SEC Number 37535
File Number

ATN HOLDINGS, INC.

(Company)

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

(Address)

717-05-23

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A

(Form Type)

Amendment Designation (if applicable)

March 31, 2020

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **March 31, 2020**

2. SEC Identification Number: **37535** 3. BIR Tax Identification No. **005-056-869**

4. Exact name of registrant as specified in its charter:
ATN Holdings, Inc.

5. **Mandaluyong, Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **9/F Summit One Tower, 530 Shaw Blvd., Mandaluyong City** **1550**
Address of principal office Postal Code

8. **(632) 7717-0523**
Registrant's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, 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
Common A	**3,700,000,000**
Common B	**800,000,000**
TOTAL	**4,500,000,000**

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [x] **No [ ]**

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [X] **No [ ]**

(b) has been subject to such filing requirements for the past 90 days.

Yes [X] **No [ ]**

13. Aggregate market value of the voting stock held by non-affiliate of the registrant
P1,745,077,125

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development
ATN Holdings, Inc. (ATN) is holding company is mainly engaged in real estate, land development, energy and health care services. On March 14, 1996, The Company's change of par from One Centavo (P0.01) per share to One Peso (P1.00) per share was subsequently approved by the SEC in November, 1996.

On August 29, 2008 the Securities and Exchange Commission approved the increase in capital stock fromP200 million to P1.2 billion. The capital consisted of 720,0000 class "A" shares and 480,000 class "B" shares with a par value of P1 each. Out of the P1 billion capital increase, P250 million was subscribed and that P220 million was paid through the deposit for future subscription.

On March 27, 2015, the Securities and Exchange Commission approved the change in par value of ATN Holdings Shares from P1.00 per share to P0.10 per Class "A" and Class "B" share .

On June 30, 2016 the SEC approved the amendment under Section 7 of the articles of incorporation. The new capital denomination resulted into the following:

	Authorized Capital	Subscribed	Paid Up
Common:			
Class A	4,200,000,000	3,700,000,000	370,000,000
Class B	2,800,000,000	800,000,000	80,000,000
Preferred	5,000,000,000	-	-
Total	12,000,000,000	4,500,000,000	450,000,000

On November 10, 2016, the Company's article 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.

ATN Holdings invest in real properties and stocks. Its investments in real properties include several units of office condominium at Summit One Tower located at 530 Shaw Boulevard, Mandaluyong City. Summit One Tower is a 48-storey building. Units of Summit One Tower are office condominium spaces ready for occupancy with its own separate 6-level parking building and 2 basement parking levels. The units are for sale or leased through either direct sales or referrals from independent brokers.

ATN's subsidiaries are Palladian Land Development Inc. (PLDI), ATN Philippines Solar Energy Group, Inc.(ATN Solar), Advanced Home Concept Development Corp. (AHCDC) and Managed Care Phil., Inc. (MCPI).

Palladian Land Development Inc. is the developer and major owner of the 48 storey Summit One Tower and an adjacent 6 storey parking building, located at 530 Shaw Boulevard, Mandaluyong City, a subdivided residential land in Pasig City and the owner of 1.3 hectare commercial property located in San Fernando, Pampanga. The 1.3 hectare Pampanga property contains a 3 storey commercial building with usable area of 3,000 square meters. PLDI's main sources of revenue include sale and rent of condominium units and residential land.

Advanced Home Concept Development Corp. (AHCDC) is a corporation engaged in developing residential properties. AHCDC is a developer of various properties in Pasig City. The main source of revenues is rent income and sale of residential land.

Managed Care Phil. Inc. (MCPI) is a corporation engaged in the healthcare industry with investments in outpatient clinics. The company established an ambulatory surgical center at the ground floor of the Annex Building of Summit One under the umbrella of its subsidiary MCPI.

ATN Philippines Solar Energy Group Inc., the project implementing entity of ATN Group for energy business, is pursuing up a 30 MW Solar PV Project. It will be situated in a 254-hectare property of parent company ATN Holdings, Inc. in Rodriguez (Montalban), Rizal. The site is less than 10 kilometers away from business districts in Metro Manila with a population of 10 million people.

The solar project is designed to have nameplate capacity of 30 MW, with output to be distributed through Manila Electric Company (Meralco) franchise distribution area via a 34.5 KV transmission line connected to the Diliman, Novaliches and Parang circuits.

ATN Solar embarked on a rock crusher plant project to flatten the solar project area. The recovery of rocks from the solar site will take advantage of the timely business opportunity created by the construction of infrastructure projects under the Build, Build, Build Program of the Duterte administration, which require large volume of rock aggregates. The rock crusher plant is operational in the second quarter of 2019. The rock quarry inside the 254 hectares titled property in the name of subsidiary Palladian Land Development, Inc. 100% subsidiary of ATN Holdings, and the rock crusher plant are expected to contribute annual revenues exceeding P 2 Billion

(2) Business of Company

(a) Description of Company

(i) As a holding company, ATN's main sources of income are derived from subsidiaries' sale and rent of real estate assets, healthcare and medical fee services and dividend income from its stock investments.

The company's investment in stocks in Transpacific Broadband Group International, Inc. can be withdrawn or disposed of without any restrictions.

(ii) The company's business activities serve mainly the Philippine market.

(iii) Given the nature of corporate business of a holding company, there is no product or services to be distributed by ATN Holdings.

(iv) There is no new product or service.

(v) Major competitors of ATN subsidiaries in real estate business are debt–saddled giants. Since the corporation enjoys low level of debts, it continues to effectively compete against rival firms. The low level of corporate debt gives ATN the competitive edge of a longer time frame with which real estate assets can be sold at higher prices. The company offers discounts to cash buyers of office condominium and residential units of Palladian Land Development Inc. and Advanced Home Concept Corporation. Major geographic selling focus for ATN real estate sales is primarily in Mandaluyong City, and Pasig City.

(vi) There is no major raw material supply contract that the company needs to procure for the next twelve months. The office condominium and residential units are ready for occupancy, interior construction outfitting, and finishing materials are carried by many hardware suppliers.

(vii) The company has no major customer that accounts for more than 10% of revenues.

(viii) In order to augment working capital requirements the company and its subsidiaries had receivables and payables to related parties and stockholders as of March 31, 2020 as properly disclosed in Note 25 and 26 of the Consolidated Financial Statements.

(ix) The company has no patent, trademarks, licenses, franchise, concessions, royalty agreements or labor contracts.

(x) The principal products do not need government approval and there is no probable government regulation that will affect the business of the company. The company is not subject to environmental laws since its subsidiaries do not generate hazardous waste.

(xi) Existing government regulations have no significant effect on the business of ATN Holdings.

(xii) The company has no research and development.

(xiii) The company does not generate hazardous wastes or emissions; hence it has no foreseen costs of compliance to environmental laws.

(xiv) As of March 31, 2020 the group of companies has 12 officers and close to hundreds of employees deployed in operations and in administrative functions of subsidiaries. The employees have no union and no Collective Bargaining Agreement. The salaries and benefits of the employees are shared with other operating affiliates and computed based on the average number of hours worked.

Item 2 - Properties
The Company and its subsidiaries are the owners of (a) selected units and floors of Summit One Tower at 530 Shaw -Boulevard, Mandaluyong City, (b) Palladian project in Pasig City, and (c) land for development in Rodriguez, Rizal.

Due to its high inventory of landholdings, the company does not intend to acquire or purchase any real estate or major equipment in the next twelve months.

Item 3 - Legal Proceedings
The Company is not involved in any litigation incidental to the conduct of its business. If there is any claim against the company, the Company believes that the cases against it have no legal basis and that there is no pending litigation that will have a material or adverse effect on its financial position or operations.

Item 4 - Submission of Matters to a Vote of Security Holders

There was no meeting held during the 4th quarter of fiscal year ending March 31, 2020.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 - Market Price for Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

The Company's common equity is publicly listed and traded on the Philippine Stock Exchange.

ATN High and Low Sales Prices per Quarter for the Last Two Fiscal Years:

Class A	Apr 1, 2018 to Mar. 31, 2019		Apr 1, 2019 to Mar. 31, 2020	
	High	Low	High	Low
Qtr. 1	.62	.61	1.46	1.36
Qtr. 2	1.21	1.06	1.19	1.16
Qtr. 3	1.38	1.33	.93	.90
Qtr. 4	1.49	1.44	.53	.49

Class B	Apr 1, 2018 to Mar. 31, 2019		Apr 1, 2019 to Mar. 31, 2020	
	High	Low	High	Low
Qtr. 1	.66	.63	1.46	1.37
Qtr. 2	1.30	1.20	1.20	1.15
Qtr. 3	1.39	1.37	.97	.94
Qtr. 4	1.47	1.45	.60	.53

(2) Holders
As of August 31, 2020, the company had 224 holders of Class "A" shares and 29 Class "B" shares. The price information as of the latest practicable trading date, September 10, 2020 has a high and low market price for Class A shares of P0.56 and P0.54, and P0.58 and P0.55 for Class B shares respectively.

The top 20 stockholders as of August 31, 2020 are as follows:

	Class "A" Stockholders	No of Shares H	% of Total Shares Outstanding	Class "B" Stockholders	No of Shares	% of Total Shares Outstanding
1	PCD NOMINEE CORP	876,994,430	19.49%	PCD NOMINEE CORP (FIL)	528,790,029	11.75%
2	NG, ARSENIO T.	2,763,541,260	61.41%	PCD NOMINEE CORP (NON-FIL)	269,266,501	5.98%
3	NG, SUSANA	20,000,000	0.44%	CHOA, BONIFACIO N.	1,000,000	0.02%
4	NG, HILARIO T.	3,501,000	0.08%	YU TING GUAN	500,000	0.01%
5	UNIWELL SECURITIES, INC.	2,200,000	0.05%	CRISOSTOMO, JOSE MARIANO	100,000	0.00%
6	NG, ARDI BRADLEY	2,000,000	0.04%	ANSALDO, GODINEZ & CO., IN	43,950	0.00%
7	NG, MARK TIMOTHY	1,750,000	0.04%	ANG, MANUEL	40,000	0.00%
8	NG, MATTHEW HILARY	1,750,000	0.04%	ATC SECURITIES, INC.	38,000	0.00%
9	DAVID GO SECURITIES CORP.	1,510,000	0.03%	7K CORPORATION	35,020	0.00%
10	NG, TIFFANY ANNE	1,500,000	0.03%	CUALOPING SECURITIES CORP	30,000	0.00%
11	TY, ANITA	1,500,000	0.03%	MAJOR LORD DESMOND	22,500	0.00%
12	TRENDLINE SECURITIES, INC.	1,040,000	0.02%	BPI SECURITIES CORPORATION	20,000	0.00%
13	MERCANTILE SECURITIES COR	1,020,000	0.02%	MINA, MARIO	20,000	0.00%
14	KHO, DAVID L.	1,000,000	0.02%	I.B. GIMENEZ SECURITIES, INC.	13,000	0.00%
15	CHOA, BONIFACIO	1,000,000	0.02%	ONG GIOK KHENG	10,000	0.00%
16	SI, HYLAND	1,000,000	0.02%	TANSENGCO & CO., INC.	10,000	0.00%
17	PACIFIC VULCAP COR.	997,000	0.02%	VILLANUEVA, JAIME	10,000	0.00%
18	CO, JOYCE ANGELA NG	800,000	0.02%	VILLANUEVA, PATROCINIO P.	10,000	0.00%
19	LIU, JESSILYN NG	800,000	0.02%	GARCIA, KAGITINGAN FLORES	10,000	0.00%
20	CHING, WENDY JANE NG	800,000	0.02%	BARCELON, ROXAS SECURITIE	10,000	0.00%

(3) Dividends

There was no cash dividend declared for the last three fiscal years and there were no present or future restrictions that limit the ability to pay dividends on common equity.

(4) Recent Sales of Unregistered Securities

The Company has not sold any securities within the past three years that were not registered under the RSA.

Item 6 - Management's Discussion and Analysis or Plan of Operation

(1) Plan of operation

The company plans to continue in the manner it did last year. The company's proceeds from sale/rental of its office and residential condominium units and service income from healthcare clinics are sufficient to satisfy its cash requirements for the next twelve months. It will continue focus on its existing principal activities and has no plan to engage in product research and development or purchase or sell any plant and significant equipment. The Company values its human resources and it has no plan to decrease the number of its employees.

(2) Management's Discussion and Analysis of Financial Condition and Results of Operation

FY 2020

Financial and Operating Highlights

The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2020 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY 2020	FY 2019	CY 2019	CY 2018	CY 2019	CY 2018	CY 2019	CY 2018
Current Ratio	1.164751203	0.84	1.58	0.54	0.05	0.01	51.62	35.53
Debt to Equity Ratio	0.65	0.65	0.45	0.43	3.26	3.1	-1.62	-114.67
Asset to Equity Ratio	1.65	1.65	1.45	1.43	4.26	4.1	-0.62	-113.67
Interest Rate Coverage Ra	-8.06	(8.06)	0.63	258.64	-	-	-	-
Gross Profit Margin	55%	55%	50%	67%	-	-	-	-
Net Income to Sales Ratio	-69%	-69%	8.50%	66.70%	-	-	-	-
Net Income (loss)	(11,740,626)	(11,740,626)	2,276,954	286,009,579	(103,329)	11,337,944	(5,191,489)	(4,174,764)

The following are important performance 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.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
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 & the ability of the company to declare dividends for stockholders.

Total assets increased from P3.488 billion to P3.712 billion as of FY March 31, 2020. The significant movements in assets were as follows:

(1) Increase in cash from P17.211 million to P35.118 million.
(2) Increase in other current assets from P5.593 million to P6.569 million.
(3) Increase in non-current assets held for sale from P18.477 million to P99.298 million.
(4) Increase in investment in associates from P678 million to P852 million.
(5) Decrease in property and equipment from P16.184 million to P5.051 million.
(6) Intangible assets were impaired by P4 million
(7) Increase due from related parties of P19.455 million.

Current liabilities of the company increased from P51 million to P121 million as of FY March 2020. The net increase is due to the following:

(1) Decrease in accounts payable and accrued expenses from P4.477 million to P3.651 million.
(2) Increase in short-term interest bearing loans from P21.900 million to P84 million
(3) Increase in liability portion of non-current assets held for sale from P21.945 million to P31.6 million.

Noncurrent liabilities increased from P1.368 billion to P1.601 billion as of FY March 31, 2020. The net increase is due to the following:

(1) Increase in deposits from P21.152 million to P54.262 million.
(2) Decrease in subscription payable from P86.981 million to P17 million.
(3) Increase in due to related parties from P493 million to P693 million.
(4) Increase in pension liability from P655 thousand to P789 thousand.

The company's equity almost remain the same from P2.119 billion in FY March 31, 2019 to P2.119 billion in FY March 31, 2020.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

The real estate inventory of the holding company, which forms the bulk of its subsidiary assets, are assigned higher values due to the fair value valuation of the investment properties.

There is no known trend, events or uncertainties that transpired or that is reasonably expected to have a material favorable or unfavorable impact on net sales or revenue. The company's real estate sales and rentals are dependent on the health of Philippine economy's growth.

FY 2019

Financial and Operating Highlights

The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2019 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY 2019	FY 2018	2018	2017	2018	2017	2018	2017
Current Ratio	0.84	0.65	0.54	0.56	0.01	0.01	35.53	4.97
Debt to Equity Ratio	0.65	0.47	0.43	0.46	3.1	-2.84	-114.67	3.49
Asset to Equity Ratio	1.65	1.47	1.43	1.46	4.1	-1.84	-113.67	4.49
Interest Rate Coverage Ratio	-8.06	333.59	258.64	-1.55	-	-	-	-
Gross Profit Margin	55%	53%	195%	89.60%	-	-	-	-1.07%
Net Income to Sales Ratio	-69%	66%	66.70%	-11.00%	-	-	-	-236.10%
Net Income (loss)	(11,740,626)	308,276,593	286,009,579	(830,743)	11,337,944	(84,276)	(4,174,764)	(4,748,681)

The following are important performance 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.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
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 & the ability of the company to declare dividends for stockholders.

Total assets increased from P3.125 billion to P3.488 billion as of FY March 31, 2019. The significant movements in assets were as follows:

(1) Increase in cash from P12.620 million to P17,211 million.
(2) Full payment of trade receivables of P305 thousand.
(3) Increase in other current assets from P3.997 million to P5.593 million.
(4) Decrease in non-current assets held for sale from P42,100 million to P18,477 million.
(5) Increase in investment in associates from P323 million to P678 million.
(6) Increase in investment properties from P2.681 billion to 2.725 billion,
(7) Decrease in property and equipment from P19.171 million to P16.184 million.
(8) Decrease in intangible assets from P6.850 million to P4 million.
(9) Full payment of advances to related parties of P14.748 million.

Current liabilities of the company decreased from P90.640 million to P49.280 million as of FY March 2019. The net decrease is due to the following:

(1) Increase in accounts payable and accrued expenses from P4.085 million to P4.477 million.
(2) Decrease in bank loans - current from P43.102 million to P22.857 million due to reclassification from current to non-current liability.
(3) Decrease in liability portion of non-current assets held for sale from P43.452 million to P21.945 million.

Noncurrent liabilities increased from P903.979 million to P1.319 billion as of FY March 31, 2019. The net increase is due to the following:
(1) Increase in deposits from P5.129 to P21,152,981 million.
(2) Increase in subscription payable from P80.195 million to P86.981 million.
(3) Increase in due to related parties from P103 million to P493 million.
(4) Increase in pension liability from P573 thousand to P655 thousand.

The company's equity almost remain the same from P2.131 billion in FY March 31, 2018 to P2.119 billion in FY March 31, 2019.

FY 2018
Financial and Operating Highlights
The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2018 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated		Palladian land		Advanced Home		Managed Care	
	FY 2018	FY 2017	2017	2016	2017	2016	2017	2016
Current Ratio	0.651	1.262	102.6	9.68	-	-	4.97	3.15
Debt to Equity Ratio	0.0467	0.485	0.46	0.45	-2.84	-2.87	3.49	1.91
Asset to Equity Ratio	1.467	1.485	1.46	1.45	-1.84	-1.87	4.49	2.91
Interest Rate Coverage Ratio	333	1.97	-1.55	-1.28	-	-	-	-
Gross Profit Margin	53.49%	44.97%	89.60%	87.70%	-	-	-107%	6.67%
Net Income to Sales Ratio	66.17%	11.32%	-11.20%	-5.70%	-	-	-236.10%	-23.70%
Net Income (Loss)	308,276,593	3,103,612	(830,743)	(450,276)	(84,276)	(114,243)	(4,748,681)	(1,827,156)

The following are important performance 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.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
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 & the ability of the company to declare dividends for stockholders.

Total assets increased from P2.705 billion to P3.126 billion as of FY March 31, 2018. The significant movements in assets were as follows:
(1) Decrease in trade receivables from P989 thousand to P305 thousand.
(2) Real estate inventory of P4.485 million was moved to investment property.
(3) Increase in other current assets from P2.618 million to P3.997 million.
(4) Increase in available-for-sale securities from P22.201 million to P22.986 million.
(5) Decrease in investment in associates from P329.920 million to P323.180 million.
(6) Increase in investment property from P2.231 billion to 2.681 billion,
(7) Decrease in property and equipment from P22.366 million to P19.171 million.
(8) Decrease in intangible assets from P6.700 million to P5.850 million.
(9) Decrease in due from related parties from P30.212 million to P14.748 million.

