

ATN HOLDINGS, INC.

9F Summit One Tower, 530 Shaw Blvd. Mandaluyong City
Tel. Nos. 7717-0523 and 8404-0231

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

**TO ALL STOCKHOLDERS
ATN HOLDINGS, INC.**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of ATN HOLDINGS, Inc. will be held via ZOOM, on Thursday, **November 26, 2020** at 1:30P.M. The zoom link is <https://us04web.zoom.us/j/76431513942?pwd=VmZrcHU1RFEvREVwbmU5b3l0ektoUT09>

The following matters will be taken up during the meeting:

1. Proof of Notice of the Meeting
2. Proof of Presence of a quorum
3. Approval of the previous annual minutes of meeting
4. Report of the President
5. Approval of the FY March 31, 2020 Audited Financial Statements
6. Election of Directors
7. Appointment of Independent Auditors
8. Adjournment

The record date for determination of the stockholders entitled to notice of, and to vote at said meeting is fixed at the close of business hours on **October 29, 2020.**

In view of the ongoing Covid-19 pandemic, shareholders may only participate via remote communication. To register, certificated stockholders who will attend the Meeting should send a scanned copy of one (1) valid government identification card (ID) to atnsolar@tbgi.net.ph Indirect shareholders should send scanned copies of their broker's certification and one (1) valid ID to the same email address. Deadline for registration is on 19 November 2020 at 12 NN.

The Company is not soliciting proxies. Should you be unable to attend the meeting, you can nevertheless be represented and vote at the ASM by submitting a proxy by email the same email address, or by sending a physical copy to the Office of the Corporate Secretary at Unit 904 Summit One Tower, 530 Shaw Boulevard, Mandaluyong City. The deadline for submission of proxies is on 19 November 2020.


PAUL B. SARIA
Asst. Corporate Secretary

ATN HOLDINGS, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

MARCH 31

(Fiscal Year Ending)
(month & day)

SEC Form 20-IS (Definitive Information Statement)

(Form Type)

Amendment Designation (if applicable)

Annual Stockholders Meeting
November 26, 2020

(Period Ended Date)

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**Information Statement Pursuant to Section 20
of the Securities Regulation Code (SRC)**

1. Check the appropriate box:

_____ **Preliminary Information Statement**

 X **Definitive Information Statement**

2. Name of Registrant as specified in its Charter **ATN HOLDINGS, INC.**

3. Country of Incorporation **Republic of the Philippines**

4. SEC Identification Number **37535**

5. BIR Tax Identification Number **005-056-869**

6. Address of principal office **9th Floor Summit One Tower,
530 Shaw Blvd. Mandaluyong City**

7. Telephone Number **(632) 7717-0523**

8. Date, time and place of meeting of security holders:

Date : **November 26, 2020, Thursday**
Time : **1:30 PM**
Place : **via ZOOM meeting, thru the link below:
<https://us04web.zoom.us/j/76431513942?pwd=VmZrcHU1RFEvREVwbmU5b3I0ektoUT09>**

9. Approximate date on which the Information Sheet is first to be sent or given to security holders:

November 5, 2020

10. In case of Proxy Solicitation

Name of Person Filing the Statement/Solicitor : **n/a**

11. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Subscribed and Outstanding (No. of Shares)</u>	<u>Pesos</u>
Common "A"	3,700,000,000	P370,000,000.00
Common "B"	800,000,000	80,000,000.00
	<u>4,500,000,000</u>	<u>P450,000,000.00</u>

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

YES **X** **NO** _____

4,500,000,000 common shares are listed with the Philippine Stock Exchange ("PSE")

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE
REQUESTED NOT TO SEND US A PROXY.**

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

When : **November 26, 2020, Thursday, 1:30PM**
Where : **8TH floor, Summit One Tower**
: **530 Shaw Boulevard Mandaluyong City**
: **Stockholders' participation will be via remote communication**
: **through the company website www.atnholdings.com.**

Zoom Link : **<https://us04web.zoom.us/j/76431513942?pwd=VmZrcHU1RFEvREVwbmU5b3I0ektoUT09>**

Principal office : **9th Floor Summit One Tower**
530 Shaw Boulevard, Mandaluyong City

Approximate date on which the Information Sheet is first to be sent or given to security holders November 5, 2020.

Item 2. Dissenters' Right of Appraisal

Sections 80, Title X: Appraisal Right of the Revised Corporation Code of the Philippines, provide for a shareholder's exercise of the right of appraisal (defined as the right of any stockholder to dissent and demand payment of the fair value of his shares). The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's property and assets;
3. In case of merger or consolidation; and
4. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose.

There are no new items in the agenda that may give rise to a dissenting shareholder's exercise of the right of appraisal

Procedure for Exercise of Dissenter's Appraisal Right

Section 81 of the Corporation Code provides for the appropriate procedure for the exercise of the right of appraisal, viz:

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken: Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the Corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Item 3. Interest of Certain Persons in or Opposition to Matter to be Acted Upon

The following persons have no substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office:

1. each person who has been a director or officer of the Corporation at any time since the beginning of the fiscal year;
2. each nominee for election as a director of the Corporation: and
3. each associate of any of the foregoing persons.

