regulatory Commission last March 4, 2016, ATN Solar is 98% complete on its pre-development stage by acquiring approval and authority to import and construct and/or install solar photovoltaic equipment and by signing of agreements with different government agencies, 9.3% in construction of its solar PV plants, and 44% complete on its development of interconnection facilities. As of the same date, commercial operation of ATN Solar has not yet started.

To be able to completely finance the Project, the ATN Solar intends to list its shares of stock in the stock market. In relation thereto, a third party valuator was engaged to determine ATN Solar's fair market value. In its report dated June 11, 2014, its 30MW project including the land is between P3.02 billion to P3.99 billion, determined under Discounted Cash Flow valuation.

On October 31, 2014, the Company subscribed to additional 155,625,000 shares with a par value of P1 when ATN Solar increased its common share, bringing the Company's equity interest to 49.5%. The Company paid P46,156,250 upon subscription and P8,600,000 on February 11, 2015 and P64,025,050 in 2016.

During 2016, various payments were made for its share subscription to ATN Solar totaling to P64,025,050.

On March 14, 2016 and March 17, 2015, the Parent Company sold 6 million shares and 4 million shares, respectively, of ATN Solar to Unipage Management, Inc. (UMI) with a carrying value of P1 per share subject to the following conditions:

- the Project should complete all governmental and grid approvals;
- the Company should deliver the shares of ATN Solar within 12 months from execution of the Investment Agreement;
- the Company should cause the registration of the shares sold to UMI in the stock and transfer book of ATN Solar.

The Company recognized a gain on sale of its investment in ATN Solar amounting to P12 million and P8 million in 2016 and 2015, respectively and is reflected in the Consolidated Statements of Income.

The latest financial information of ATN Solar is as follows:

	2016	2015
Total assets	**P 573,479,323**	P 317,684,650
Total liabilities	**210,458,117**	90,639,268
Net expenses	**4,018,678**	6,984,314

ATN Solar's financial year ends every December 31.

MMC
In 2007, the Group entered into an agreement with MMC to participate in the extraction of mining of manganese ores in the latter's mining site. The Group's participation is in the form of providing financial resources to undertake the mining operations. To date, the Group has financed a total of P7 million that is equivalent to 25% equity interest in MMC.

MMC is a dormant corporation and has not filed its audited financial statements since 2009.

Impairment loss recognized on previous periods amounted to P7 million.

14. Available-for-Sale Investments

Investment in AFS securities consist of a block of listed and unlisted shares in Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange, and unlisted equity security of Ambulatory Health Care Institute, Inc. (AHCII). Fair value was determined as discussed in Note 6.

The reconciliation of the carrying amounts of this account at the beginning and end of the fiscal year is as follows:

	2016	2015
Balance at the beginning of fiscal year	**P 51,560,258**	P 55,881,033
Disposal	**(8,613,500)**	-
Impairment	**(31,540)**	-
Changes in fair value	**(878,096)**	(4,320,775)
Balance at the end of fiscal year	**P 42,037,122**	P 51,560,258

Shares of stocks of AHCII was sold to Unipage Management, Inc. for P8,613,500.

Changes in fair value were reported separately in the statement of comprehensive income, net of deferred income tax.

15. Investment Properties

Investment properties consist of land, condominium units and townhouses. The movement of this account is as follows:

	2016	2015
Balance at the beginning of the year	**P 2,275,270,962**	P 2,283,560,812
Disposal during the year	**-**	(8,289,850)
	P 2,275,270,962	P 2,275,270,962

Pursuant to the compromise agreement discussed in Note 29, certain investment property with carrying value of P8.3 million owned by PLDI was transferred to the plaintiff in exchange for the Parent Company's shares of stock which the plaintiff held. The shares of stock was transferred to Unipage Management, Inc. (UMI), an affiliated company. Settlement between the Company, PLDI and UMI are taken up as inter-company advances (*see Note 24*)

Certain condominium units in Summit One Tower in Mandaluyong City are subject to contract to sell executed with a third party. Payments of P38.9 million in 2016 and P33.1 million in 2015 were received. The amounts are lodged under “Deposits” in the Statement of Financial Position (see Note 20).

Rental income on investment properties amounted to P8,615,932 in 2016, P8,381,143 in 2015, and P8,704,274 in 2014. Direct operating cost on these properties amounted to P922,842 in 2016, P922,388 in 2015, and P2,337,206 in 2014.

Certain investment property was mortgaged to the bank to secure the Group's financing requirements (see Note 19).

16. Property and Equipment

Property and equipment consists of:

2016	Medical Equipment & Fixtures	Office Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Total
Costs					
At April 1, 2015	P 34,194,095	P 6,138,644	P 19,969,173	P 995,536	P 61,297,448
Addition	-	-	-	1,645,536	1,645,536
At March 31, 2016	34,194,095	6,138,644	19,969,173	2,641,072	62,942,984
Accumulated depreciation					
At April 1, 2015	16,478,942	4,453,572	11,645,880	995,536	33,573,930
Provisions	1,805,763	449,266	1,349,795	-	3,604,824
At March 31, 2016	18,284,705	4,902,838	12,995,675	995,536	37,178,754
Net Book Value					
At March 31, 2016	P 15,909,390	P 1,235,806	P 6,973,498	P 1,645,536	P 25,764,230

2015		Medical Equipment & Fixtures		Office Furniture & Fixtures		Leasehold Improvements		Transportation Equipment		Total
Costs										
At April 1, 2014	P	34,194,095	P	6,138,644	P	19,969,173	P	995,536	P	61,297,448
At March 31, 2015		34,194,095		6,138,644		19,969,173		995,536		61,297,448
Accumulated depreciation										
At April 1, 2014		14,673,179		4,004,306		10,296,085		995,536		29,969,106
Provisions		1,805,763		449,266		1,349,795		-		3,604,824
At March 31, 2015		16,478,942		4,453,572		11,645,880		995,536		33,573,930
Net Book Value										
At March 31, 2015	P	17,715,153	P	1,685,072	P	8,323,293	P	-	P	27,723,518

Depreciation allocated to direct costs and administrative expenses are as follows:

		2016		2015		2014
Direct costs	**P**	**1,805,763**	P	1,805,763	P	1,805,763
Administrative expenses		**1,799,061**		1,799,061		1,999,061
	P	**3,604,824**	P	3,604,824	P	3,804,824

17. Intangible Asset

Intangible asset represents the cost of web-based portal development of a subsidiary for the marketing of its medical services to local and international clients.

The movement in intangible asset is as follows:

		2016		2015		2014
Cost	**P**	**15,000,000**	P	15,000,000	P	15,000,000
Accumulated amortization						
Balance, April 1		**6,600,000**		5,750,000		4,900,000
Provisions		**850,000**		850,000		850,000
Balance, March 31		**7,450,000**		6,600,000		5,750,000
Net Book Value at March 31	**P**	**7,550,000**	P	8,400,000	P	9,250,000

The amortization allocated to direct costs and administrative expenses are as follows:

		2016		2015		2014
Direct costs	**P**	**350,000**	P	350,000	P	350,000
Administrative expenses		**500,000**		500,000		500,000
	P	**850,000**	P	850,000	P	850,000

18. Accounts Payable and Accrued Expenses

This account consists of the following:

		2016		2015		2014
Capital gains tax payable	**P**	**1,990,000**	P	795,000	P	-
Accrued expenses		**814,801**		767,114		675,451
Trade		**399,316**		1,643,037		2,068,394
Others		**185,316**		1,450		94,875
	P	**3,389,433**	P	3,206,601	P	2,838,720

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are noninterest-bearing and are normally settled on a 90-day term;
- Accrued expenses are noninterest-bearing and have an average term of two (2) months;
- Capital gains tax payable pertains to the aggregate amount of taxes payable on sale of unlisted shares (see Note 13);
- Other current liabilities are non-interest bearing and have a maximum term of six (6) months.

The fair values of accounts payable and accrued expenses have not been disclosed due to their short duration. Management considers the carrying amounts recognized in the consolidated statements of financial position to be a reasonable approximation of their fair values.

19. Bank loans

Bank loans pertain to the outstanding balance of dollar and yen loans with Rizal Commercial Banking Corporation and China Banking Corporation which are covered by promissory notes. These loans are secured by a mortgage on certain investment property with a fair value of P100,404,363.

On February 15, 2016, the Group secured a peso-denominated loan from China Banking Corporation and proceeds of which were used to settle its USD-denominated loan.

These bank loans are subject to 9% to 12% interest rate per annum with maturity date of August 5, 2016 for the yen-denominated loan and February 9, 2017 for the peso-denominated loan.

The outstanding balances of this account as of March 31 are as follows:

		2016		2015
Peso loan	**P**	**4,000,000**	P	-
Yen loan		**21,259,054**		21,333,617
USD loan		**-**		3,123,190
	P	**21,259,054**	P	24,456,807

Financing charges related to these loans amounted to P669,958 in 2016, P879,540 in 2015, and P882,472 in 2014.

20. Deposits

This account consists of the following:

		2016		2015
Deposit on operating leases	**P**	**5,008,826**	P	4,316,789
Deposit on contract to sell		**38,884,979**		33,055,341
	P	**43,893,805**	P	37,372,130

Deposit on operating leases is made in compliance with the existing leasing agreement with the lessee. The amount is refundable at the expiration of lease contracts.

Deposit on contract-to-sell are advance payments made by third parties for the purchase of the Group's investment property as discussed in Note 15. Revenue on such sale will be recognized when the title to the property is transferred or the collection of the unpaid balance is reasonably assured.

21. Equity

Share capital
Component of share capital is as follows:

Title of issue	Authorized share capital – Number of shares		Authorized share capital – Amount	Subscribed and paid – Number of shares		Subscribed and paid – Amount
Common						
Class A	7,200,000,000	P	720,000,000	3,700,000,000	P	370,000,000
Class B	4,800,000,000		480,000,000	800,000,000		80,000,000
	12,000,000,000	P	1,200,000,000	4,500,000,000	P	450,000,000

In accordance with the Articles of Incorporation, certain restrictions have been imposed regarding issuance and transfer of share capital as follows:

Class “A” common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines.