Current liability of the company increased from P49.594 million to P90.640 million as of FY March 2018. The net increase is due to the following:

(1) Decrease in accounts payable and accrued expenses from P4.641 million to P4.085 million.
(2) Increase in bank loans - current from P3.900 million to P43.102 million due to availment of loans and reclassification from current to non-current liability.

Noncurrent liabilities increased from P833.792 million to P903.976 million as of FY March 31, 2018. The net increase is due to the following:

(1) Decrease in deposits from P5.628 million to P5.129 million.
(2) Decrease in subscription payable from P156.943 million to P80.195 million.
(3) Increase in due to related parties from P67.422 million to P103.376 million.
(4) Decrease in pension liability from P703 thousand to P574 thousand.
(5) Increase in deferred tax liabilities from P580.891 million to P714.704 million.

The company's equity increased from P1.822 billion in FY March 31, 2017 to P2.131 billion in FY March 31, 2018 due to:

(1) Decrease in unrealized gain on available-for-sale financial assets from P2.204 million to P1.424 million.
(2) Retained earnings increased from P1.352 billion to P1.660 billion.

Expansion Plans

ATN intends to pursue opportunities in renewable power generation, focusing on advanced solar photo-voltaic technology. On May 12, 2011 the Department of Energy issued Service Contract No. 2011-05-002 to ATN Philippines Solar Energy Group, Inc. for a 30 MW solar PV power generation project to be located in the 320-hectare property of Palladian Land, Inc.

Business expansion towards construction materials is expected to commence commercial operation in the third quarter of 2018. The ATN rock quarry and rock crusher operations are expected to increase annual revenue by P 2 Billion.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

Item 7 - Financial Information

Audited financial statements are attached.

Item 8 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no events in the past wherein R. R. TAN & ASSOCIATES, CPAs, and the company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

R. R. TAN & ASSOCIATES, CPAs has acted as the Company's external auditor since 2009 and has complied with the five-year rotation requirement under SRC Rule 68(3)(b)(iv) (Qualifications and reports of Independent Auditors). Mr. Chester Nimitz F. Salvador the current audit partner for by R. R. TAN & ASSOCIATES, CPAs audited the FY March 31, 2017 to FY March 2020 while Mr. Domingo A. Daza Jr., has served as such since 2013.

Information on Independent Accountant and Related Matter

(1) External Audit Fees and Services

R. R. TAN & ASSOCIATES, CPAs, the external auditor of the company, audited the financial statements with a contract price of P373,400 for fiscal years March 31, 2020, 2019 and P352,000 for fiscal year March 2018 inclusive of VAT and out of pocket expenses.

R. R. TAN & ASSOCIATES, CPAs audited the Company's balance sheet and the related statements of income, changes in stockholders' equity and cash flows for the year then ending and provide an audit report on the financial statements referred to above in accordance with Philippine Financial Reporting Standards. As part of the engagement, R. R. TAN & ASSOCIATES, CPAs assisted in the preparation of the Company's annual income tax returns for filing with the Bureau of Internal Revenue.

There were no tax fees paid for the last two fiscal years for professional services rendered on tax accounting, compliance, advice, planning and any other form of tax services. There were no other fees paid by the company for product and other services provided by the auditor.

The audit committee has no policies and procedures of the above services.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9 - Directors, Executive Officers, Promoters and Control Persons

The names of the incumbent Directors and Executive officers of the Company and their respective ages and citizenship, current positions held, period of service and business experience during the past five years as required under Sec. 38 of the Code and SRC Rule 38.1 are as follows:

ARSENIO T. NG – Chairman, President and CEO
Age 61, Filipino
Period Served – 1995 to present
Term of office as director – one year

Mr. Arsenio Ng holds a degree in Business Administration, Major in Finance from the California State University Stanislaus (CSUS), and took his MBA degree at California State University, Stanislaus and the University of California at Los Angeles (UCLA). He also took special studies in political science at the US Congress in Washington, D.C. Mr. Ng started as a Senior Project Officer for the National Development Company (1982-1983). In 1984, he joined China Banking Corporation as a Trust Investment Officer and rose up Vice President and Area Head in 1992. In 1994, he became the President and CEO of the Energy Corporation. He is also a Director and Treasurer of Hambrecht and Quist Philippine Ventures II, a private equity fund managed by Hambrecht and Quist, Philippines Inc. He is the Chairman of Transpacific Broadcast Group Int'l, Inc. (TBGI), a technology business for commercial telecommunications and television broadcasting operations and Vice Chairman of CBCP World Corporation a broadband internet service provider and the information technology arm of the Catholic Bishop Conference of the Philippines (CBCP). He is the Chief Executive Officer of Managed Care Phil's. Inc., Palladian Land Development Inc., and Advanced Home Concept Dev. Corp.

HILARIO NG – Director
Age 60, Filipino Citizen
Period Served - 1995 to present
Term of office as director - one year

Architect Hilario Ng is the President of his own architectural firm, Palladian International, Inc. A member of both the Philippine and American architectural boards, Architect Ng placed third overall in the Philippine architectural board exams. He has twenty (20) years of experience in his chosen field, garnering several US design awards. His major projects center on design of shopping malls for the GAISANO Group.

SANTOS L. CEJOCO - Director
Age 67, Filipino Citizen
Period Served - 2002 to present
Term of office as director - one year

Formerly Vice President of Philippine Associated Smelting and Refining Corporation and Project Manager in National Development Company. Finished his Master in Business Management at the Asian Institute of Management.

HYLAND SI - Independent Director
Age 62, Filipino
Period Served - 1995 to present
Term of office as director - one year

Engineer Hyland Si is the Executive Vice President of Torque Builders, Inc., a major supplier and contractor of local electrical construction works for dozens of high-rise office buildings and manufacturing plants.

CHEE CHOONG CHEAH - Independent Director
Age 68, Malayan
Period Served - 1995 to present
Term of office as director - one year

Mr. Chee Choong Cheah is the director of a Malaysian firm, Philma Industrial PTE Ltd., with business concerns in Singapore, Indonesia and China.

BONIFACIO CHOA - Independent Director
Age 77, Filipino Citizen
Period Served - 1995 to present
Term of office as director - one year

Mr. Bonifacio Choa is the President of Bon Mar Realty, and also President of two technology firm, Future Logic and Omron Philippines.

MANUEL R. MOJE
Age 85, Filipino Citizen
Period Served - 2010
Term of office as director – one year

Mr. Moje has vast experience in private business enterprise, banking, and finance, both in major government and private financial institutions, and in socio–civic organizations. Mr. Moje's current positions are Chairman of Unihomes Development Corp., Director of Abacus Consolidated Resources and Holdings, Inc., Director of Philippine Regional Investment and Development Corporation, and President of Space Line Remittance Center (UAE). Mr. Moje finished his Bachelor of Laws at the University of the Philippines in 1963. He is a retired member of the Armed Forces of the Philippines with the rank of Colonel.

PAUL SARIA – Asst. Corp. Sec.
Age 50, Filipino Citizen
Period Served - 2002 to present
Term of office as director - one year

Arch. Saria is the Vice President for operations of Palladian Land Development Inc., Advanced Home Concept Development Corp., Transpacific, and comptroller of CBCP World Corporation.

SOPHIE MILES NG
Age 31, Filipino Citizen
Period Served – Sept. 3, 2018 to Present
Term of office as director – one year

Ms. Sophie M.L. Ng is a graduate of Ateneo De Manila University in year 2011. She holds a degree in Bachelor of Science in Business Management with Minor in Enterprise Development. From 2012 to present, Ms. Ng is currently the Investor Relations Officer of ATN Holdings, Inc. From 2014 to present, she is the Vice President for Business Development of Palladian Land Development, Inc. and Advanced Home Concept Development Corporation. From 2016 to present, Ms. Ng also the Head of Procurement for Electrification of ATN Philippines Solar Energy Group Inc. Sophie Miles L. Ng is the daughter of the Chairman Arsenio T. Ng

TWINIE KAYE NG
Age 31, Filipino Citizen
Period Served – Nov. 8, 2019 to Present
Term of office as director – one year

Ms. Twinie Kaye L. Ng is a graduate of Ateneo De Manila University in year 2011. She holds a degree in Bachelor of Science in Business Management, major in Communications Technology Management and minor in Enterprise Development. On June 2011, Ms. Ng was under the tutelage of Bank of Singapore to stay attuned with the Equity Market. She is currently the Investor Relations Officer of Transpacific Broadband Group, Inc. and Property Management Officer of Palladian Land Development, Inc. Twinie Kaye L. Ng is the daughter of the Chairman Arsenio T. Ng.

Atty. Leonides S. Respicio – Corporate Secretary
Age 68, Filipino Citizen
Period Served – November 2019 to Present
Term of office as director – one year

Atty. Respicio is a graduate of Bachelor of Laws in 1978 at the University of the Philippines, Diliman, Quezon City. At present, he is the corporate secretary and legal counsel of Test Consultants, Inc. from 2004-present; legal counsel of Padernal Construction Inc. (2010- present), Radiant Sunshine Power Corporation (2018 – present), Lamon Bay Furniture, Inc. (2018 to present), Philippine Pacific Trade Inc.(Salad Master Distributor (2010-present), Capitol City Sports and Country Club, Inc. (1980-1986), Jocanima Corporation (2012-2017), First Champion, Inc. (Manpower Services) 2012-2017, Prince David Condominium Unit Owners Association Inc. (2010-2015) and Don Enrique Height Subdivision Homeowners Association, Inc. (2016-present)

The aforementioned directors and officers have served the fiscal year ended March 31, 2020, and shall continue to serve until their successors are duly elected at the Company's next annual stockholders' meeting.

There are no other significant employees.

Family Relationships
The Chairman, Arsenio T. Ng and Arch. Hilario T. Ng are brothers. Sophie Miles Ng and Twinie Kaye Ng are daughters of Arsenio T. Ng.

Involvement in Certain Legal Proceedings
The company is not aware of or not involved in any legal proceedings, with material adverse consequence, of the nature required to be disclosed under Part IV of Annex "C" of the SRC with respect to directors and executive officers.

Item 10 - Executive Compensation

The CEO, to signify his solidarity with the Company's stakeholders waived his rights to the compensation due a CEO, as set by the Board of Directors for the fiscal year, thereby taking on the same risks and rewards as the common shareholders. Aggregate compensation in last 2 fiscal years paid to other officers of the Company's as a group, are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total Compensation of the Other officers and management team	2020 estimated	P 1.70 Million	0	0	P 1.70 Million
	2019	P 1.70 Million	0	0	P 1.70 Million
	2018	P 1.73 Million	0	0	P 1.73 Million

Compensation of Directors

Since the date of election, the directors have been receiving P 5,000.00 per meeting. Aside from the foregoing, the directors have served without compensation. The directors did not also receive any amount or form of compensation for committee participation or special assignments.

Under the By-Laws of the Company, by resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. There are no other arrangements for compensation either by way of payments for committee participation or special assignments. There are also no outstanding warrants or options held by the Company's Chief Executive Officer, other officers and/or directors.

Item 11 - Security Ownership of Certain Record and Beneficial Owners and Management

Owners of more than 5% of voting securities as of August 31, 2020:

Class	Name and address of record Owner and relationship with Issuer	Name of beneficial ownership and relationship with record owner	Citizenship	Shares Owned	%
A	1. Arsenio T. Ng 9Floor Summit One Tower 530 Shaw Boulevard, Mand, City Chairman, President and CEO	None	Filipino	2,763,541,260"r"	61.41%
A B	2. PCD Nominee Corp. (Fil) 37F Tower 1, The Enterprise Center 6766 Ayala Avenue, Makati City	various various	Filipino Filipino	880,094,430"r" 798,054,730"r"	19.56% 17.73%

The clients of PCD Nominee Corporation are the beneficial owners and have the power to decide how their shares are to be voted.

(1) Security ownership of Management as of August 31, 2019:

Class	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	% of Total Shares Outstandin g
A	NG, ARSENIO T.	PhP276,354,126.00	"d"	Filipino	61.41%
A	NG, HILARIO T.	350,100.00	"d"	Filipino	0.08%
A&B	BONIFACIO CHOA	200,000.00	"d"	Filipino	0.04%
A	HYLAND SI	100,000.00	"d"	Filipino	0.02%
A	CHEE CHOONG CHEAH	100.00	"d"	Malaysia	0.00%
A	SANTOS CEJOCO	100.00	"d"	Filipino	0.00%
A	MANUEL MOJE	1,000.00	"d"	Filipino	0.00%
A	PAUL SARIA	301,000.00	"d"	Filipino	0.07%
A	SOPHIE MILES NG	305,277.40	"d"	Filipino	0.07%
A	TWINIE KAYE NG	511,433.30	"d"	Filipino	0.11%
A	RENATO TAGUIAM	1,000.00	"d"	Filipino	0.00%
	All directors and executive officers as a group	**PhP278,124,136.70**			**61.81%**

Each every security holder is the beneficial owner in his own right.

Voting Trust Holders of 5% or More
The company has no voting trust agreement with any person or entity.

Changes in Control

There is no change in control or ownership of the company.

Item 12 - Certain Relationship and Related Transaction

Sierra Madre Consolidated Mines (SMCM)
In prior years, the Group made advances to SMDC 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 were 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 P11.8 million.

Transpacific Broadband Group Int'l. Inc. (TBGI)
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 Tower 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.

For the years ended March 31, 2020, 2019, and 2018, the Group charged TBGI its proportionate share of communication, dues and utilities expenses amounting to nil, P238,072,and P1,116,709 respectively.

ATN Solar
For the years ended March 2020, 2019 and 2018 the Group charged ATN Solar its proportionate share of expenses amounting to P375,917, P238,072, and P667,234 respectively.

Stockholders
The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2020, 2019 and 2018.

Item 13 – Part IV - Compliance with leading practice on Corporate Governance

The company will make a separate submission on filling of Integrated Annual Corporate Governance. The detailed discussion of the Annual Corporate Governance Section deleted as per SEC memorandum Circular No. 5, series of 2013, issued last March 20, 2013

Reports on SEC Form 11-C
No reports on SEC Form 11-C were filed during the year.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MANDALUYONG on SEP 1 4 2020.

By:

ARSENIO T. NG	**ARCH. HILARIO T. NG**	**PAUL B. SARIA**
Principal Executive Officer	Principal Financial Officer	Principal Operating Officer

SUBSCRIBED AND SWORN to before me this SEP 1 4 2020 day of ________, affiant(s) exhibiting to me their driver's license, as follows:

NAMES	CPI. NO.	DATE EXPIRES	PLACE OF ISSUE
ARSENIO T. NG	DL#N01-86-031588	Expires 03/13/2021	Mandaluyong
HILARIO T. NG	DL#F03-890495056	Expires 08/23/2021	Manila
PAUL SARIA	DL#N04-93-264992	Expires 12/15/2021	Mandaluyong

Notary Public

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not. Com. No. NP-124 1-12-19 until 12-31-2020
IBP O.R. No. 055255 Jan. 2019 & IBP O.R. No. 055256 Jan. 2020
PTR O.R No. 9332194 C 1-3-2020 / Roll No. 33832 / TIN# 129-871-009
MCLE No. VI-0029583 valid from 12/16/19 Valid until 04/14/22 Quezon City
Address: 31-F Harvard St. Cubao, Q.C.

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Book No.: XXVI
Series of 2020

ATN HOLDINGS, INC.

9TH Floor Summit One Tower
530 Shaw Blvd. Mandaluyong City
Tel. Nos. 717-0523 / 404-0239

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

September 10, 2020

The management on **ATN HOLDINGS, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the fiscal years ended **March 31, 2020 and 2019**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

R.R. Tan and Associates, CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Arsenio T. Ng	**Hilario T. Ng**	**Paul Saria**
Chairman and CEO	**Chief Finance Officer**	**Chief Operating Officer**

SUBSCRIBED AND SWORN to before me this SEP 11 2020 day of ________, affiants exhibiting to me their driver's license as follows:

NAMES	RES. CERT. NO.	DATE OF EXPIRATION	PLACE OF ISSUE
Arsenio T. Ng	DL# NO1-86-031588	03/13/2023	Mandaluyong
Hilario T. Ng	DL# F03-89-049-506	08/23/2021	Manila
Paul B. Saria	DL# N04-93-264-992	12/15/2021	Mandaluyong

Doc. No. : 130
Page No. : 13
Book No. XXVIII
Series of 2020

NOTARY PUBLIC
ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not. Com. No. NP-124 1-12-19 until 12-31-2020
IBP O.R. No. 055255 Jan. 2019 & IBP O.R. No. 055256 Jan. 2020
PTR O.R No. 9332194 C 1-3-2020 / Roll No. 33632 / TIN# 129-871-009
MCLE No. VI-0029583 valid from 12/16/19 Valid until 04/14/22 Quezon City
Address: 31-F Harvard St. Cubao, Q.C.

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632) 8638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2021
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Report of Independent Public Accountants

The Stockholders and Board of Directors
ATN HOLDINGS, INC. AND SUBSIDIARIES
9TH Floor, Summit One Tower,
530 Shaw Blvd., Mandaluyong City

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of **ATN HOLDINGS, INC. AND SUBSIDIARIES** (the Group), which comprise the consolidated statements of financial position as at March 31, 2020 and 2019, and consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2020, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Investment in an Associate

As of March 31, 2020, the Group's investment in an associate amounted to P852 million equivalent to 48% beneficial equity interest. The asset represents 23% of the total assets at year-end after the Group poured additional investment amounting to P175 million and P358.7 million during 2020 and 2019, respectively. The associate, which is accounted under the equity method, is still in the pre-opening stage and now venturing into quarrying activities. We consider this as a key audit matter based on the following key assessments: (i) volume of investments, (ii) complex nature of associate's operations and (iii) certainty or uncertainty of commencing operations.

The Group's disclosure in Investment in associate is discussed in Note 13 of the Notes to Financial Statements.

Audit procedures conducted

In the audit of Investment in associates, the following procedures were carried out:

- Performing an analytical procedures of the associate's latest financial statements and impairment assessment, where necessary;

- Discussion with key management and technical personnel regarding the development of solar projects and the rock crusher project during the year and any subsequent material events;

- Review of financial forecast of the associates including project financing, revenue estimates and other investment opportunities;

- Review of significant agreements entered into with other parties related to its solar energy and rock crusher project, including minutes of Board of Directors meeting;

Valuation and recoverability of Investment Properties

As of March 31, 2020 and 2019, the Group has Investment Properties amounting to P2.673 billion and P2.725 billion, comprising 72% and 78% of the total assets, respectively. Significant portion of Investment properties are measured under the fair value method as determined by accredited professional property appraiser. Said appraiser used several significant observable factors for each of the property to determine fair value such as price per square meter, location, highest and best use of the property, among others.

The Group also assesses, at each reporting period whether there are indications that these assets maybe impaired. The assessment of the recoverable amount of investment properties requires significant judgements and involves estimation and assumption as to the recoverability of the carrying amounts as at the reporting period. Hence, the valuation and recoverability of Investment properties is a key matter in our audit. Investment properties is disclosed in Note 14.

Audit procedures conducted

Our audit of Investment properties was focused on the appropriateness and reasonableness of the significant observable and unobservable factors and assumptions used to determine fair values. We also assessed the independence and competency of property appraiser. A re-computation of the related accounts as a result of revaluation was also conducted.