No member of the Board of Directors of the Corporation has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the annual meeting of the stockholders.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

Class "A" Shares	3,700,000,000
Class "B" Shares	800,000,000
Total Outstanding voting shares as of October 4, 2018	<u>4,500,000,000</u>

The Company's capital stock consists of Class "A" and Class "B" shares which have the same voting rights and privileges and are equal in all respects, except that Class "A" shares are transferable only to Philippine nationals while Class "B" shares are transferable to any person regardless of nationality. Each share is entitled to one vote. All stockholders of record at the close of business on **October 29, 2020** shall be entitled to notice and to vote at the Annual Stockholders meeting.

The directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his share equal, or by distributing such votes at the same principle among any number of candidates.

(1) Security Ownership of Certain Record and Beneficial Owners

Owners of more than 5% of voting securities as of September 30, 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 9 th Floor Summit One Tower 530 Shaw Boulevard, Mandaluyong City Chairman, President and CEO	None	Filipino	2,763,541,260 ^r	61.41%
A	2. PCD Nominee Corp. (Fil) 37 th Floor Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City	Various	Filipino	876,994,430 ^r	19.49%
B		Various	Filipino	528,234,029 ^r	11.74%
B		Various	Non-Fil	269,822,501 ^r	6.00%

The clients of PCD Nominee Corporation are the beneficial owners and have the power to decide how their shares are to be voted. There is no beneficial owner with more than 5% shareholdings under the PCD Nominee Corp.

(2) Security ownership of Management as of September 30, 2020:

Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	%
	Directors:			
A	Arsenio T. Ng	P2,763,541,260 ^d	Filipino	61.41%
A	Hilario T. Ng	3,501,000 ^d	Filipino	00.08%
A&B	Bonifacio Choa	2,000,000 ^d	Filipino	00.04%
B	Cheah Chee Choong	1,000 ^d	Malaysia	00.00%
A	Santos L. Cejoco	1,000 ^d	Filipino	00.00%
A	Hyland Si	1,000,000 ^d	Filipino	00.02%

A	Sophie Miles Ng	3,052,774"d"	Filipino	00.07%
B	Manuel Moje	10,000"d"	Filipino	00.00%
B	Twinie Kaye Ng	5,114,333"d"	Filipino	0.11%
A	Leonides Respicio	10,000"d"	Filipino	00.00%
A	Paul Saria	3,010,000"d"	Filipino	00.07%
	All directors and executive officers as a group	P2,781,241,367		61.81%

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

(3) Voting trust Holders of 5% or more

The Company knows no persons holding more than 5% of common shares under a voting trust or similar agreement.

(4) Changes in Control

The company has no arrangements which may result in a change in control of the Corporation. There has been no change in control since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers:

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 Citizen
 Period Served - 1995 to present
 Term of office - 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 Broadband Group Int'l, Inc. (TBGI), a technology business for commercial telecommunications operations and Vice Chairman of CBCP World Corporation a broadband internet service provider and the information technology company..

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, HEO & Associates. 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 and Uniwide groups. Currently, he is an ASEAN Licensed architect.

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.

CHEAH CHEE CHOONG - Independent Director

Age 68, Malaysian

Period Served - 1995 to present

Term of office as director - one year

Mr. Cheah Chee Choong 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, from 1977 to present, the President of Future Logic from 1996 to present and President of Digital Isys Corporation from 1998 to present.

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 former Project Manager in National Development Company, Mr. Cejoco finished his Master in Business Management at the Asian Institute of Management and B.S. Chemical Engineering at the University of San Carlos. A qualified CESO executive, he placed third in the board examinations for chemical engineers in 1975. Currently, he is an independent consultant on management services and renewable energy.

MANUEL R. MOJE

Age 85, Filipino Citizen

Period Served – 2010 to present

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., Vice Chairman of Click Communications, Inc. 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.

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, 2018 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 Corp. Sec. – 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)

PAUL B. SARIA – Assistant Corporate Secretary

Age 49, Filipino Citizen

Period Served - 2002 to present

Term of office as director – one year

A graduate of B.S. Architecture at the University of Santo Tomas, Mr. Saria took his graduate studies in Project Management at the Royal Melbourne Institute of Technology. Arch. Saria is concurrently Vice President for operations of Transpacific Broadband Group International Inc., Palladian Land Development Inc., Advanced Home Concept Development Corp., and comptroller of CBCP World Corporation.

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

Nominees for Elections as Directors of the Company

The following are all part of the final list of candidates presented by the Nomination Committee, to wit:

Arsenio T. Ng (Filipino)	Leonides Respicio (Filipino)	Cheah Chee Choong (Malaysian)
Hilario T. Ng (Filipino)	Manuel Moje (Filipino)	Hyland Si (Filipino)
Santos L. Cejoco (Filipino)	Sophie Miles Ng (Filipino)	Twinie Kaye Ng (Filipino)
Paul B. Saria (Filipino)	Bonifacio Choa (Filipino)	

These nominees were formally nominated to the Nomination Committee by a shareholder of the Company, Hyland Si, Bonifacio Choa and Cheah Chee Choong are the nominees for independent directors. The nominated independent directors do not hold directorship or independent directorship in other publicly-listed companies. In the approval of nomination for independent directors, the Nominations Committee has taken into consideration the guidelines prescribed under SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and the By-laws of the Company. The independent directors are nominated by Paul B. Saria and Hilario Ng. Both Mr. Paul Saria and Hilario Ng have no relationship with the nominees for independent directors.

