

SEC Number 37535
File Number _____

ATN HOLDINGS, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC 17Q

(Form Type)

Amendment Designation (if applicable)

June 30, 2022

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER**

1. For the quarterly period ended June 30, 2022
2. Commission identification no. 37535 3.BIR Tax Identification No. 005-056-869
4. ATN Holdings, Inc. (the "Company")
5. Philippines
6. Industry Classification Code:
7. 9th Floor, Summit One Tower, 530 Shaw Blvd., 1550 Mandaluyong City
8. Telephone No.7717-0523
9. The Company did not change its name, address or fiscal year during the period covered by this report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P.01	
Class "A"	4,025,055,429
Class "B"	2,800,000,000

11. These securities are not all listed on the Philippine Stock Exchange.
 - (a) The company has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
 - (b) The company has been subject to such filing requirements for the past ninety (90) days.

I. Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		(Unaudited) June 30	Audited March 31
	Notes	2022	2022
ASSETS			
Current Assets			
Cash	7	P12,962,499	P16,099,477
Trade receivables	8	1,856,760	2,808,880
Inventories	9	11,950,998	5,844,042
Other current assets	10	9,110,384	8,768,859
		35,880,640	33,521,258
Noncurrent Assets			
Investments in:			
Financial assets - Fair value through other comprehensive income (OIC)	11	46,235,000	46,235,000
Associates - net	12	851,947,294	851,947,294
Investment in properties	13	349,667,279	349,667,279
Property and equipment - net	14	2,413,347,484	2,406,390,705
Due from related parties	21	65,962,180	70,219,984
		3,727,159,237	3,724,460,262
TOTAL ASSETS		P3,763,039,877	P3,757,981,520
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	15	P3,530,475	P4,766,937
Short-term interest bearing loans	16	47,000,000	47,000,000
		50,530,475	51,766,937
Noncurrent Liabilities			
Deposits	17	18,045,535	19,704,472
Due to related parties	21	382,981,741	837,567,210
Pension liability		413,345	413,345
Deferred tax liabilities		711,364,390	711,364,390
		1,112,805,011	1,569,049,417
Total Liabilities		1,163,335,486	1,620,816,354
EQUITY			
Share capital	18	682,505,543	450,000,000
Additional paid-in capital		254,879,499	22,373,956
Unrealized loss on:			
Financial assets at fair value through OCI-net of tax	21	23,994,939	23,994,939
Retained earnings - March 31		1,638,324,410	1,640,796,271
TOTAL EQUITY		2,599,704,391	2,137,165,166
TOTAL LIABILITIES AND EQUITY		P3,763,039,877	P3,757,981,520

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	First Quarter Ending	
		June 30, 2022	June 30, 2021
REVENUES			
Sale of aggregates		P9,116,909	P3,616,524
Lease of properties		2,715,831	4,600,062
Interest income		6,614	5,083
		11,839,353	8,221,669
COSTS AND EXPENSES			
Cost of sales and services	19	6,896,271	3,058,423
Administrative expenses	20	6,508,639	4,758,119
Equity in net loss of an associate	12	-	229,847
Finance cost		856,939	832,520
		14,261,849	8,878,909
INCOME (LOSS) BEFORE INCOME TAX		(2,422,496)	(657,240)
INCOME TAX EXPENSE		49,365	68,897
INCOME (LOSS) FOR THE PERIOD		(P2,471,861)	(P726,137)
OTHER COMPREHENSIVE INCOME (LOSS)			
Fair value changes in Available-for-sale through other comprehensive income (OIC)		-	-
		(P2,471,861)	(P726,137)
EARNINGS PER SHARE	22	(0.000)	(0.000)

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	1st Qtr. Ending	
	June 30, 2022	June 30, 2021
SHARE CAPITAL	P682,505,543	P450,000,000
ADDITIONAL PAID-IN CAPITAL	254,879,499	22,373,956
UNREALIZED GAIN (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI, NET OF DEFERRED TAX	23,994,939	32,617,516
RETAINED EARNINGS		
Balance at beginning of fiscal year	1,640,796,271	1,638,218,348
Net profit (loss)	(2,471,861)	(726,137)
	1,638,324,410	1,637,492,211
	P2,599,704,391	P2,142,483,683