For impairment assessment, we obtained an understanding of the Group's impairment assessment procedures. The significant methods and assumptions used including the required disclosures in the financial statements and those that have the most significant effect on the determination of the recoverable amount of Investment properties.

Remote Audit Performance

On March 13, 2020, a state of public emergency was declared throughout the country as a result of COVID-19 pandemic. Accordingly, work stoppage, cancellation of transportation, limited movement of people and curfews were implemented in the country. As social and physical distancing are observed at all times, the conduct of audit work has to be done remotely and out-of-office. We consider this as a key audit matter, since certain audit procedures such as inspection and verification of original documents were done electronically.

Audit procedures conducted

In the audit of the consolidated financial statements as at and for the fiscal year ended March 31, 2020, the following procedures were done remotely:

- Verification and inspection of selected cash disbursement vouchers, journal vouchers, tax returns and the related supporting documents in electronic copies.

- Verification of financial reports and other relevant documents that support account balances.

- Inspection and verification of publicly available documents.

- Discussion of audit results via teleconference.

Other Matters

We did not audit the financial statements of subsidiaries as of and for the three years ended December 31, 2019, 2018 and 2017, which are consolidated in the accompanying financial statements. Total assets and total liabilities of these subsidiaries included in the accompanying consolidated financial statements amounted to P2.5 billion and P869 million, respectively, in December 31, 2019, P2.4 billion and P809 million, respectively, in December 31, 2018, and P2.3 billion and P752 million, respectively, in December 31, 2017. Gross income and total expenses amounted to P27.2 million and P29.1 million, respectively, for the year ended December 31, 2019, P16.6 million and P19.8 million, respectively, for the year ended December 31, 2018, and P4.5 million and P9.1 million, respectively, for the year ended December 31, 2017. The financial statements of these subsidiaries were audited by another auditor whose unmodified reports thereon have been furnished to us, and our opinion, insofar as it relates to these amounts included for these subsidiaries is based solely on the reports of the other auditor.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A and Annual Report for the year ended March 31, 2020, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and

Annual Report for the year ended March 31, 2020 are expected to be made available to us after the date of auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 5242109, January 4, 2020, Pasig City
SEC Accreditation No. 1812-A, valid until July 24, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

September 10, 2020
Pasig City

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632) 8638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2021
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Independent Auditors' Report on Supplementary Schedules

The Stockholders and Board of Directors
ATN HOLDINGS, INC. AND SUBSIDIARIES
9TH Floor, Summit Tower
530 Shaw Blvd., Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **ATN HOLDINGS, INC. AND SUBSIDIARIES** (the Group) as at March 31, 2020 and 2019 and for each of the three years in the period ended March 31, 2020, included in this Form 17-A, and have issued our report thereon dated September 10, 2020.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

R.R.TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 5242109, January 4, 2020, Pasig City
SEC Accreditation No. 1812-A, valid until July 24, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

September 10, 2020
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2020 AND 2019

	Notes		2020		2019
ASSETS					
Current Assets					
Cash	9	P	35,118,338	P	17,211,263
Other current assets	10		6,569,166		5,593,116
			41,687,504		22,804,379
Non-current assets held for sale	11		99,298,000		18,477,856
			140,985,504		41,282,235
Non-current Assets					
Investments in:					
Financial Assets - Fair value through other comprehensive income (FVOCI)	12		21,296,000		22,955,000
Associates - net	13		852,214,833		678,207,476
Investment properties	14		2,673,343,344		2,725,369,360
Property and equipment - net	15		5,051,712		16,184,354
Intangible asset - net	16		-		4,000,000
Due from related parties	25		19,455,498		-
			3,571,361,387		3,446,716,190
TOTAL ASSETS		P	3,712,346,891	P	3,487,998,425
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	17	P	3,651,312	P	4,477,123
Short-term interest bearing loans	18		84,000,000		21,900,000
Lease liability	19		1,792,138		2,749,490
			89,443,450		29,126,613
Liability portion of non-current assets held for sale	11		31,600,000		21,945,941
			121,043,450		51,072,554
Non-current Liabilities					
Deposits	20		54,262,602		21,152,981
Subscription payable	21		17,000,000		86,981,600
Due to related parties	26		692,916,071		493,623,794
Pension liability	25		788,928		655,274
Deferred tax liabilities - net	27		714,888,920		714,938,971
			1,479,856,521		1,317,352,620
TOTAL LIABILITIES			1,600,899,971		1,368,425,174
EQUITY					
Share capital	22		450,000,000		450,000,000
Additional paid-in capital			22,373,956		22,373,956
Unrealized loss on:					
Financial asset at fair value through OCI - net of tax	22		(3,103,863)		(1,454,818)
Retained earnings - March 31			1,642,176,827		1,648,654,113
TOTAL EQUITY			2,111,446,920		2,119,573,251
TOTAL LIABILITIES AND EQUITY		P	3,712,346,891	P	3,487,998,425

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2020, 2019 AND 2018

	Notes		**2020**		2019		2018
REVENUES							
Lease of properties	*14*	**P**	**15,694,118**	P	11,158,278	P	7,813,973
Real estate sales			**13,237,675**		5,748,953		-
Health care services			**-**		-		2,011,419
Other income:							
Gain on sale of equipment			**283,390**		-		-
Interest income			**9,976**		17,607		26,231
Fair value gain on investment properties	*6*		**-**		-		445,872,528
Gain on sale of investment in associate			**-**		-		10,000,000
Gain on foreign exchange			**-**		-		131,282
			29,225,159		16,924,838		465,855,433
COSTS AND EXPENSES							
Cost of sales and services	*23*		**13,413,457**		7,580,446		4,569,522
Administrative expenses	*24*		**11,896,962**		11,715,733		10,086,502
Equity in net loss of an associate	*13*		**992,643**		3,627,846		1,740,265
Finance costs	*18,19*		**4,583,848**		1,573,630		1,324,687
Impairment losses	*15,16*		**3,500,000**		3,535,252		4,912,000
			34,386,910		28,032,907		22,632,976
INCOME (LOSS) BEFORE INCOME TAX EXPENSE			**(5,161,751)**		(11,108,069)		443,222,457
INCOME TAX EXPENSE	*35*		**1,315,535**		632,557		134,945,864
INCOME (LOSS) FOR THE PERIOD		**P**	**(6,477,286)**	P	(11,740,626)	P	308,276,593
EARNINGS (LOSS) PER SHARE	*28*	**P**	**(0.00144)**	P	(0.00261)	P	0.06851

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2020, 2019 AND 2018

	Notes		**2020**		2019		2018
INCOME (LOSS) FOR THE PERIOD		**P**	**(6,477,286)**	P	(11,740,626)	P	308,276,593
OTHER COMPREHENSIVE INCOME (LOSS)							
Items to be reclassified to profit or loss in subsequent periods:							
Fair value changes in AFS securities -							
net of deferred tax			**-**		-		780,378
Items not to be reclassified to profit or loss in subsequent periods:							
Fair value changes inFinancial asset at fair value through							
other comprehensive income - net deferred tax	*22*		**(1,649,045)**		(30,845)		-
TOTAL COMPREHENSIVE INCOME (LOSS)		**P**	**(8,126,331)**	P	(11,771,471)	P	309,056,971

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2020, 2019 AND 2018

				Unrealize loss on			
	Notes	Share Capital	Additional Paid-in Capital	Financial assets at fair value through OCI - net of deferred tax	Available-for-sale securities - net of deferred income tax	Retained Earnings	Total
Balance at March 31, 2018		P 450,000,000	P 22,373,956	P -	P (1,423,973)	P 1,660,394,739	P 2,131,344,722
Effect of adoption of PFRS 9	*22*	-	-	(1,423,973)	1,423,973	-	-
Changes in financial assets at fair value through OCI	*22*	-	-	(30,845)	-	-	(30,845)
Loss for the period		-	-	-	-	(11,740,626)	(11,740,626)
Balance at March 31, 2019		**P 450,000,000**	**P 22,373,956**	**P (1,454,818)**	**P -**	**P 1,648,654,113**	**P 2,119,573,251**
Changes in financial assets at fair value through OCI	*22*	**-**	**-**	**(1,649,045)**	**-**	**-**	**(1,649,045)**
Loss for the period		**-**	**-**	**-**	**-**	**(6,477,286)**	**(6,477,286)**
Balance at March 31, 2020		**P 450,000,000**	**P 22,373,956**	**P (3,103,863)**	**P -**	**P 1,642,176,827**	**P 2,111,446,920**

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2020, 2019, AND 2018

	Notes	**2020**	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax expense		**P (5,161,751)**	P (11,108,069)	P 443,222,457
Adjustments for:				
Depreciation and amortization	*15,16*	**4,642,450**	5,193,207	5,599,236
Equity in net loss of associate	*13*	**992,643**	3,627,846	1,740,265
Interest expense		**4,583,848**	1,573,630	1,324,687
Interest income		**(9,976)**	(17,607)	(26,231)
Provision (reversal) for retirement liability	*25*	**133,654**	81,578	(129,170)
Impairment loss	*15,16*	**3,500,000**	3,535,252	4,912,000
Unrealized foreign exchange gain		**-**	-	(131,282)
Gain on sale of investment in associate		**-**	-	(10,000,000)
Fair value gains on investment properties		**-**	-	(445,872,528)
Operating Income Before Working Capital Changes		**8,680,868**	2,885,837	639,434
(Increase) Decrease in Operating Assets:				
Trade receivable		**-**	305,286	592,836
Other current assets		**976,050**	(1,544,315)	(1,379,419)
Increase (Decrease) in Operating Liabilities:				
Accounts payable and accrued expenses		**(825,811)**	(1,588,184)	(554,636)
Deposits		**-**	(58,000)	(557,629)
Cash Provided by (Used in) Operations		**8,831,107**	624	(1,259,414)
Income tax paid		**(2,649,019)**	(449,560)	(147,305)
Interest received		**7,942**	15,554	26,231
Net Cash Provided by (Used in) Operating Activities		**6,190,030**	(433,382)	(1,380,488)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of:				
Property and equipment	*15*	**(192,411)**	(3,891,071)	(1,554,964)
Investment properties	*14*	**(41,111,270)**	(25,014,839)	(3,899,248)
Proceeds from disposal of property and equipment		**18,841,034**	-	-
Interest received		**232**	1,044	-
Increase in liability portion of non-current held for sale		**9,654,059**	-	2,399,819
Due from related parties:				
Availment	*26*	**(177,455,498)**	(1,805,955)	(3,364,220)
Collection	*26*	**-**	16,552,455	33,871,227
Increase in deposits		**33,109,621**	1,013,722	58,000
Payment of subscription	*21*	**(86,981,600)**	(351,868,760)	(76,748,460)
Net Cash Used in Investing Activities		**(244,135,833)**	(365,013,404)	(49,237,846)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of interest bearing loans:				
Principal		**(3,857,352)**	(61,687,627)	(3,900,000)
Interest		**(4,583,848)**	(1,573,630)	(1,324,687)
Interest received		**1,802**	1,009	-
Proceeds of bank loans		**65,000,000**	43,050,600	20,000,000
Due to related parties:				
Availment	*26*	**233,675,336**	426,698,075	38,953,715
Payment	*26*	**(34,383,059)**	(36,450,395)	(3,000,000)
Net Cash Provided by Financing Activities		**255,852,879**	370,038,032	50,729,028
INCREASE IN CASH AND CASH EQUIVALENTS		**17,907,076**	4,591,246	110,694
CASH AT BEGINNING OF YEAR		**17,211,262**	12,620,016	12,509,322
CASH AT END OF YEAR		**P 35,118,338**	P 17,211,262	P 12,620,016

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020, 2019, AND 2018

1. Corporate Information

ATN Holdings, Inc. (*ATN, the Parent or the Company*) 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 company. On November 10, 2016, the Company'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.

The accompanying consolidated financial statements were authorized for issue by the President on September 10, 2020.

2. Basis of Preparation and Presentation

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) investment 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.

Statement of Compliance
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and interpretations thereof. PFRS are adopted standards by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB).

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 March 31, 2020, 2019 and 2018, 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, 2020 and 2019, MCPI has ceased its healthcare operations and accordingly sold a significant portion of its medical equipment during 2020. AHCDC and PLDI has 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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or use to settle a liability for at least twelve months after the end of the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

Financial Instruments

Date of recognition

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

(a) Financial assets

Initial recognition of financial instruments

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and · losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

As of March 31,2020, and 2019, the Company's financial assets are classified as (i) Financial assets at amortized cost and (ii) Financial assets at fair value through OCI.

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company's financial assets at amortized cost includes cash in bank, due from related parties and deposits.

Financial assets at fair value through OCI (FVOCI)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Included in this category are the Company's investments in shares of stock in a publicly listed company.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables from related parties, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in bank and deposit, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis.

(b) Financial liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include Accounts payable and accrued expenses, Short-term loans payable", Deposits, Subscription payable and Due to related parties.

Subsequent Measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss The Company's other financial liabilities include Accounts payable and accrued expenses, Short-term loans payable", Deposits, Subscription payable and Due to related parties.

Derecognition of Financial Instruments

(a) Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(b) Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Non-current Assets Held for Sale

The Group classifies its non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

The Company measures its non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

Other Current Assets

Other current assets include 12% input tax from purchases of goods and services which can be claimed against output tax, prior year's excess credit and security deposits. Other current assets are carried at original amounts.

Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Group.

Investment properties are measured initially at acquisition cost. The initial cost of investment properties comprises its purchase price and directly attributable costs of bringing the assets to working condition for intended use. Subsequently, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of the investment property is based on a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the Group. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Expenditures for major improvements and renewals are capitalized while minor repairs and maintenance and overhaul costs, are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in the statements of income for the period.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statements of income in the year of retirement or disposal.

Investment in Associates

The Group's investments in associates are accounted for using the equity method. An associate is an entity in which a company has significant influence. Under the equity method, the investments in associates is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Upon loss of significant influence over the associate, the equity method is discontinued and the investment is accounted in accordance with PAS 39/PFRS 9, Financial Instruments: Recognition and Measurement.

Property and Equipment
Property and equipment are initially recognized at acquisition cost including the expenses to get the property ready for its intended use. Subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

Expenditures for major improvements and renewals are capitalized while minor repairs and maintenance and overhaul costs, are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in the statements of income for the period.

When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Medical equipment and fixtures	15
Office furniture and fixtures	10
Leasehold improvements	3-13 or lease term whichever is shorter
Transportation equipments	5
Right-of-use assets	5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An asset's residual value, useful life and depreciation method are reviewed periodically to ensure that the period, residual value and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statements of income in the year the item is derecognized.

Intangible Asset
The Group's portal and enterprise system is carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortization is computed based on the aggregate predicted life of 15-20 years from the date of launch.

Impairment of Non-Financial Assets
The Company's investment in associates and subsidiaries, investment properties and intangible assets are subject to impairment testing. All other individual assets' or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Deposits
Deposits represent security deposits from clients and reservation fees from real estate buyers. The same will be applied to contract price when the buyer committed to purchase the unit. Reservation fees are non-refundable should the buyer decided not to go through with the acquisition of the property.

Leases
Policy Applicable from January 1, 2019
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in PFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.

As a Lessee
At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payment that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company used a number of practical expedients when applying PFRS 16 to leases previously classified as operating leases under PAS 17. In particular, the Company:

- Did not recognized right-of-use assets and liabilities for leases for which the lease term ends within 12 months from the date of initial application;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

Short-term Leases and Leases of Low-value Assets
The Company has elected not to recognize right-of-use assets and lease liabilities for the leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor
When the Company acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Company made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease is a finance lease; if not, then it was an operating lease. As part of this assessment, the Company considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Leases where the Company does not transfer substantially all of the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognized on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Policy Applicable before January 1, 2019
For contracts entered into before January 1, 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

  i. the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  ii. the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than insignificant amount of the output; or
  iii. facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a Lessee
As a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognized in the Company's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total rent expense, over the term of the lease.

As a Lessor
When the Company acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Company made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease is a finance lease; if not, then it was an operating lease. As part of this assessment, the Company considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Leases where the Company does not transfer substantially all of the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognized on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Short-term lease
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Equity
Share capital is determined using the par value of shares that have been issued and fully paid.

Additional paid-in capital includes premiums received on the issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Unrealized gain/loss on Financial assets at fair value through other comprehensive income pertains to mark-to-market valuation of financial assets through other comprehensive income.

Retained earnings include all current and prior period results of operations as disclosed in the consolidated statements of income.

Other Comprehensive Income
Other comprehensive income comprises items of income and expenses that are not recognized in the profit or loss for the year in accordance with PFRS.

Revenue and Cost Recognition
Revenue comprises revenue from sale of goods and rendering of services measured by reference to the fair value of consideration received or receivable by the Group for services rendered, excluding VAT and discounts. Revenue is recognized only when (or as) the Group

satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time. A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Company performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- The Group's performance does not create an asset with an alternative use to the Company and the Group has an enforceable right to payment for performance completed to date.

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

(i) Interest – interest income from bank deposits is recognized as interest accrues taking into account the effective yield on the related asset.

(ii) Real Estate Sales – recognized when the title to the asset is transferred to the buyer or if the collectability is reasonably assured. If collectability is not reasonably assured, revenue is recognized only to the extent cash is received.

(iii) Rental income - properties leased out under operating leases are included in investment property in the consolidated statements of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

(iv) Dividends - dividends are recognized in the period in which they are declared.

(v) Fair value gains on investment properties – fair value gains on investment properties are recognized when the market value of the investment properties are higher than its carrying value. Measurement of fair value is discussed in Note 6.

Cost and expenses are recognized in the consolidated statements of income upon utilization of the assets or services or at the date they are incurred.

Retirement Benefit Cost
The Group accrues retirement expense based on the provision of the Retirement Pay Law (R.A. 7641). The RA requires that employers with no formal retirement plan or agreement providing for retirement benefits shall provide for retirement pay equivalent to at least 15 days plus 1/12 of the 13^{th} month pay and the cash equivalent of not more than five (5) days of service incentive leave for employees who have rendered at least five (5) years of service and have reach the age of 60 at the time of retirement. Annually, the Group assesses the sufficiency of the recorded retirement liability. Any increase or decline thereto is adjusted in the consolidated statement of financial position.

Income Taxes
Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the end of reporting period.

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the consolidated statements of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Foreign Currency Transactions and Translations
Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (*the functional currency).* The consolidated financial statements of the Parent and subsidiaries are presented in Philippine Peso, the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at exchange rates prevailing at the time of transaction. Foreign currency gains and losses resulting from settlement of such transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income.

Provisions
Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example legal disputes for onerous contract.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain, as a separate asset at an amount not exceeding the balance of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. In addition, long term provisions are discounted at their present values, where time value of money is material.
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Earnings (Loss) Per Share
Earnings (Loss) per share are determined by dividing the profit for the year by the weighted average number of common shares outstanding during the fiscal year.

Related Party Transactions and Relationships
Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Segment Reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Events after the Reporting Period
Post year-end events that provide additional information about the Group's position at the end of reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as at March 31, 2019

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to standards effective beginning July 1, 2019. The adoption however did not result to any material changes in the financial statements.

PFRS 16, *Leases*
PFRS 16, Leases, supersedes PAS 17, Leases, and the related Philippine Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognized on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance, and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgmental thresholds that affect the identification, classification, and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgments at each reporting date were introduced.