Only nominees whose names appear on the final list of candidates will be eligible for election as directors. No further nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

Management Committee Members / Key Executive Officers

Arsenio T. Ng	-Chief Executive Officer & President
Hilario T. Ng	-Chief Operating Officer
Santos Cejoco	-Chief Corporate Planner
Leonides Respicio	-Corporate Secretary
Paul B. Saria	-Assistant Corporate Secretary
Hyland Si	-Independent Director, Audit & Nominations Committee
Bonifacio Choa	-Independent Director, Remuneration Committee

(2) Significant Employees

The company has no significant employees.

(3) Family Relationship

Architect Hilario T. Ng is the younger brother of Arsenio T. Ng. Sophie Miles Ng and Twinie Kaye Ng are siblings and daughters of Arsenio T. Ng. Except for the above-mentioned directors there are no family relationships among the officers listed.

(4) Involvement in Certain Legal Proceedings

The Company is not aware that anyone of the incumbent directors and executive officers and persons nominated to become a director and executive officer have been the subject of bankruptcy petition or pending criminal proceedings in court or have been by judgment or decree found to have violated securities or commodities law enjoined from engaging in any business, securities, commodities or banking activities. This disclosure on legal proceedings covers the last five years up to the latest date of this Information Statement.

The Company and its subsidiaries is not involved in any litigation incidental to the conduct of its business. If there is any claim, 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 6. Compensation of Directors and Executive Officers

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 the last two (2) fiscal years paid to the officers of the Company as a group, are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total compensation of the 4 other officers and management team	2020est.	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

Directors:

The members of the Board of Directors shall each be entitled to a director's fee in the amount to be fixed by the stockholders at a regular or special meeting duly called for that purpose. Each director receives a per diem of P5,000.00 per attendance at Board meetings of the Company.

The stockholders have not fixed any fee, and thus there are no other arrangements pursuant to which any of the directors was compensated or is to be compensated, directly or indirectly, by the Company for services rendered during the last fiscal year, and the ensuing fiscal year.

None of the directors, in their personal capacity, has been contracted and compensated by the Company for services other than those provided as a director.

Officers:

There are no employment contracts between the Company and its executive officers.

There are no warrants and options granted to Directors and Officers of the Company.

Item 7. Independent Public Accountant

(1) External Audit Fees and Services

The audited financial position of the Company for FY March 31, 2020 was audited by R. R. TAN & ASSOCIATES, CPAs.

The same accounting firm is being recommended for re-election at the scheduled annual meeting for the almost the same remuneration as in the previous year. Representatives of the said firm are expected to be present at the stockholders' meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

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 is the current audit partner for R. R. TAN & ASSOCIATES, CPAs. He replaced Mr. Domingo A. Daza Jr., who serves as auditor from 2013 to 2016.

(2) 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.

Item 8. Compensation Plans

There is no cash or non-cash compensation to be distributed with respect to stock options, warrants or rights or any other extra consideration.

Employment Contracts, Termination of Employment, And Change-In-Control Arrangement

An employment contract between the Corporation and a named executive officer will normally include a compensation package, duties and responsibilities, and term of employment.

The Corporation has not entered into any compensatory plan or arrangement with any named executive officer which would entitle such named executive officer to receive any amount under such plan or arrangement as a result of or which will result from the resignation, retirement, or any other termination of such executive officer's employment with the Corporation and its subsidiaries, or from a change-in-control of the Corporation, or a change in the executive officer's responsibilities following a change-in-control of the Corporation.

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification of any class of securities of the registrant.

Item 11. Financial and Other Information

No action is to be taken with respect to any matter specified in item 10 above.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters

No action is to be taken with respect to any transaction involving:

1. the merger or consolidation of the Corporation into or with any person, or of any other person into or with the Corporation;
2. the acquisition by the Corporation or any of its security holders of securities of another person;
3. the acquisition by the Corporation of any other going business or of the assets thereof;
4. the sale or other transfer of all or any substantial part of the assets of the Corporation; or
5. the liquidation or dissolution of the Corporation.

Item 13. Acquisition or Disposition of Property

There was no acquisition of new properties by the Corporation. The Corporation continues its lease rental operation with minimal disposition of property.

No other action to be taken with respect to the acquisition or disposition of property.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of accounts.

D. OTHER MATTERS

Item 15. Action with Respect to Reports:

The following reports/minutes shall be submitted to the stockholders for approval/ratification:

- a. Minutes of the previous Annual Stockholders' Meeting
- b. Approval of previous annual minutes of meeting
- c. Report of the President
- d. Approval of FY March 31, 2019 audited FS
- e. Election of Directors
- f. Appointment of Independent Auditors
- g. Annual Report of the President
- h. Fiscal Year Ending March 31, 2020 Audited Financial Statements

The president reported the highlights of the audited fiscal year March 31, 2020 financial statements, and the acts of the Board and the executive officers during the above fiscal year. The corporate secretary read to the stockholders the minutes of the previous annual stockholders' meeting.

The stockholders in said meeting approved and ratified (1) the minutes of the previous annual stockholders' meeting, (2) the audited fiscal year March 31, 2020 financial statements and the annual report which was presented by the president, Mr. Arsenio T. Ng, (3) the appointment of RR Tan & Associates, CPAs as External Auditor, and (4) ratified the acts of the Board and the executive officers during the above fiscal year including but not limited to memberships in (a) remuneration committee, (b) audit committee, and (c) nomination committee.