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

	First Quarter Ending	
	June 30, 2022	June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	(P2,422,496)	(P657,240)
Adjustments to reconcile net income to cash		
Depreciation and amortization	1,346,792	379,435
Equity in net loss of an associate	-	229,847
Interest income	(6,614)	(5,083)
Interest expense	856,939	832,520
Operating income before working capital changes	(225,379)	779,479
Decrease (increase) in current assets		
Trade receivables	952,120	564,684
Inventories	(6,106,956)	(1,365,663)
Other current assets	(341,525)	1,398,378
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	(1,236,462)	(647,311)
Cash (used in) provided by operations	(6,958,201)	729,567
Interest income	6,614	5,083
Cash flows from Operating Activities	(6,951,587)	734,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(8,303,571)	-
Net (Increased) decreased in :		
Advances to and from related parties	14,634,054	5,165,760
Increased (decreased) in deposits	(1,658,936)	(1,389,956)
	4,671,547	3,775,804
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest bearing loans:		
Principal	-	(3,000,000)
Interest	(856,939)	(832,520)
	(856,939)	(3,832,520)
NET INCREASE/(DECREASE) IN CASH	(3,136,978)	677,934
CASH AT BEGINNING OF PERIOD	16,099,477	11,259,058
CASH AT END OF PERIOD	P12,962,499	P11,936,992

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 and FY MARCH 31, 2022

1. Corporate Information

ATN Holdings, Inc. (*ATN, the Parent or the Group*) was registered with the Securities and Exchange Commission (SEC) on February 12, 1969 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 Group. On November 10, 2016, the Group's articles of incorporation was amended extending its corporate life for another fifty (50) years from February 12, 2019. The amendment was approved by the SEC on November 21, 2016.

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.

2. Statement of Compliance and Basis of Preparation and Presentation

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council including SEC pronouncements.

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 financial assets at fair value through other comprehensive income (FVOCI) 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.

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 June 30, 2022 and FY March 31, 2022, the consolidated subsidiaries are as follows:

Subsidiary	Principal place of business	Principal Activity	% of Ownership
Palladian Land Development, Inc. (PLDI)	Marbella Bldg. Roxas Blvd, Pasay	Real Property Developer	100%
Advanced Home Concept Development Corporation (AHCDC)	Summit One Tower, Mandaluyong	Real Property Developer	100%
Managed Care Philippines, Inc. (MCPI)	Summit One Tower, Mandaluyong	Health and Wellness Provider	100%

PLDI and AHCDC are companies engaged in the development of residential real estate projects.

MCPI is an out-patient ambulatory surgical center. For the year ended December 31, 2021, MCPI has not commenced its healthcare operations since shutting down in 2018 and accordingly sold a significant portion of its medical equipment during 2020. AHCDC and PLDI have likewise ceased to actively sell its remaining real estate properties. Unsold inventories of real properties were reclassified to investment properties as result of change in recognition. The Parent Company and PLDI is now focused on leasing its investment properties to third parties.

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.

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.

3. Summary of Significant Accounting Policies

New Standards, Interpretations and Amendments adopted by the Group

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the fiscal year ended March 31, 2022 except for the adoption of new standards effective as at April 1, 2022.

4. Summary of Significant Accounting Judgments and Estimates

The preparation of the consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

There were no significant changes in the significant accounting judgments, estimates, and assumptions used by the Group.

5. Fair Value Measurement

Financial Instruments

The fair value of financial 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.

Set out below is the comparison of fair value and carrying value by category of financial assets and liabilities at the end of the reporting period.

	Quarter ending June 30, 2022		FY ending March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans and receivables				
Cash	12,962,499	12,962,499	16,099,477	16,099,477
Financial assets at FVOCI	46,235,000	46,235,000	46,235,000	46,235,000
Other financial liabilities				
Accounts payable and accrued expenses	3,530,475	3,530,475	4,766,937	4,766,937
Bank loans	47,000,000	47,000,000	47,000,000	47,000,000
Deposits	18,045,535	18,045,535	19,704,472	19,704,472

Fair values were determined as follows:

- *Cash, trade receivables and accounts payable and accrued expenses*– The fair values are approximately the carrying amounts at initial recognition due to their short-term nature.
- *Financial asset at fair value through other comprehensive income* – The fair value of investments that are actively traded in organized markets is determined by reference to quoted market bid prices at the close of business on reporting date.
- *Bank loans* – The fair value of the loans payable is determined by discounting the principal using the market rate of 6%.
- *Deposits* - The fair value of deposits approximates the carrying value as at year end.

6. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Group'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 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 June 30, 2022 and FY March 31, 2022 based on contractual undiscounted payments:

June 30, 2022	On demand	Not later than one month	Later than 1 month & not later than 1 3 months	Later than 3 month & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	3,530,475	-	-	-	-	P 3,530,475
Bank loans	-	-	-	47,000,000	-	47,000,000
Deposits	-	-	-	-	18,045,535	18,045,535
Due to related parties	-	-	-	-	382,981,741	382,981,741
	P 3,530,475	-	-	P 47,000,000	P 401,027,276	P 451,557,751

FY March 31, 2022	On demand	Not later than one month	Later than 1 month & not later than 1 3 months	Later than 3 month & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	P 4,766,937	-	-	-	-	P 4,766,937
Bank loans	-	-	-	47,000,000	-	47,000,000
Deposits	-	-	-	-	19,704,472	19,704,472
Due to related parties	-	-	-	-	837,567,210	837,567,210
	P 4,766,937	-	-	P 47,000,000	P 857,271,682	P 909,038,619

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 June 30, 2022 and FY March 31, 2022. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	June 30, 2022	FY March 2022
Cash and cash equivalents	P 12,962,499	P 16,099,477
Trade receivables	1,856,760	2,808,880
Financial assets at FV through OCI	46,235,000	46,235,000
	P 61,054,259	P 65,143,357

The credit quality of the Group's assets as of June 30, 2022 and FY March 31, 2022 is as follows:

June 30, 2022	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
Cash and cash equivalents	12,962,499	-	-	-	P 12,962,499
Trade receivables	-	1,856,760	-	-	1,856,760
FVOCI financial assets	-	46,235,000	-	-	46,235,000
	P 12,962,499	P 48,091,760	P -	P -	P 61,054,259

FY March 31, 2022	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
Cash and cash equivalents	16,099,477	-	-	-	P 16,099,477
Trade receivables	-	2,808,880	-	-	2,808,880
FVOCI financial assets	-	46,235,000	-	-	46,235,000
	P 16,099,477	P 49,043,880	P -	P -	P 65,143,357

High grade cash accounts are 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 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.

Price Risk

The Group's price risk exposure at year-end relates to financial asset whose value fluctuates as a result of changes in market price, principally, Investment in financial assets at FVOCI. The impact on the Group's equity excludes the impact of transactions affecting profit or loss since financial instrument carried at fair value are classified as Investment in financial asset at fair value through OCI.

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:

	June 30, 2022	FY March 31, 2022
Equity	P 2,599,704,391	P 2,137,165,166
Total assets	3,763,039,877	3,757,981,520
Ratio	0.69	0.57

7. Cash in banks

Cash in banks generally earns interest based on prevailing bank deposit rates. Cash in banks amounted to P12,962,499 and P16,099,477 as of June 30, 2022 and FY March 31, 2022, respectively.

Interest earned from these deposits amounted to P6,614 and P15,512 for period ended June 30, 2022 and FY March 31, 2022, respectively.

8. Trade receivables

Trade receivables represent receivable from sale of aggregates and rental of properties amounting to P1,856,760 and P2,808,880 as at June 30, 2022 and FY March 31, 2022, respectively. These are non-interest bearing and are generally collectible within one (1) month.

9. Inventories

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

		June 2022		FY March 2022
Stockpile inventory	P	11,550,644		5,844,042
Unused production supplies		400,354		-
	P	11,950,998	P	5,844,042

As of June 30, 2022 and FY March 31, 2022 inventories are carried at cost which approximates its net realizable value.

As discussed in Note 2, the Group has ceased to actively sell its real estate properties. Unsold inventories of real properties amounting to P7.6 million were reclassified to investment properties as a result of change in recognition. The Group is now focused on leasing its investment properties to third parties.