Class “B” common shares are to be issued to any person subject to the required foreign ownership limitation under the laws of the Philippines.

On October 8, 2014, by a majority vote of the BOD, certain amendments were made to the articles of incorporation as follows:

- Article 3 was amended in compliance with SEC Memorandum Circular 6, series of 2014, specifying the Company’s exact registered business address.

- Article 7 was amended changing the Company’s par value from P1.00 per share to P0.10 per share with corresponding changes in authorized and issued share capital.

These amendments were approved and ratified by stockholders representing at least two-thirds of the outstanding capital stock on November 13, 2014. SEC approval thereon was sought on March 27, 2015.

During the Company’s annual stockholders meeting held on November 12, 2015, stockholders representing more than 70% of the issued and outstanding shares, approved and ratified, among others, to amend Section 7 of the Articles of Incorporation as follows:

- Decrease in authorized Class “A” common shares from 7.2 million shares to 4.2 million shares with par value of P0.10 per share;
- Decrease in authorized Class “B” common shares from 4.8 million to 2.8 million shares with par value of P0.10 per share; and
- Introduction of 5 million Preferred shares with par value of P0.10 per share. The Preferred shares contain certain features, rights and privileges.

These amendments were approved by the SEC on June 30, 2016.

Unrealized gain on available-for-sale investments
The movement of this account is as follows:

		2016		2015
Balance at beginning of year	**P**	**9,224,153**	P	13,523,324
Changes in fair value - net of deferred tax		**(873,551)**		(4,299,171)
Balance at the end of year	**P**	**8,350,602**	P	9,224,153

22. Cost of sales and services

The breakdown of this account is as follows:

		2016		2015		2014
Depreciation and amortization (see Notes 16 and 17)	**P**	**2,155,763**	P	2,155,763	P	2,155,763
Utilities		**1,406,714**		612,538		1,132,234
Medical supplies		**994,457**		457,665		646,846
Rent		**964,702**		479,924		552,853
Salaries, wages and employee benefits		**935,847**		897,606		1,769,898
Taxes and licenses		**922,842**		922,388		2,039,211
Professional fees		**475,478**		757,817		779,377
	P	**7,855,803**	P	6,283,701	P	9,076,182

23. Administrative expenses

The breakdown of this account is as follows:

		2016		2015		2014
Depreciation and amortization (see Notes 16 and 17)	**P**	**2,299,061**	P	2,299,061	P	2,499,061
Communication and association dues		**1,347,058**		1,859,917		1,429,971
Rent		**1,201,486**		1,205,760		745,010
Salaries, wages and benefits		**956,121**		1,490,149		228,200
Professional fees		**777,944**		661,955		644,846
Taxes and licenses		**396,325**		567,582		810,224
Security and janitorial services		**239,100**		595,274		810,003
Office supplies and printing		**188,013**		589,557		265,364
Transportation and travel		**131,744**		936,033		1,306,055
Retirement expense (Note 26)		**87,769**		316,353		-
Impairment loss		**31,540**		-		-
Repairs and maintenance		**4,580**		3,125		265,466
Representation and entertainment		**2,443**		79,485		141,050
Miscellaneous		**91,708**		337,253		464,138
	P	**7,754,892**	P	10,941,503	P	9,609,388

Pursuant to a *Teaming Agreement* executed in January 2013, a 75%-25% cost sharing of cost/expenses related to technical operations was implemented. All other cost including, but not limited to salaries and utilities shall be borne solely by Palladian Land Development, Inc.

24. Related Party Transactions

The Company's related parties and its relationship are as follows:

Related party	Relationship
Unipage Management, Inc. (UMI)	Affiliated company
Transpacific Broadband Group Int'l, Inc. (TBGI)	Affiliated company
Sierra Madre Consolidated Mines, Inc. (SMCM)	Affiliated company
ATN Philippines Solar Energy Group, Inc. (ATN Solar)	Affiliated company
Certain shareholders	Key management officers

Transactions, year-end balances and terms and conditions with related parties are as follows:

		Amount of Transaction		Year-end Balances		
Related party	Transaction	**2016**	2015	**2016**	2015	Terms and condition
Advances to related parties						
UMI	Intercompany advances/payments	**P (35,787,508)**	P (43,200,000)	**P 27,535,144**	P 45,322,652	no payment terms, unsecured
	Assignment of investment property *(see Notes 15 and 29)*	**-**	8,289,850			
	Sale of share of ATN Solar	**18,000,000**	12,000,000			
SMCM	Intercompany advances	**-**	-	**11,756,000**	11,756,000	no payment terms, unsecured & fully impaired
Shareholder	Advances/payments	**(1,100,000)**	1,100,000	**-**	1,100,000	
				39,291,144	58,178,652	
Less: Allowance for probable losses				**11,756,000**	11,756,000	
Total				**P 27,535,144**	P 46,422,652	
Adances from related parties						
TBGI	Intercompany advances/payments	**3,689,627**	1,235,428	**P (910,483)**	P (4,600,110)	no payment terms, unsecured
ATN Solar	Intercompany advances/payments	**(257,310)**	-	**(257,310)**	-	
Shareholders	Advances/payments	**(14,860,641)**	(724,619)	**(40,242,454)**	(25,381,813)	no payment terms, unsecured
Total				**P (41,410,247)**	P (29,981,923)	

Details of significant related party transactions follows:

- Significant amount of the advances to UMI pertains to the sale of ATN Solar shares discussed in Note 13.
- During fiscal year 2015, the Group transferred certain investment property to UMI to settle a case against the Group (see Note 15).
- Advances from TBGI of P910,483 in 2016 and P4,600,110 in 2015 represent amounts advanced by TBGI on the share of PLDI in their common expenses, pursuant to a Teaming Agreement entered into by both parties.

- Advances made to SMCM on previous periods were fully impaired by the Group last fiscal year 2014.

- Amount due to stockholders amounted to P40.2 million in 2016 and P24.3 million in 2015. These amounts are not subject to interest.

The details of subsidiaries' accounts that were eliminated in the process of consolidation are as follows:

		2016		2015
Advances to (from) subsidiaries				
PLDI	**P**	**(25,741,233)**	P	(8,281,592)
MCPI		**14,942,328**		26,442,328
AHCDC		**10,768,677**		10,768,677
	P	**(30,228)**	P	28,929,413

The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2016 and 2015.

25. Retirement Benefits

The Group provides for retirement benefits costs required to be paid under RA 7641 (the Act) otherwise known as *Retirement Pay Law*. The Act provides for retirement benefits to employees reaching the age of 60 who have rendered at least five (5) years of service to the Group. Benefits accruing to employee are computed as the sum of (i) one half month of salary for every year of service, (ii) one-twelfth of 13th month pay and (iii) the cash equivalent of not more than five (5) days of service incentive leaves.

The balance of retirement liability account as of March 31 is as follows:

		2016		2015		2014
Balance at the beginning of the year	**P**	**590,051**	P	138,118	P	462,470
Provisions (Reversals) during the year		**62,863**		451,933		(250,915)
Benefit paid during the year		**-**		-		(73,437)
	P	**652,914**	P	590,051	P	138,118

26. Income Taxes

Components of income tax reported in the consolidated statements of comprehensive income are as follows:

		2016		2015		2014
Current	**P**	**1,520,509**	P	996,330	P	282,832
Deferred		**(645,311)**		-		202,938,230
	P	**875,198**	P	996,330	P	203,221,062

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense is as follows:

		2016		2015		2014
Statutory income tax	**P**	**3,100,282**	P	1,813,228	P	200,061,694
Tax effect of:						
Non- deductible expenses		**1,013,874**		1,037,171		2,900,117
Unrecognized temporary difference		**(831,267)**		(247,577)		260,720
Income subject to final tax		**(2,407,691)**		(1,606,492)		(1,469)
Actual provision for income tax	**P**	**875,198**	P	996,330	P	203,221,062

The component of the Group's net deferred income tax liabilities is as follows:

		2016		2015
Unrealized gain on fair value adjustment of investment properties	**P**	**579,313,497**	P	579,959,508
Unrealized gain on AFS financial assets		**2,265,166**		2,269,714
Unrealized foreign exchange		**(405,122)**		-
Impairment loss		**(9,462)**		-
Retirement liability		**(195,875)**		(177,016)
	P	**580,968,204**	P	582,052,206

Except for the related deferred tax liability on available-for-sale and fair value through profit or loss investment listed on Philippine Stock Exchange, financial assets which are stated at ½ of 1% stock transaction, all other deferred tax liabilities are stated at 30% income tax rate.

The Group did not recognize any deferred tax assets as at March 31, 2016 and 2015 on impairment losses, net operating loss carry over (NOLCO) and minimum corporate income tax (MCIT) since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

27. Earnings per Share

Earnings per share is computed by dividing the income for the period by the weighted average number of common shares as follows:

		2016		2015		2014
Earnings (A)	**P**	**9,459,075**	P	5,047,764	P	463,651,249
Divided by:						
Weighted Average Shares (B)		**4,500,000,000**		4,500,000,000		4,500,000,000*
Earnings per share (A/B)	**P**	**0.00210**	P	0.00112	P	0.10303

**Adjusted for the effect of changes in par value -- see Note 21*

As of the respective year ends, there are no potentially convertible shares.

28. Other Matters

Operating Lease Commitments
Certain investment properties of the Group are leased out to third parties under the operating lease agreement. The lease term is for the period of 1 year renewable at the option of both parties.

Contingencies
In 2012, the Parent Company is a party to an intra-corporate dispute involving its certificate of increase in capital and amendment of articles of incorporation filed with at the Company Registration and Monitoring Department of the Securities and Exchange Commission (CRMD-SEC).