Membership in said committees, which include one independent director in compliance with SEC rules, are as follows:

<u>Compensation Committee:</u>	<u>Audit Committee:</u>	<u>Nomination Committee:</u>
Arsenio T. Ng (Chairman)	Hyland Si (Chairman)	Arsenio T. (Chairman)
Paul B. Saria (Member)	Hilario T. Ng (Member)	Santos Cejoco (Member)
Bonifacio Choa - Independent	Santos Cejoco (Member)	Hyland Si - Independent

Item 16. Matters not Required to be Submitted

No action is to be taken with respect to any matter, which is not required to be submitted to a vote of security holders.

Item 17. Amendments of Charter, By-laws, and Other Documents

The Securities and Exchange Commission (SEC) have approved the amendment of the company's Articles of Incorporation and By-laws, to wit:

- 1. On August 17, 2005, the By-laws of the Corporation were amended in compliance with SRC Rule 38 (Guidelines on Nomination and Elections of Independent Directors).
- 2. On August 28, 2008, Section 7 of the Articles of Incorporation was amended to increase the Authorized capital stock of the Corporation from Two Hundred Million Pesos (P200,000,000.00) to One Billion Two Hundred Million Pesos (P1,200,000,000.00).
- 3. On December 22, 2010 annual stockholders' meeting of the Corporation, majority of the stockholders of the Corporation has resolved to amend Article 7 of the Articles of Incorporation on the waiver of pre-emptive rights.
- 4. On October 1, 2012, the Board of Directors of the Corporation resolved to amend the annual stockholders meeting date of the Corporation from 2nd Thursday of July to 2nd Thursday of November.
- 5. On March 27, 2015, the Securities and Exchange Commission approved the change in par value of the Corporation from P1.00 per share to P0.10 for Class "A" and Class "B" share.

6. On June 30, 2016, the Securities and Exchange Commission approved the Amended Articles of Incorporation of ATN Holdings, Inc. for the conversion of the unissued common shares to Five billion (5,000,000,000) preferred shares.
7. On November 21, 2016, the Securities and Exchange Commission approved the extension of corporate life of the Corporation to another fifty years from the expiration of the original term of fifty (50) yrs. The Corporation was incorporated on February 13, 1969.

Item 18. Voting Procedures

Stockholders of record as of 29 October 2020 may vote at the Meeting. Stockholders have the right to vote in person or by proxy. Under the Company's policy for the effective participation by shareholders in shareholders' meetings of the Company and the exercise of shareholders' right to vote:

1. To register and vote, a stockholder must download and fill up the form provided in this link <http://www.atnholdings.com/notice%20of%20annual/uploads/index3.php> For direct and indirect shareholders, both should fill up form and send a scanned copy of the required documents i.e. one (1) valid government identification card (ID), etc. to email atn_asm@tbgi.net.ph.
2. Deadline for registration is on 19 November 2020, at 12:00 noon. Once the Company successfully verifies the stockholder's status, the Company will reply to each stockholder with an online ballot for voting purposes.
3. Only items reflected on the Agenda and the Information Statement will be voted upon, which is itemized in the registration and proxy form. No resolution that is not in the Agenda will be voted on.
4. Votes may be casted online by sending the filled up online ballot form to atn_asm@tbgi.net.ph.
5. If a shareholder is unable to attend the meeting, he/she may still be represented by submitting the proxy form found in <http://www.atnholdings.com/notice%20of%20annual/uploads/index3.php>, or by sending a physical copy to the Office of the Corporate Secretary at the Company's principal address at Unit 904 9F Summit One Tower, 530 Shaw Blvd., Mandaluyong City.
6. Cumulative voting may be adopted in the election of directors as allowed by the Revised Corporation Code of the Philippines. On this basis, each registered stockholder as of 29 October 2020 may vote the number of shares registered in his name for each of the eleven (11) directors to be elected; or he may multiply the number of shares registered in his name by eleven (11), the number of the Company's directors as provided in its Articles of Incorporation, and cast the total of such votes for one (1) director. A stockholder may also distribute his votes among some or all of the eleven (11) directors to be elected.
7. Validation of online ballots and proxies shall be undertaken by a special committee designated by the Board for the validation of proxies. For the 2020 ASM, the Company's independent external auditor shall work with the special committee, to review the tabulation proxies, when necessary.
8. Voting results for each item on the agenda shall be announced during the meeting and shall be made publicly available immediately.

PART III

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true and correct. This report is signed in the City of Mandaluyong on November 3, 2020.

Issuer : ATN HOLDINGS, INC.
Date : November 3, 2020


PAUL B. SARIA
Corporate Information Officer

MANAGEMENT REPORT

BUSINESS AND GENERAL INFORMATION

BRIEF DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF THE REGISTRANT'S BUSINESS AND ITS SUBSIDIARIES

ATN Holdings, Inc. (ATN) On September 13, 1995, SEC approved the increase in authorized capital stock to Two Hundred Million Pesos (P200,000,000) at One centavo (P0.01) per share.

On March 14, 1996, Securities and Exchange Commission (SEC), approved the changes of name from Jabpract Mining and Industrial Corporation to ATN Holdings, Incorporated and corporate purpose from mining to a holding company. A 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 from P200 million to P1.2 billion. The capital consisted of 720,000 class "A" shares and 480,000 class "B" shares with a par value of P1 each.