10. Other Current Assets

The composition of this account is as follows:

		June 2021		FY March 2022
Input taxes	P	1,250,024	P	525,093
Deposits		1,115,343		1,633,362
Prepaid taxes		6,745,017		6,610,404
	P	9,110,384	P	8,768,859

- Input taxes represent the 12% tax on domestic purchases of goods and services from VAT registered entities. Input tax is applied against output taxes in the succeeding month.
- Deposits are advance payment of rental that are expected to be applied within the next 12 months.
- Prepaid taxes represent 5% tax withheld on rental. The same may be applied against future income tax liabilities. As of June 30, 2022 and FY March 31, 2022, creditable withholding taxes are considered recoverable in full and no impairment loss is necessary.

11. Financial Asset at Fair Value through Other Comprehensive Income

This account represents 132,100,000 listed 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:

		June 2022		FY March 2022
Balance at the beginning of fiscal year	P	46,235,000	P	57,233,000
Changes in fair value		-		(10,998,000)
	P	46,235,000	P	46,235,000

Changes in fair value are reported separately in the consolidated statements of comprehensive income as "Fair value changes in financial asset at fair value through other comprehensive income – net of tax".

12. Investments in Associates - net

This account consists of the following:

		June 2022		FY March 2022
Cost:				
Beginning of the year				
ATN Phils Solar Energy Group	P	865,080,120	P	865,080,120
Mariestad Mining Corp.		11,306,000		11,306,000
		876,386,120		876,386,120
Equity in net losses				
Beginning of the year		(13,132,826)		(13,221,345)
Current year		-		88,519
		(13,132,826)		(13,132,826)
Total		863,253,294		863,253,294
Allowance for impairment		(11,306,000)		(11,306,000)
	P	851,947,294	P	851,947,294

ATN Solar

ATN Solar is a grantee of Solar Energy Service Contract with the Philippine Government through the Department of Energy to develop, own and operate a 30MW solar power plant in Rodriguez, Rizal.

As of February 10 2022, ATN Solar has commenced discussion with Engineering Procurement Construction (EPC) groups for the construction of the plant. Construction phases are (1) 250kW pilot plant to test possible technical issues and improve construction efficiency of commercial scale plant to reduce construction timelines. (2) 250kW pilot plant to be expanded to 2MW for the complete modular assembly of DC/AC system.

The Company has awarded in principle the construction of the 250kW plant. Initial output power will be utilized by ATN Holdings, Inc. for internal use, with no export to the grid. Completion in project phases will allow ATN Solar to finalized supply agreements with a Retail Electricity Supplier and/or the Meralco group.

After successful construction of the pilot plant, the Company will decide on the award of construction of modular 3 x 10MW Solar PV plant to the EPC or other EPC to complete the three modules.

The project site of 15 hectares for 30 MW have been leveled and cleared. With the advances in solar panel capacity from to 210Wp to 630Wp per panel, a 15-hectare land area will be allocated for the 30 MW project. The Company needs to install the DC components of the project since the 3 x 10MW sub-distribution lines connected to Meralco have been installed in place. All temporary and ancillary facilities including but not limited to water supply facility, personnel housing, heavy equipment for construction, power supply for construction are ready for the implementation off the 30 MW project, pending the result of the pilot project.

On May 20, 2020, the Company was granted the Mineral Processing Permit and Permit to Dispose rock aggregates. Revenue generated by the Group from sale of these aggregates amounted to P25.6 million and P6.8 million for the fiscal years ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, the Group owns 48.8% of ATN Solar and it exercises significant influence over the financial and operating matters of the associate.

The latest financial information of ATN Solar is as follows:

		December 31,	
		2021	2020
Current assets	P	13,436,018	P 20,874,619
Non-current assets		1,822,156,259	1,791,339,263
Current liabilities		48,281,037	70,065,587
Non-current liabilities		1,117,680,108	1,069,479,810
Equity	P	669,631,132	P 672,668,485

MMC

In 2007, the Group entered into an investment agreement with MMC to participate in the extraction of manganese ores in the former's mining site. The Group's participation is in the form of providing financial resources to undertake the mining operations. The Group has financed a total of P11,306,000 million in MMC. Due to the non-commencement of mining operation, the Group provided a full impairment loss on its investment in MMC. Furthermore, there was no recent financial information available for MMC.

