

SEC Number 37535

File Number \_\_\_\_\_

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**ATN HOLDINGS, INC.**

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(Company)

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

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(Address)

**+632-77170523**

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(Telephone Number)

**March 31**

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(Fiscal Year Ending)  
(Month & day)

**SEC Form 17-C  
Results of the Special Meeting of the Board of Directors**

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(Form Type)

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Amendment Designation (if applicable)

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(Period Ended Date)

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(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE REVISED SECURITIES ACT (RSA)  
AND RSA RULE 17.2 (c) THEREUNDER

1. **March 09, 2022**

\_\_\_\_\_  
Date of Report (Date of earliest event reported)

2. SEC Identification Number **37535**

3. BIR Tax Identification No. **005-056-869**

4. **ATN HOLDINGS, INC.**

\_\_\_\_\_  
Exact name of registrant as specified in its charter

5. **Philippines**

\_\_\_\_\_  
Province, country or other jurisdiction of  
incorporation

6. \_\_\_\_\_(SEC use only)  
Industry Classification Code:

7. **9th Floor Summit One Tower  
530 Shaw Boulevard, Mandaluyong City**

\_\_\_\_\_  
Address of principal office

**1550**

\_\_\_\_\_  
Postal Code

8. **(632) - 7717-0523**

\_\_\_\_\_  
Registrant's telephone number, including area code

9.

\_\_\_\_\_  
Former name or former address, 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	
<b>Common A</b>	<b>3,700,000,000</b>	<b>P370,000,000.00</b>
<b>Common B</b>	<b>800,000,000</b>	<b>P 80,000,000.00</b>

11. Indicate the item numbers reported herein: **Result of the Special Board of Directors Meeting**

In compliance with the disclosure requirements of the Securities and Exchange Commission and the Philippine Stock Exchange, the Company respectfully provides a disclosure of the results of the special meeting of its Board of Directors held on of March 9, 2022, as follows:

Following the Special Board of Directors meeting of **ATN Holdings, Inc. (ATNH)** last 26 January 2022, the Executive Committee reports to the Board on the opportunities open to **ATN Philippines Solar Energy Group, Inc. (ATN Solar)** following the projected power supply deficit arising from project delays due to Covid-19 pandemic, the phasing out of coal power plants under COP 26, the dwindling supply of Malampaya gas that is projected to run out in 2024 and the exorbitant rise in Brent crude oil prices hitting \$130 per barrel from \$90 per barrel. The Russian-Ukraine war has caused a major impact on energy and oil with massive price hikes on diesel as follows: (1) Php 40/liter in 2021 (2) Php 68/liter in March 2022 (3) estimated Php 80/liter in April 2022. Thus, ATN Solar will accelerate its renewable energy adoption through its “alignment with the low-carbon economy transformation blueprint” for timely energy conservation and energy efficiency at a time when all commodities are at an all-time high.

With the adverse trend of diesel prices at PhP 80/liter, the calamitous effect of global climate change, and regulatory requirements Environmental Social Governance (ESG), the Executive Committee considered the (1) immediate implementation of the solar project, and (2) gradual replacement of diesel-powered equipment by electric driven alternatives. Implementation of the solar project provides savings, mainly from the elimination of transmission and distribution charges of Meralco which comprise 50.2% of total Meralco billings for 1Q 2022. The replacement of diesel power trucks by E-Trucks is an attractive opportunity for cost savings, as shown by the following life cycle analysis which results in 40% reduction of the cost of owning and operating diesel equipment.