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 Securities and Exchange Commission approved the Amended Articles of Incorporation of ATN Holdings, Inc. for the conversion of the unissued common shares to Five billion (5,000,000,000) preferred shares

Title of issue	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 21, 2016, the Securities and Exchange Commission approved the extension of corporate life of the Corporation to another fifty years from the expiration of the original term of fifty (50) yrs. The Corporation was incorporated on February 13, 1969.

ATN invested in real properties and stocks. Its investments in real properties are several units of 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 two basement parking levels. The units are for sale or lease, through either direct sales from walk-in clients, or referrals from independent brokers.

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

Palladian Land Development Inc. (PLDI) is the developer and major owner of (a) the 48-storey Summit One Tower and an adjacent 6 storey parking building, located at 530 Shaw Boulevard, Mandaluyong City, (b) the subdivided residential land in Pasig City,(c) 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, and (d) the 256-hectare property located in Rodriguez, Rizal. PLDI's main sources of revenues include sale and rent of condominium units and residential land. Palladian envisions in the future that the above mentioned properties are to be fully considered as a private Economic Zone.

Advanced Home Concept Development Corp. (AHCDC) is a corporation engaged in developing residential properties. AHCDC is a developer of various properties in Pasig City.

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 setting up a 30 MW Solar PV Project. It will be situated in a 256-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.

In 2017, ATN Solar embarked on the development of its solar project site in Rodriguez, Rizal. Site development entails the extraction of rock deposits to flatten the terrain and minimize shadowing, which reduces the production of energy of solar PV panels. With DENR ECC-OL-R4A-2017-0414, ATN Solar acquired a 500-ton per hour rock crusher plant for better disposal management and to make the extracted rocks saleable in the public interest, and serve the rock aggregate requirements of President Duterte's major infrastructure projects, as well as the land reclamation projects being undertaken by private entities in Manila Bay.

The solar project is designed to have gross generation capacity of 30 MW peak of direct current (DC) at inception. The alternating current (AC) output will 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.

On patents, trademarks, licenses, franchise, and concessions, the service contract awarded by the Department of Energy to ATN Solar carries a "royalty" of 1% of gross revenue payable to the LGU and national government, as provided for by RA 9513. The same service contract requires government approval, which was granted in the contract itself, allowing ATN Solar to deliver electric power to the grid from ATN Solar 30 MW solar power plant.

In compliance with environmental laws, ATN Solar will plant trees to the extent of 10 new trees per 380 old trees that have to be cut to make the project site ready for installation of solar panels. ATN Holdings as proponent has budgeted P50 per new tree planted to be part of ATN Solar project cost.

ATN Solar will employ 10 workers for the daily operation of the solar power plant in the next ensuing month. These employees are not subject to any collective bargaining agreements. This number of employees is the only foreseen increase in manpower of the ATN Group.

ATN Solar will negotiate the Power Supply Agreement with Meralco when the rates become favorable for financially sustainable operation of the solar plant.

In 2017, ATN Solar embarked on a rock crushing plant project, funded mainly by (a) its major equity stockholders TBGI and ATNH and (b) UCPB term loan of P100 million.

ATN Philippines Solar Energy Group Inc. is undergoing Land Development works, and installed in 2018 an Integrated Rock Processing plant to utilize such existing rock resources for its project to serve the needs of President Duterte's Build Build, Build Program. It is currently employing at least 100 workers, 80% of which is local hire. Under such development it has secured several national and local permits and licenses including but not limited to Environmental Compliance Certificate, Permit to Install and Permit to Operate rock processing plant, Building permits, Occupancy Permits for its rock processing equipment. The rock processing plant is operational, as of September 2018. Electrical infrastructure to Meralco distribution networks has been completed and energized. Local communities can now enjoy electricity supply from Meralco at no cost to them. ATN has a power supply agreement with Meralco for the operation of rock processing plant.

Competitive Position in the Industry

The Company is competitive in terms of pricing its real estate properties for sale. Its low leverage allows the company to survive even during a slump in the real-estate market. In addition, the company enjoys PEZA incentives in its Summit One Tower Office Building.

The company presently sells real estate property in Summit One Tower and other minor land properties in compliance with real estate laws. Upon start of commercial operation of the ATN Solar rock crushing plant in early 2018, the ATN group shall be selling construction products in the form of rock aggregates, armor rock for reclamation projects, pre-mix concrete, and pre-fabricated concrete products in the future. Management observes that there is no probable governmental law that may have significant effect in company operations since permitting of all aspects of operation of the ATN group have been completed and approved by duly constituted government entities.

