

ATN HOLDINGS, INC.

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November 27, 2019

MS. ALEXANDRA D. TOM WONG
DISCLOSURE DEPARTMENT
PHILIPPINE STOCK EXCHANGE, INC.
4/F PSE Center, Exchange Road, Pasig City

Dear Ms. Wong,

We herein re-submit **PSE Disclosure Form LR-1 - Comprehensive Corporate Disclosure on Issuance of Shares** as per requirement, to wit:

1. Subject of the Disclosure

Increase in Capital Stock from 12 Billion shares to 24 Billion shares with a par value of Php 0.10 per share, resulting from the issuance of shares to offset advances of Unipage Management, Inc. and Arsenio T. Ng with a subscription price of Php 0.20 per share,

2. Background/Description of the Disclosure

On November 14, 2019, in the annual stockholder meeting of the Corporation, stockholders of the Corporation ratified the November 12, 2019 resolution of the Board of Directors, to wit:

- i. Increase in Capital Stock from 12 Billion shares to 24 Billion shares with a par value of Php 0.10 per share and a subscription price of Php 0.20 per share.
- ii. subscription of Unipage Management, Inc. of 2,325,055,429 shares and Arsenio T. Ng of 824,944,571 shares at a price per share value of Php 0.20 per share,
- iii. waiver of the majority of the minority shareholders to conduct a rights/public offering with respect to the subscriptions referred to in the previous item,
- iv. issuance and listing of the aforementioned subscribed shares in compliance with the requirements of the Securities and Exchange Commission and the Philippine Stock Exchange;

3. Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

The Increase in Capital Stock of the Corporation from 12 Billion shares to 24 Billion shares will be made through the subscription by Mr. Arsenio T. Ng for 824,944,571 shares, at Php 0.20 per share, for a total transaction value of Php 165,500,000.00; and Unipage Management, Inc. for 2,325,055,429 shares, at Php 0.20 per share, for a total subscription amount of Php 466,451,550.00. The total amount of advances amounting to Php 631,951,550 covers the Fiscal Year ending March 31, 2013 up to Fiscal Year ending March 31, 2019.

Prior to the listing of the abovementioned shares, the following regulatory requirements must be complied with:

- a. Execution of the Subscription Agreement between parties. (timetable: to be executed in 6 months);

- b. Approval by the SEC of the amendment of the Company's Articles of Incorporation to increase the authorized capital stock from Php 1.2 Billion to Php 2.4 Billion (timetable: to be filed within one (1) year);
- c. Listing of the 3.15 Billion common shares subscribed by the abovementioned subscribers be applied for listing and subject to Philippine Stock Exchange ("PSE") approval (timetable: application for listing to be filed within one (1) year) ;
- d. Documentary Stamp Tax on original issuance of shares must be paid to the Bureau of Internal Revenue on or before the 5th day of the month following the date of issuance of the subscribed shares, in this case, the approval by the SEC of the Proposed Increase (timetable: to be paid upon approval of the increase in capital);
- e. The requirements under Section 5, Part A, Article V of the PSE Revised Listing Rules must be obtained by the Company in order to list the common shares with the PSE.

4. Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction

The advances were used for the development of the ATN Philippines Solar Energy Group, Inc. (ATN Solar) 30MW Solar PV project associated facilities, as well as to comply with the minimum subscription requirement for the proposed increase in Capital stock. ATN Holdings, Inc. owns 49.5% of ATN Solar. As a benefit to the ultimate user of funds ATN Solar, the listed issuer ATN Holdings benefited from the timely use of funds to develop the facilities, which resulted to timely production of construction materials for the Build, Build, Build Program of President Duterte.

5. The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis.

The total advances were reflected in the audited financial statements of the company from year ending March 31, 2013 to 2019

Subscriber	Amount of Advance	Shares Subscribed	Price per Share	Total Amount of Subscription
Arsenio T. Ng	P 165,500,000	824,944,571	P 0.20	P 165,500,000
Unipage Management, Inc.	466,451,550	2,325,055,429	P 0.20	466,451,550
TOTAL	P 631,951,550	3,150,000,000		P 631,951,550

6. The basis upon which the consideration or the issue value was determined. Provide basis for conversion of advances to two (2x) times the par value.

The transactions were made at an arm's length basis. The advances to ATN Holdings were mainly used for the investments of ATN Holdings in ATN Solar for the development of the 30 MW project, which company has invested at par value. The conversion of advances to two (2x) times the par value of the Corporation gives the following benefit: (a) Instead of Unipage directly investing in ATN Solar at par value, the Corporation gains 50% of investment value with the conversion at 2x par, (b) the same advances can be used to increase the Capital Stock of the Corporation, and (c) the subscription on 25% of new shares created 75% unsubscribed portion which can be used to issue more shares for new investors and make more funds available for various vertical integration projects of the rock aggregates project.

The conversion of advance to common shares is based on the average of par value of P 0.10 per share, and adjusted book value of P0.30 per share. A downward adjustment was necessary on retained earnings (and other small accounts) which were recognized based on revaluation of land asset value. The adjusted book value is compared to the recorded book value in 2015-2018 when the advances were made, as follows:

	Per Books, 2016	Adjusted Book Value
Share Capital	450,000,000	450,000,000
Retained Earnings, Others	1,379,739,092	900,000,000
Total	1,829,739,092	1,350,000,000
Share Value of 4.5 Billion Shares	P 0.41/share	P 0.30/share

7. Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project.