On February 24, 2014, the Parent Company (defendant) and Blue Stock Development Holdings, Inc. (plaintiff) entered into a compromise agreement under Sec Case. No. MC11-130 with the RTC Mandaluyong with the following terms, among others:

- The Parent Company or its assigns shall acquire the shares of stock of the Parent Company held by the plaintiff. Payment of the shares acquired shall be made partly in deferred cash payment and through assignment/conveyance of condominium units.
- Both parties shall file a “Motion for Withdrawal of Complaint” or “Joint Motion to Dismiss” with the CRMD-SEC case.

On February 24, 2014, a Motion to Withdraw Complaint was filed by the complainant under SEC CRMD 12-305.

On March 7, 2014, the RTC Mandaluyong issued a decision approving the Compromise Agreement of both parties.

On April 3, 2014, the SEC issued an Order granting the Motion to Withdraw Complaint, having been duly executed and officially filed with the Commission, and it appearing that no third parties will be prejudiced thereto.

Non cash investing and financing activities
Non-cash investing and financing activities that were excluded in the preparation of the Statements of Cash Flows are as follows:

- During fiscal year 2015, the Parent Company subscribed to additional 155,625,000 shares of ATN Philippines Solar Energy Group, Inc. amounting to P155,625,000 of which P55,056,250 was paid during the year through cash and expense sharing.
- Decline in fair value of the Group’s investment in available-for-sale resulted in a decrease in the fair value amounting to P0.87 million net of deferred tax.
- Sale of shares of associate amounting to P18 million did not generate cash payments during the year, instead it constitute an increase in advances to related parties.

Reclassification
Certain accounts in the equity section of the 2015 Statement of Financial Position were reclassified to correct the overstatement of Unrealized Gain on AFS Financial Asset. The overstatement was absorbed by retained earnings for the same amount and the same period. Such adjustment did not affect the Statements of Income for the period.

R. R. TAN & ASSOCIATES, CPAs

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Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2018
SEC Accreditation No.0220-FR-1, valid until March 25, 2017
BIR Accreditation No. 07-000125-001-2013, valid until October 3, 2016

Independent Auditors' Report on Supplementary Schedules

The Board of Directors and Stockholders
ATN HOLDINGS, INC. AND SUBSIDIARIES
9TH Floor, Summit Tower,
530 Shaw Blvd.,
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **ATN HOLDINGS, INC. AND SUBSIDIARIES** (the Group) as at March 31, 2016 and 2015 and for each of the three years in the period ended March 31, 2016, included in this Form 17-A, and have issued our report thereon dated July 11, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

R.R.TAN AND ASSOCIATES, CPAs

By: **DOMINGO A. DAZA, JR.**
Partner
CPA Certificate No. 0109993
Tax Identification No. 203-917-449
PTR No. 1462755, January 19, 2016, Pasig City
SEC Accreditation No. 1088-AR-1, valid until March 25, 2017
BIR Accreditation No. 07-000124-001-2013, valid until
October 3, 2016

July 11, 2016
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
Index to Supplementary Schedules
Under SEC Rule 68, As Amended (2011)
March 31, 2016

Table of Contents

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule I - Tabular Schedule of All Effective Standards and Interpretations Pursuant to SRC Rule 68, as Amended
March 31, 2016

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2016		Adopted	Not adopted	Not applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objetives and qualitative characteristics		x		
PFRS's Practice Statement Management Commentary		x		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First time adoption of Philippine Financial Reporting Standards			x
	Amendments to PFRS 1: Additional exemptions for First Time Adopters			x
	Amendments to PFRS 1: Limited exemptions from Comparative PFRS 7 Disclosures for First Time Adopters			x
	Amendments to PFRS 1: Severe Hyperinflation and removal of Fixed Date for First Time Adopters			x
	Amendments to PFRS 1: Government Loans			x
PFRS 2	Share - Based Payment			x
	Amendments to PFRS 2: Vesting Conditions and Cancellations			x
	Amendments to PFRS 2: Group Cash - Settled Share-Based Payment Transactions			x
PFRS 3 (Revised)	Business Combinations			x
PFRS 4	Insurance Contracts			x
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
PFRS 5	Non-current assets held for sale and discontinued operations			x
PFRS 6	Exploration for and Evaluation of Mineral Resources			x
PFRS 7	Financial Instruments: Disclosures	x		
	Amendments to PFRS 7: Transition			x
	Amendments to PAS 39 and PFRS 7: Reclassification of			x
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			x
	Amendments to PFRS 7: Improving Disclosures About Financial			x
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			x
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			x
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
	Amendments to PFRS 7: Hedge Accounting	Not early adopted		
PFRS 8	Operating Segments	x		
PFRS 9 (2014)	Financial Instruments	Not early adopted		
PFRS 10	Consolidated Financial Statements	x		
	Amendments to PFRS 10: Transition Guidance			x
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			x
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities - Applying the Consolidation Exception	Not early adopted		
	Amendments to PFRS 10: Consolidated Financial Statements and PAS 28: Investments in Associates and Joint Ventures - Sale or Contribution of Assets Between An Investor and Its Associate or Joint Venture	Not early adopted		
PFRS 11	Joint agreements			x
	Amendments to PFRS 11: Transition Guidance			x
	Amendments to PFRS 11: Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations	Not early adopted		
PFRS 12	Disclosure of Interest in Other Entities	x		
	Amendments to PFRS 12: Transition Guidance			x
	Amendments to PFRS 12: Investment Entities			x

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2016		Adopted	Not adopted	Not applicable
PFRS 12	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			x
PFRS 13	Fair Value Measurement	x		
PFRS 14	Regulatory Deferral Accounts	Not early adopted		
PFRS 15	Revenue from Contracts with Customers	Not early adopted		

Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	x		
	Amendment to PAS 1: Capital Disclosures	x		
PAS 1 (Revised)	Presentation of Financial Statements	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation		x	
	Amendments to PAS 32 and PAS 1: Presentation of items of Other Comprehensive Income	x		
	Amendment to PAS 1: Presentation of Financial Statements - Disclosure Initiative	Not early adopted		
PAS 2	Inventories	x		
PAS 7	Statement of Cash flows	x		
PAS 8	Accounting Policies, Changes in Accounting Estimates and	x		
PAS 10	Events After the Balance Sheet Date	x		
PAS 11	Construction Contracts			x
PAS 12	Income Taxes	x		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	x		
PAS 16	Property, Plant and Equipment	x		
	Amendments to PAS 16: Property, Plant and Equipment and PAS 38: Intangible Assets	Not early adopted		
	Amendments to PAS 16: Property, Plant and Equipment and PAS 41: Agriculture - Bearer plants	Not early adopted		
PAS 17	Leases	x		
PAS 18	Revenue	x		
PAS 19 (Amended)	Employee benefits	x		
	Employee benefits: Employee Contributions	x		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			x
PAS 21	The Effects of Changes in Foreign Exchange Rates	x		
	Amendment: Net investment in a Foreign Operation			x
PAS 23 (Revised)	Borrowing Costs	x		
PAS 24 (Revised)	Related Party Disclosures	x		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			x
PAS 27 (Amended)	Separate Financial Statements			x
PAS 28 (Amended)	Investment in Associates and Joint Ventures	x		
	Amendments to PAS 28 (Amended): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception	Not early adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			x
PAS 32	Financial Instruments: Disclosure and Presentation	x		
	Financial Instruments: Presentation	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendment to PAS 32: Classification of Rights issues			x
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	x		
PAS 33	Earnings per share	x		
PAS 34	Interim Financial Reporting			x
PAS 36	Impairment of Assets	x		
PAS 36	Amendments to PAS 36: Recoverable Amount Disclosures for Financial Assets	x		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	x		
PAS 38	Intangible Assets	x		

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2016		Adopted	Not adopted	Not applicable
PAS 39	Financial Instruments: Recognition and Measurement	x		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	x		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			x
	Amendments to PAS 39: The Fair Value Option	x		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee			x
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			x
	Amendment to PAS 39: Eligible Hedged Items			x
	Amendment to PAS 39: Hedge Accounting			x
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			x
PAS 40	Invesment Property	x		
PAS 41	Agriculture			x
	Amendments to PAS 41: Agriculture - Bearer Plants	Not early adopted		

Philippine Interpretations				
IFRIC 1	Changes In Existing Decommissioning, Restoration and Similar Liabilities			x
IFRIC 2	Member's Share in Co-operative entities and Similar Instruments			x
IFRIC 4	Determining Whether An Arrangement Contains a Lease			x
IFRIC 5	Rights to Interests Arising from Decommisioning, Restoration and Environmental Rehabilitation Funds			x
IFRIC 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Component			x
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting under Hyperinflationary Economies			x
IFRIC 8	Scope of PFRS 2			x
IFRIC 9	Reassessment of Embedded Derivatives			x
	Amendments to Philippine Interpretations IFRIC-9 and PAS 39: Embedded Derivatives			x
IFRIC 10	Interim Financial Reporting and Impairment			x
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions			x
IFRIC 12	Service Concession Arrangements			x
IFRIC 13	Customer Loyalty Programmes			x
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction			x
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			x
IFRIC 15	Agreements for Construction of Real Estate	Not early adopted		
IFRIC 16	Hedges of a Net Investment in Foreign Operation			x
IFRIC 17	Distribution of Non Cash Assets to Owners			x
IFRIC 18	Transfers of Assets from Customers			x
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			x
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			x
IFRIC 21	Levies			x
SIC - 7	Introduction of the Euro			x
SIC - 10	Government Assistance - No specific relation to Operating Activities			x
SIC - 12	Consolidation - Special purpose entities			x
	Amendment to SIC - 12: Scope of SIC - 12			x
SIC - 13	Jointly Controlled Entities - Non Monetary Contributions by Venturers			x
SIC - 15	Operating Leases - Incentives			x
SIC - 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			x
SIC - 27	Evaluating the Substance of Transactions Involving the Legal			x
SIC - 29	Service Concession Arrangements - Disclosures			x
SIC - 31	Revenue - Barter TransactionsInvolving Advertising Services			x