As of March 31, 2020, the Group has lease agreement for the acquisition of transportation equipment. The effect of adjustment is as follows:

- Reclassified Transportation equipment to Right-of-use asset amounting P1,347,321.
- Reclassified Interest-bearing loans to Lease liability amounting to P1,792,138.

Amendments to PFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*

The amendments cover two issues:

- What financial assets may be measured at amortized cost. The amendment permits more assets to be measured at amortized cost than under the previous version of PFRS 9, in particular some prepayable financial assets.

- How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under PAS 39.

The amendments are effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The amendments have no effect on the Company's financial statements. Since the Company does not have financial instruments with prepayment features with negative compensation.

Annual Improvements to PFRSs (2015-2017 cycle)
The Annual Improvements to PFRSs (2015-2017 cycle) are effective for annual periods beginning on or after January 1, 2019 and did not have any material impact to the Company's financial statements. They include:

- PFRS 3, Business Combinations and PFRS 11, Joint Arrangements
  The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- PAS 12, Income Taxes
  The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises.

- PAS 23, Borrowing Costs
  The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows *generally* when calculating the capitalization rate on general borrowings.

Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*
The amendment clarifies that an entity applies PFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments are effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The amendments have no effect on the Company's financial statements since the Company does not have long-term interests in associates and joint ventures.

Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*
This interpretation applies in determining the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12, *Income Taxes*.

An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

- If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

- If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

An entity has to reassess its judgments and estimates if facts and circumstances change.

The interpretation is effective for periods beginning on or after January 1, 2019. Earlier application is permitted. The adoption of this interpretation has no significant impact on the Company's financial statements as the Company does not have any uncertainty over income tax treatments under PAS 12.

Amendments to PAS 19, *Plan Amendment, Curtailment or Settlement*
The amendments in Plan Amendment, Curtailment or Settlement are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The amendments are effective for periods beginning on or after July 1, 2019. Earlier application is permitted. The adoption of these amendments has no effect on the Company's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to March 31, 2020

The standards, amendments and interpretations which have been issued but not yet effective as at March 31, 2020 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

PFRS 17, *Insurance Contracts*
PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- Divides the contracts into groups that it will recognize and measure;
- Recognizes and measures groups of insurance contracts at:

    i. a risk-adjusted present value of the future cash flows (the fulfillment cash flows) that incorporates all of the available information about the fulfillment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset); or
    ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);

- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and

- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2025. Earlier application is permitted. The adoption of the new standard will not have an impact on the Company for it is not an issuer of insurance contracts.

Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* - *Definition of Material*
PAS 8.31(b-d) The amendments relate to a revised definition of 'material':

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Three new aspects of the new definition include (i) obscuring; (ii) could reasonably be expected to influence; and (iii) primary users.

The amendments stress especially five ways material information can be obscured:

- if the language regarding a material item, transaction or other event is vague or unclear;
- if information regarding a material item, transaction or other event is scattered in different places in the consolidated financial statements;
- if dissimilar items, transactions or other events are inappropriately aggregated;
- if similar items, transactions or other events are inappropriately disaggregated; and
- if material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for periods beginning on or after January 1, 2020. Earlier application is permitted. The Management of the Company is still evaluating the impact of these new amendments.

Amendments to PFRS 3, *Business Combinations - Definition of Business*
The amendments are to:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Management of the Company is still evaluating the impact of these new amendments.

Deferred

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any significant impact on the financial statements.

5. Summary of Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about varying values of assets and liabilities that are not readily apparent from other sources. Although, these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

(i) Judgments
The following judgments were applied which have the most significant effect on the amounts recognized in the consolidated financial statements.

Going-concern assumption of certain subsidiaries
Included in consolidated financial statements are accounts of certain subsidiaries which are either reported a limited or no operation for the year ended December 31, 2020 and 2019. Management intends to re-focus its current business thrust into other ventures which are deemed to be more profitable and continue operation for a foreseeable future. Hence, the financial statements are prepared under the going concern assumption.

Classification of financial assets at FVOCI
In classifying its financial assets, the Group follows the guidance of PFRS 9. In making the judgment, the Group evaluates its intention, marketability of the instrument and its ability to hold the investments until maturity.

As of March 31, 2020 and 2019, the Group classifies its investment in equity securities as financial assets at FVOCI.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. If an insignificant portion is leased out under the operating lease, the property is treated as property and equipment. If the property is not occupied and is held to earn, it is treated as investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Classification of assets held for sale
The Group classifies a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition and its sale must be highly probable.

Operating leases – Group as lessor
The Group has entered into property leases on a portion of its investment property. The Group has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Group's rental income amounted to P15,694,118 in 2020, P11,158,278 in 2019 and P7,813,973 in 2018.

Determination of fair value of financial assets at FVOCI and Investment properties
The Group measures fair value of financial assets at FVOCI and Investment properties using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value determination is discussed below.

Level 1
Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. An asset or liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of assets and liabilities were determined in a manner disclosed in Note 6.

Provision and contingencies
Judgment is exercised by management to distinguish between provisions and contingencies.

(ii) Estimates
The key assumptions concerning the future and other key sources of estimation of uncertainty at end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating allowance for ECL on receivables and due from related parties
The assessment of the correlation between historically observed default rates, forward-looking information, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions.

The Company's historical credit loss experience and forecast of economic conditions may also not be representative of actual default in the future.

Estimated useful lives of property and equipment
The Group reviews annually the estimated useful lives of property and equipment, based on the period on which the assets are expected to be available for use. It is possible that future results of operation could be materially affected by changes in these estimates. A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.

Property and equipment, net of accumulated depreciation and impairment losses, amounted to P5.05 million and P16.18 million as of March 31, 2020 and 2019, respectively.

Estimating fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

(i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
(iii) appraisal of independent qualified appraisers.

Estimating the cost of assets held for sale
The Group measures its assets held for sale at the lower of their carrying amount and fair value less costs to sell. Management has determined the fair value less costs to sell of the Group's assets held for sale based on the indicative price agreed with identified buyer.

Impairment of investment in associates and due from related parties
The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Several factors are considered which could trigger that impairment has occurred. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have material adverse effect on the results of operations.

The net carrying value of Investments in Associates and Due from Related Parties as of March 31, 2020 and 2019 is as follows:

	2020		
	Gross carrying amount	**Allowance for impairment**	**Net carrying value**
Investments in associates:			
ATN Phils Solar Energy Group, Inc.	**P 852,214,833**	**P -**	**P 852,214,833**
Mariestad Mining Corporation (MMC)	**11,306,000**	**11,306,000**	**-**
Due from related parties:			
ATN Phils Solar Energy Group, Inc.	**3,794,821**	**-**	**3,794,821**
Sierra Madre Consolidated Mines (SMCM)	**11,756,000**	**11,756,000**	**-**
Transpacific Broadband Group Intl, Inc.	**13,100,000**	**-**	**13,100,000**
Stockholders	**2,560,677**	**-**	**2,560,677**
	P 894,732,331	**P 23,062,000**	**P 871,670,331**

	2019		
	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in associates:			
ATN Phils Solar Energy Group, Inc.	P 678,207,476	P -	P 678,207,476
Mariestad Mining Corporation (MMC)	11,306,000	11,306,000	-
Due from related parties:			
Sierra Madre Consolidated Mines (SMCM)	11,756,000	11,756,000	-
	P 701,269,476	P 23,062,000	P 678,207,476

6. 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.

	2020		2019	
	Carrying value	**Fair value**	Carrying value	Fair value
Cash	**P 35,118,338**	**P 35,118,338**	P 17,211,263	P 17,211,263
Financial asset at FVOCI	**21,296,000**	**21,296,000**	22,955,000	22,955,000
Other financial liabilities				
Accounts payable and accrued expenses	**3,651,312**	**3,651,312**	4,477,123	4,477,123
Bank loans	**84,000,000**	**79,245,283**	21,900,000	20,660,377
Deposits	**54,262,602**	**54,262,602**	21,152,981	21,152,981
Subscription payable	**17,000,000**	**17,000,000**	86,981,600	86,981,600

Fair values were determined as follows:

- *Cash 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. The value of unquoted AFS securities was derived by reference to its cost.

- *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.

Fair value hierarchy
The fair value hierarchy of financial instruments measured at fair value is as follows:

		March 31, 2020						
		Carrying		**Fair value hierarchy**				
		value		**Level 1**		**Level 2**		**Level 3**
Financial assets at FVOCI								
Listed	**P**	**496,000**	**P**	**496,000**	**P**	**-**	**P**	**-**
Unlisted		**20,800,000**		**-**		**20,800,000**		**-**

		March 31, 2019						
		Carrying		Fair value hierarchy				
		value		Level 1		Level 2		Level 3
Financial assets at FVOCI								
Listed	P	1,271,000	P	1,271,000	P	-	P	-
Unlisted		21,684,000		-		21,684,000		-

Investment Properties

On April 2, 2018 certain investment properties situated in Mandaluyong and Rodriguez, Rizal were re-appraised to properly reflect its fair market value. The appraisal resulted to an increase in value of investment amounting to P420.22 million. The fair market value is determined by a firm of independent appraiser on April 2, 2018 using the Market approach. In this approach, the value of the land was based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. Accordingly, the Company categorized these condominium units under Level 2 of the fair value hierarchy.

Commercial building situated at San Fernando, Pampanga has been re-appraised to properly reflect its fair market value. The investment property has a sound value of P6.638 million based on its depreciated appraisal value and as a result of valuation, the Company recognized an impairment loss amounting to P4.912 million reported in the Consolidated Statements of Income. The valuation method used in determining the appraised value of this property is Cost Approach, a comparative approach based on the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.

Townhouses located at Riverside Village, Pasig City were re-appraised to properly reflect its fair market value. The appraisal resulted to an increase in value of investment amounting to P25.65 million. The fair market value of the townhouses was arrived using the Market approach. In this approach, the value of the townhouse units was based on sales and listings of comparable property registered within vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by establishing the differences between the subject property and those actual sales and listings regarded as comparable.

The description of valuation techniques and inputs used in determining the fair value of investment properties in fair value hierarchy is as follows:

Location	Type	Valuation techniques	Significant observable inputs	Fair value hierarchy	Range 2020	Range 2019
Riverside Village	Townhouses	Market approach	Selling price (per square meter)	Level 3	P22,500 - P36,333	P22,500 - P36,333
			Size		5.0%	5.0%
			Location		-5% to -10%	-5% to -10%
			Improvements		-25% to -35%	-25% to -35%
Summit One Tower	Parking lots	Market approach	Selling price (per square meter)	Level 2	P61,818 - P82,926	P61,818 - P82,926
			Size		5%	5%
			Location		-5%	-5%
			Improvements		-	-
	Condominium units	Market approach	Selling price (per square meter)	Level 2	P61,864 - P64,937	P61,864 - P64,937
			Size		5%	5%
			Location		-5%	-5%
			Improvements		10% to 15%	10% to 15%
Rodriguez, Rizal	Land	Market approach	Selling price (per square meter)	Level 2	P665 - P1,127	P665 - P1,127
			Size		-10% to -15%	-10% to -15%
			Location		-5% to -20%	-5% to -20%
			Potential use		5% to 10%	5% to 10%
			Development		15%	15%
San Fernando, Pampanga	Land	Market approach	Selling price (per square meter)	Level 2		P14,250 - P18,000
			Size			-5% to -20%
			Location			-5%
			Potential use			10%
			Thru lot			5%
	Commercial building	Cost approach	Condition of the building	Level 3	P6,368,000	P6,368,000

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Company'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 March 31, 2020 and 2019 based on contractual undiscounted payments:

2020	**On demand**	**Not later than one month**	**Later than 1 month & not later than 3 months**	**Later than 3 months & not later than 1 year**	**No fixed payment period**	**Total**
Accounts payable and accrued expenses	**P 3,651,312**	**P -**	**P -**	**P -**	**P -**	**P 3,651,312**
Bank loans	**-**	**-**	**-**	**84,000,000**	**-**	**84,000,000**
Due to related parties	**-**	**-**	**-**	**-**	**692,916,071**	**692,916,071**
Lease liability	**-**	**-**	**-**	**1,792,138**	**-**	**1,792,138**
Subscription payable	**-**	**-**	**-**	**-**	**17,000,000**	**17,000,000**
	P 3,651,312	**P -**	**P -**	**P 85,792,138**	**P 709,916,071**	**P 799,359,521**

2019	On demand	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 months & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	P 2,820,587	P 1,656,536	P -	P -	P -	P 4,477,123
Bank loans	-	-	-	23,692,138	-	23,692,138
Due to related parties	-	-	-	-	493,623,794	493,623,794
Lease Liability	-	-	-	2,749,490	-	2,749,490
Subscription payable	-	-	-	-	86,981,600	86,981,600
	P 2,820,587	P 1,656,536	P -	P 26,441,628	P 580,605,394	P 611,524,145

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 March 31, 2020 and 2019. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	2020	2019
Cash and cash equivalents	**P 35,118,338**	P 17,211,263
Financial asset at fair value through OCI	**21,296,000**	22,955,000
	P 56,414,338	P 40,166,263

The credit quality of the Group's assets as of March 31, 2020 and 2019 is as follows:

2020	Neither past due nor impaired		Past due	Past due	
	High grade	Standard grade	but not impaired	and impaired	Total
Cash and cash equivalents	**P 35,118,338**	**P -**	**P -**	**P -**	**P 35,118,338**
Financial asset at fair value - OCI	**-**	**21,296,000**	**-**	**-**	**21,296,000**
	P 35,118,338	**P 21,296,000**	**P -**	**P -**	**P 56,414,338**

2019	Neither past due nor impaired		Past due	Past due	
	High grade	Standard grade	but not impaired	and impaired	Total
Cash and cash equivalents	P 17,211,263	P -	P -	P -	P 17,211,263
Financial asset at fair value - OCI	-	22,955,000	-	-	22,955,000
	P 17,211,263	P 22,955,000	P -	P -	P 40,166,263

High grade cash and cash equivalents are short-term placements placed, invested, or 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 asset . Before taking into account the effect of taxes, equity as of March 31, 2020 and 2019 would either decrease or increase by P3,100 and P90,985, respectively, had the variable change by 10%. 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 securities.

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:

		2020		2019
Equity	**P**	**2,111,446,920**	P	2,119,573,251
Total assets		**3,712,346,891**		3,487,998,425
Ratio		**0.57**		0.61

8. Segment Information

The Company has one reportable operating segment, which is the Real estate leasing. 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:

		2020		2019		2018
Revenue	**P**	**15,694,118**	P	11,158,278	P	7,813,973
Cost and Expenses		**13,413,457**		5,424,683		870,842
Net income (loss)		**2,280,661**		5,733,595		6,943,131
Reportable segment assets		**2,473,460,806**		2,472,509,414		2,776,298,346
Reportable segment liabilities		**810,426,922**		794,937		148,677,882

The reconciliation of the total revenue reported by reportable operating segment to revenue in the Consolidated Statement of Income is presented in the following table:

		2020		2019		2018
Total revenue in the consolidated statement of income	**P**	**29,225,159**	P	16,924,838	P	465,855,433
Less: Revenue other than real estate development		**13,531,041**		5,766,560		458,041,460
Total segment revenues	**P**	**15,694,118**	P	11,158,278	P	7,813,973

The reconciliation of net income reported by reportable operating segment to net income in the statements of comprehensive income is presented in the following table:

		2020		2019		2018
Net loss in the consolidated statement of income	**P**	**(6,477,286)**	P	(11,740,626)	P	308,276,593
Less: Unallocated segment items						
Income		**13,531,041**		5,766,560		458,041,460
Expenses		**(22,288,988)**		(23,240,781)		(156,707,998)
Segment income (loss)	**P**	**2,280,661**	P	5,733,595	P	6,943,131

9. Cash

Cash accounts with the banks generally earn interest at rates based on prevailing bank deposit rates. Cash in bank amounted to P35,118,338 and P17,211,263 as of March 31, 2020 and 2019, respectively.

10. Other Current Assets

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

		2020		2019
Input taxes	**P**	**3,740,483**	P	2,044,717
Deposits		**1,841,898**		1,664,160
Prepaid taxes		**986,785**		1,878,239
Other receivable		**-**		6,000
	P	**6,569,166**	P	5,593,116

- Input taxes taxes represents the 12% tax on domestic purchases of goods and services from VAT registered entities. Input tax is applied against output taxes on a monthly basis.
- Deposits are advance payment of rental that are expected to be applied within the next 12 months.
- Prepaid taxes represents the 5% tax withheld on rental. The same may be applied against future income tax liabilities. As of March 31, 2020 and 2019, creditable withholding taxes are considered recoverable in full and no impairment losses is necessary.
- Other receivable are expenses on the common area of Summit One Tower paid by the Group. These receivables are not subject to interest.

11. Non-Current Assets Held for Sale

The movements of this account is as follows:

	Note		**2020**		2019
Balance at the beginning of the year		**P**	**18,477,856**	P	42,100,683
Asset sold during the year	*a*		**(12,317,141)**		(4,275,078)
Reclassification to investment property:					
Re-negotiated contracts	*a*		**(6,160,715)**		-
Rescinded contracts	*c*		**-**		(19,347,749)
Reclassification from investment property	*b*		**99,298,000**		-
Balance at the end of the year		**P**	**99,298,000**	P	18,477,856

Transactions on this account is as follows:

a. In 2012, the Company entered into various contract to sell for the sale of its condominium units classified as investment properties. The contract price is payable in equal monthly installments over a period of 10 years. During 2020, the asset was sold after certain terms was renegotiated of which P6,160,715 was reclassified back to investment property.

b. In 2019, the Company entered into contract to sell for the sale of investment properties located in Pampanga. The contract price is payable over the period of 9 months. Accordingly, the Company reclassified the investment property to "*Non-current asset held sale*" with total carrying value of P99.3 million

c. In 2012, the Company entered into various contracts to sell its investment properties at a total contract price of P21.67 million. The contract price is payable in equal monthly installments over a period of 10 years. These are recorded as "*Non-current Asset held for sale"* since management believes that with the cumulative payments to date, it is reasonably expected that the remaining balance will be faithfully completed by the buyer.

In 2017 until 2018, the buyer repeatedly failed to fulfill its commitments in accordance with the contract to sell.

After efforts to collect the balance of the contract price proved futile, the Company, through its legal counsel, informed the buyer on January 15, 2019, that the aforementioned contracts to sell were rescinded and cancelled. On the same date, the Company reclassified the related assets and liabilities previously classified as held for sale to “Deposits” for the same amount. The cost of condominium units reclassified back to investment property amounted to P19,347,749.

The Company plans to re-negotiate the contract to sell to cover only a number of condominium units sufficient enough to cover the payments made with deduction to recover economic loss on the part of the Company.

Consistent with the reclassification of the investment properties, the related liabilities of the assets held for sale were also reclassified to current liabilities amounting to P31.6 million and P21.9 million as of March 31, 2020 and 2019, respectively. These liabilities comprise the payments made by the other party in the aforesaid contracts to sell.

12. Financial Asset at Fair Value through Other Comprehensive Income

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

		2020		2019
Listed shares of stocks	**P**	**496,000**	P	1,271,000
Unlisted shares of stocks		**20,800,000**		21,684,000
	P	**21,296,000**	P	22,955,000

Listed and unlisted shares comprise the investment in Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair values were determined thru the published price from Philippine Stock Exchange.