The advances were used for the development of the (a) ATN Solar project and associated facilities including but not limited to land development works, installation of a 500 TPH aggregates plant, purchase of various heavy equipment, etc. and (b) application of various permits and licenses. Total ATN Solar project cost is at Php 2.6 Billion. Php 1.4 Billion disbursed mainly for pre-development cost, point to point connections assets, ancillary equipment, Balance of Plant, land development, & buildings. Remaining budget for solar panels, inverters, etc. will be sourced from various financial banking institutions.

8. Organizational/Ownership Structure of Subscriber, Unipage Management, Inc.

a. Date of incorporation and nature of business – Unipage Management, Inc. (UMI) a private corporation in the Philippines, incorporated on May 27, 1996, with primary purpose is to act as managers in providing management, investments, and technical advice for commercial, industrial, manufacturing enterprise. The majority shareholder, Willy T. Ong, has technical and financial expertise in the field of information technology, engineering and construction industry. UMI conveyed that has NO PLANS to increase its shareholdings to thirty five percent (35%) of the outstanding voting shares of the Corporation, and NO PLANS to gain control of the board of the Corporation.

b. Major projects and investments as taken from the Financial Statements of the Corporation

- i. On July 20, 2002, the Company entered into an agreement with UMI to co-invest and acquire a controlling block of TBGI. Under the terms of the agreement, the co-investment was reflected as UMI shares in TBGI amounting to p109.25 Million...
- ii. 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...
- iii. During 2017, the Group sold 11,060,459 TBGI shares amounting to P19.8 Million to UMI. Such sale resulted to a gain on sale amounting to P10.7 million reported in the consolidated statement of income....

c. Capital structure of Subscriber Unipage

UMI Stockholders Info	No. of Shares	%	Position
Willy T. Ong	89,799	44.90%	President
Twinnie L. Ng	70,000	35.00%	Treasurer
Hilario T. Ng	30,000	15.00%	Vice President

Pablo Ng	10,000	5.00%	n/a
Paul Saria	100	0.05%	n/a
Andrew Cocuaco	1	0.00%	Corp. Secretary
Bernard Fideles	100	0.05%	n/a
Total	200,000	100%	

**d. Audited financial statements of Unipage for the last 3 years
-attached-**

9. For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets.

The advances by both Subscribers were used for the development of the ATN Philippines Solar Energy Group, Inc. (ATN Solar) 30MW Solar PV project associated facilities, as well as to comply with the minimum subscription requirement for the proposed increase in Capital stock. ATN Holdings, Inc. owns 49.5% of ATN Solar. As a benefit to the ultimate user of funds ATN Solar, the listed issuer ATN Holdings benefited from the timely use of funds to develop the facilities, which resulted to timely production of construction materials for the Build, Build, Build Program of President Duterte. Previous transaction of the Company with Subscriber Unipage are:

- a. On July 20, 2002, the ATNH entered into an agreement with UMI to co-invest and acquire a controlling block of TBGI. Under the terms of the agreement, the co-investment was reflected as UMI shares in TBGI amounting to p109.25 Million...
- b. 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 ATNH shares of stock which the plaintiff held...
- c. During 2017, the Group sold 11,060,459 TBGI shares amounting to P19.8 Million to UMI. Such sale resulted to a gain on sale amounting to P10.7 million reported in the consolidated statement of income....

10. The interest which directors of the parties to the transaction have in the proposed transaction

Aside from Arsenio T. Ng, none of the other directors of the Company has a personal interest in the transaction. Messrs. Twinie L. Ng, Hilario T. Ng, and Paul Saria, however, serve as common directors of the Company and Unipage.

11. Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

The Company is committed to complying with all legal requirements with respect to the transaction, especially safeguarding the interest of the Company's independent shareholders. A Third-party valuation and examination of advances will be undertaken prior to approval of SEC and PSE.

12. Any conditions precedent to closing of the transaction

Execution of the Subscription Agreement and Third-party valuation and examination of advances prior to approval of SEC and PSE

13. Change(s) in the composition of the Board of Directors and Management

There will be no change in the composition of the Board of Directors and Management of the Company as a result of the subscription by Unipage and Mr. Ng.

14. Effect(s) on the public float, if any

Before	After
38.19%	20.60%

15. Effect(s) on foreign ownership level, if any

Before	After
5.58%	3.28%

16. Ownership Structure

Principal Shareholders	Before	%	After	%
Arsenio T. Ng	2,763,541,260	61.41%	3,588,485,831	46.91%
Unipage Management	142,881,000	3.18%	2,467,936,429	32.26%
Susana Ng	20,000,000	0.44%	20,000,000	0.26%

17. Issued Shares

Shares	Before	After
Common - ATN	3,700,000,000	6,850,000,000
Common - ATNB	800,000,000	800,000,000

18. Outstanding Shares

Shares	Before	After
Common - ATN	3,700,000,000	6,850,000,000
Common - ATNB	800,000,000	800,000,000

19. Treasury Shares

Shares	Before	After
Common - ATN	0	0
Common - ATNB	0	0

20. Listed Shares

Shares	Before	After
Common - ATN	3,700,000,000	6,850,000,000
Common - ATNB	800,000,000	800,000,000

We hope the abovementioned disclosure is sufficient compliance to the requirement of the Exchange. Thank you and best regards.

Very truly yours,



PAUL B. SARIA

Corporate Information Officer