

ATN HOLDINGS, INC.

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September 9, 2019

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

Dear Ms. Wong,

We reply to each of the points to the query of the Exchange in relation to the news article entitled "ATN shifts business focus" posted in Inquirer.net on September 9, 2019. **The interview with Philippine Inquirer talks and emphasize "Shift in Business Focus" rather than giving a report on reserves and geologic estimates as a subject matter for the news.**

The article reported in part that:

- 1) "Ng estimated that the Montalban property had at least 400 million tons of quality rock reserves, which would be good for the production of aggregates for at least 50 years more."

ATN confirms that the estimated rock reserves is consistent with the previous disclosures of the Corporation. Please refer to ATN Holdings SEC Form 17-C Disposition of Asset , July 4, 2018 , with link as follow:

http://edge.pse.com.ph/openDiscViewer.do?edge_no=28c459bc7a816d6343ca035510b6ec2b#sthash.2ebNzJfb.dpbs

The disclosure highlights Geological Evaluation and Exploration Estimates of ATN Rock Resource. Drilling tests are now being conducted to confirm if there are more reserves below ground level. The quantity in said disclosure was 377,498,750 metric tons or only 6% below 400 million tons verbally stated by the Chairman. CEOs normally round off numbers with due consideration of the "materiality principle" of accounting. The quarry is 250 meters high reckoned from ground level in a 256-hectare land, and a mere harvesting of rocks 5 meters deep can cover for more than enough the 6% difference. The interview with Philippine Inquirer talks and emphasize "Shift in Business Focus" rather than giving a report on reserves and geologic estimates as a subject matter for the news, which is a complex matter subject to multiple engineering variables like specific gravity of rocks, drilling depth, etc "not easily understood by the reading public".

The 400 million tons estimate of reserve is rounded number of 377 million taken from a "Rapid Geological Report" which is subject to validation by an ongoing extensive core drilling. The Final Exploration Study compliant to the Philippine Mineral Reporting Code (PMRC) to be signed by a Competent Person will be submitted to the PSE after filing with the DENR. ATN undertakes to give the PSE a copy of the Final Exploration Report in the next couple of months.

- 2) "Betting big on a sustained infrastructure boom in the Philippines, holding company ATN Holdings Inc. is transforming itself into a construction supply-driven enterprise that will produce the rock aggregates and precast concrete required by big-ticket infrastructure builders.

ATN is transforming itself as a construction supply enterprise to take advantage of the opportunity provided by the Build, Build, Build Program of President Duterte.

- 3) "In an interview with the Inquirer, ATN chair Arsenio Ng said the company's budding construction supply business could eventually account for 80 percent of ATN's total business."

The 80% ATN business sector allocation in construction supply is conservative given the 9 trillion pesos budget of BBB. Mining is indicated in the secondary purpose of the company.

- 4) At present, as a holding company, ATN's income comes mainly from the selling and leasing of real estate assets, health care and medical services, and stock investments.

The past Audited Financial Statements to PSE and SEC already disclosed these information.

- 5) ATN started producing rock aggregates from its 256-hectare property in Montalban, Rizal province, and in 10 months, it expects to complete a precast facility that will produce concrete slabs. This will allow the company to produce higher-margin construction materials apart from selling crushed rocks.

The 10-month period refers to the installation and commissioning of the pre-cast concrete plant, assuming all fabricated equipment and materials are on site.

- 6) The group has been exploring this property for rock aggregates in the last two years, after completing over 90 government permits and licenses needed to do so.

ATN has secured endorsement, permits, clearances from national government, provincial and local LGUs, and other government agencies over the past five years, including all pertinent permits related to aggregate plants in the past two years.

Thank you and best regards.

Very truly yours,



PAUL B. SARIA

Corporate Information Officer