The reconciliation of the carrying amounts of this account at the beginning and end of the fiscal year is as follows:

		2020		2019
Balance at the beginning of fiscal year	**P**	**22,955,000**	P	22,986,000
Changes in fair value		**(1,659,000)**		(31,000)
Balance at the end of fiscal year	**P**	**21,296,000**	P	22,955,000

Changes in fair value were reported separately in the statement of comprehensive income, net of deferred income tax.

13. Investments in Associates - net

This account consists of the following:

		2020		2019
Cost				
Beginning of the year				
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P**	**690,080,120**	P	331,425,000
Mariestad Mining Corporation (MMC)		**11,306,000**		11,306,000
		701,386,120		342,731,000
Additions during the year (ATN Solar)		**175,000,000**		358,655,120
Balance at year end		**876,386,120**		701,386,120
Equity in net losses (ATN Solar)				
Beginning		**(11,872,644)**		(8,244,798)
Current year		**(992,643)**		(3,627,846)
Ending		**(12,865,287)**		(11,872,644)
Total		**863,520,833**		689,513,476
Allowance for impairment losses		**(11,306,000)**		(11,306,000)
	P	**852,214,833**	P	678,207,476

ATN Solar
ATN Solar is a grantee of a 25-year Renewable Energy Contract (*service contract*) with the Department of Energy (DOE) under Republic Act 9513 (*the RA*). The service contract grants ATN Solar the exclusive right to explore develop and utilize the solar energy source within Rodriguez, Rizal, as its contract area. More specifically, the contract includes setting up a 30 MW Solar PV Project (*the Solar Project*). The solar project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for the next 25 years.

In the of process setting up the foundation, PV mounting frames and modules and other land developments, the Company have identified the quality of rocks and boulders at the project site to be of commercial use. Hence, a Rock Crusher Project was introduced. This involves the construction of rock crushing plant which will process armor rocks and crushed basalt aggregates. As of December 31, 2018, the rock crusher processing plant have been completed and the trial-run of production of aggregates has commenced.

Thereafter, the production of aggregates has begun of which, 280,000 tons are in stockyard at year-end. Subsequently, the Company was granted the Mineral Processing Permit and Permit to Dispose rock aggregates on May 20, 2020.

As discussed in Note 21, On March 12, 2020 and November 15, 2019, the Company subscribed to an additional 10 million shares (at P17.5 per share) and 358,655,120 shares (at P1.00 per share), respectively, of ATN Solar. As of March 31, 2020, the Parent Company owns 48% 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,			
		2019		2018
Current assets	**P**	**31,764,389**	P	21,178,754
Non-current assets		**1,724,616,165**		1,476,378,726
Current liabilities		**72,158,213**		74,657,758
Non-current liabilities		**1,010,824,228**		747,452,388
Equity	**P**	**673,398,113**	P	675,447,334

Other financial information:

		2020		2019
Carrying value of investment in ATN Solar	**P**	**852,214,833**	P	678,207,476
Net administrative expense		**2,049,221**		7,489,360
Group's share in net administrative expense		**992,643**		3,627,846

ATN Solar's accounting period is January 1 to December 31.

MMC
In 2007, the Company entered into an investment agreement with MMC to participate in the extraction of manganese ores in the former's mining site. The Company's participation is in the form of providing financial resources to undertake the mining operations. The Company has financed a total of P7 million that is equivalent to 25% equity interest in MMC. Due to the non-commencement of mining operation, the Company provided a full impairment loss on its investment in MMC. Furthermore, there were no recent financial information available for MMC.

14. Investment Properties

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

		2020		2019
Land	**P**	**2,339,486,065**	P	2,391,304,795
Condominium units		**284,554,278**		278,393,564
Parking lots		**26,350,000**		26,350,000
Townhouses		**22,953,001**		22,953,001
Commercial building		**-**		6,368,000
	P	**2,673,343,344**	P	2,725,369,360

Investment properties consist of land, condominium units, parking lots, townhouses and commercial building. The movement of this account is as follows:

		2020		2019
Balance at the beginning of the year	**P**	**2,725,369,359**	P	2,681,006,772
Additions arising from:		**-**		-
Land improvements		**41,111,270**		25,014,839
Reclassifications from NCA-held for sale		**6,160,715**		19,347,749
Reclassifications to NCA-held for sale		**(99,298,000)**		-
	P	**2,673,343,344**	P	2,725,369,360

Rental income on investment properties amounted to P15,694,118 in 2020, P11,158,278 in 2019 and P7,813,973 in 2018. Direct operating cost on these properties amounted to P1,096,314 in 2020, P518,871 in 2019 and P769,305 in 2018.

Certain investment properties were mortgaged to the bank to secure the Group's financing requirements (see Note 18).

15. Property and Equipment

Property and equipment consists of:

2020		**Medical Equipment & Fixtures**		**Office Furniture & Fixtures**		**Leasehold Improvements**		**Transportation Equipment**		**Right -of-use Assets**		**Total**
Costs												
At April 1, 2019	**P**	**34,937,452**	**P**	**6,138,644**	**P**	**19,969,173**	**P**	**2,641,072**	**P**	**5,238,392**	**P**	**68,924,733**
Addition		**-**		**192,411**		**-**		**-**		**-**		**192,411**
Disposal		**(34,937,452)**		**-**		**-**		**-**		**-**		**(34,937,452)**
At March 31, 2020		**-**		**6,331,055**		**19,969,173**		**2,641,072**		**5,238,392**		**34,179,692**
Accumulated depreciation and Impairment loss												
At April 1, 2019		**25,949,086**		**6,054,149**		**18,319,729**		**2,018,456**		**398,959**		**52,740,379**
Provisions for depreciation		**1,805,763**		**35,805**		**1,308,737**		**269,080**		**723,065**		**4,142,450**
Disposal		**(27,754,849)**		**-**		**-**		**-**		**-**		**(27,754,849)**
At March 31, 2020		**-**		**6,089,954**		**19,628,466**		**2,287,536**		**1,122,024**		**29,127,980**
Carrying value												
At March 31, 2020	**P**	**-**	**P**	**241,101**	**P**	**340,707**	**P**	**353,536**	**P**	**4,116,368**	**P**	**5,051,712**

2019		Medical Equipment & Fixtures		Office Furniture & Fixtures		Leasehold Improvements		Transportation Equipment		Total
Costs										
At April 1, 2018	P	34,937,452	P	6,138,644	P	19,969,173	P	3,988,393	P	65,033,662
Addition		-		-		-		3,891,071		3,891,071
At March 31, 2019		34,937,452		6,138,644		19,969,173		7,879,464		68,924,733
Accumulated depreciation and Impairment loss										
At April 1, 2018		21,896,231		6,018,344		16,266,346		1,680,999		45,861,920
Provisions for depreciation		1,805,763		35,805		1,920,877		580,762		4,343,207
Provision for impairment loss		2,247,092		-		132,506		155,654		2,535,252
At March 31, 2019		25,949,086		6,054,149		18,319,729		2,417,415		52,740,379
Carrying value										
At March 31, 2019	P	8,988,366	P	84,495	P	1,649,444	P	5,462,049	P	16,184,354

Depreciation allocated to direct costs and administrative expenses are as follows:

		2020		2019
Administrative expenses	**P**	**4,142,450**	P	2,537,444
Direct costs		**-**		1,805,763
	P	**4,142,450**	P	4,343,207

16. Intangible Asset

Intangible asset represents the cost of web-based portal development of a subsidiary for the marketing of its medical services to local and international clients. The portal enables its subsidiary to attract prospective patients availing different medical services.

The movement in intangible asset is as follows:

	2020	2019
Cost	**P 15,000,000**	P 15,000,000
Accumulated amortization and Impairment loss		
Balance, April 1	**11,000,000**	9,150,000
Provisions for amortization	**500,000**	850,000
Provision for impairment loss	**3,500,000**	1,000,000
Balance, March 31	**15,000,000**	11,000,000
Carrying value at March 31	**P -**	P 4,000,000

The amortization allocated to direct costs and administrative expenses are as follows:

	2020	2019
Administrative expenses	**P 500,000**	P 500,000
Direct cost	**-**	350,000
	P 500,000	P 850,000

17. Accounts Payable and Accrued Expenses

This account consists of the following:

	2020	2019
Taxes payable	**P 2,985,000**	P 2,985,000
Trade	**621,122**	1,158,019
Income tax payable	**17,814**	-
Accrued expenses	**-**	9,520
Other current liabilities	**27,376**	324,584
	P 3,651,312	P 4,477,123

Terms and conditions of the above financial liabilities are as follows:

- Tax payable pertains to the aggregate amount of taxes payable on sale of unlisted shares;
- Trade payables are noninterest-bearing and are normally settled on a 90-day term;
- Accrued expenses are noninterest-bearing and have an average term of two (2) months;
- Other current liabilities includes unearned rental income and expanded withholding taxes

18. Short-term Loans

Balances of short-term loans from China Banking Corporation (CBC) are as follows:

	2020	2019
Parent	**P 50,000,000**	P -
Palladian Land Development Inc.	**34,000,000**	21,900,000
	P 84,000,000	P 21,900,000

The Parent Company has an omnibus line with CBC for a maximum amount of P50 million. The total line of P50M was availed at various date during June 2019 to March 2020. Interest is repriced every month ranging from 5.25% to 5.625%. The loan has a term of 360 days and is collateralized by a condominium unit in Summit One Tower.

PLDI has an existing combined peso credit line of up to P34 million with CBC. As March 31, 2020 and 2019, PLDI have availed a total of P34 million and P21.9 million respectively. These loans carry interest rate ranges 6% 6.5% repriced every 6 months to 1 year. The loan is collateralized by a real estate mortgage covering PLDI's investment properties. Proceeds of loan was used for working capital requirements. These loans will mature in 2020.

As of March 31, 2020 and 2019, interest expense related to this loan amounted to P4,382,168 and P1,488,396 , respectively.

19. Lease Liability

United Coconut Planters Bank (UCPB)
On August 10, 2018, the Company availed the auto loan facility of UCPB amounting to P3.05 million payable in 36 months subject to interest rate of 9.92%. The loan is collateralized by a chattel mortgage on transportation equipment acquired. As of March 31, 2020 and 2019 the loan has an outstanding balance of P1.8 million and P2.7 million, respectively.

The carrying value of right-of-use asset related to lease liability amounted to P4,116,368 in 2020.

As of March 31, 2020 and 2019, interest expense related to this loan amounted to P201,680 and P85,234, respectively.

20. 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. In 2019, reclassification from Non-current liability of non-current asset held for sale amounting P15,068,006 was made due to rescinded and cancelled contract to sell as discussed in Note 11.

As of March 31, 2020 and 2019, deposits on operating leases amounted to P54,262,602 and P21,152,981, respectively.

21. Subscription Payable

This represents subscription to the Capital stock of ATN Solar (see Note 13). Subscriptions are payable on demand or each capital call of ATN Solar. These funds are used by ATN Solar principally for capital expenditures and pre-operating expenses of the (i) Solar energy project and the (ii) Rock crusher project.

The movement of this account is as follows:

		2020		2019
Balance at the beginning of the year	**P**	**86,981,600**	P	80,195,240
Subscription during the year		**17,000,000**		358,655,120
Payments during the year		**(86,981,600)**		(351,868,760)
Balance at the end of the year	**P**	**17,000,000**	P	86,981,600

Details of the subscription are as follows:

- On November 15, 2019 the Company subscribed to 358,655,120 shares of stock of ATN Solar at a subscription price of P1.00 per share. During the same fiscal year, P271,673,520 was paid for such subscription. Full payment was made on December 26, 2019.

- On March 12, 2020, the Company subscribed to additional 10 million shares of ATN Solar at a subscription price of P17.50 per share. At the time of subscription, P158 million was paid which was satisfied thru conversion of Advances to ATN Solar for the same amount. The closing date of subscription is set on or before December 31, 2022. After the issuance of the aforesaid shares, the ownership interest in ATN Solar is 48.8 %.

22. Equity

Share capital
Component of share capital is as follows:

	Authorized share capital			Subscribed and paid		
Title of issue	Number of shares		Amount	Number of shares		Amount
Common						
Class A	4,200,000,000	P	420,000,000	3,700,000,000	P	370,000,000
Class B	2,800,000,000		280,000,000	800,000,000		80,000,000
Preferred	5,000,000,000		500,000,000	-		-
	12,000,000,000	P	1,200,000,000	4,500,000,000	P	450,000,000

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 have the following features, rights and privileges:
  (i) Preferred shares are cumulative, non-participating and non-voting;
  (ii) The dividend rate is based on a formula determined by the BOD, re-prized every 5 years, 7 years, or 10 years
  (iii) The dividend is payable quarterly on each anniversary of issue date
  (iv) Holders of preferred shares have preference over holders of common shares;
  (v) Mandatory redemption on the 5th, 7th and 10th year anniversary from issuance.

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 thru conversion of advances from stockholders totaling P632 million at a pre-determined subscription price. As of August 12, 2020 the application for increase in capital is still pending with the Securities and Exchange Commission.

Unrealized loss on fair value through other comprehensive income/Available-for-sale securities
The movement of this account is as follows:

		2020		2019
Balance at beginning of year	**P**	**(1,454,818)**	P	(1,423,973)
Changes in fair value - net of deferred tax		**(1,649,045)**		(30,845)
Balance at the end of year	**P**	**(3,103,863)**	P	(1,454,818)

23. Cost of Sales and Services

The breakdown of this account is as follows:

		2020		2019		2018
Cost of real estate sold	**P**	**12,317,143**	P	4,905,812	P	-
Taxes and licenses		**1,096,314**		518,871		769,305
Depreciation and amortization (see Notes 15 and 16)		**-**		2,155,763		2,155,763
Rent		**-**		**-**		1,000,326
Medical supplies		**-**		**-**		271,337
Salaries, wages and employee benefits		**-**		**-**		200,254
Insurance		**-**		**-**		101,537
Professional fees		**-**		**-**		71,000
	P	**13,413,457**	P	7,580,446	P	4,569,522

24. Administrative Expenses

The breakdown of this account is as follows:

		2020		2019		2018
Depreciation and amortization (see Notes 15 and 16)	**P**	**4,642,450**	P	3,037,444	P	3,443,475
Salaries and employee benefits (see Note 25)		**1,844,255**		2,373,476		1,322,207
Communication and association dues		**1,814,730**		1,828,851		2,487,264
Professional fees		**878,317**		645,000		550,982
Taxes and licenses		**629,963**		1,372,208		448,943
Transportation and travel		**411,060**		302,459		280,973
Rent		**408,263**		782,105		567,414
Representation and entertainment		**334,059**		82,539		-
Security and janitorial services		**241,500**		557,674		624,600
Insurance		**221,405**		200,396		-
Office supplies and printing		**194,741**		261,681		132,000
Hedging fee		**-**		150,000		150,000
Advertsing		**-**		20,375		-
Miscellaneous		**276,219**		101,525		78,644
	P	**11,896,962**	P	11,715,733	P	10,086,502

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 includes salaries, wages and retirement benefits of the employees.

25. Salary and Employee Benefits

This account consist of the following:

		2020		2019		2018
Salaries and wages	**P**	**1,710,601**	P	2,291,898	P	1,451,376
Provision for retirement		**133,654**		81,578		108,373
Change in actuarial valuation		**-**		-		(237,542)
	P	**1,844,255**	P	2,373,476	P	1,322,207

The Group provides for retirement benefits costs required to be paid under RA 7641 (the Act) otherwise known as *Retirement Pay Law*. The Act provides for retirement benefits to employees reaching the age of 60 who have rendered at least five (5) years of service to the Group. Benefits accruing to employee are computed as the sum of (i) one half month of salary for every year of service, (ii) one-twelfth of 13th month pay and (iii) the cash equivalent of not more than five (5) days of service incentive leaves.

The movement of the pension liability account is as follows:

		2020		2019		2018
Balance at the beginning of the year	**P**	**655,274**	P	573,696	P	702,865
Provision for retirement		**133,654**		81,578		108,373
Change in actuarial valuation		**-**		-		(237,542)
	P	**788,928**	P	655,274	P	573,696

26. Related Party Transactions

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

(i) Due from related parties

		2020						
Related parties		Balance at beginning of year		Availment		Collection		Balance at end of year
Associate								
ATN Philippines Solar Energy Group, Inc.	**P**	**-**	**P**	**161,794,821**	**P**	**158,000,000***	**P**	**3,794,821**
Companies under common control								
Transpacific Broadband Group Intl, Inc.		**-**		**13,100,000**		**-**		**13,100,000**
Sierra Madre Consolidated Mines		**11,756,000**		**-**		**-**		**11,756,000**
Stockholders		**-**		**2,560,677**		**-**		**2,560,677**
		11,756,000		**177,455,498**		**158,000,000**		**31,211,498**
Allowance for ECL		**11,756,000**		**-**		**-**		**11,756,000**
	P	**-**	**P**	**177,455,498**	**P**	**158,000,000**	**P**	**19,455,498**

**Applied against Subscription payable, see details below.*

	2019			
Related parties	Balance at beginning of year	Availment	Collection	Balance at end of year
Associate				
ATN Philippines Solar Energy Group, Inc.	P 607,479	P -	P 607,479	P -
Companies under common control				-
Unipage Management Corp.	13,843,802	1,805,955	15,649,757	-
Transpacific Broadband Group Intl, Inc.	295,219	-	295,219	-
Sierra Madre Consolidated Mines	11,756,000	-	-	11,756,000
	26,502,500	1,805,955	16,552,455	11,756,000
Allowance for impairment	11,756,000	-	-	11,756,000
	P 14,746,500	P 1,805,955	P 16,552,455	P -

As discussed in Note 21, advances to ATN Solar amounting to P158 million was used in settlement of additional subscription to the share capital of ATN Solar.

There were no provisions for ECL during 2020 and 2019 covering Due from related parties.

(ii) Due to related parties

	2020			
Related parties	Balance at beginning of year	Availment	Collection	Balance at end of year
Associate				
ATN Philippines Solar Energy Group, Inc.	**P 34,383,059**	**P -**	**P 34,383,059**	**P -**
Companies under common control				
Unipage Management Corp.	**-**	**180,845,525**	**-**	**180,845,525**
Transpacific Broadband Group Intl, Inc.	**1,100,664**	**605,146**	**-**	**1,705,810**
Stockholders	**458,140,071**	**52,224,665**	**-**	**510,364,736**
	P 493,623,794	**P 233,675,336**	**P 34,383,059**	**P 692,916,071**

	2019			
Related parties	Balance at beginning of year	Availment	Collection	Balance at end of year
Associate				
ATN Philippines Solar Energy Group, Inc.	P 1,152,747	P 68,096,648	P 34,866,336	P 34,383,059
Companies under common control				-
Transpacific Broadband Group Intl, Inc.	-	2,684,723	1,584,059	1,100,664
Stockholders	102,223,367	355,916,704	-	458,140,071
	P 103,376,114	P 426,698,075	P 36,450,395	P 493,623,794

Advances to/from related parties has the following terms and condition:

- Generally payable in cash
- Clean and unsecured
- Not subject to interest
- No fixed repayment periods

Significant transactions with related parties are as follows:

1. UMI and certain stockholders provides financing for the Company. Eventually, these funds are transferred and used to support the pre-operations and other expenses of ATN Solar.

   As discussed in Note 21, advances to ATN Solar amounting to P158 million as of March 31, 2020 was used in settlement of additional subscription to the share capital of ATN Solar. As also discussed in Note 22, cash advances received from UMI and other stockholders, will be converted to shares of stock of Parent company pending approval of the increase in authorized capital.