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2016		Adopted	Not adopted	Not applicable
SIC - 32	Intangible Assets - Web Site Costs	x		

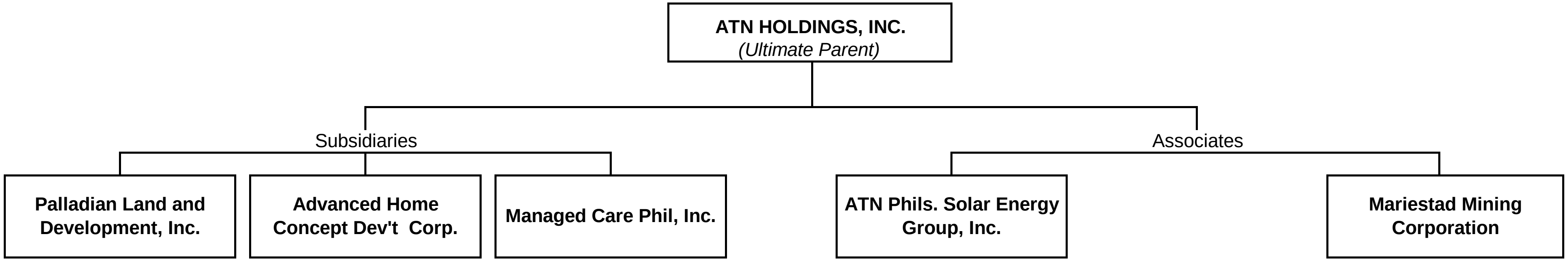
ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule II - Financial Soundness
Pursuant to SRC Rule 68, As Amended

		2016	2015
A.	Current/liquidity ratios		
	Current ratio	**0.485**	3.844
	Quick ratio	**0.270**	1.738
	Cash ratio	**0.206**	1.451
B.	Solvency ratio/Debt-to-equity ratio		
	Solvency ratio	**0.517**	0.052
C.	Asset-to-Equity ratios	**1.400**	1.427
D.	Interest rate coverage ratio	**16.425**	7.872
E.	Profitability ratios		
	Net profit margin analysis	**31.626%**	18.285%
	Return on assets	**0.367%**	0.198%
	Return on equity	**0.518%**	0.277%
	Return on capital employed	**0.434%**	0.267%

ATN HOLDINGS, INC.
Schedule III - Parent Company Retained Earnings Available for Dividend Declaration
March 31, 2016

Balance at beginning of year			P	(22,220,606)
Adjustment on beginning balance				10,472,721
Income during the period closed to Retained Earnings				9,998,179
Less:	Non-actual/unrealized income net of tax	-		
	Equity in net income of associate/joint venture	-		
	Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-		
	Unrealized actuarial gain	-		
	Fair value adjustment on financial assets at FVTPL	-		
	Fair Value adjustment of Investment Property	-		
	Adjustment due to deviation from PFRS/GAAP-gain	-		
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-		-
Sub-total:				(1,749,706)
Add:	Non-actual losses	-		
	Depreciation on revaluation increment (after tax)	-		
	Adjustment due to deviation from PFRS/GAAP - loss	-		
	Equity in net loss of an associate	-		
	Loss on fair value adjustment of investment property (after tax)	-		-
Net income actually earned during the period				(1,749,706)
Add (Less):	Dividend declarations during the period	-		
	Appropriations of Retained Earnings during the period	-		
	Reversals of appropriations	-		
	Effects of prior period adjustments	-		
	Treasury shares	-		-
Balance at end of year			P	(1,749,706)

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule IV - A map showing the relationship between and among the Company
and its Ultimate Parent Company, Subsidiaries and Associates
Pursuant to Rule 68, as Amended
March 31, 2016



ATN HOLDINGS, INC. AND SUBSIDIARIES

Schedule A - Non-Current Marketable Equity Securities, Other Long Term Investment in Stocks and Other Investments

March 31, 2016

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Equity in net earnings (losses) of the investee for the period	Income received and accrued
INVESTMENT IN ASSOCIATES				
Mariestad Mining Corporation (MMC)	-	P 7,000,000	P -	-
ATN Philippines Solar Energy Group, Inc.	-	169,797,733	(1,882,081)	-
Less: Allowance for impairment loss (MMC)	-	(7,000,000)	-	-
	-	P 169,797,733	P (1,882,081)	-
AVAILABLE FOR SALE INVESTMENTS				
Transpacific Broadband Group International, Inc.	24,370,459	42,037,122	-	-
Total	24,370,459	P 42,037,122	**-**	**-**

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule B - Amount Receivable from Directors, Officers, Employees, Related parties and Principal Stockholders (Other than Related Parties)
March 31, 2016

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Allowance for impairment	Current	Non Current	Balance at end of period
Sierra Madre Consolidated Mines	P 5,878,000	P -	P -	P 5,878,000	P -	P -	P -
Unipage Management, Inc.	45,322,652	18,000,000.00	35,787,508	-	-	27,535,144	27,535,144
Shareholder	1,100,000	-	1,100,000	-	-	-	-
	P 52,300,652	P 18,000,000	P 36,887,508	P 5,878,000	P -	P 27,535,144	P 27,535,144

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
March 31, 2016

Related Party		Balance at beginning of period	Net transactions		Balance at end of period
Palladian Land Development, Inc.	P	(8,281,591)	(17,459,642)	P	(25,741,233)
Advanced Home Concept Development Corporation		10,768,677	-		10,768,677
Managed Care Philippines, Inc.		26,422,328	(11,480,000)		14,942,328
Total	P	28,909,414	(28,939,642)	P	(30,228)

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule D - Intangible Assets (Other assets)
March 31, 2016

Portal and enterprise system		Balance at beginning of period		Additions/ Revisions	Disposal		Balance at end of period
Cost	P	15,000,000		-	-	P	15,000,000
Accumulated amortization		6,600,000	P	850,000	-		7,450,000
Net Book Value	P	8,400,000	P	850,000		P	7,550,000

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule E - Long-Term Debt
March 31, 2016

Creditor	Original Currency		Balance at beginning of period (in peso)		Payment (in peso)		Addition (in peso)		Unrealized foreign exchange gain		Balance at end of period (in peso)
China Banking Corporation	$	70,000	P	3,123,190	P	3,335,500	P	-	P	(212,310)	P	-
China Banking Corporation	₱	4,000,000		-		-		4,000,000		-		4,000,000
Rizal Commercial Banking Corporation	¥	57,565,075		21,333,617		1,274,063		-		(1,199,500)		21,259,054
Total			P	24,456,807	P	4,609,563	P	4,000,000		(1,411,810)	P	25,259,054

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule F - Indebtedness to Related Parties (Long-term loans from related parties)
March 31, 2016

Related Party	Balance at beginning of period	Payment	Addition	Balance at end of period
Transpacific Broadband Group International, Inc.	₱ 4,600,110	₱ 3,689,627	₱ -	₱ 910,483
ATN Philippines Solar Energy Group, Inc.	-	765,907	1,023,217	257,310
Stockholder	25,381,813	-	14,860,641	40,242,454
Total	₱ 29,981,923	₱ 4,455,534	₱ 15,883,858	₱ 41,410,247

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule G - Guarantees of Securities of Other Issuers
March 31, 2016

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
None		₱ -	₱ -	

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule H - Share Capital
March 31, 2016

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 options, warrants, convertion and other rights	Number of shares held by related parties	Number of shares held by directors, officers and employees	Others
Common shares - P0.10 par value						
Class A	7,200,000,000	3,700,000,000	-	-	2,792,587,080	907,412,920
Class B	4,800,000,000	800,000,000	-	-	238,481,000	561,519,000
	12,000,000,000	4,500,000,000	-	-	3,031,068,080	1,468,931,920

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2018
SEC Accreditation No.0220-FR-1, valid until March 25, 2017
BIR Accreditation No. 07-000125-1-2013, valid until October 3, 2016

Report of Independent Public Accountants

The Board of Directors and Stockholders
ATN HOLDINGS, INC.
9TH Floor, Summit One Tower,
530 Shaw Blvd.,
Mandaluyong City

Report on the Financial Statements

We have audited the accompanying financial statements of **ATN HOLDINGS, INC.** which comprise the parent company statements of financial position as of March 31, 2016 and 2015 and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the fiscal years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these Parent Company financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these Parent Company financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Parent Company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Parent Company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Parent Company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Parent Company financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Parent Company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the Parent Company financial statements present fairly, in all material respects, the financial position of **ATN HOLDINGS, INC.** as of March 31, 2016 and 2015, and its financial performance and its cash flows for the fiscal years then ended in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required under Revenue Regulations (RR) 15-2010 and 19-2011 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 21 of the Parent Company's financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.R.TAN AND ASSOCIATES, CPAs

By: DOMINGO A. DAZA, JR.
Partner
CPA Certificate No. 0109993
Tax Identification No. 203-917-449
PTR No. 1462755, January 19, 2016, Pasig City
SEC Accreditation No. 1088-AR-1, valid until March 25, 2017
BIR Accreditation No. 07-000124-001-2013, valid until
October 3, 2016