LIFE CYCLE ANALYSIS		DIESEL TRUCK	E-TRUCK	Difference
<b>Cost of Owning</b>				
Acquisition cost of main equipment		3,100,000	9,300,000	
Ancillary equipment		-	700,000	
<b>Total Cost of Owning</b>		<b>3,100,000</b>	<b>10,000,000</b>	<b>(6,900,000)</b>
<b>Cost of Operating</b>				
		31,903,200	3,917,004	27,986,196
<b>Total Cost of Owning and Operating</b>		<b>35,003,200</b>	<b>13,917,004</b>	<b>21,086,196</b>
<b>Cost of Operating</b>				
Energy consumption per day	kWh/day	844	844	
Equivalent diesel consumption	Liter/day	253		
Price of Diesel / Power	P/Liter	60	2.21	
Cost of Operating	P/day	15,192	1,865	
Cost of Operating for 300 days/year	P/Year	4,557,600	559,572	
<b>Life Cycle Cost of Operating</b>	<b>P/Life</b>	<b>31,903,200</b>	<b>3,917,004</b>	

Note: Energy conversion rate: 1 kWh = 0.3 liter of Diesel; Truck life = 7 years

### 1) Own Use of initial 1.4 MW Solar Power for Crusher Plant (2022) and E-Trucks for Mining

ATN Solar intends to partner in a JV with a Singapore based solar project EPC for the installation of modular 1.4 MW solar PV plant in the **ATNH** quarry site to supply power to the 500 TPH rock crusher plant and ancillaries under an arms-length own use arrangement. The 1.4 MW initial capacity under the JV is enough to supply the 500 kW demand of the rock crusher, and initial 4 units of E-Trucks for hauling of rocks from the quarry to the crusher. The solar farm is projected to expand to 7.0 MW to allow operation of the crusher plant and 16 units of E-Trucks.

The own-use direct supply to the rock crusher will reduce energy cost of ATN group since the nominal cost of the ground mounted solar farm is estimated at PhP 2.50/kWh while the Meralco bill is projected at PhP 14.00/kWh under new normal conditions. The initial 1.4 MW capacity of the project shall be funded with a debt ratio of 70%, with direct equity contributions from ATN Holdings, Inc. and Transpacific Broadband Group Int'l. Inc. together with EPC partner.

The 10-yr cash flow projection (truncated to 5 years below) on displacement of grid power by solar farm power yields an estimated Project IRR of 20% and Equity IRR of 79%, based on PhP14/kWh price of displaced grid power, and capital cost of PhP 228 million for 7.0 MW of DC installed cumulative capacity, as shown in the following table. E-Trucks capital cost is assumed at PhP 10 million per unit and acquired with a financial lease costing 14% p.a. for lifecycle of 7 years.

<b>CASH FLOW PROJECTION FOR SOLAR POWER AGAINST DISPLACED GRID POWER USED FOR ROCK CRUSHER AND E-TRUCKS (P'000)</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Value of Displaced Grid Power	10,989	38,845	102,486	113,215	114,347	115,491
Nominal Operating Cost of Power from Solar Farm	(1,974)	(6,909)	(18,048)	(19,740)	(19,740)	(19,740)
Lease Payment on E-Trucks	-	(9,328)	(37,311)	(37,311)	(37,311)	(37,311)
Provision for Income Tax	(1,685)	(4,020)	(8,067)	(8,285)	(8,568)	(8,854)
After Tax Operating Income of Solar Farm & E-Bus	7,330	18,588	39,060	47,879	48,728	49,586
Capital Cost of Solar Farm	(45,500)	(34,125)	(128,375)	(19,500)	-	-
Cash Flow from Investing Activities	(38,170)	(15,537)	(89,315)	28,379	48,728	49,586
Changes in Term Debt						
Modular Solar Farm Term Debt Financing (10 Years, 8%)	31,850	23,888	89,863	13,650	-	-
Principal Payment		(3,185)	(5,574)	(14,560)	(14,560)	(14,560)
Interest Payment		(2,548)	(4,459)	(11,648)	(11,648)	(11,648)
Total Changes in Debt	31,850	18,155	79,830	(12,558)	(26,208)	(26,208)
Cash Flow to Equity	(6,320)	2,618	(9,485)	15,821	22,520	23,378
Equity IRR		79%				
Project IRR		20%				