2. Advances to/from TBGI during 2020 and 2019 are provided/used for working capital requirements.

3. 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.

   For the years ended March 31, 2020, 2019, and 2018, the Group charged TBGI its proportionate share of communication, dues and utilities expenses amounting to nil, P238,072 and P1,116,709, respectively.

   In the same manner, the Group charged ATN Solar P375,917, P238,072 and P667,234 in 2020, 2019 and 2018, respectively.

4. In 2018, the Company sold 5 million shares of stocks of ATN Solar to UMI for P15 million. A gain of P10 million was realized on this transaction and is reported in the Statement of Income in the same year. The transaction price, which management believes is at arms-length. Settlement was made via off-setting of inter-company balances.

5. In prior years, the Group made 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 were 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 P11.7 million.

6. The details of subsidiaries' accounts that were eliminated in the process of consolidation are as follows:

	Due (to) from subsidiaries					
		2020		2019		2018
PLDI	**P**	**(2,088,738)**	P	21,040,729	P	(60,328,401)
MCPI		**8,342,328**		7,242,328		6,942,328
AHCDC		**10,768,677**		10,768,677		10,768,677
	P	**17,022,268**	P	39,051,734	P	(42,617,396)

7. The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2020, 2019 and 2018.

27. Income Taxes

Components of income tax reported in the consolidated statements of income are as follows:

		2020		2019		2018
Current	**P**	**1,314,668**	P	452,507	P	1,174,644
Deferred		**867**		180,050		133,771,220
	P	**1,315,535**	P	632,557	P	134,945,864

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense is as follows:

		2020		2019		2018
Statutory income tax	**P**	**(1,548,525)**	P	(3,332,421)	P	132,966,737
Tax effect of:						
Non- taxable income		**-**		-		(133,801,143)
Non-deductible expenses		**1,385,492**		1,156,729		2,028,491
Unrecognized temporary difference		**1,481,561**		2,813,531		136,759,648
Income subject to final tax		**(2,993)**		(5,282)		(3,007,869)
Actual provision for income tax	**P**	**1,315,535**	P	632,557	P	134,945,864

The component of the Group's net deferred income tax liabilities is as follows:

		2020		2019
Unrealized gain on fair value adjustment of investment properties	**P**	**712,945,891**	P	713,119,535
Unrealized gain on FVOCI financial assets		**2,179,709**		2,169,755
Retirement liability		**(236,680)**		(350,164)
	P	**714,888,920**	P	714,939,126

The Group did not recognize any deferred tax assets as at March 31, 2020 and 2019 on impairment losses, net operating loss carry over (NOLCO) and minimum corporate income tax (MCIT) since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

		2020		2019
Impairment losses	**P**	**1,050,000**	P	6,878,638
Net Operating Loss Carry Over (NOLCO)		**6,675,495**		4,832,628
Minimum Corporate Income Tax (MCIT)		**121,541**		265,730
	P	**7,847,036**	P	11,976,996

Components of the Group's unutilized NOLCO and MCIT and the year until which these are deductible from taxable income are as follows:

		Original amounts			
Year incurred	Expiry		NOLCO		MCIT
2020	2023	P	10,612,883	P	11,046
2019	2022		5,355,278		5,378
2018	2021		6,283,488		105,117
		P	22,251,649	P	121,541

NOLCO and MCIT incurred in 2017 amounting to P4,469,995 and P155,235, respectively, expired in 2020 without any benefit therefrom.

28. 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:

		2020		2019		2018
Earnings (A)	**P**	**(6,477,286)**	P	(11,740,626)	P	308,276,593
Divided by:						
Weighted Average Shares (B)		**4,500,000,000**		4,500,000,000		4,500,000,000
Earnings (Loss) per share (A/B)	**P**	**(0.00144)**	P	(0.00261)	P	0.06851

As of the respective year ends, there are no potentially convertible shares.

28. Events after Reporting Date

COVID -19 Pandemic
On March 11, 2020, the World Health Organization declared a global pandemic as a result of increasing number of COVID-19 cases worldwide. This was followed by the President of Philippines' issuance of Presidential Proclamation Order No. 929 declaring a State of Calamity in the Country from the COVID-19 outbreak. These events resulted to a slowdown in the Philippine economy as lockdowns and quarantine measures were put in place. While the financial impact is considered a non-adjusting event as at March 31, 2020, the effect on the Group's operations and financial performance, however, cannot be reasonably determined as at September 10, 2020. The Company believes that it can remain on a going concern when the State of Calamity is lifted.

Exploration activities
On May 20, 2020, the Department of Environment and Natural Resources thru the Mines and Geoscience Bureau issued Mineral Processing Permit (MPP) to the Company for its Aggregate Crushing Plant project located in Rodriguez, Rizal. The MPP allows the Company to undertake mineral processing and related activities for a period of 5 years, renewable for like periods but not to exceed a total term of 25 years or until May 19, 2045.

Previously, the Company was granted Exploration permit covering an area of 82.7 hectares. The project area contains deposits of massive volcanic rocks consisting of andesite to basaltic andesite flows and breccia and highly indurated pyroclastic rocks than can be utilized as a mountain-rock quarry type of aggregates. The highly weathered component of the volcanic rock assemblage including the associated boulder clasts can be used as filling materials. The site is estimated to have an indicated resource of 31 million tons of fill materials and 66 million tons of rock aggregates.

The MPP will allow the Company to process 2.65 million tons per year of aggregates through its 500-ton per hour rock aggregates crushing plant.

29. Non-cash investing and financing activities

		2020		2019
Fair value changes in:				
Financial assets at fair value through OCI	**P**	**(1,659,000)**	P	(31,000)
Conversion of advances from stockholders as payment of subscription to an associate		**158,000,000**		270,802,970

ATN HOLDINGS, INC. AND SUBSIDIARIES
Index to Supplementary Schedules
Under SEC Rule 68
March 31, 2020

Table of Contents

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule I - Financial Soundness
Pursuant to SRC Rule 68

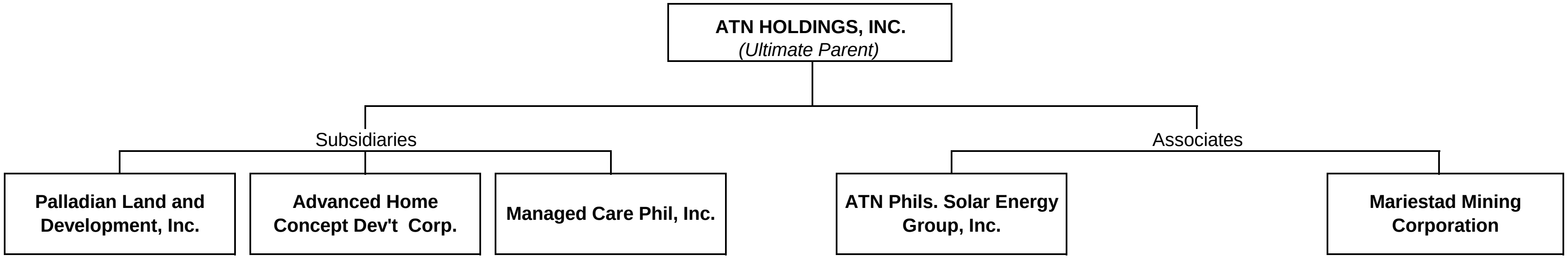
		2020	2019
A.	Current/liquidity ratios		
	Current ratio	**1.165**	0.808
	Quick ratio	**0.290**	0.337
	Cash ratio	**0.290**	0.337
B.	Solvency ratio/Debt-to-equity ratio		
	Solvency ratio	**-0.001**	-0.002
C.	Asset-to-Equity ratios	**1.758**	1.646
D.	Interest rate coverage ratio	**-0.126**	-6.059
E.	Profitability ratios		
	Net profit margin analysis	**-22.163%**	-69.369%
	Return on assets	**-0.180%**	-0.355%
	Return on equity	**-0.306%**	-0.552%
	Return on capital employed	**-0.016%**	-0.277%

ATN HOLDINGS, INC.
Schedule II - Parent Company Retained Earnings Available for Dividend Declaration
March 31, 2020

Balance at beginning of year			P	49,745,834
Adjustment on beginning balance				-
				49,745,834
Loss during the period closed to Retained Earnings		(2,202,031)		
Less:	Non-actual/unrealized income net of tax	-		
	Equity in net income of associate/joint venture	-		
	Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-		
	Unrealized actuarial gain	-		
	Fair value adjustment on financial assets at FVTPL	-		
	Fair Value adjustment of Investment Property	-		
	Increase in deferred tax asset that decrease net income	-		
	Adjustment due to deviation from PFRS/GAAP-gain	-		
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-		
Subtotal		-		
Add:	Non-actual losses	-		
	Depreciation on revaluation increment (after tax)	-		
	Adjustment due to deviation from PFRS/GAAP - loss	-		
	Equity in net loss of an associate	-		
	Loss on fair value adjustment of investment property (after tax)	-		
Subtotal		-		
Net income actually earned during the period				(2,202,031)
Add (Less):	Dividend declarations during the period	-		
	Appropriations of Retained Earnings during the period	-		
	Reversals of appropriations	-		
	Effects of prior period adjustments	-		
	Treasury shares	-		
Subtotal				-
Balance at end of year			P	47,543,803

ATN HOLDINGS, INC. AND SUBSIDIARIES

Schedule III - A map showing the relationship between and among the Company
and its Ultimate Parent Company, Subsidiaries and Associates
Pursuant to Rule 68
March 31, 2020



ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule A - Non-Current Marketable Equity Securities, Other Long Term Investment in Stocks and Other Investments
March 31, 2020

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Equity in net earnings (losses) of the investee for the period	Income received and accrued
INVESTMENT IN ASSOCIATES				
Mariestad Mining Corporation (MMC)	-	P 11,306,000	P -	P -
ATN Philippines Solar Energy Group, Inc.	-	852,214,833	(992,643)	-
Less: Allowance for impairment loss (MMC)	-	(11,306,000)	-	-
	-	P 852,214,833	P (992,643)	-
FINANCIAL ASSETS - FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)				
Transpacific Broadband Group International, Inc.	133,100,000	P 21,296,000	P -	P -

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule B - Amount Receivable from Directors, Officers, Employees, Related parties and Principal Stockholders (Other than Related Parties)
March 31, 2020

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts Written off	Allowance for impairment	Current	Non Current	Balance at end of period
Sierra Madre Consolidated Mines	P 11,756,000	P -	P -	P -	P 11,756,000	P -	P -	P -
ATN Philippines Solar Energy Group, Inc.	-	161,794,821	158,000,000	-	-	-	3,794,821	3,794,821
Transpacific Broadband Group Int'l Inc.	-	13,100,000	-	-	-	-	13,100,000	13,100,000
Shareholder	-	2,560,677	-	-	-	-	2,560,677	2,560,677
	P 11,756,000	P 177,455,498	P 158,000,000	P -	P 11,756,000	P -	P 19,455,498	P 19,455,498

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
March 31, 2020

Related Party		Balance at beginning of period		Net transactions		Balance at end of period
Advanced Home Concept Development Corporation	P	10,768,677	P	-	P	10,768,677
Managed Care Philippines, Inc.		7,242,328		1,100,000		8,342,328
Total	P	18,011,005	P	1,100,000	P	19,111,005

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule D - Intangible Assets (Other assets)
March 31, 2020

Portal and enterprise system		Balance at beginning of period		Additions/ Revisions		Disposal		Balance at end of period
Cost	P	15,000,000	P	-	P	-	P	15,000,000
Accumulated amortization		11,000,000		500,000		-		11,500,000
Impaiment		-		3,500,000		-		3,500,000
Net Book Value	P	4,000,000	P	4,000,000	P	-	P	-

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule E - Indebtedness to Related Parties (Long-term loans from related parties)
March 31, 2020

Related Party		Balance at beginning of period		Payment		Addition		Balance at end of period
Transpacific Broadband Group International, Inc.	P	1,100,664	P	-	P	605,146	P	1,705,810
ATN Philippines Solar Energy Group, Inc.		34,383,059		34,383,059		-		-
Unipage Management Corp.		-		-		180,845,525		180,845,525
Stockholder		458,140,071		-		52,224,665		510,364,736
Total	P	493,623,794	P	34,383,059	P	233,675,336	P	692,916,071

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule F - Share Capital
March 31, 2020

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, convertion and other rights	Number of shares held by related parties	Number of shares held by directors, officers and employees	Others
Common shares - P0.10 par value						
Class A	4,200,000,000	3,700,000,000	-	-	2,780,240,367	-
Class B	2,800,000,000	800,000,000	-	-	1,001,000	-
Preferred shares	5,000,000,000	-	-	-	-	-
	12,000,000,000	4,500,000,000	-	-	2,781,241,367	-

R. R. TAN & ASSOCIATES, CPAs

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Pasig City, Philippines 1605
Tel.: (632) 8638-3430 to 32; Fax: (632) 8638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2021
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Report of Independent Public Accountants

The Stockholders and Board of Directors
ATN HOLDINGS, INC.
9TH Floor, Summit One Tower
530 Shaw Blvd., Mandaluyong City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ATN HOLDINGS, INC.** (the Company), which comprise the Parent Company statements of financial position as at March 31, 2020 and 2019, and Parent Company statements of income, Parent Company statements of comprehensive income, Parent Company statements of changes in equity and Parent Company statements of cash flows for each of the three years in the period ended March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2019, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended March 31, 2020, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended March 31, 2020 are expected to be made available to us after the date of auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulation (RR) 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Chester Nimitz F. Salvador.

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 5242109, January 4, 2020, Pasig City
SEC Accreditation No. 1812-A, valid until July 24, 2023
BIR Accreditation No. 07-000251-003-2019, valid until June 12, 2022

August 12, 2020
Pasig City

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2020 AND 2019

	Notes	**2020**	2019
ASSETS			
Current Assets			
Cash in bank	8	**P 5,307,940**	P 1,883,297
Other current assets	9	**71,502**	235,767
		5,379,442	2,119,064
Non-current Assets			
Investments in:			
Financial assets at fair value through other comprehensive income (FVOCI)	11	**21,296,000**	22,955,000
Subsidiaries and associates	10	**1,092,080,120**	917,080,120
Investment properties	12	**77,080,709**	77,080,709
Advances to related parties	18	**32,971,359**	39,051,734
		1,223,428,188	1,056,167,563
TOTAL ASSETS		**P 1,228,807,630**	P 1,058,286,627
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	13	**P 3,416,570**	P 3,404,765
Short-term loans payable	14	**50,000,000**	-
		53,416,570	3,404,765
Non-current Liabilities			
Deposits	22	**15,068,006**	15,068,006
Subscription payable	15	**17,000,000**	86,981,600
Advances from related parties	18	**643,679,049**	449,327,221
Deferred tax liability	19	**4,830,109**	4,840,063
		680,577,164	556,216,890
TOTAL LIABILITIES		**733,993,734**	559,621,655
EQUITY			
Share capital	16	**450,000,000**	450,000,000
Additional paid-in capital		**373,956**	373,956
Unrealized loss on Financial asset at fair value through OCI - net of tax	16	**(3,103,863)**	(1,454,818)
Retained earnings - March 31		**47,543,803**	49,745,834
TOTAL EQUITY		**494,813,896**	498,664,972
TOTAL LIABILITIES AND EQUITY		**P 1,228,807,630**	P 1,058,286,627

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2020 AND 2019

	Notes		**2020**		2019
REVENUES					
Rental income		**P**	**2,048,155**	P	268,919
Other income			**3,522**		9,858
			2,051,677		278,777
ADMINISTRATIVE EXPENSES	*17*		**1,625,465**		1,520,996
FINANCE COST	*14*		**2,587,280**		-
TOTAL COST AND EXPENSES			**4,212,745**		1,520,996
LOSS BEFORE INCOME TAX EXPENSE			**(2,161,068)**		(1,242,219)
INCOME TAX EXPENSE	*19*		**40,963**		185,428
LOSS FOR THE PERIOD		**P**	**(2,202,031)**	P	(1,427,647)
EARNINGS (LOSS) PER SHARE	*20*	**P**	**(0.0005)**	P	(0.0003)

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2020 AND 2019

	Note		**2020**		2019
LOSS FOR THE PERIOD		**P**	**(2,202,031)**	P	(1,427,647)
Items not to be reclassified to profit or loss in subsequent periods:					
Fair value changes in financial assets at fair value through other comprehensive income net of deferred income tax	*16*		**(1,649,045)**		(30,845)
TOTAL COMPREHENSIVE LOSS		**P**	**(3,851,076)**	P	(1,458,492)

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2020 AND 2019

	Notes	Share Capital	Additional Paid-in Capital	Unrealized loss on: Financial assets at fair value through OCI - net of deferred tax	Unrealized loss on: Available-for-sale securities - net of deferred tax	Retained Earnings	Total
Balance at March 31, 2018		P 450,000,000	P 373,956	P -	P (1,423,973.00)	P 51,173,481	P 500,123,464
Effect of adoption of PFRS 9		-	-	(1,423,973)	P 1,423,973	-	-
Changes in financial assets at fair value							-
through other comprehensive income	*16*	-	-	(30,845)	-	-	(30,845)
Net loss for the period		-	-	-	-	(1,427,647)	(1,427,647)
Balance at March 31, 2019		**P 450,000,000**	**P 373,956**	**P (1,454,818)**	**P -**	**P 49,745,834**	**P 498,664,972**
Changes in financial assets at fair value							
through other comprehensive income	*16*	**-**	**-**	**(1,649,045)**	**-**	**-**	**(1,649,045)**
Net loss for the period		**-**	**-**	**-**	**-**	**(2,202,031)**	**(2,202,031)**
Balance at March 31, 2020		**P 450,000,000**	**P 373,956**	**P (3,103,863)**	**P -**	**P 47,543,803**	**P 494,813,896**

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2020 AND 2019

	Notes		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income tax expense		**P**	**(2,161,068)**	P	(1,242,219)
Adjustments for:					
Interest expense	*14*		**2,587,280**		-
Interest income			**(3,522)**		(9,858)
Operating Loss Before Working Capital Changes			**422,690**		(1,252,077)
(Increase) Decrease in other current asset			**160,799**		(90,857)
Increase (Decrease) in operating liabilities:					
Accounts payable and accrued expenses			**(342)**		(126,043)
Deposits			**-**		(58,000)
Cash provided by (used in) operations			**583,147**		(1,526,977)
Income taxes paid			**(25,351)**		(2,431)
Interest received			**3,522**		9,858
Net Cash Provided by (Used in) Operating Activities			**561,318**		(1,519,550)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment of stock subscription to associate	*15*		**(244,981,599)**		(351,868,760)
Advances to related parties			**(14,960,353)**		(21,340,729)
Collection of advances to related parties			**21,040,729**		12,178,583
Net Cash Used in Investing Activities			**(238,901,223)**		(361,030,906)
CASH FLOWS FROM FINANCING ACTIVITIES					
Availment of short term loan	*14*		**50,000,000**		-
Payment of Interest expense	*14*		**(2,587,280)**		
Availment of advances from related parties			**194,351,828**		420,951,550
Payments made to related parties			**-**		(60,832,694)
Net Cash Provided by Financing Activities			**241,764,548**		360,118,856
NET INCREASE(DECREASE) IN CASH			**3,424,643**		(2,431,600)
CASH AT BEGINNING OF YEAR			**1,883,297**		4,314,897
CASH AT END OF THE YEAR		**P**	**5,307,940**	P	1,883,297

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019

1. Corporate Information

ATN Holdings, Inc. (*ATN or the Parent or the Company*) 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 company. On November 10, 2016, the Company'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 in 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.