July 11, 2016
Pasig City

RECEIVED
Teller No. 3
TELLER'S INITIAL:
LANDBANK - SHAW BLVD. BR.
089-057
2016

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

	Notes		2016		2015
ASSETS					
Current Assets					
Cash in bank	8	P	1,340,121	P	55,135
Other current asset	9		155,297		158,984
			1,495,418		214,119
Non-current Assets					
Investments in:					
Available-for-sale securities	11		42,037,122		42,946,758
Subsidiaries and associates	10		402,625,000		408,625,000
Investment properties	12		61,370,855		61,370,855
Advances to related parties	17		53,246,149		82,513,657
Deferred tax asset	18		2,452,660		2,443,198
			561,731,786		597,899,468
TOTAL ASSETS		P	563,227,204	P	598,113,587
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	13	P	2,397,310	P	1,217,117
Non-current Liabilities					
Deposits	14		13,502,535		11,319,020
Subscription payable	10		36,543,700		100,568,750
Advances from related parties	17		26,034,391		9,379,514
Deferred tax liability	18		2,265,167		2,269,714
			78,345,793		123,536,998
TOTAL LIABILITIES			80,743,103		124,754,115
EQUITY					
Share capital	15		450,000,000		450,000,000
Additional paid-in capital			373,956		373,956
Unrealized gain on available-for-sale financial assets - net of deferred income tax	15		8,350,602		9,224,153
Retained earnings - March 31			23,759,543		13,761,364
TOTAL EQUITY			482,484,101		473,359,472
TOTAL LIABILITIES AND EQUITY		P	563,227,204	P	598,113,587

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2016 AND 2015

	Notes		2016		2015
REVENUES					
Gain on sale of investment in associate	*10*	**P**	**12,000,000**	P	8,000,000
Rental income	*12*		**283,725**		250,048
Interest income			**502**		348
			12,284,227		8,250,396
ADMINISTRATIVE EXPENSES	*16*		**1,094,836**		1,102,199
INCOME BEFORE INCOME TAX EXPENSE			**11,189,391**		7,148,197
INCOME TAX EXPENSE	*18*		**1,191,212**		800,001
INCOME FOR THE PERIOD		**P**	**9,998,179**	P	6,348,196
EARNINGS PER SHARE	*19*	**P**	**0.0022**	P	0.0014

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2016 AND 2015

	Note		**2016**		2015
INCOME FOR THE PERIOD		**P**	**9,998,179**	P	6,348,196
Items to be reclassified to profit or loss in subsequent periods:					
Fair value changes in available-for-sale financial assets - net of deferred income tax	*11*		**(873,551)**		(4,299,171)
TOTAL COMPREHENSIVE INCOME		**P**	**9,124,628**	P	2,049,025

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2016 AND 2015

	Notes		**Share Capital**		**Additional Paid-in Capital**		**Unrealized gain on Available-for-sale financial assets - net of deferred income tax**		**Retained Earnings**		**Total**
Balance at March 31, 2014		P	450,000,000	P	373,956	P	13,523,324	P	7,413,168	P	471,310,448
Changes in fair value of Available-for-sale investment	*15*						(4,299,171)				(4,299,171)
Income for the period									6,348,196		6,348,196
Balance at March 31, 2015			450,000,000		373,956		9,224,153		13,761,364		473,359,473
Changes in fair value of Available-for-sale investment	*15*						(873,551)				(873,551)
Income for the period									9,998,179		9,998,179
Balance at March 31, 2016		**P**	**450,000,000**	**P**	**373,956**	**P**	**8,350,602**	**P**	**23,759,543**	**P**	**482,484,101**

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2016 AND 2015

	Notes		**2016**		2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax expense		**P**	**11,189,391**	P	7,148,197
Adjustments for:					
Gain on sale of investment in associate			**(12,000,000)**		(8,000,000)
Provision for impairment on investment in AFS			**31,540**		-
Interest income			**(502)**		(348)
Operating Loss Before Working Capital Changes			**(779,571)**		(852,151)
(Increase) Decrease in other current asset			**3,687**		(31,554)
Increase (Decrease) in operating liabilities:					
Accounts payable and accrued expenses			**(14,808)**		(5,362)
Deposits			**2,183,515**		2,183,470
Cash provided by operations			**1,392,823**		1,294,403
Income taxes paid	*19*		**(5,674)**		(5,001)
Interest received			**502**		348
Net Cash Provided by Operating Activities			**1,387,651**		1,289,750
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment of stock subscription to associate			**(64,025,050)**		(55,056,250)
Advances to related parties			**(1,520,000)**		(21,623,596)
Collection of advances to related parties			**48,787,508**		94,410,000
Net Cash Provided by (used in) Investing Activities			**(16,757,542)**		17,730,154
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments made to related parties			**16,654,877**		(19,000,000)
Net cash Provided by (used in) Financing Activities			**16,654,877**		(19,000,000)
NET INCREASE IN CASH			**1,284,986**		19,904
CASH AT BEGINNING OF YEAR			**55,135**		35,231
CASH AT END OF THE YEAR		**P**	**1,340,121**	P	55,135

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

1. Corporate Information

ATN Holdings, Inc. (*ATN, the Company or the Parent Company*) was formerly registered under the name Jabpract Mining and Industrial Corporation. On March 14, 1996, Jabpract Mining and Industrial Corporation changed its corporate name to ATN Holdings, Inc. and its primary and secondary purposes were amended to enable it to perform the acts of a holding company.

The common shares of ATN are listed and traded in the Philippine Stock Exchange. The registered office address of ATN is 9th Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City. ATN Holdings, Inc. has no ultimate Parent company.

The accompanying financial statements were authorized for issue by the President on July 11, 2016.

2. Basis of Preparation and Presentation

Basis of Financial Statements Preparation and Presentation
The accompanying financial statements of the Company have been prepared on a historical cost basis, except for available-for-sale financial assets (AFS) and investment properties that have been measured at fair values.

The financial statements are presented in Philippine Peso, which is the Company's functional currency. All values represent absolute amount except as otherwise indicated.

These financial statements are prepared for the purpose of complying with the requirements of the Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR).

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

3. Summary of Significant Accounting Policies

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

Current versus non-current classification
The Parent Company presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or use to settle a liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other liabilities as non-current.

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

Financial Instruments

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

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

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

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

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

As of March 31, 2016 and 2015, the Company's financial instruments are of the nature of AFS, loans and receivables, and other financial liabilities.

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

Included under this category are shares of stock of publicly listed companies.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and

receivables are carried at amortized cost in the statement of financial position. Amortization is determined using the effective interest method less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the Company's cash and other receivables.

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

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

Included under this category are accounts payable and accrued expenses.

Reclassification of Financial Assets
A financial asset is reclassified out of the FVPL category when the following conditions are met (i) the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and (ii) there is a rare situation.

A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the statements of comprehensive income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment

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

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

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

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

(ii) Assets carried at cost
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a

derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

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

Derecognition of Financial Instruments

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

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

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

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

<u>Input tax</u>
Input tax represents 12% VAT input from purchases of goods and services. Input tax can be claimed against output tax in the subsequent month.

<u>Investment Properties</u>
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Company.

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

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of comprehensive income in the year of retirement or disposal.

Investment in Associates and Subsidiaries
In this separate financial statements, the Company's investments in its associates and subsidiaries are accounted for using the cost method as allowed under PAS 27.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the investee from date of acquisition.

A parent controls an investee when it is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over that investee. Specifically, control is achieved if and only if the a parent company has all the following;

(i) Power over the investee;
(ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
(iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The Parent reassesses whether or not it controls a subsidiary if facts and circumstances indicates that there are changes to one or more of the three elements of control.

The Company derecognizes an investment only when the contractual rights to the cash flows from the assets expire, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity.

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

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

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

Accounts Payable and Accrued Expenses
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Accounts payable are non-interest bearing and are stated at their original invoice amount since the effect of discounting is immaterial.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Deposits
Deposits represent security deposits from clients and reservation fees from real estate buyers. The same will be applied to contract price when the buyer committed to purchase the unit. Reservation fees are non-refundable should the buyer decided not to go through with the acquisition of the property.

Payable to Related Parties
Payable to related parties are non-interest bearing borrowings. These are measured at their original amounts and have no fixed repayment period.

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

Additional paid-in capital includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Unrealized gain/loss on AFS financial assets pertains to mark-to-market valuation of available-for-sale financial assets.

Retained earnings (Deficit) include all current and prior period results of operations as disclosed in the statements of comprehensive income.

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

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

(ii) Profit from assets sold or exchanged – recognized when the title to the asset is transferred to the buyer or if the collectability is reasonably assured. If collectability is not reasonably assured, revenue is recognized only to the extent cash is received.

(iii) Rental from Operating Leases - properties leased out under operating leases are included in investment property in the statement of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

(iv) Dividends - Dividends are recognized in the period in which they are declared.

Cost and expenses are recognized in the statements of comprehensive income upon utilization of the assets or services or at the date they are incurred.

Income Taxes
Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the end of reporting period.

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

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

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

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

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

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

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Earnings (Loss) Per Share
Earnings (Loss) per share is determined by dividing the profit (loss) for the year by the weighted average number of common shares outstanding during the fiscal year.

Related Party Transactions and Relationships
Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

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

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of April 1, 2015

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning April 1, 2015. The adoption however did not result to any material changes in the financial statements.

Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. The amendment does not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS (2010 to 2012 cycle)

The Annual Improvements to PFRSs (2010 to 2012 cycle) contain non-urgent but necessary amendments to the following standards. These are effective for annual periods beginning on or after July 1, 2014. Except as otherwise stated, the amendments do not have a significant impact on the financial statements.

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

  - A performance condition must contain a service condition
  - A performance target must be met while the counterparty is rendering service
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
  - A performance condition may be a market or non-market condition
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39. This amendment is not relevant to the Company.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  The amendments are applied retrospectively and clarify that:

  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- PAS 16, *Property, Plant and Equipment: Revaluation Method - Proportionate Restatement of Accumulated Depreciation*, and PAS 38, *Intangible Assets: Revaluation Method - Proportionate Restatement of Accumulated Amortization*
  The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- PAS 24, *Related Party Disclosures - Key Management Personnel*
  The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendments affect disclosures only and have no impact on the Company's financial position or performance.