## 2) Listing By-Way of Introduction (LBWI) vs Initial Public Offering (IPO) of ATN Solar

Based on discussions with financial advisers, the Executive Committee has recommended the IPO against LBWI in listing ATN Solar shares in the Philippine Stock Exchange. IPO would be viable for ATN Solar given the supplemental listing rules specifically granted to Renewable Energy companies with the exemption of the 3-year positive financial performance. Further, the IPO route would have a shorter timeline needed to fund 100MW of solar projects compared to the LBWI requiring a two-step process (LBWI & Follow-On Offering) for the listing of ATN Solar shares. Estimated IPO listing cost is as follows:

Offer Size	₱1,000,000,000
<b>IPO Expenses</b>	
<b>Particulars</b>	<b>Amount(₱)</b>
PSE listing and processing fees	5,600,000
SEC registration and listing fees	1,830,625
Issue Management Fee (ICCP)	5,263,158
Underwriting Fee (Abacus & ICCP)	10,526,316
Selling Commission of Underwriters (ABA & ICCP)	8,000,000
Selling Commission of Trading Participants	2,000,000
Estimated professional and accounting fees	23,520,000
Estimated costs of printing and marketing	2,000,000
Documentary stamp tax	55,400
IPO Tax	-
Miscellaneous expenses	1,000,000
<b>TOTAL OFFER EXPENSES</b>	<b>₱59,795,499</b>

Current ATN Solar book value is at P0.90/share and expected listing price range of P2.00 to P2.50/ share depending on market conditions during the offer period. Public Listing of ATN Solar Shares may create additional liquidity and prospective value for shareholders of ATN Holdings and Transpacific Broadband Group Int'l Inc.

After discussions, resolutions were unanimously approved by the Board of Directors, to wit:

**“RESOLVED, AS IT IS HEREBY RESOLVED**, the Corporation resolves to approve to enter into a Joint Venture Agreement with foreign partners for the development and construction of Solar PV power plant in the ATN 256-hectare property in Montalban, Rizal for own-use electricity supply and powering mining trucks;

**RESOLVED FURTHER**, to authorize the Corporation to structure joint venture deals in (a) eHub Logistics Warehouse, (b) E-Vehicle Project including but not limited to E-Bus and E-Trucks, under terms and conditions favorable to the Corporation;

**RESOLVED FURTHER**, the Corporation approves ATN Solar’s Plan for Initial Public Offering application in the Philippine Stock Exchange, associated cost of the application based on the above-mentioned budget, and appointment of an Investment banking group and Underwriter for the above purpose, subject to compliance to all rules and regulations of the relevant regulatory agencies;

**RESOLVED, FURTHER**, that the Director, Hilario T. Ng as Chief Finance Officer, and/or Paul B. Saria as Chief Operations Officer be authorized to sign any and all documents or papers necessary to execute the foregoing matters, and disburse the above-mentioned budget for the successful listing of ATN Solar;

**RESOLVED FINALLY**, that the foregoing resolution remain valid and subsisting, unless otherwise revoked or amended in writing by the Corporation.”

There being no further business to discuss and on motion duly seconded, the Chairman adjourned the meeting.

**Forward Looking Statement**

The subject resolutions may contain statements about future events and expectations that constitute “forward-looking statements.” Although ATN Solar has competitive advantage in the various projects with prospective strategic partners for joint project execution, the forward-looking statements are subject to known and unknown risk and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Known uncertainties affecting forward looking statements includes (1) change in political climate, (2) regulatory risk, (3) foreign exchange risk, and (4) project completion risk. Lastly, such forward looking statements are made based on (i) management’s current expectations and discussions with prospective partners (ii) speak only as at the date of this resolution, (iii) nothing contained in the resolution should be relied upon as a promise or representation as to the future (iv) the authorization for agreement and engagement are still not definitive in nature as they are yet plans of the Company and may differ from the final execution documents.

**SIGNATURES**

**Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.**

Date            March 9, 2022  
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**ATN HOLDINGS, INC.**

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Registrant

  
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**PAUL B. SARIA**  
Corporate Compliance Officer