13. Investment Properties

The composition of this account as of June 30, 2022 and FY March 31 is as follows:

Land	P 15,810,000
Condominium units	284,554,278
Parking slots	26,350,000
Townhouses	22,953,001
	P 349,667,279

Rental income on investment properties amounted to P2,715,831 in June 30, 2022 and P9,014,450 in FY March 2022. Direct operating cost incurred on these properties amounted to P514,435 in June 2022 and P1,028,870 in FT March 2022.

Certain investment properties were mortgaged to the bank to secure the Group's financing requirements. (see Note 16).

14. Property and Equipment

Property and equipment consists of:

June 30, 2022	Land and mine site improvements	Machineries & equioment	Office Furniture & improvements	Transportation Equipment	Total
Cost					
At June 30, 2022	2,358,943,606	47,025,758	6,331,055	7,879,464	2,420,179,883
Addition	-	8,303,571			8,303,571
	2,358,943,606	55,329,329	6,331,055	7,879,464	2,428,483,454
Accumulated depreciation					
At April 1, 2021	67,105	2,351,290	6,161,559	5,209,224	13,789,178
Provisions	26,842	940,516	17,898	361,536	1,346,792
At June 30, 2022	93,947	3,291,806	6,179,457	5,570,760	15,135,970
Carrying value					
At June 30, 2022	P 2,358,849,659	P 52,037,523	P 151,598	P 2,308,704	P 2,413,347,484
FY March 31, 2022					
Cost					
At FY March 21, 2022	2,358,943,606	47,025,758	6,331,055	7,879,464	2,420,179,883
Accumulated depreciation					
At April 1, 2021	13,421	470,258	6,125,755	4,486,159	11,095,593
Provisions	53,684	1,881,032	35,804	723,065	2,693,585
At FY March 21, 2022	67,105	2,351,290	6,161,559	5,209,224	13,789,178
Carrying value					
At FY March 21, 2022	P 2,358,876,501	P 44,674,468	P 169,496	P 2,670,240	P 2,406,390,705

To prepare the site for quarry operation, the Group incurs stripping costs. These costs are incurred in the development phase which are capitalized as part of constructing the quarry site and subsequently amortized over its useful life using the unit-of-production method. The capitalization of stripping costs ceases when the quarry site is ready for production. Stripping cost is included as part of Land and mine site improvements totaling P85.3 million in 2021.

Machineries and equipment represent the purchase price including freight and insurance charges for the acquisition of stone and hydraulic cone crusher totaling P47 million. This machinery is used for the production of rock aggregates.

15. Accounts Payable and Accrued Expenses

This account consists of the following:

		June 2022		FY March 2022
Capital gains tax payable	P	2,985,000	P	2,985,000
Trade payable		545,475		1,599,996
Taxes payable		-		181,941
	P	3,530,475	P	4,766,937

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;
- Taxes payable are settled in the following month.

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.

16. Short-term Loans Payable

The Parent company has an omnibus line with China Banking Corporation (CBC) for a maximum amount of P50 million. Short-term loans are availed for working capital requirements. The loan is subject to an interest rate of 4.25% payable monthly and is collateralized by a condominium unit in Summit One Tower.

As of June 30, 2022 and March 31, 2022 the balance of the Parent company's loan amounted to P47 million.

Interest expense related to this loan amounted to P856,939 as of June 30, 2022 and P2,220,283, for fiscal years ended March 31, 2022.

17. Deposits

This account represents deposit on operating leases which is made in compliance with the existing leasing agreement with the lessee. The amount is refundable at the expiration of lease contracts.

As of June 30, 2022 and FY March 31, 2022, deposits on operating leases amounted to P18,045,535 and P19,704,472, respectively.

18. Equity

Share capital

Component of share capital is as follows:

Title of Issue	Authorized share capital		Subscribed and paid	
	Number of shares	Amount	Number of shares	Amount
Common				
Class A	4,200,000,000	P 420,000,000	4,025,055,429	P 402,505,543
Class B	2,800,000,000	280,000,000	2,800,000,000	280,000,000
Preferred	5,000,000,000	500,000,000	-	
	12,000,000,000	P 1,200,000,000	6,825,055,429	P 682,505,543

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.
- Preferred shares are cumulative, non-participating, non-voting shares that are entitled for mandatory redemption on the 5th, 7th and 10th year anniversary of issue.