Major Risks Involved and other disclosures

1. Local/foreign acquisitions, mergers & consolidations, disposals, joint ventures, other forms of business co-operation, new line of business.
Except for ATN Solar project, ATN Holdings has no local/foreign acquisitions, mergers & consolidations, new business and other forms of business cooperation.
2. Material change in ATN's financial or trading position.
There is no material change in ATN financial position since the last audited FS other than that already made public. A material change is anticipated in the next 12 months in financial structure with issuance of preferred shares envisaged to be completed in 2015.
3. Material contracts entered into, or are being negotiated.
ATN Holdings has not entered into a material contract since 31 December 2014.
As of August 2015, ATN Solar signed supply contracts for solar PV panels, Schneider transformers, switch gear and RMU for 30 MW solar plant capacities.
4. Material change in the operations, operating environment, business plans.
Except for the solar power generation project, there is no other change in operations, operating environment, and business plans.
5. Operating divisions/particular business segments possess with the largest areas of concern.
Challenging competition has always been around for all business segments of ATN Holdings. On the property segment, the financial structure with low debt ratio allows the company to hold on to real estate assets for higher value expectation in the long term.
6. Major risks to ATN's future operating performance and asset position.
Change in regulatory policy on FIT, with respect to ATN Solar business, is the major risk facing ATN's operating performance and rate of return on investment in solar power generation. No effect in asset position of ATN Holdings, since project site is already owned by ATN Holdings, Inc subsidiary Palladian Land Development, Inc.
7. Plan for corporate restructuring (dissolution of the existing subsidiaries, affiliates, associates or joint ventures)
There is no plan for corporate restructuring, except the increase of ATN Holdings ownership of ATN Solar.
8. ATN long-term vision, key success factors to achieve this vision.
The ATN investment program covers three strategic business sectors including (a) renewable energy, (b) raw materials for infra and construction for Build, Build, Build, and (c) real estate development that involves PEZA development and land equity. While ATN initiated the solar project ahead of the other sectors, it has become necessary to remove the excess rock materials first to make the 256 hectares site ready for development of the solar farm, and the PEZA land equity. The long term vision is to flatten the terrain of the property to make the area valuable at its maximum for PEZA and solar energy development. Key success factors stem from the (a) existence of rock materials that can be used for construction activities inside the PEZA area, as well as the infrastructure projects of the government in Metro Manila., and (b) the proximity of the project site to Metro Manila where there is maximum economic activity.
9. ATN market position, vis-à-vis domestic competitors.
On the real estate business sector, ATN Holdings market share is relatively small compared to large real estate competitors. However, in absolute terms, ATN land in Rodriguez Rizal, which is the site of the solar project, can reach Php 75 Billion if the comparative present price of Php 30,000 per square meter of Ayala land in the same area is used in asset valuation. The Php 30,000 price per square meter of ATN land is not a remote possibility within the 25 years life of the solar project (when land becomes available for other uses), given that Ayala Land, SM Malls, San Miguel group and its competitors are flocking to the future site of large business process outsourcing activity and construction of support facilities in Rodriguez Rizal.

On the raw materials business sector the proximity of primary target market comprising infrastructure projects makes ATN competitive, while the renewable energy sector will have a captive market in PEZA locators.
10. The Group has no patent, trademark, license/concession and royalty contracts.
11. The Group does not need for a government approval for real estate for sale.
12. The Group has 25 employees. There is no union in the corporation and all of its subsidiaries. As such, CBAs are not applicable.

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) Lincoln Plaza in San Fernando, Pampanga and (c) land for real estate development and energy generation in Montalban, Rizal.

Certain condominium units in Summit One Tower in Mandaluyong City are subject to contract to sell executed with third party. Payments received were lodged under "Deposit" in the Statement of Financial Position.

Pursuant to the operating lease commitments, certain investment properties of the Group 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.

The company does not intend to acquire or purchase any real estate or major equipment in the next twelve months.

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.

Submission of Matters to a Vote of Security Holders

There was no meeting held since the end of fiscal year March 31, 2020.

Certain Relationship and Related Transactions

Sierra Madre Consolidated Mines (SMCM)

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.

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.

The company has no parent company and has no transaction with promoters for the past five years.

Management's Discussion and Analysis or Plan of Operation

Plan of Operation

The real estate sector of holding company plans to continue its focus on 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.

On renewable energy generation, ATN Holdings secured Php 1.1 Billion credit facility from UCPB (in lieu of Unicap), but solar project implementation was superseded by the Php 1.0 Billion Integrated Rock Processing Project to serve the urgent need for rocks of the Build, Build, Build Program of President Duterte.

ATN Solar expects annual revenues to reach P1 Billion in Year 2 from Rock Processing Operation. Palladian Land expects to earn P70 million annually from tenement fees to be paid by ATN Solar

There is no other change in the plan of operations for the next 12 months.

FY 2020

Financial and Operating Highlights

The following table shows the top seven (7) key performance and financial soundness 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.

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

	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	1.16	0.84	1.58	0.54	0.05	0.01	51.62	35.53
Debt to Equity Ratio	0.76	0.65	0.45	0.43	3.26	3.1	-1.62	-114.67
Asset to Equity Ratio	1.76	1.65	1.45	1.43	4.26	4.1	-0.62	-113.67
Interest Rate Coverage R _i	(7.93)	(8.06)	0.63	258.64	-	-	-	-
Gross Profit Margin	54%	55%	50%	67%	-	-	-	-
Net Income to Sales Ratio	-22%	-69%	8.50%	66.70%	-	-	-	-
Net Income (loss)	(6,477,286)	(11,740,626)	2,276,954	286,009,579	(103,329)	11,337,944	(5,191,489)	(4,174,764)

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

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.

Non-current 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.