As of March 31, 2020 and 2019, the Parent Company has no employees. Administrative functions are provided either thru outsourced personnel or support services from subsidiaries and affiliate companies.

The accompanying financial statements were authorized for issue by the President on August 12, 2020.

2. Statement of Compliance and Basis of Preparation and Presentation

Statement of Compliance
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and interpretations thereof. PFRS are adopted standards by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB).

Basis of Preparation and Presentation
The accompanying financial statements have been prepared using the historical cost method except for financial assets which are available for sale and investment properties which are carried at fair value.

The financial statements are presented in Philippine Peso, the Company's functional currency. All values are rounded off to the nearest peso and represent absolute amounts except when otherwise indicated.

The preparation of the financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

Current versus non-current classification
The Parent Company presents assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or use to settle a liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other liabilities as non-current.

Cash and Cash Equivalents
Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amount of cash which are subject to insignificant risk of changes in value.

Financial Instruments

Date of recognition
The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

(a) Financial assets

Initial recognition of financial instruments
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of these financial instruments includes transaction costs.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and · losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

As of March 31, 2020, and 2019, the Company's financial assets are classified as (i) Financial assets at amortized cost and (ii) Financial assets at fair value through OCI

Financial assets at amortized cost
The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company's financial assets at amortized cost includes cash in bank, and advances to related parties.

Financial assets at fair value through OCI(FVOCI)
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Included in this category are the Company's investments in shares of stock in a publicly listed company.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables from related parties, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in bank and deposits, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis.

Financial liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include Accounts payable and accrued expenses, Short-term loans payable", Deposits, Subscription payable and Advances from related parties.

Subsequent Measurement
Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Other financial liabilities
After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss The Company's other financial liabilities include Accounts payable and accrued expenses, Short-term loans payable", Deposits, Subscription payable and Advances from related parties.

Derecognition of Financial Instruments
(a) Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(b) Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

<u>Fair Value Measurement</u>
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming that market participants act in their economic best interest.

Fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which lowest level input that is significant to the fair value measurement is observable.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" loss) in profit or loss unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data that is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" loss amount.

The fair values for financial instruments traded in active markets at the reporting date are based on their quoted market prices, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.
For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models. Any difference noted between the fair value and the transaction price is treated as expense or income, unless it qualifies for recognition as some type of asset or liability.

Input tax
Input tax represents 12% VAT input from purchases of goods and services. Input tax can be claimed against output tax in the subsequent month.

Investment Properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Company.

Investment property is measured at cost at initial recognition. Subsequently, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the Company.

Fair value measurement of investment property, takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.

Investment in Associates and Subsidiaries
In this separate financial statements, the Company's investments in its associates and subsidiaries are accounted for using the cost method as allowed under PAS 27.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the investee from date of acquisition.

A parent controls an investee when it is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over that investee. Specifically, control is achieved if and only if the a parent company has all 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.

The Company derecognizes an investment only when the contractual rights to the cash flows from the assets expire, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Non-Financial Assets
The Company's investment in associates and subsidiaries and investment property are subject to impairment testing. All other individual assets' or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Accounts Payable and Accrued Expenses
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Accounts payable are non-interest bearing and are stated at their original invoice amount since the effect of discounting is immaterial.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Equity
Share capital is determined using the par value of shares that have been issued and fully paid.

Additional paid-in capital includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Unrealized loss on financial assets at FVOCI pertains to mark-to-market valuation of financial asset.

Retained earnings include all current and prior period results of operations as disclosed in the statements of comprehensive income.

Revenue and Cost Recognition
Revenue is recognized when it transfers control over a product or service to a customer. Revenue is measured at the transaction price which the entity expects to be entitled in exchange for a good or service. The following specific revenue recognition criteria must also be met before revenue is recognized.

(i) Interest – interest income from bank deposits is recognized as interest accrues taking into account the effective yield on the related asset.

(ii) Profit from assets sold or exchanged – recognized when the title to the asset is transferred to the buyer or if the collectability is reasonably assured. If collectability is not reasonably assured, revenue is recognized only to the extent cash is received.

(iii) Rental from Operating Leases - properties leased out under operating leases are included in investment property in the statement of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

Cost and expenses are recognized in the statements of income upon utilization of the assets or services or at the date they are incurred.

Borrowing cost
Borrowing cost are charged to expense as incurred.

Leases – Company as lessor
Lease of assets under which the Company effectively retains all the risks and rewards of ownership is classified as operating lease.

Income Taxes
Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the end of reporting period.

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statements of income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Provisions
Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example legal disputes for onerous contract.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain, as a separate asset at an amount not exceeding the balance of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. In addition, long term provisions are discounted at their present values, where time value of money is material.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Earnings (Loss) Per Share
Earnings (Loss) per share is determined by dividing the profit (loss) for the year by the weighted average number of common shares outstanding during the fiscal year.

Related Party Transactions and Relationships
Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Events after the Reporting Period
Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as at March 31, 2020

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to standards effective beginning July 1, 2019. The adoption however did not result to any material changes in the financial statements.

PFRS 16, *Leases*
PFRS 16, Leases, supersedes PAS 17, Leases, and the related Philippine Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognized on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance, and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgmental thresholds that affect the identification, classification, and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgments at each reporting date were introduced.

The adoption of PFRS 16 did not result to any adjustment in the financial statements since the Company is not a party to any significant lease agreement.

Amendments to PFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
The amendments cover two issues:

- What financial assets may be measured at amortized cost. The amendment permits more assets to be measured at amortized cost than under the previous version of PFRS 9, in particular some prepayable financial assets.

- How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under PAS 39.

The amendments are effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The amendments have no effect on the Company's financial statements. Since the Company does not have financial instruments with prepayment features with negative compensation.

Annual Improvements to PFRSs (2015-2017 cycle)
The Annual Improvements to PFRSs (2015-2017 cycle) are effective for annual periods beginning on or after January 1, 2019 and did not have any material impact to the Company's financial statements. They include:

- PFRS 3, Business Combinations and PFRS 11, Joint Arrangements
  The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- PAS 12, Income Taxes
  The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises.

- PAS 23, Borrowing Costs
  The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows *generally* when calculating the capitalization rate on general borrowings.

Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*
The amendment clarifies that an entity applies PFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments are effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The amendments have no effect on the Company's financial statements since the Company does not have long-term interests in associates and joint ventures.

Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*
This interpretation applies in determining the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12, *Income Taxes*.

An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

- If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

- If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

An entity has to reassess its judgments and estimates if facts and circumstances change.

The interpretation is effective for periods beginning on or after January 1, 2019. Earlier application is permitted. The adoption of this interpretation has no significant impact on the Company's financial statements as the Company does not have any uncertainty over income tax treatments under PAS 12.

Amendments to PAS 19, *Plan Amendment, Curtailment or Settlement*
The amendments in Plan Amendment, Curtailment or Settlement are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.

- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The amendments are effective for periods beginning on or after July 1, 2019. Earlier application is permitted. The adoption of these amendments has no effect on the Company's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to April 1, 2020

The standards, amendments and interpretations which have been issued but not yet effective as at April 1, 2020 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

PFRS 17, *Insurance Contracts*
PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- Divides the contracts into groups that it will recognize and measure;
- Recognizes and measures groups of insurance contracts at:

    i. a risk-adjusted present value of the future cash flows (the fulfillment cash flows) that incorporates all of the available information about the fulfillment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset); or
    ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);

- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and

- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2025. Earlier application is permitted. The adoption of the new standard will not have an impact on the Company for it is not an issuer of insurance contracts.

Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
PAS 8.31(b-d) The amendments relate to a revised definition of 'material':

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

Three new aspects of the new definition include (i) obscuring; (ii) could reasonably be expected to influence; and (iii) primary users.

The amendments stress especially five ways material information can be obscured:

- if the language regarding a material item, transaction or other event is vague or unclear;
- if information regarding a material item, transaction or other event is scattered in different places in the consolidated financial statements;
- if dissimilar items, transactions or other events are inappropriately aggregated;
- if similar items, transactions or other events are inappropriately disaggregated; and
- if material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for periods beginning on or after January 1, 2020. Earlier application is permitted. The Management of the Company is still evaluating the impact of these new amendments.

Amendments to PFRS 3, *Business Combinations - Definition of Business*
The amendments are to:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Management of the Company is still evaluating the impact of these new amendments.

Deferred

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any significant impact on the financial statements.

5. Summary of Significant Accounting Judgments and Estimates

The Company makes estimates and assumptions that affect the reported amounts of the assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Judgments
The following judgments were applied which have the most significant effect on the amounts recognized in the financial statements.

Determination of Control
The Company controls an entity if and only if the Company has (i) Power over the entity, (ii) Exposure or rights to variable returns from its involvement with the entity, and (iii) The ability to use its power over the entity to affect the amount of Company's returns.

Control is achieved when the Parent Company is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the event the Parent Company loses this power, the Parent Company will have to change the classification of its investment in investee companies.

As of March 31, 2020 and 2019, the Company is in control of its subsidiaries.

Significant influence in associate
The Company classifies its investment in associate if the Company has significant influence in the investee company. Significant influence is presumed to exist if the Company has a holding of 20% or more of the voting power of the investee. Holding of less than 20% of the voting power is presumed not to give rise to significant influence, unless it can be clearly demonstrated that there is in fact significant influence.

As of March 31, 2020 and 2019, the Company determined that it exercise control over its associates.

Classification of listed shares
Judgement is exercise when classifying shares of stock that are listed in an exchange. In making the judgment, the Company evaluates its intention and marketability of the instrument Financial assets classifications are disclosed in Note 3.

As of March 31, listed shares are classified as financial assets at FVOCI amounting to P21.3 million in 2020 and P22.96 million in 2019.

Distinction between investment properties and owner-occupied properties
The Company determines whether a property qualifies as investment property. If an insignificant portion is leased out under the operating lease, the property is treated as property and equipment. If the property is not occupied and is held to earn, it is treated as Investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment. Accordingly, the condominium units and parking lots are classified as investment properties.

Operating leases – Company as lessor
The Company has entered into property leases on a portion of its investment property. The Company has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Company's rental income amounted to P2,048,155 in 2020 and P268,919 in 2019.

Provision and contingencies
Judgment is exercised by management to distinguish between provisions and contingencies.

(ii) Estimates
The key assumptions concerning the future and other key sources of estimation of uncertainty at end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating allowance for ECL on receivables on Advances to related parties
The assessment of the correlation between historically observed default rates, forward-looking information, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions.

The Company's historical credit loss experience and forecast of economic conditions may also not be representative of actual default in the future.

Impairment of investment in subsidiaries and associates
In assessing impairment losses from investments in an associate and a joint venture, the Company considers the following at the minimum:

- The ability to declare dividend; or
- the carrying amount of the investment in the separate financial statements exceeding the carrying amount of the investee's net assets.

The Company calculates the amount of impairment as being the difference between the fair value less cost to sell or value-in-use, whichever is higher, and the carrying value of the investments in associate and recognizes the difference in profit or loss.

As of March 31, 2020 and 2019, the carrying values of Investment in subsidiaries and associates are as follows:

		2020	2019
Investment in:			
Associates	**P**	**865,080,120**	690,080,120
Subsidiaries		**227,000,000**	227,000,000

Estimating fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties and other contracts. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgment, the Company considers information from a variety of sources including:

1. current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
2. recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
3. appraisal of independent qualified appraisers

The Company's investment properties were appraised by an independent firm of appraisers which is an industry specialist in valuing these types of investment properties. The appraisal resulted into an increment amounting to P17.05 million. For lots, raw land and condominium units, the values were arrived at using the *Sales Comparison Approach.* This is a comparative approach to value that considers the sales of similar substitute properties and related market data and establishes a value estimate by processes involving comparison, listings and offerings. The value of improvements was determined under the *Cost approach*. The approach is based on the reproduction cost of the subject property, less depreciation, plus the value of the land to which an estimate of entrepreneurial incentive is commonly added.

Investment properties amounted to P77.08 million both in March 31, 2020 and 2019.

Recognition of Deferred tax asset
The Company reviews the carrying amounts of deferred tax assets at each reporting dates and reduces deferred tax assets to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred tax asset to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax asset to be utilized.

As of March 31, 2020 and 2019, unrecognized deferred tax assets amounted of P5.5 million and 6.0 million, respectively.

6. Fair Value Measurement

The fair value hierarchy of assets measured at fair value is as follows:

	2020				2019			
	Carrying	**Fair value hierarchy**			Carrying	Fair value hierarchy		
	value	**Level 1**	**Level 2**	**Level 3**	value	Level 1	Level 2	Level 3
Financial assets at fair value through OCI								
Listed	**P 496,000**	**P 496,000**	**P -**	**P -**	P 1,271,000	P 1,271,000	P -	P -
Unlisted	**20,800,000**	**-**	**20,800,000**	**-**	21,684,000	-	21,684,000	-
Investment properties	**77,080,709**	-	**44,470,960**	**32,609,749**	77,080,709	-	44,470,960	32,609,749

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Company'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 Company is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Company 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; and c) be able to access funding when needed at the least possible cost.

Funding is principally sourced through advances or collection of advances to related parties.

As of March 31, 2020 and 2019, accounts payable and accrued expenses have maximum maturities of less than 1 year. “Deposits”, “Subscription payable” and “Advances from related parties” do not have fixed repayment period but management believes that settlement is expected after 12 months but not more than 5 years.

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 statements of financial position (or in the detailed analysis provided in the notes to 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 Company as of March 31, 2020 and 2019.

	Gross maximum exposure	
	2020	2019
Cash in bank	**P 5,307,940**	P 1,883,297
Financial assets at fair value through other comprehensive income	**21,296,000**	22,955,000
Advances to related parties	**40,421,359**	46,501,734
	P 67,025,299	P 71,340,031

Credit quality of the Company’s assets as of March 31, 2020 and 2019 is as follows:

	Neither past due nor impaired		Past due	Past due	
	High	Standard	*but not*	*and*	
2020	grade	grade	impaired	impaired	Total
Cash in bank	**P 5,307,940**	**P -**	**P -**	**P -**	**P 5,307,940**
Financial assets at fair value through other comprehensive income	**-**	**21,296,000**	**-**	**-**	**21,296,000**
Advances to related parties:					
Stockholders and related companies	**-**	**13,860,354**	-	**7,450,000**	**21,310,354**
Subsidiaries	**-**	**19,111,005**	-	**-**	**19,111,005**
	P 5,307,940	**P 54,267,359**	**P -**	**P 7,450,000**	**P 67,025,299**

2019	Neither past due nor impaired High grade	Neither past due nor impaired Standard grade	Past due *but not* impaired	Past due *and* impaired	Total
Cash in bank	P 1,883,297	P -	P -	P -	P 1,883,297
Available-for-sale investments	-	22,955,000	-	-	22,955,000
Advances to related parties:					
Stockholders and related companies	-	-	-	7,450,000	7,450,000
Subsidiaries	-	39,051,734	-	-	39,051,734
	P 1,883,297	P 62,006,734	P -	P 7,450,000	P 71,340,031

Financial assets were graded as follows:

High grade cash in bank are short-term placements and working cash fund placed, invested or 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 Company 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 Company manages market risk by evenly distributing capital among investment instruments in different financial institution.

The Company is not exposed to currency risk and interest rate risk. Sensitivity analysis of price risk exposure follows:

Price risk
The Company's price risk exposure at year end relates to financial assets whose values will fluctuate as a result of changes in market price, principally, AFS financial assets.

Observed volatility rates of the fair values of Company's investments held at fair value and their impact on the Company's equity as at March 31, 2020 and 2019 is shown below:

% change in market values	Impact on equity **2020**	Impact on equity 2019
+2%	**P 425,920**	P 459,100
-2%	**(425,920)**	(459,100)

Changes in fair value of Financial assets at fair value through other comprehensive income/available-for-sale are charged to equity and therefore do not affect profit and loss.

Capital Management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities.

No changes have been made in the objective, policies and processes as they have been applied in previous years.

The financial ratio at year end, which is within the acceptable range of the Company, is as follows:

	2020	2019
Equity	**P 494,813,896**	P 498,664,972
Total assets	**1,228,807,630**	1,058,286,627
Ratio	**0.40**	0.47

8. Cash in Bank

Cash in bank generally earns interest based on prevailing bank deposit rates. Cash in bank amounted to P5,307,940 and P1,883,297 as of March 31, 2020 and 2019, respectively.

9. Other Current Assets

This account consists of the following:

	2020	2019
Input vat	**P 71,502**	P 188,138
Prepaid taxes	**-**	41,629
Accounts receivable	**-**	6,000
	P 71,502	P 235,767

10. Investments in Subsidiaries and Associates

This account consists of the following:

	2020	2019
Investments in subsidiaries	**P 227,000,000**	P 227,000,000
Investments in associates		
Balance, beginning	**697,080,120**	338,425,000
Subscription during the year	**175,000,000**	358,655,120
Balance, ending	**872,080,120**	697,080,120
Allowance for impairment losses	**(7,000,000)**	(7,000,000)
Total investments in associates	**865,080,120**	690,080,120
Total investments in subsidiaries and associates	**P 1,092,080,120**	P 917,080,120

(i) Investment in subsidiaries

The details of this account as of March 31, 2020 and 2019 are as follows:

	% of ownership	Amount
Palladian Land Development, Inc. (PLDI)	100%	P 200,000,000
Managed Care Phils., Inc. (MCPI)	100%	25,000,000
Advanced Home Concept Development Corporation (AHCDC)	100%	2,000,000
		P 227,000,000

PLDI was incorporated on June 21, 1989, primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

MCPI was established on April 7, 1998, to establish, maintain, adopt, operate, manage, and engage in the business of developing and promoting prepaid medical, health maintenance and related services like clinics, laboratories, pharmacies, research centers, hospitals and emergency facilities for the treatment, care and relief of the sick, injured or otherwise infirm persons including indigent patients, including the care and treatment of maternity cases, with the aim of providing and offering to the public, a comprehensive, systematic and prevention-oriented concept of medical and health maintenance programs.

On December 31, 2018, MCPI has ceased commercial operations. Accordingly, certain assets, significantly consisting of medical equipment and apparatus have been provided an impairment loss amounting P2,535,252.

AHCDC was registered and incorporated with the SEC on March 14, 1998, primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

All subsidiaries are incorporated and domiciled in the Philippines.

(ii) *Investment in Associates*

This account consists of the following:

		2020		2019
Cost				
Beginning of the year				
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P**	**690,080,120**	P	331,425,000
Mariestad Mining Corporation (MMC)		**7,000,000**		7,000,000
		697,080,120		338,425,000
Additions during the year (ATN Solar)		**175,000,000**		358,655,120
		872,080,120		697,080,120
Allowance for impairment losses		**(7,000,000)**		(7,000,000)
	P	**865,080,120**	P	690,080,120

ATN Solar
ATN Solar is a grantee of a 25-year Renewable Energy Contract (*service contract*) with the Department of Energy (DOE) under Republic Act 9513 (*the RA*). The service contract grants ATN Solar the exclusive right to explore develop and utilize the solar energy source within Rodriguez, Rizal, as its contract area. More specifically, the contract includes setting up a 30 MW Solar PV Project (*the Solar Project*). The solar project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for the next 25 years.