During the annual stockholders meeting held on November 14, 2019, the stockholders approved the increase in authorized capital from 12 billion shares to 24 billion shares both with par value of P0.10. The required subscription will be satisfied through conversion of advances from stockholders at a pre-determined subscription price. As of July 11, 2022 the application for increase in capital is due for filing with the Securities and Exchange Commission.

19. Cost of Sales and Services

The breakdown of this account is as follows:

		June 2022		June 2021
Cost of aggregates sold	P	5,441,320	P	2,543,988
Direct cost on real estate leasing		514,435		514,435
Depreciation and depletion		940,516		-
	P	6,896,271	P	3,058,423

20. Administrative Expenses

The breakdown of this account is as follows:

		June 2022		June 2021
Communication and association dues	P	1,839,647	P	1,466,055
Taxes, licenses and permits		2,499,739		100,656
Professional fees		636,451		497,000
Salaries, wages and benefits		512,330		1,209,979
Depreciation and amortization		406,277		379,435
Rent		212,566		212,566
Security services		145,196		122,857
Representation		63,552		96,317
Office supplies and printing		54,517		85,335
Transportation and travel		46,504		117,214
Insurance		41,780		67,327
Miscellaneous		50,080		403,378
	P	6,508,639	P	4,758,119

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.

Salaries and other employee benefits account include salaries, wages and retirement benefits of the employees.

21. Related Party Transactions

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

Related Parties	June 30, 2022			
	Beginning balance	Availment	Collection	Ending balance
Associates				
ATN Phils. Solar Energy Group Inc.	P 54,119,984	-	382,507.00	P 53,737,477
Companies under common control				
Transpacific Broadband Group Int;l Inc.	16,100,000	-	3,875,297	12,224,703
Sierra Madre Consolidated Mines	7,450,000	-	-	7,450,000
Unipage Management Inc.	(270,493,453)	-	(195,467,090)	(75,026,363)
Stockholders	(567,073,757)	-	(259,127,879)	(307,945,878)
	(759,897,226)	-	(450,337,165)	(309,560,061)
Allowance for ECL	7,450,000	-	-	7,450,000
	P (767,347,226)	P -	P (450,337,165)	P (317,010,061)

Related Parties	FY March 31, 2022			
	Beginning balance	Availment	Collection	Ending balance
Associates				
ATN Phils. Solar Energy Group Inc.	P 27,718,636	P 26,401,348	-	P 54,119,984
Companies under common control				
Transpacific Broadband Group Int;l Inc.	16,100,000	-	-	16,100,000
Sierra Madre Consolidated Mines	7,450,000	-	-	7,450,000
Unipage Management Inc.	(236,794,597)	(33,698,856)	-	(270,493,453)
Stockholders	(565,666,379)	(1,407,378)	-	(567,073,757)
	(751,192,340)	(8,704,886)	-	(759,897,226)
Allowance for ECL	7,450,000	-	-	7,450,000
	P (758,642,340)	P (8,704,886)	P -	P (767,347,226)

Significant transactions with related parties are as follows:

1. UMI and certain stockholders provide financing for the Group. Eventually, these funds are transferred and used to support the pre-operations and other expenses of ATN Solar.
2. The Group and TBGI are parties to a Teaming Agreement executed in January 2013. Pursuant thereto, sharing of cost and expenses incurred within Summit One Condominium. Expenses related to technical operations is to be advanced by either of the parties and to be reimbursed from the other parties proportionately or by actual usage as the case maybe.
3. In prior years, the Group provided cash advances to SMCM to fund its mining activities. Such advances will be converted into equity interest in SMCM when mining operations commence. Due to unforeseen circumstances, SMCM encountered financial difficulties and was unable to operate and generate revenues and cash flows. Accordingly, the Group provided a full impairment loss on its advances to SMCM in 2014 amounting to P7.45 million.
4. The details of subsidiaries' accounts that were eliminated in the process of consolidation are as follows:

		June 2022		FY March 2022
AHCDC	P	10,768,677	P	10,768,677
PLDI		29,544,640		28,919,160
MCPI		-		8,642,328
	P	40,313,317	P	48,330,165

- The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2022, 2021 and 2020.
- There were no provisions for ECL during 2022, 2021 and 2020 covering Advances to related parties.