	Fiscal Year Ending March 31		
	2020	2019	% Change
Revenue	P 29,225,159	P 16,924,838	73%
Gross profit	15,811,702	9,344,392	69%
Gross profit %	54%	55%	
Cost of sales and services	13,413,457	7,580,446	77%
Administrative expenses	11,896,962	11,715,733	2%
Equity in net loss of an associate	992,643	3,627,846	-73%
Finance cost	4,583,848	1,573,630	191%
Impairment losses	3,500,000	3,535,252	-1%
NET LOSS FOR THE PERIOD	6,477,286	11,740,626	-45%
Net Loss %	22%	69%	
EBITDA	3,973,342	(907,527)	

The group's consolidated revenue increased from P16.9 million in March 31, 2019 to P29.2 million in March 31, 2020. Gross profit percentage almost remain the same from 55% in FY2019 and 54% in FY2020.

The net loss of P6.4 million in FY March 2020 resulted from the following significant items:

- a. Net loss from Managed Care Phils. Inc. of P5.1 million . The company has ceased its healthcare operations and accordingly sold a significant portion of its medical equipment.

The net loss of P11.7 million in FY March 2019 resulted from the following significant items:

- a. Net loss from Managed Care Phils., Inc. of P4.1 million. The company ceased its commercial operation in later part of 2018.
- b. Equity in net loss of an associate of P3.6 million as a result of the group's investment in ATN Phils. Solar Energy Group Inc. The company has not started its commercial operation as of December 31, 2018.

The net losses in 2019 and 2020 resulted from higher activity levels of an expanded organization to support the quarrying and crushing operations of ATN Infra Rocks. The additional costs should have formed part of finished goods inventory of rock aggregates, but management chose to treat it as period cost (expensed) under materiality concept. During the cited period, the company accumulated more than 500,000 tons of rock aggregates (with market value of about P 400 million) and rock boulders inventory feed for the crusher, which can be sold upon resumption of construction of Build, Build, Build infrastructure projects. In the latter part of 2020, ATN commences to sell the aggregates inventory to reverse the two-year reported losses which are insignificant relative to the value of accumulated inventory that is reflected at cost in the financial statements of ATN Solar.

The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of the mandated lockdowns all over the country. While the financial impact is considered a non-adjusting subsequent event as at FY March 31, 2020, the effect on the Company's operations and financial performance, however, cannot be reasonably determined. Nonetheless, the Company believes that it can remain a going concern given the essential nature of its industry and its participation in the government's Build Build Build Infrastructure program to jumpstart the economy.

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, 2018 and comparable period in the past year. Net profit on consolidated basis 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.
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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.

Non-current 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 million to P21.152 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 remains the same from P2.131 billion in FY March 31, 2018 to P2.119 billion in FY March 31, 2019.

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 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.

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.
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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.

Non-current 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

The audited financial statement is 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 regarding 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, 2020, 2019 and 2018 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 fiscal years March 31, 2020, 2019 and 2018 financial statements with the contract amount of P373,400 for 2020 and 2019 and P351,000 for 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.

Market Price for Registrant's Common Equity and related Stockholder Matters

(1) Market Information

ATN shares are traded in the Philippine Stock Exchange. ATN High and Low Sales Prices per Quarter for the Last Two Fiscal Years and two quarter of the current year:

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

	April to June 2020		July to September 2020	
	High	Low	High	Low
Class A	0.65	0.42	0.75	0.51
Class B	0.64	0.42	0.83	0.53

Holders

As of September 30, 2020, the company had 224 holders of Class “A” shares and 29 for class “B” shares. The high and low market price as of October 30, 2020 for Class A is P0.92 and P0.89 respectively. Class B has a high and low of P0.90 as of October 30, 2020.

The top 20 stockholders as of September 30, 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 UNWELL 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%

(1) Dividends

Management recognizes the SEC comment on dividend policy and has recommend last December 29, 2011, to the Board and Stockholders to approve the following subject to SEC and PSE’s rules and regulations:

- a. Two percent (2%) stock dividend
- b. Pre-emptive stock rights of one (1) share for every six (6) shares owned at par value of P1.00 per share

The excess of retained earnings against paid-in capital is mainly due to fair value adjustment on Financial assets at FVTPL and fair value adjustment of Investment Property resulting to a gain in the total amount of Php716 million.

There is no restriction on the payment of dividends or common shares, provided there is sufficient retained earnings to support declaration or payment of dividends. There was no cash dividend declared for the last three fiscal years. Stock dividend is planned for the shareholders once the solar energy project is up and running. The available free cash in prior years were used as equity investment for pre-development expenditures of the 30 MW solar project.

In summary, Management action is beneficial to public interest as it complies with SEC governance rules, and results in government collection of taxes.

(2) Recent Sales of Unregistered Securities

The Company has not sold any securities within the past three years that were not registered under the SRC. There was no recent sale of unregistered securities.

(3) Compliance with leading practice on Corporate Governance

The company will make a separate submission on filing 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

The Company did not deviate from the adopted Manual of Corporate Governance and all members of the Board Directors as well as Senior Management officers completed and were duly certified to have attended a 1-day special in-house seminar on Corporate Governance. There is no additional plan to improve corporate governance of the company from the existing manual.