Annual Improvements to PFRS (2011 to 2013 cycle)

The Annual Improvements to PFRSs (2011 to 2013 cycle) contain non-urgent but necessary amendments to the following standards. These are effective for annual periods beginning on or after January 1, 2015. Except as otherwise stated, the amendments have no significant impact on the financial statements.

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

  - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*
  The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.

- PAS 40, *Investment Property*
  The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to March 31, 2016
Standards issued but not yet effective up to date of issuance of the Company's financial statements are listed below. The listing consists of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The Company does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

Effective 2016

Amendments to PAS 1, *Presentation of Financial Statements – Disclosure Initiative*
The amendments include narrow-focus improvements in five areas; namely, materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. The amendments are effective on or after January 1, 2016. The amendment will not have any significant impact on the Company's financial position or performance.

Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. The amendment will not have any significant impact on the Company's financial position or performance.

Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company as the Company does not have any bearer plants.

Amendments to PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The management is still assessing its impact on the financial statements.

Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*.

The amendments address certain issues that have arisen in applying the investment entities exception under PFRS 10. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Company's financial statements.

Amendments to PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*

The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The amendment will not have any significant impact on the Company's financial position or performance.

PFRS 14, *Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. The Standard will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRSs (2012-2014 cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact to the Company's financial statements. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*
  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report*'
  The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective 2018

PFRS 9, *Financial Instruments - Hedge Accounting and Amendments to PFRS 9, PFRS 7 and PAS 39*
PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

The Company is currently assessing the impact of adopting this standard.

The adoption of the third phase of the project is not expected to have any significant impact on the Company's financial statements.

PFRS 9, *Financial Instruments*
In July 2014, the final version of PFRS 9 was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

The Company is currently assessing the impact of adopting this standard.

The adoption of the other phases of the project is not expected to have any significant impact on the Company's financial statements.

The following new standard issued by the IASB has not yet been adopted by the FRSC.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017, with early adoption permitted. This mandatory adoption date was moved to January 1, 2018.

  The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

Deferred

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely.

5. Summary of Significant Accounting Judgments and Estimates

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

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

Determination of functional currency
The Company has determined that its functional currency is the Philippine peso which is the currency of the primary economic environment in which the Company operates.
Determination of Control
The Company controls an entity if and only if the Company has (i) Power over the entity, (ii) Exposure or rights to variable returns from its involvement with the entity, and (iii) The ability to use its power over the entity to affect the amount of Company's returns.

The Company regularly reassesses whether it controls an investee, if facts and circumstances indicate that there are changes to one or more elements of controls above.

As of March 31, 2016 and 2015, the Company determined that it exercise control over its subsidiaries.

Classification of financial assets
In classifying its financial assets, the Company follows the guidance of PAS 39. In making the judgment, the Company evaluates its intention, marketability of the instrument and its ability to hold the investments until maturity. Financial assets classifications are disclosed in Note 3.

As of March 31, categories of financial assets include AFS and Loans and receivable.

Distinction between investment properties and owner-occupied properties
The Company determines whether a property qualifies as investment property. If an insignificant portion is leased out under the operating lease, the property is treated as property and equipment. If the property is not occupied and is held to earn, it is treated as Investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

Accordingly, the condominium units and parking lots are classified as investment properties.

Operating leases – Company as lessor
The Company has entered into property leases on a portion of its investment property. The Company has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Company's rental income amounted to P283,725 in 2016 and P250,048 in 2015.

Provision and contingencies
Judgment is exercised by management to distinguish between provisions and contingencies.

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

Estimating allowance for impairment losses on receivables
The Company maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible accounts. The level of allowance for impairment losses is evaluated by management on the basis of factors affecting collectability of the receivables. In addition, a review of the accounts designed to identify accounts to be provided with allowance, is made on a continuing basis.

Determination of fair value of available-for-sale financial assets
The Company measures fair value of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Estimating fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties and other contracts. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgment, the Company considers information from a variety of sources including:

1. current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
2. recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
3. appraisal of independent qualified appraisers.

The Company's investment properties were appraised by an independent firm of appraisers which is an industry specialist in valuing these types of investment properties. For lots, raw land and condominium units, the value were arrived at using the *Sales Comparison Approach.* This is a comparative approach to value that considers the sales of similar substitute properties and related market data and establishes a value estimate by processes involving comparison, listings and offerings. The value of improvements was determined under the *Cost approach*. The approach is based on the reproduction cost of the subject property, less depreciation, plus the value of the land to which an estimate of entrepreneurial incentive is commonly added.

Investment properties amounted to P61.37 million as of March 31, 2016 and 2015.

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

The net carrying value of Investment in and Advances to Associates as of March 31, 2016 and 2015 is as follows:

	2016			2015		
	Gross carrying amount	Allowance for impairment	Net carrying value	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in:						
Mariestad Mining Corporation (MMC)	P 7,000,000	P 7,000,000	P -	P 7,000,000	P 7,000,000	P -
ATN Phils. Solar Energy Group, Inc.	175,625,000	-	175,625,000	181,625,000	-	181,625,000
	182,625,000	7,000,000	175,625,000	188,625,000	7,000,000	181,625,000
Advances to:						
Sierra Madre Consolidated Mines (SMCM)	7,450,000	7,450,000	-	7,450,000	7,450,000	-
	P 190,075,000	P 14,450,000	P 175,625,000	P 196,075,000	P 14,450,000	P 181,625,000

Recognition of Deferred tax asset
The Company reviews the carrying amounts of deferred tax assets at each reporting dates and reduces deferred tax assets to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred tax asset to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax asset to be utilized.

The Company's deferred tax assets amounted to P2.4 million both in 2016 and 2015.

6. Fair Value Measurement

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

As of March 31, 2016 and 2015, assets and liabilities carried at fair values represents AFS and investment properties. The fair value of listed AFS financial assets were determined by reference to the closing prices of the Philippine Stock Exchange as at the end of the reporting period. Accordingly, AFS financial assets are carried under Level 1 (see Note 5). The fair values of investment properties as discussed in Note 5 was obtained through valuations made by an independent property appraiser. The fair value is determined similar to Level 2.

The fair value of “Cash”, “Other current asset” “Deposits” and other accounts payable approximates their carrying value of March 31, 2016 and 2015.

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and market risk. Risk management policies are summarized below.

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 a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Company is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Company manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; and c) be able to access funding when needed at the least possible cost.

Funding is principally sourced thru advances or collection of advances to related parties.

As of March 31, 2016 and 2015, accounts payable and accrued expenses have maximum maturities of less than 1 year. "Deposits", "Subscription payable" and "Advances from related parties" carries no fixed repayments period but managements believes that settlement is expected after 12 months but not more than 5 years.

Credit Risk
Credit risk is risk due to uncertainty in a counterparty's (also called an obligor) ability to meet its obligation.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of statements of financial position (or in the detailed analysis provided in the notes to financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The table below shows the gross maximum exposure to credit risk of the Company as of March 31, 2016 and 2015. Net maximum exposure is the effect after considering the collaterals and other credit enhancements.

	Gross maximum exposure	
	2016	2015
Cash in bank	**P 1,340,121**	P 55,135
Available-for-sale investments	**42,037,122**	42,946,758
Advances to related parties	**60,947,260**	90,214,768
	P 104,324,503	P 133,216,661

Credit quality of the Company's assets as of March 31, 2016 and 2015 is as follows:

	Neither past due nor impaired		Past due	Past due	
2016	High grade	Standard grade	*but not* impaired	*and* impaired	Total
Cash in bank	**P 1,340,121**	**P -**	**P -**	**P -**	**P 1,340,121**
Available-for-sale investments	**-**	**42,037,122**	**-**	**-**	**42,037,122**
Advances to:					
Related parties	**-**	**27,786,255**	-	**7,450,000**	**35,236,255**
Subsidiaries	**-**	**25,711,005**	-	**-**	**25,711,005**
	P 1,340,121	**P 95,534,382**	**P -**	**P 7,450,000**	**P104,324,503**

	Neither past due nor impaired		Past due	Past due	
2015	High grade	Standard grade	*but not* impaired	*and* impaired	Total
Cash in bank	P 55,135	P -	P -	P -	P 55,135
Available-for-sale investments	-	42,946,758	-	-	42,946,758
Advances to:					
Related parties	-	45,573,763	-	7,450,000	53,023,763
Subsidiaries	-	37,191,005	-	-	37,191,005
	P 55,135	P 125,711,526	P -	P 7,450,000	P133,216,661

Financial assets were graded as follows:

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

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

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

Market risk represents what the Company would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

The Company manages market risk by evenly distributing capital among investment instruments in different financial institution.

The Company is not exposed to currency risk and interest rate risk. Sensitivity analysis of price risk exposure follows:

Price risk
The Company's price risk exposure at year end relates to financial assets whose values will fluctuate as a result of changes in market price, principally, AFS financial assets. Observed volatility rates of the fair values of Company's investments held at fair value and their impact on the Company's equity as at March 31, 2016 and March 31, 2015 is shown below:

	Impact on equity	
% change in market values	**2016**	2015
+2%	**407,062**	425,255
-2%	**(407,062)**	(425,255)

Changes in fair value of Available for sale investment are charged to equity and therefore do not affect profit and loss.

Capital Management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities.

No changes have been made in the objective, policies and processes as they have been applied in previous years.

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

	2016	2015
Equity	**P 482,484,101**	P 473,359,472
Total assets	**563,227,204**	598,113,587
Ratio	**0.86**	0.79

8. Cash in Bank

Cash in bank generally earns interest based on prevailing bank deposit rates. Cash in bank amounted to P1,340,121 and P55,135 as of March 31, 2016 and 2015, respectively.

9. Other Current Asset

This account represents input tax (VAT) arising from purchase of goods and services. Input VAT can be applied against the Company's output tax in the following month. Input VAT amounted to P155,296 and P158,984 as of March 31, 2016 and 2015, respectively.