In the of process setting up the foundation, PV mounting frames and modules and other land developments, the Company have identified the quality of rocks and boulders at the project site to be of commercial use. Hence, a Rock Crusher Project was introduced. This involves the construction of rock crushing plant which will process armor rocks and crushed basalt aggregates. As of December 31, 2018, the rock crusher processing plant have been completed and the trial-run of production of aggregates has commenced.

Thereafter, the production of aggregates has begun of which, 280,000 tons are in stockyard at year-end. Subsequently and as discussed in Note 21, the Company was granted the Mineral Processing Permit and Permit to Dispose rock aggregates on May 20, 2020.

As discussed in Note 15, On March 12, 2020 and November 15, 2019, the Company subscribed to an additional 10 million shares (at P17.5 per share) and 358,655,120 shares (at P1.00 per share), respectively, of ATN Solar. As of March 31, 2020, the Parent Company owns 48.8% of ATN Solar and it exercises significant influence over the financial and operating matters of the associate.

MMC
In 2007, the Company entered into an investment agreement with MMC to participate in the extraction of manganese ores in the former's mining site. The Company's participation is in the form of providing financial resources to undertake the mining operations. The Company has financed a total of P7 million that is equivalent to 25% equity interest in MMC. Due to the non-commencement of mining operation, the Company provided a full impairment loss on its investment in MMC. Furthermore, there were no recent financial information available for MMC.

11. Financial Assets at Fair Value through Other Comprehensive Income

This account represents listed and unlisted 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:

		2020		2019
Balance, April 1	**P**	**22,955,000**	P	22,986,000
Changes in fair value		**(1,659,000)**		(31,000)
Balance, March 31	**P**	**21,296,000**	P	22,955,000

Changes in fair value are reported separately in the statement of comprehensive income as "Unrealized gain/loss on financial assets at fair value through other comprehensive income - net of deferred income tax".

The breakdown of the shares of stocks as of March 31, 2020 and 2019 is as follows:

	As of March 31, 2020			As of March 31, 2019		
	No. of shares		**Carrying value**	No. of shares		Carrying value
Financial Assets - FVOCI						
Listed	**3,100,000**	**P**	**496,000**	3,100,000	P	1,271,000
Unlisted	**130,000,000**		**20,800,000**	130,000,000		21,684,000
	133,100,000	**P**	**21,296,000**	133,100,000	P	22,955,000

12. Investment Properties

As of March 31, 2020 and 2019, this account consists of the following:

Commercial condominium units	P	**37,468,709**
Residential units		**6,962,000**
Parking lots		**26,350,000**
Vacant lots		**6,300,000**
	P	**77,080,709**

Condominium units and parking lots are located at Summit One Tower, Mandaluyong City. The fair market value of condominium units and parking lots is determined by a firm of independent appraiser using the Market Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Accordingly, the Company categorized these condominium units and parking lots under Level 2 of the fair value hierarchy. Management believes that there are no present material factors that would significantly increase or decrease the fair value of these properties as of March 31, 2020.

Residential units and vacant lots are located at Riverside Village, Pasig City. The fair market value of residential units is determined by a firm of independent appraiser on April 2, 2018 based on analysis of prevailing land usage in the neighborhood and the property itself which represents the highest and best use of the property under Level 3 in the fair value hierarchy. The fair market value of vacant lots is determined by a firm of independent appraiser using the Market Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.

The description of valuation techniques and inputs used in determining the fair value of investment properties are classified as Level 2 and 3 in fair value hierarchy is as follows:

Location	Type	Valuation techniques	Significant observable inputs	Fair value hierarchy	Range
Riverside Village	Residential and vacant lots	Market approach	Selling price (per square meter)	Level 3	P22,500 - P36,333
			Size		5.0%
			Location		-5% to -10%
			Improvements		-25% to -35%
Summit One Tower	Parking lots	Market approach	Selling price (per square meter)	Level 2	P61,818 - P82,926
			Size		5%
			Location		-5%
			Improvements		-
	Condominium units	Market approach	Selling price (per square meter)	Level 2	P61,864 - P64,937
			Size		5%
			Location		-5%
			Improvements		10% to 15%

Rental income on investment properties amounted to P2,048,155 and P268,919 in 2020 and 2019, respectively. No direct operating costs were incurred on these investment properties in both 2020 and 2019.

13. Accounts Payable and Accrued Expenses

This account consists of the following:

		2020		2019
Capital gains tax payable	**P**	**2,985,000**	P	2,985,000
Trade payable		**392,638**		392,979
Unearned rent income		**26,786**		26,786
Income tax payable		**12,146**		-
Withholding tax payable		**590**		-
	P	**3,416,570**	P	3,404,765

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;
- Unearned rent income represents advance rental payments on parking lot being leased out to a third party.

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.

14. Short-term Loans Payable

The Parent Company has an omnibus line with China Banking Corporation for a maximum amount of P50 million. The total line of P50M was availed at various date during June 2019 to March 2020. Interest is repriced every month ranging from 5.25% to 5.625%. The loan has a term of 360 days and is collateralized by units in Summit One Tower.

As of March 31, 2020, interest expense related to this loan amounted to P2,587,280.

15. Subscription Payable

This represents subscription to the Capital stock of ATN Solar (see Note 10). Subscriptions are payable on demand or each capital call of ATN Solar. These funds are used by ATN Solar principally for capital expenditures and pre-operating expenses of the (i) Solar energy project and the (ii) Rock crusher project.

The movement of this account is as follows:

		2020		2019
Balance at the beginning of the year	**P**	**86,981,600**	P	80,195,240
Subscription during the year		**17,000,000**		358,655,120
Payments during the year		**(86,981,600)**		(351,868,760)
Balance at the end of the year	**P**	**17,000,000**	P	86,981,600

Details of the subscription are as follows:

- On November 15, 2019 the Company subscribed to 358,655,120 shares of stock of ATN Solar at a subscription price of P1.00 per share. During the same fiscal year, P271,673,520 was paid for such subscription. Full payment was made on December 26, 2019.

- On March 12, 2020, the Company subscribed to additional 10 million shares of ATN Solar at a subscription price of P17.50 per share. At the time of subscription, P158 million was paid which was satisfied thru conversion of Advances to ATN Solar for the same amount. The closing date of subscription is set on or before December 31, 2022. After the issuance of the aforesaid shares, the ownership interest in ATN Solar is 48.8 %.

16. Equity

Share capital
The component of the Parent Company's share capital is as follows:

	Authorized share capital			Subscribed and paid		
Title of issue	Number of shares		Amount	Number of shares		Amount
Common						
Class A	4,200,000,000	P	420,000,000	3,700,000,000	P	370,000,000
Class B	2,800,000,000		280,000,000	800,000,000		80,000,000
Preferred	5,000,000,000		500,000,000	-		-
	12,000,000,000	P	1,200,000,000	4,500,000,000	P	450,000,000

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 thru conversion of advances from stockholders totaling P632 million at a pre-determined subscription price. As of August 12, 2020 the application for increase in capital is still pending with the Securities and Exchange Commission.

Unrealized gain on financial asset at fair value through other comprehensive income
The movement of this account is as follows:

		2020		2019
Balance at beginning of year	**P**	**(1,454,818)**	P	(1,423,973)
Changes in fair value - net of deferred tax		**(1,649,045)**		(30,845)
Balance at the end of year	**P**	**(3,103,863)**	P	(1,454,818)

17. Administrative Expenses

The breakdown of this account is as follows:

		2020		2019
Professional fees	**P**	**828,317**	P	605,000
Taxes and licenses		**468,641**		661,015
Transportation and travel		**142,200**		73,000
Office supplies		**67,500**		62,953
Representation and entertainment		**17,200**		82,539
Advertising		**-**		20,375
Miscellaneous		**101,607**		16,114
	P	**1,625,465**	P	915,996

18. Related Party Transactions

It is the policy of the Company that any transaction with a Related Party be conducted at arms' length and on terms generally available to an unaffiliated third party under at least the same or similar circumstances. There must be sound business reason(s) to enter into such a related party transaction, taking into account such factors as cost efficiency, time, and such other terms advantageous to Company, among others. The Audit Committee is tasked to oversee and review the propriety of related party transactions (RPT) and the required reporting disclosures. The Company's material RPT Policy covers all transactions meeting the materiality threshold of transactions, i.e., 10% or more of the total consolidated assets as of the latest audited financial statements.

RPT is defined as a transfer of resources, services or obligations between the Company and a related party, regardless of whether or not a price is charged; or, outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

Related Parties covers the Company's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the company. It also covers Company's parent company, subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

The BOD shall have the overall responsibility in ensuring that transactions with Related Parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interests of the company's shareholders and other stakeholders.

The details of related party transaction during 2020 and 2019 are as follows:

Transactions and balances

(a) Advances to related parties

Related parties	2020 Balance at beginning of year	Availment	Collection	Balance at end of year
Subsidiaries				
Managed Care Philippines, Inc.	**P 7,242,328**	**P 1,100,000**	**P -**	**P 8,342,328**
Advanced Home Concept Development Corporation	**10,768,677**	**-**	**-**	**10,768,677**
Palladian Land Development, Inc.	**21,040,729**	**-**	**21,040,729**	**-**
Associate				
ATN Philippines Solar Energy Group, Inc.	**-**	**158,760,354**	**158,000,000***	**760,354**
Companies under common control				
Transpacific Broadband Group Intl, Inc.	**-**	**13,100,000**	**-**	**13,100,000**
Sierra Madre Consolidated Mines	**7,450,000**	**-**	**-**	**7,450,000**
	46,501,734	**172,960,354**	**179,040,729**	**40,421,359**
Allowance for ECL	**7,450,000**	**-**	**-**	**7,450,000**
	P 39,051,734	**P 172,960,354**	**P 179,040,729**	**P 32,971,359**

**Applied against Subscription payable, see details below.*

Related parties	2019 Balance at beginning of year	Availment	Collection	Balance at end of year
Subsidiaries				
Managed Care Philippines, Inc.	P 6,942,328	P 300,000	P -	P 7,242,328
Advanced Home Concept Development Corporation	10,768,677	-	-	10,768,677
Palladian Land Development, Inc.	-	21,040,729	-	21,040,729
Associate				
ATN Philippines Solar Energy Group, Inc.	607,479	-	607,479	-
Companies under common control				
Unipage Management Corp.	11,571,104	-	11,571,104	-
Sierra Madre Consolidated Mines	7,450,000	-	-	7,450,000
	37,339,588	21,340,729	12,178,583	46,501,734
Allowance for ECL	7,450,000	-	-	7,450,000
	P 29,889,588	P 21,340,729	P 12,178,583	P 39,051,734

As discussed in Note 15, advances to ATN Solar amounting to P158 million was used in settlement of additional subscription to the share capital of ATN Solar.

In prior years, the Company provided cash advances to Sierra Madre Consolidated Mines (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 were unable to operate and generate revenues and cash flows. Accordingly, the Company provided a full impairment loss on its advances to SMCM in 2014 amounting to P7.45 million.

There were no provisions for ECL during 2020 and 2019 covering Advances to related parties.

(b) Advances from related parties

	2020			
Related party	Balance at beginning of year	Availments	Payment	Balance at end of year
Subsidiary				
Palladian Land Development, Inc.	**P -**	**P 2,088,738**	**P -**	**P 2,088,738**
Company under common control				
Unipage Management Corp.	**-**	**134,712,237**	**-**	**134,712,237**
Stockholders	**449,327,221**	**57,550,853**	**-**	**506,878,074**
	P 449,327,221	**P 194,351,828**	**P -**	**P 643,679,049**

	2019			
Related party	Balance at beginning of year	Availments	Payment	Balance at end of year
Subsidiary				
Palladian Land Development, Inc.	P 60,328,401	P -	P 60,328,401	P -
Company under common control				
Unipage Management Corp.	209,590	-	209,590	-
Stockholders	28,375,670	420,951,551		449,327,221
	P 88,913,661	P 420,951,551	P 60,537,991	P 449,327,221

<u>Terms and conditions</u>
Advances to/from related parties has the following terms and condition:

- Generally payable in cash
- Clean and unsecured
- Not subject to interest
- No fixed repayment periods

There were no compensation paid to key management personnel.

19. Income Taxes

Income tax expense as of March 31, 2020 and 2019 represents current income tax. There were no provision for deferred income tax.

The reconciliation of pretax income computed at the applicable statutory rates to tax expense is as follows:

	2020	2019
Statutory income tax	**P (648,320)**	P (372,665)
Income subject to final tax	**(1,057)**	(2,958)
Tax effect of:		
Non-deductible expense	**436**	664
Effect of unrecognized deferred income tax	**689,904**	560,387
	P 40,963	P 185,428

The component of the Company's deferred tax liabilities are as follows:

		2020		2019
Unrealized gain on:				
Investment properties	**P**	**2,670,308**	P	2,670,308
Financial assets at FVOCI		**2,179,709**		2,169,755
	P	**4,850,017**	P	4,840,063

The movements of deferred tax assets and liabilities are as follows:

	As of March 31, 2020			
		Changes taken to		
	Beginning	Profit and loss	Equity	Ending
Deferred tax liabilities	**4,840,063**	**-**	**9,954**	**4,830,109**

	As of March 31, 2019							
			Changes taken to					
		Beginning		Profit and loss		Equity		Ending
Deferred tax assets	P	180,050	P	(180,050)	P	-	P	-
Deferred tax liabilities		4,840,218		-		(155)		4,840,063
	P	(4,660,168)	P	(180,050)	P	155	P	(4,840,063)

The Company did not recognize any deferred tax assets as at March 31, 2020 and 2019 on the following items since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

		2020		2019
Allowance for impairment losses	**P**	**4,344,462**	P	4,344,462
Net Operating Loss Carry Over (NOLCO)		**1,135,549**		1,464,533
Unrealized loss on valuation of Non-current asset held for sale		**-**		180,050
Minimum Corporate Income Tax (MCIT)		**53,965**		19,525
	P	**5,533,976**	P	6,008,570

Components of the Company's unutilized NOLCO and MCIT and the year until which these are deductible from taxable income are as follows:

		Original amounts			
Year incurred	Expiry		NOLCO		MCIT
2020	2023	**P**	**2,163,137**	**P**	**40,963**
2019	2022		**1,105,737**		**5,378**
2018	2021		**516,289**		**7,624**
		P	**3,785,163**	**P**	**53,965**

NOLCO and MCIT amounting to P3,259,749 and P6,523, respectively, that were incurred in 2017, expired in 2020 without any benefit therefrom.

20. Earnings (Loss) Per Share

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

		2020		2019
Income (loss) for the year	**P**	**(2,202,031)**	P	(1,427,647)
Weighted average numbers of shares outstanding during the year		**4,500,000,000**		4,500,000,000
	P	**(0.0005)**	P	(0.0003)

As of March 31, 2020 and 2019, there were no potential ordinary shares with dilutive effect.

21. Events After Reporting Date

COVID -19 Pandemic
On March 11, 2020, the World Health Organization declared a global pandemic as a result of increasing number of COVID-19 cases worldwide. This was followed by the President of Philippines' issuance of Presidential Proclamation Order No. 929 declaring a State of Calamity in the Country from the COVID-19 outbreak. These events resulted to a slowdown in the Philippine economy as lockdowns and quarantine measures were put in place. While the financial impact is considered a non-adjusting event as at March 30, 2019, the effect on the Group's operations and financial performance, however, cannot be reasonably determined as at August 12, 2020. The Company believes that it can remain on a going concern when the State of Calamity is lifted.

Exploration activities
On May 20, 2020, the Department of Environment and Natural Resources thru the Mines and Geoscience Bureau issued Mineral Processing Permit (MPP) to the Company for its Aggregate Crushing Plant project located in Rodriguez, Rizal. The MPP allows the Company to undertake mineral processing and related activities for a period of 5 years, renewable for like periods but not to exceed a total term of 25 years or until May 19, 2045.

Previously, the Company was granted Exploration permit covering an area of 82.7 hectares. The project area contains deposits of massive volcanic rocks consisting of andesite to basaltic andesite flows and breccia and highly indurated pyroclastic rocks than can be utilized as a mountain-rock quarry type of aggregates. The highly weathered component of the volcanic rock assemblage including the associated boulder clasts can be used as filling materials. The site is estimated to have an indicated resource of 31 million tons of fill materials and 66 million tons of rock aggregates.

The MPP will allow the Company to process 2.65 million tons per year of aggregates through its 500-ton per hour rock aggregates crushing plant.

22. Other Matters

Modification of Contract to Sell
In 2012, the Company entered into various contracts to sell its investment properties at a total contract price of P21.67 million. Payments are to be made in equal monthly installments over a period of 10 years. These are recorded as "*Non-current Asset held for sale"* since management believes that with the cumulative payments to date, it is reasonably expected that the remaining balance will be faithfully completed by the buyer. As of March 31, 2018, these assets amounted to P19.3 million.

Consistent with the reclassification of the investment properties, the related liabilities of the assets held for sale were also reclassified to current liabilities amounting to P15.1 million as of

March 31, 2018, respectively. These liabilities comprise the payments made by the other party in the aforesaid contracts to sell.

In 2017 until 2018, the buyer repeatedly failed to fulfill its commitments in accordance with the contract to sell.

After efforts to collect the balance of the contract price proved futile, the Company, through its legal counsel, informed the buyer on January 15, 2019, that the aforementioned contracts to sell were rescinded and cancelled. On the same date, the Company reclassified the related assets and liabilities previously classified as held for sale to “Deposits” for the same amount.

The Company plans to re-negotiate the contract to sell to cover only a number of condominium units sufficient enough to cover the payments made with deduction to recover economic loss on the part of the Company.

Operating Lease Commitments
Certain investment properties of the Companies are leased out to third parties under the operating lease agreement. The lease term is for the period of 1 year renewable at the option of both parties.

Noncash investing and financing activities
The following are the non-cash investing and financing activities.

- As discussed in Note 15, the Company converted a significant portion of Advances to ATN Solar amounting to P158 million to Investment in an associate in the form of subscription. The payment of subscription did not involve a cash flow transaction hence, this was excluded in the preparation of the Statement of cash flows.

- During 2019, the balance of Subscription payable was offset against the balance of Advances from a certain related party amounting to P270,802,970. The offsetting was excluded in the preparation of the Statement of cash flows.

23. Supplementary Information Required under Revenue Regulation 15-2010

The Bureau of Internal Revenue (BIR) issued Revenue Regulation 15-2010 which requires additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the fiscal year ended March 31, 2020 is presented in compliance thereto.

- The VAT output tax declared amounted to P241,989.

- The VAT input tax claimed is broken down as follows:

Beginning of the year	P	188,138
Domestic purchases of goods and services during the year		92,028
Claimed against Output VAT and adjustments		(208,664)
Total input claimed during the year	P	71,502

- Expanded withholding tax in the total amount of P26,846 was paid during the fiscal year.

- As of March 31, 2020, the Company has no pending tax cases within and outside the administration of the BIR.

- All other taxes, local and national, lodge under taxes and licenses account are as follows:

Local		
Community tax	P	3,344
Mayor's permit		13,081
Real property tax		12,241
National		
BIR Annual registration		500
PSE Annual Listing Fee		431,900
Others		7,575
	P	468,641