22. Earnings (Loss) per Share

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

		June 2022		June 2021
Earnings	P	(2,471,861)	P	(726,138)
Divided by :				
Weighted Average Shares		6,825,055,430		4,500,000,000
Earning per share		(0.000)		(0.000)

23. Segment Information

For management reporting purposes, the Group is divided into two (2) reportable segments consisting of the (i) Real estate leasing and (ii) Aggregates which is involve in the production and selling of rock aggregates. The latter being introduced only in 2021.

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.

Segment information for the reportable segment is shown in the following table:

As of June 2022				
	Real estate leasing	Aggregates	Non-segment items	Total
Revenues	2,715,831	9,116,909	6,614	11,839,354
Cost and expenses	514,435	6,381,836	-	6,896,271
Segment results	2,201,396	2,735,073		4,936,469
Reportable segment assets	2,600,975,464	1,296,220,154		3,897,195,618
Reportable segment liabilities	745,225,930	354,232,222		1,099,458,152
Non-cash expenses				-
Depreciation	406,276	940,516		1,346,792
As of June 2021				
	Real estate leasing	Aggregates	Non-segment items	Total
Revenues	4,600,062	3,616,523	8,083	8,224,668
Cost and expenses	514,435	2,543,987	-	3,058,422
Segment results	4,085,627	1,072,536	-	5,158,163
Reportable segment assets	247,085,569	77,080,708		324,166,277
Reportable segment liabilities	787,803,714	791,782,534		1,579,586,248
Non-cash expenses				-
Depreciation	379,434	940,516	-	1,319,950

24. Other Matters

Effects of COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the increasing number of COVID-19 cases worldwide. This was followed by the issuance of Presidential Proclamation Order No. 929 declaring a State of Calamity in the Country from the COVID-19 outbreak.

Different quarantine classifications were imposed nationwide which resulted to disruptions in business and economic activities and their impact on business continue to evolve. Internally, the Group continues to adapt to these including implementation of the following:

- Work-from-home arrangement for certain office personnel;
- Online meetings and discussions with officers and employees;
- Use of mobile banking and online platforms for certain financial transactions;

Considering the evolving nature of this outbreak, the Group continues to monitor the situation and will take further actions as necessary and appropriate in response to these economic disruptions and other consequences.

25. Other SEC requirements

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

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

Item 2. Management's Discussion and Analysis of Operation

(B) Interim Periods

The company and its three majority-owned subsidiaries use current ratio and debt to equity ratio to measure liquidity, and gross profit margin and net income to sales ratio as key performance indicators. Current ratio is calculated using current accounts cash, marketable securities, receivables, accounts payable, income tax payable and other liabilities maturing in one year. Debt to equity ratio is derived from division of total debt by total amount of stockholders' equity. Profit margin is computed based on ratio of income from operation (before financing charges and other income/loss) to total revenues.

The company uses past year performance as basis for expected results in current year. With the bulk of its business in real estate, the company has no productivity program. It adopts a prudent policy of matching expenditures with revenues to keep current accounts position in balance

The following are 7 (seven) key performance and financial soundness indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital
Debt-to-Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Asset-to-Equity Ratio	Calculated ratio of total asset into total equity. Indicates the long-term or future solvency position or general financial strength of the company.
Interest Rate Coverage Ratio	Calculated ratio of earnings before interest and taxes into interest expenses. Indicates the ability to meet its interest payments.
Gross profit Margin	Calculated ratio expressed in percentage of the gross margin into total revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
EBITDA	Calculated earnings before income tax, and non-cash charges. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses.
Net Income to Sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home	
	June 2022	June 2021	June 2022	June 2022	June 2022	June 2021
Current Ratio	0.71	0.67	109	20	-	-
Debt to Equity Ratio	0.45	0.75	0.40	0.40	3.46	3.39
Asset to Equity Ratio	1.45	1.75	1.40	1.40	4.46	4.39
Interest Rate Coverage Ratio	-1.88	0.21	-	-	-	-
Gross Profit Margin	42%	63%	76%	88%	-	-
EBITDA	-PhP1,075,704	-PhP277,805	-PhP1,321,571	PhP10,661	-PhP58,685	-PhP101,450
Net Income to Sales Ratio	-21%	-9%	-8242%	9%	-	-
Net Income (loss)	-PhP2,471,861	-PhP726,137	-PhP1,743,862	-PhP390,094	-PhP58,685	-PhP101,450