10. Investments in Subsidiaries and Associates

This account consists of the following:

	2016	2015
Investments in subsidiaries	**P 227,000,000**	P 227,000,000
Investments in associates	**182,625,000**	188,625,000
	409,625,000	415,625,000
Less: Allowance for impairment losses	**7,000,000**	7,000,000
	P 402,625,000	P 408,625,000

(i) Investment in subsidiaries

The details of this account as of March 31, 2016 and 2015 are as follows:

	% of ownership	Amount
Palladian Land Development, Inc. (PLDI)	99.98%	P 200,000,000
Managed Care Phils., Inc. (MCPI)	99.80%	25,000,000
Advanced Home Concept Development Corporation (AHCDC)	99.98%	2,000,000
		P 227,000,000

PLDI was incorporated on June 21, 1989, primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

AHCDC was registered and incorporated with the SEC on March 14, 1998, primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

MCPI was established on April 7, 1998, to establish, maintain, adopt, operate, manage, and engage in the business of developing and promoting prepaid medical, health maintenance and related services like clinics, laboratories, pharmacies, research centers, hospitals and emergency facilities for the treatment, care and relief of the sick, injured or otherwise infirm persons including indigent patients including the care and treatment of maternity cases, with the aim of providing and offering to the public, a comprehensive, systematic and prevention-oriented concept of medical and health maintenance programs.

All subsidiaries are incorporated and domiciled in the Philippines.

As of March 31, 2016 and 2015, the management believes that no impairment loss on investment in subsidiaries is necessary.

(ii) *Investment in Associates*

This account consists of the following:

		2016		2015
Cost				
Beginning of the year				
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P**	**181,625,000**	P	30,000,000
Mariestad Mining Corporation (MMC)		**7,000,000**		7,000,000
		188,625,000		37,000,000
Additions during the year (ATN Solar)		**-**		155,625,000
Disposal during the year		**(6,000,000)**		(4,000,000)
		182,625,000		188,625,000
Allowance for impairment losses		**(7,000,000)**		(7,000,000)
	P	**175,625,000**	P	181,625,000

ATN Solar
ATN Solar is a grantee of a 25-year Renewable Energy Contract (*service contract*) with the Department of Energy (DOE) under Republic Act 9513 (*the RA*). The service contract grants ATN Solar the exclusive right to explore develop and utilize the solar energy source within Rodriguez, Rizal, as its contract area. More specifically, the contract includes setting up a 30 MW Solar PV Project (*the Project*). The project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for the next 25 years.

The Project contains a 2-year pre-development stage and another 2 years for development stage, after which construction of power plants and connection to distribution network is to commence.

In a letter submitted to the Energy Regulatory Commission last March 4, 2016, ATN Solar is 98% complete on its pre-development stage by acquiring approval and authority to import and construct and/or install solar photovoltaic equipment and by signing of agreements with different government agencies, 9.3% in construction of its solar PV plants, and 44% complete on its development of interconnection facilities. As of March 4, 2016, commercial operation of ATN Solar has not yet started.

On October 31, 2014, the Company subscribed for additional 155,625,000 shares with a par value of P1 when ATN Solar increased its common share, bringing the Company's equity interest to 49.5%. The Company paid P46,156,250 upon subscription and P8,600,000 on February 11, 2015.

During 2016, various payments were made for its share subscription from ATN Solar totaling to P64,025,050.

As of March 31, 2016, balance of subscription payable amounted to P36,543,700 in 2016 and P100,586,750 in 2015.

On March 14, 2016 and March 17, 2015, the Parent Company sold 6 million shares and 4 million ATN Solar shares, respectively, to Unipage Management, Inc. (UMI) with a carrying value of P1 per share subject to the following conditions:

- the Project should complete all governmental and grid approvals;
- the Company should deliver the shares of ATN Solar within 12 months from execution of the Investment Agreement;
- the Company should cause the registration of the shares sold to UMI in the stock and transfer book of ATN Solar.

Following such disposal, the Company's ownership interest in ATN Solar was reduced to 46.83% in 2016 and 48.43% in 2015. The Company recognized a gain on sale of its investment in ATN Solar amounting to P12 million and P8 million in 2016 and 2015, respectively.

The latest financial information of ATN Solar is as follows:

	December 31, 2015	December 31, 2014
Total assets	**P 573,479,323**	P 317,684,650
Total liabilities	**210,458,117**	90,639,268
Net expenses	**4,018,678**	6,984,314

MMC
In 2007, the Company entered into an agreement with MMC to participate in the extraction of mining of manganese ores in the latter's mining site. The Company's participation is in the form of providing financial resources to undertake the mining operations. To date, the Company has financed a total of P7 million that is equivalent to 25% equity interest in MMC.

MMC is a dormant corporation and has not filed its audited financial statements since 2009.

For year ended March 31, 2016 and 2015, there were no changes affecting the Allowance for Impairment Losses.

11. Available-for-Sale Investments

Investment in AFS securities represents listed and unlisted shares of Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined through reference to published price quotations.

The reconciliation of the carrying amounts of this account at the beginning and end of the fiscal year is as follows:

	2015	Changes taken to profit or loss	Changes taken to equity	**2016**
Balances, March 31	42,946,758	-	-	**42,946,758**
Impairment loss	-	(31,540)	-	**(31,540)**
Changes in fair value	-	-	(878,096)	**(878,096)**
	42,946,758	(31,540)	(878,096)	**42,037,122**

The breakdown of the shares of stocks is as follows:

	As of March 31, 2016			As of March 31, 2015		
	No. of shares		**Carrying value**	No. of shares		Carrying value
AFS securities						
Listed	**11,370,459**	**P**	**20,353,122**	11,370,459	P	21,262,758
Unlisted	**13,000,000**		**21,684,000**	13,000,000		21,684,000
	24,370,459	**P**	**42,037,122**	24,370,459	P	42,946,758

Changes in fair value are reported separately in the Statement of Comprehensive Income as “Unrealized gain on Available-for-sale investments – net of deferred income tax”.

12. Investment Properties

As of March 31, 2016 and 2015, this account consists of the following:

Commercial condominium units	**P**	**36,397,915**
Residential units		**5,145,900**
Parking lots		**17,127,040**
Lots		**2,700,000**
	P	**61,370,855**

Certain condominium units situated in Summit One Tower in Mandaluyong City are subject to contract to sell executed with a third party. Payments of P12.7 million in 2016 and P10.5 million in 2015 were received. The amounts are lodged under “Deposits” in the Statement of Financial Position (see Note 14).

On March 27, 2014, certain investment properties were re-appraised to properly reflect its fair market value. The appraisal resulted to an increase in value of investment amounting to P2.1 million. The fair market value is determined by a firm of independent appraiser on March 4, 2014 using the Sales Comparison Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Accordingly, the Company categorized these condominium units under Level 2 of the fair value hierarchy. Management believes that there are no present material factors that would significantly increase or decrease the fair value of these properties as of March 31, 2016.

Residential units and lots are located at Riverside Village, Pasig City. Prices of foreclosed properties located near the properties owned were used by management as a guide in determining fair value of its own property. The fair value amounted to P7,845,900. The property is valued in terms of its highest and best use which is categorized under Level 3 of the fair value hierarchy.

The description of valuation techniques and inputs used in determining the fair value of investment properties are classified as Level 3 in fair value hierarchy is as follows:

Valuation techniques	Significant unobservable inputs	Range
Sales comparison approach	Selling price (per square meter)	P13,000 - P48,000
	Size	
	Location	
	Neighborhood	
	Transport/Road network	

Rental income on investment properties amounted to P283,725 and P250,048 in 2016 and 2015, respectively. No direct operating costs were incurred on these investment properties in both 2016 and 2015.

13. Accounts Payable and Accrued Expenses

This account consists of the following:

		2016		2015
Trade	**P**	**405,934**	P	420,667
Capital gains tax payable (*see Note 10*)		**1,990,000**		795,000
Income tax payable		**1,376**		1,450
	P	**2,397,310**	P	1,217,117

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are non interest-bearing and are normally settled on a 90-day term;
- Income tax payable is the annual income tax to be paid to the taxing authority, it is payable on or before the 15th day of the third month after the fiscal year end date.

The fair values of accounts payable and accrued expenses have not been disclosed due to their short duration. Management considers the carrying amounts recognized in the statement of financial position to be a reasonable approximation of their fair values.

Capital gains tax on sale of unlisted shares (see Note 10) amounted to P1,990,000 in 2016 and P795,000 in 2015.

14. Deposits

Deposits on contract-to-sell are advance payments made by third parties for the purchase of the company's investment property discussed in Note 12. The contract to sell provides for a down payment equivalent to 20.83% and balance is payable in 120 equal monthly payments. Revenue on such sale will be recognized when the title to the property is transferred or the collection of the unpaid balance is reasonably assured.

As of March 31, 2016 and 2015, the balance of this account amounted to P13,502,535 and P11,319,020, respectively.

15. Equity

Share capital
Component of share capital is as follows:

	Authorized share capital			Subscribed and paid		
Title of issue	Number of shares		Amount	Number of shares		Amount
Common						
Class A	7,200,000,000	P	720,000,000	3,700,000,000	P	370,000,000
Class B	4,800,000,000		480,000,000	800,000,000		80,000,000
	12,000,000,000	P	1,200,000,000	4,500,000,000	P	450,000,000

In accordance with the Articles of Incorporation, certain restrictions have been imposed regarding issuance and transfer of share capital as follows:

Class “A” common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines.

Class “B” common shares are to be issued to any person subject to the required foreign ownership limitation under the laws of the Philippines.

On October 8, 2014, by a majority vote of the BOD, certain amendments were made to the articles of incorporation as follows:

- Article 3 was amended in compliance with SEC Memorandum Circular 6, series of 2014, specifying the Company’s exact registered business address

- Articles 7 was amended changing the Company’s par value from P1.00 per share to P0.10 per share with corresponding changes in authorized and issued share capital

These amendments were approved and ratified by stockholders representing at least two-thirds of the outstanding capital stock on November 13, 2014. SEC approval thereon was sought on March 27, 2015.

