

SEC Number 37535
File Number _____

ATN HOLDINGS, INC.

(Company)

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

(Address)

533-4052 / 717-0523 / 718-3720

(Telephone Number)

March 31

(Fiscal Year Ending)
(Month & day)

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

(Form Type)

Amendment Designation (if applicable)

(Period Ended Date)

(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. **July 13, 2018**

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**

1550

Address of principal office

Postal Code

8. **(632) - 717-0523**

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	
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Common A	3,700,000,000	P370,000,000.00
Common B	800,000,000	P 80,000,000.00

11. Indicate the item numbers reported herein:

1

1. ATN PROJECT PROGRESS REPORT AND CAPEX BUDGET FOR YEAR 2018 TO 2019

The Chairman informed the Board the completion of the testing and commissioning of the aggregate plant, and the same has been issued Permit to Operate by the DENR Region 4 and the completion permits by the LGU Rizal. Further, **to meet quality rock sales demand**, ATN need to raise funds from banks and private equity for the ATN Quarry and Plant Operations, for the **(a) build-up of rock inventory, (b) purchase of electrical equipment, 80Ton truck weighbridge structure, enterprise management system software, (c) 100% plant commissioning expenditures.**

Rock Supply for Urgent Infrastructure Projects to Benefit Filipino Commuters

Whereas, the Philippine Cement Manufacturers' Association reported cement consumption in 2015 at 24.4 MTons and 2016 at 25.9 MTons, which translates to 257 kg per capita consumption of 111MTons of aggregates, respectively, assuming market equilibrium in demand and supply

Whereas, Philippine new demand for concrete aggregates for 2017-2021 is estimated at over 38Million tons, or52%of the 73 Mtons incremental consumption of aggregates, assuming a ratio of aggregate to cement at 3 to 1. Table below summarizes ASEAN country comparatives to measure the range of present and projected developmental demand for cement and aggregates, using the per capita consumption experience extrapolated from Thailand and Vietnam:

NUMBERS IN MILLION TONS	CEMENT DEMAND	ROCK DEMAND
A. Based on Thailand per Capita Level		
Present Philippine Consumption	24	73
Increment due to Phil Infrastructure	13	38
Total Present + Infrastructure	37	111
B. Based on Vietnam per Capita Level		
Present Philippine Consumption	24	73
Increment due to Phil Infrastructure	32	96
Total Present + Infrastructure	56	168

Whereas, 1,200 hectares of Manila Bay of land reclamation development starts in 2019, requiring at least 27 million cbm or 68 Mtons of armor rock. The huge need and short project schedules will create a price spike in armor rock as **far-flung sources with complex logistics** need fill any supply deficit, from Zambales, Pampanga, Bataan, Batangas, etc.

Whereas, on top of (a) the urgent demand from government's Build, Build Build,(b) huge land reclamation projects, (c) the major construction of private real estate developers led by Ayala Land, SM, and San Miguel are undertaking unprecedented property development activities, there is a looming "price competition" between government projects and private real estate developers for the limited supply of rock aggregates.

Prices of High Quality Rocks and Concrete Products

Whereas, the current price of high quality aggregate around Metro Manila at quarrying site gate is P800 per ton, equivalent to P2,000 per cbm at 2.5 tons per cbm, and the ATN rock crusher plant can sell at an average factory-gate price of P800 per ton, starting September 2018.

Whereas, the Manila price of pre-mixed concrete is P4,000 per cubic meter of 4000 psi strength, and the ATN factory-gate price of P4,000/cbm of premixed concrete production is deemed competitive considering the proximity of plant site to target customers of 500 concrete batching plants in Mega Manila.

Impact of Demand-Supply Gap on Build, Build, Build Program and on Contractors

Whereas, the Php 1.3 Trillion budget for Build, Build, Build in Manila need a 5% increase or Php 66 Billion, with concrete comprising 25% of infrastructure cost, and rock aggregate cost is 20% of concrete, and a supply cliff puts upwards pressure on rock aggregates prices. LGU moratorium, regulatory mine closure, and depleted quarries contribute to the impending supply cliff predicted by industry participants.

ATN as Major Quality Rock Supplier in Mega Manila

Whereas, geologist assessment of basalt rock deposits at ATN quarry site (by GEOTECNICA CORPORATION) to possess high rock strength from various samples ranging 23.3MPa to 68.1 MPa shown below:

TYPE	MILLION BCM*	MILLION TONS	HIGH STRENGTH	PRIMARY USE
Andesite	41	104	23.3 MPa	Aggregates
Basalt	109	273	68.1 MPa	Armor rock
Total	150	377		

*Bank cubic meter

Whereas, many foreign engineering groups signify interest on high strength basalt rock of ATN quarry as the preferred quality material for building of vertical superstructures, infrastructure projects under Build, Build, Build, and 1,200 hectares land reclamation in Manila Bay.