On a consolidated basis, ATN accounts that changed by more than 5% compared to quarter ending December 31, 2021 financial statements are as follows:

- Cash and cash equivalent decreased to Php12.962 million from Php16.099 million (-19%).
- Trade receivables decreased to Php1.856 million from Php2.808 million (-34%)
- Inventories increased to Php11.950 million from Php5.844 million (104%)
- Due from related parties decreased to Php65.962 million from Php70.219 million (-6%)
- Accounts payable and accrued expenses decreased to Php3.530 million from Php4.766 million (-26%)
- Deposits decreased to Php18.045 million from Php19.704 million (-8%)
- Due to related parties decreased to Php382 million from Php837.567 (-54%).
- Share capital increased to Php682 million from Php450 million (51%)
- Total revenue increased to Php11.839 million as of quarter ending June 20, 2022 compared to Php8.221 million as of June 30, 2021 (44%).

10. Cost of sales and services increased as of June 30, 2022 to Php6.896 million compared to Php3.058 million as of June 30, 2021 due to increase in revenue(125%)
11. Administrative expenses increased from Php4.758 million in June 2021 compared to Php6.508 million in June 2022. The following are the accounts with more than 5% change:
 - a. Increased in communication and dues by Php373 thousand (25%)
 - b. Increase in taxes and licenses by Php2.399 million (2383%)
 - c. Increased in professional fees by Php139 thousand (28%).
 - d. Decreased in salaries and wages by Php697 thousand (-57%)
 - e. Increased in depreciation and amortization by Php26 thousand (7%)
 - f. Decreased in transportation and travel by Php570 thousand (-60%)
 - g. Increased in security services by Php22 thousand (18%)
 - h. Decreased in Office supplies and printing by Php30 thousand (-36%)
 - i. Decreased in insurance by Php25 thousand (-37%)
 - j. Decreased in representation and entertainment by Php32 thousand (-34%)

Corporate Development

The ATN Group subscribed 690 million shares and paid-up of 650 million shares in ATN Solar Energy Group, Inc., (ATN Solar). ATN Solar is engaged in renewable energy generation and trade distribution of renewal energy equipment and accessories. ATN Solar secured a service contract from the Department of Energy for its 30-MW Rodriguez Solar Power Project on May 12, 2011 and a Certificate of Registration from the BOI for income tax holiday, which can be availed in the first seven years of operation.

With the company's sound financial condition, ATN can ride the Corona Virus 19 pandemic, given its low debt to equity ratio, and the low cash burn rate that had been deliberately structured to survive financial market stress. Hence there is no foreseeable event, which may have a material impact on its short-term liquidity, and no seasonal aspect had material effect on the financial condition of the Company's operation.

Improvements of real estate assets can be funded by borrowings and augmented by internally generated funds because of its large capacity to absorb debt relative to the value of its hard assets. To the best knowledge of Management there are no unusual or non-recurrent accounts that adversely affect the financial condition of the company five years going forward.


MCPI has ceased its healthcare operation in 2019 and sold a significant portion of its medical equipment. AHCDC and PLDI likewise ceased to actively sell its remaining real estate properties and were classified to investment properties as a result of change in recognition. The financial statements do not include any adjustment that might result from this uncertainty.


The company expects to continue its focus on its existing principal activities and actively pursue opportunities for investment in the construction materials supply business and renewable energy sectors in the Philippines.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Company : ATN HOLDINGS, INC.

Signature and Title : 
 PAUL B. SARIA
 Principal Financial Officer
 August 17, 2022


 CELINIA FAELMOQA
 Principal Accounting Officer
 August 17, 2022