During the Company’s annual stockholders meeting held on November 12, 2015, stockholders representing more than 70% of the issued and outstanding shares, approved and ratified, among others, to amend Section 7 of the Articles of Incorporation as follows:

- Decrease in authorized Class “A” common shares from 7.2 million shares to 4.2 million shares with a par value of P0.10 per share;
- Decrease in authorized Class “B” common shares from 4.8 million to 2.8 million shares with a par value of P0.10 per share; and
- Introduction of 5 million Preferred shares with a par value of P0.10 per share. The Preferred shares contain certain features, rights and privileges.

These amendments were approved by the SEC on June 30, 2016.

Unrealized gain on available-for-sale financial assets
The movement of this account is as follows:

		2016		2015
Balance at beginning of year	**P**	**9,224,153**	P	13,523,324
Changes in fair value - net of deferred tax		**(873,551)**		(4,299,171)
Balance at the end of year	**P**	**8,350,602**	P	9,224,153

16. Administrative expenses

The breakdown of this account is as follows:

		2016		2015
Professional fees	**P**	**755,000**	P	634,500
Taxes and licenses		**207,826**		267,875
Transportation and travel		**60,000**		85,546
Impairment loss		**31,540**		-
Office supplies		**8,670**		24,003
Miscellaneous		**31,800**		90,275
	P	**1,094,836**	P	1,102,199

17. Related party transactions

The Company's related parties, relationship, nature of transactions and year-end balances are as follows:

	Transaction	Amount	Year-end balances	Terms	Conditions
Advances to related parties					
Subsidiaries					
Managed Care Philippines, Inc.					
2016	Payment of advances	**P (13,000,000)**	**P 14,942,328**	No payment terms	Unsecured; no impairment
	Cash advance	**1,520,000**			
2015			26,422,328	No payment terms	Unsecured; no impairment
Advance Home Concept Development Corporation					
2016	No transaction occurred during the year	**P -**	**P 10,768,677**	No payment terms	Unsecured; no impairment
2015			10,768,677	No payment terms	Unsecured; no impairment
Related parties					
Unipage Management, Inc. (UMI)					
2016	Payment of advances	**P (35,787,508)**	**P 27,535,144**	No payment terms	Unsecured; no impairment
	Sale of share of ATN Solar (see Note 10)	**18,000,000**			
2015			45,322,652	No payment terms	Unsecured; no impairment
Total advances to related parties					
2016			**P 53,246,149**		
2015			82,513,657		
Advances from related parties					
Subsidiary					
Palladian Land Development, Inc.					
2016	Payment of advances	**P 8,240,359**	**P (25,741,233)**	No payment terms	Unsecured; no impairment
	Cash advances	**(25,700,000)**			
2015			(8,281,592)	No payment terms	Unsecured; no impairment
Related parties					
Transpacific Broadband Group Int'l, Inc.					
2016	Payment of advances	**P 1,062,074**	**P -**	No payment terms	Unsecured; no impairment
2015			(1,062,074)	No payment terms	Unsecured; no impairment
Shareholders					
2016	No transaction occurred during the year	**P -**	**P (35,848)**	No payment terms	Unsecured; no impairment
2015			(35,848)	No payment terms	Unsecured; no impairment
ATN Philippines Solar Energy Group Inc.					
2016	Advances	**P (257,310)**	**P (257,310)**	No payment terms	Unsecured; no impairment
2015			-		
Total advances from related parties					
2016			**P (26,034,391)**		
2015			(9,379,514)		

Transactions with related parties during the 2016 and 2015 are as follows:

- Advances to and from subsidiaries/affiliated companies are cash advances that are primarily used for working capital of these companies.
- Significant amount on the advances to UMI pertains to the sale of ATN Solar shares discussed in Note 10.
- During 2016, the Parent Company availed of cash advances from PLDI amounting to P25.7 million. The same amount was used to settle the subscription payable to ATN Solar (see Note 10).

Advances to and from related parties are not subject to interest and has no fixed repayment period.

Mariestad Mining Corporation (MMC) and Sierra Madre Consolidated Mines (SMCM)
As of March 31, 2016 and 2015, advances to MMC and SMCM arose from various advances for working capital requirements. These advances are not subject to interest and have no fixed repayment period.

Advances of MMC amounting to P7.45 million was fully impaired by management.

18. Income Taxes

Current income tax is computed under the minimum corporate income (MCIT). MCIT is computed at 2% of gross income and can be claimed as tax credits for a period of 3 years, whenever regular income tax is higher than the MCIT.

The reconciliation of pretax income computed at the applicable statutory rates to tax expense is as follows:

		2016		2015
Statutory income tax	**P**	**3,356,817**	P	2,144,459
Income subject to final tax		**(151)**		(104)
Tax effect of:				
Unrecognized difference on MCIT		**230,006**		260,646
Non-deductible expense		**9,540**		-
Non-taxable income		**(2,405,000)**		(1,605,000)
	P	**1,191,212**	P	800,001

The movements of deferred tax assets and liabilities are as follows:

	As of March 31, 2016							
			Changes taken to					
		Beginning		Profit and loss		Equity		Ending
Deferred tax assets	**P**	**2,443,198**	**P**	**9,462**	**P**	**-**	**P**	**2,452,660**
Deferred tax liabilities		**2,269,714**		**-**		**(4,547)**		**2,265,167**
	P	**173,484**	**P**	**9,462**	**P**	**4,547**	**P**	**187,493**

	As of March 31, 2015							
			Changes taken to					
		Beginning		Profit and loss		Equity		Ending
Deferred tax assets	P	2,443,198	P	-	P	-	P	2,443,198
Deferred tax liabilities		2,291,318		-		(21,604)		2,269,714
	P	151,880	P	-	P	21,604	P	173,484

The component of the Company's deferred income tax assets and liabilities is as follows:

		2016		2015
Deferred tax assets				
Unrealized loss on fair value adjustment of investment properties	**P**	**2,443,198**	P	2,443,198
Impairment loss		**9,462**		-
Deferred tax liabilities				
Unrealized gain on:				
Available-for-sale investments		**2,265,167**		2,269,714

The Company did not recognize any deferred tax assets as at March 31, 2016 and 2015 on the following items since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

		2016		2015
Allowance for impairment losses	**P**	**4,335,000**	P	4,335,000
Net Operating Loss Carry Over (NOLCO)		**535,735**		572,937
Minimum Corporate Income Tax (MCIT)		**24,936**		31,448
	P	**4,895,671**	P	4,939,385

Components of the Company's unutilized NOLCO and MCIT and the year until which these are deductible from taxable income are as follows:

		Original amounts		
Year incurred	Expiry	NOLCO		MCIT
2016	2019	**P 747,771**	P	5,675
2015	2018	**852,151**		5,001
2014	2017	**185,861**		14,260
		P 1,785,783	P	24,936

NOLCO and MCIT amounting to P871,777 and P12,187, respectively, that were incurred in 2013, expired in 2016 without any benefit therefrom.

19. Earnings per share

Earnings per share is computed by dividing the income for the year by the weighted average number of common shares as follows:

		2016		2015
Income for the year	**P**	**9,998,179**	P	6,348,196
Weighted average number of shares outstanding during the year		**4,500,000,000**		4,500,000,000
	P	**0.0022**	P	0.0014

As of March 31, 2016 and 2015, there were no potential ordinary shares with dilutive effect.

20. Other Matters

Non cash investing and financing activities
Non-cash investing and financing activities that were excluded in the preparation of the Statements of Cash Flows are as follows:

- During fiscal year 2015, the Company subscribed to additional 155,625,000 shares of ATN Solar (see Note 10).
- Sale of ATN Solar shares amounting to P18 million did not generate any cash during the year but increase in advances to related parties only.
- AFS investment was reduced by P873,550 and P4,299,171 due to change in fair value of the investment during 2016 and 2015.

Operating Lease Commitments
Certain investment properties of the Companies are leased out to third parties under the operating lease agreement. The lease term is for the period of 1 year renewable at the option of both parties.

Reclassification
Certain accounts in the equity section of the 2015 Statement of Financial Position were reclassified to correct the overstatement of Unrealized Gain on AFS Financial Assets. The overstatement was absorbed by retained earnings for the same amount and the same period. Such adjustment did not affect the Statements of Income for the period.

21. Supplementary Information Required under Revenue Regulations 15-2010 and 19-2011

The Bureau of Internal Revenue (BIR) issued Revenue Regulations 15-2010 and 19-2011 which require additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the fiscal year ended March 31, 2016 is presented in compliance thereto.

(i) Supplementary information required under RR 15-2010

- The taxable income declared in the Company's Income Tax Return for 2016 amounted to P283,725.

- The VAT output tax declared for rental income of P283,725 amounted to P34,047.

- The VAT input tax claimed is broken down as follows:

Beginning of the year	P	158,984
Domestic purchases of goods and services during the year		30,360
Claimed against Output VAT		(34,047)
Total input claimed during the year	P	155,297

- Expanded withholding tax in the total amount of P107,282 was paid during the fiscal year.

- As of March 31, 2016, the Company has no pending tax cases within and outside the administration of the BIR.

(ii) Supplementary information required under RR 19-2011

- The revenue of the Company for the year came from rent income amounting to P283,725.

- Details of the Company's itemized deductions for the year are as follows:

Professional fees	P	755,000
Taxes and licenses		207,826
Transportation and travel		60,000
Office supplies		8,670
	P	1,031,496

- All other taxes, local and national, lodge under taxes and licenses account are as follows:

Local		
Community tax	P	586
Mayor's permit		8,740
National		
BIR Annual registration		500
PSE Registration fee		198,000
	P	207,826