Whereas, the proximity to Mega Manila where the high impact P1.3 Trillion infrastructure projects are located makes the rocks from ATN quarry site advantageous to the government for the following reasons:

- 1) The price of diesel, which is the biggest cost component in production and logistics of aggregate materials, will increase by almost double since the price-fixed importation of the Philippines at **\$40/bbl in 2017 and the new price levels have gone up to \$75/bbl in 2018.**
- 2) The government earns more excise taxes after the TRAIN Law from 2% to 4%. Given the proximity of ATN quarry site to Mega Manila infra projects, ATN can supply higher rock volume due to short logistics turnaround. DENR recently lifted the exploration moratorium for quarrying operations.

ATN Holdings Rated Plant Capacity of 4.38 Million Tons/Year (ATN Aggregate Plant Commissioning Video: <https://www.youtube.com/watch?v=-B2NgWlITTY>)

Whereas, the ATN fully functional plant has an initial target to produce 2.6 Mtons of crushed aggregates (operating 16 hours per day for 330 days in a year) of various sizes per year. This startup target capacity can easily be attained by 1 set of crushing plant with rated capacity of 500 tons per hour.

Whereas, ATN will forward integrate a concrete batching plant to make use of sand by-product, which other quarry operations dump as waste materials, and complementing the batching plant, ATN will install a concrete casting facility to produce pre-fabricated concrete components required in infrastructure projects where cast-in-place cannot be done due to space limitation, and time constraints.

Whereas, the pre-mixed concrete batching plant will have capacity to absorb ATN 30% aggregate production and the remaining 70% crushed aggregates will be sold to customers who want to mix their own concrete, while awaiting (1) asphalt mixing plant, (2) precast concrete plant, and (3) concrete batching facilities to be established in 150,000 sqm of land inside the 254 hectare ATN property in Rodriguez, Rizal.

Whereas, the foreign manufacturer of crusher plant has supervised the conduct of reliability test prior to full commercial operation under **(a) no-load electro-mechanical test, (b) load test run with 30 truckloads of rock feed to jaw crusher, and (c) 50% load test of secondary & tertiary cone crushers, 48 industrial motors & 14 large conveyor belts under rainy weather conditions.** After the 60 day reliability test, a final completion certificate, performance certificate, and warranty period services will be issued by the equipment supplier and EPC. DENR issued the PERMIT TO OPERATE the ATN Crusher plant, the Municipal Government of Rodriguez, Rizal issued the Occupancy Permit & Final Certificate of Electrical Inspection.

Board Resolutions for Funding Requirements of Commercial Operations

While the ATN (1) operations at the quarry have started, and (2) the rock crusher facility is ready for commercial operation after testing, the corporation **needs working capital funding to gear up for inventory build-up prior to rock aggregate sales.** After discussions, the following resolutions were unanimously approved to fund the following major rock production and 350,000 tons sales activities of the corporation:

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be authorized and empowered to raise funds of ONE HUNDRED FIFTY MILLION PESOS to be used for the following expenditures:

CAPEX REQUIRED &ACTIVITY	OPERATING NEEDS	MARKET VALUE
1) P50M Rock Inventory Build Up	350,000 tons for 2 months stock	P 350 million
2) P100M Electrical Infrastructure CAPEX	Meralco 6km Interconnection to Plant	P 150 million
Total Budget for Approval Php 150 Million		P 500 million

RESOLVED, that the Corporation be authorized and empowered to mortgage and assign the equipment supply and rock inventory funded by bank debt or private equity for payment of its obligations;

RESOLVED, FURTHER, that the President and CEO be authorized to sign any and all documents or papers necessary to execute the foregoing matters;

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

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.

ATN HOLDINGS, INC.

Registrant



PAUL B. SARIA
Corporate Compliance Officer

Date July 13, 2018

SUBSCRIBED AND SWORN to before me this 13th day of July 2018, affiant exhibiting his Driver's License N04-93-264992, expires on December 15, 2021 issued at Mandaluyong City.

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Series of 2018



ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY

AM Adm. Not. Com. No. NP-060 1-12-17 until 12-31-2018
IBP O.R No. 1038374 Jan. 2017 up to Dec. 2018
PTR O.R No. 5522486 C 1-3-18 / Roll No. 33832 / Tin# 129-871-009
MCLE No. V-0019296 valid from 04/15/2016 until 04/14/2019/PASIG CITY
Address: 31-F Harvard St. Cubao, Q.C.