SEC FORM 17-A

A copy of SEC Form 17-A will be provided to any stockholder of ATN Holdings, Inc. without any charge upon written request addressed to:

**Mr. Paul Saria
ATN Holdings, Inc.
9thFloor Summit One Tower
530 Shaw Blvd. Mand. City**

SEC FORM 17-Q – Quarter ending September 30, 2020

A copy of the 2nd qtr. report of the period ended September 30, 2020 will be available to all stockholders during the Annual Stockholders' meeting.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

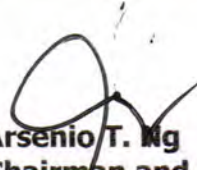
September 10, 2020

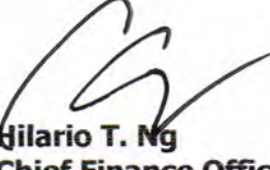
The management on **ATN HOLDINGS, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the fiscal years ended **March 31, 2020 and 2019**, in accordance with the prescribed financial reporting framework indicated therein, 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
Chairman and CEO


Hilario T. Ng
Chief Finance Officer

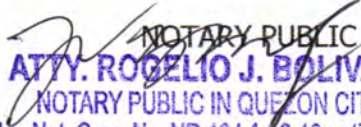

Paul B. Saria
Chief Operating Officer

SEP 11 2020

SUBSCRIBED AND SWORN to before me this _____ 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. : XXVII
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.

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

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

	<i>Notes</i>	2020	2019	2018
INCOME (LOSS) FOR THE PERIOD	P	(6,477,286)	P (11,740,626)	P 308,276,593
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items to be reclassified to profit or loss in subsequent periods:</i>				
Fair value changes in AFS securities - net of deferred tax		-	-	780,378
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
Fair value changes in Financial 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

	Notes	Share Capital	Additional Paid-in Capital	Unrealize loss on		Retained Earnings	Total
				Financial assets at fair value through OCI - net of deferred tax	Available-for-sale securities - net of deferred income tax		
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 recognize 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 13th 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 value		Fair value hierarchy					
			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 value		Fair value hierarchy					
			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	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			
Location	-5% to -20%	-5% to -20%										
Potential use	5% to 10%	5% to 10%										
San Fernando, Pampanga	Land	Market approach	Selling price (per square meter)	Level 2	P14,250 - P18,000	-5% to -20%						
			Size				-5%	-5%				
			Location				-5%	-5%				
			Potential use				10%	10%				
			Thru lot				5%	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	Later than 3	No fixed payment period	Total
			month & not later than 3 months	months & not later than 1 year		
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	Later than 3	No fixed payment period	Total
			month & not later than 3 months	months & not later than 1 year		
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:

	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
2020					
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

	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
2019					
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 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:

- 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.
- 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
- 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:

Title of issue	Authorized share capital		Subscribed and paid	
	Number of shares	Amount	Number of shares	Amount
Common				
Class A	4,200,000,000	P 420,000,000	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-priced 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

Related parties	2020			
	Balance at beginning of year	Availment	Collection	Balance at end of year
<i>Associate</i>				
ATN Philippines Solar Energy Group, Inc.	P -	P 161,794,821	P 158,000,000*	P 3,794,821
<i>Companies under common control</i>				
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.

Related parties	2019			
	Balance at beginning of year	Availment	Collection	Balance at end of year
<i>Associate</i>				
ATN Philippines Solar Energy Group, Inc.	P 607,479	P -	P 607,479	P -
<i>Companies under common control</i>				
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

Related parties	2020			
	Balance at beginning of year	Availment	Collection	Balance at end of year
<i>Associate</i>				
ATN Philippines Solar Energy Group, Inc.	P 34,383,059	P -	P 34,383,059	P -
<i>Companies under common control</i>				
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

Related parties	2019			
	Balance at beginning of year	Availment	Collection	Balance at end of year
<i>Associate</i>				
ATN Philippines Solar Energy Group, Inc.	P 1,152,747	P 68,096,648	P 34,866,336	P 34,383,059
<i>Companies under common control</i>				
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:

Year incurred	Expiry	Original amounts	
		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

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

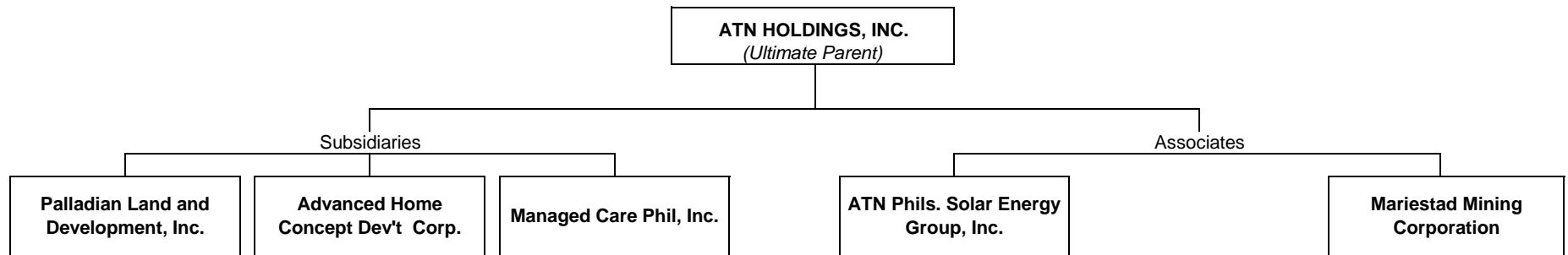
	2020	2019
A. Current/liquidity ratios		
Current ratio	1.165	0.838
Quick ratio	0.290	0.349
Cash ratio	0.290	0.349
B. Solvency ratio/Debt-to-equity ratio		
Solvency ratio	-0.001	-0.005
C. Asset-to-Equity ratios	1.758	1.646
D. Interest rate coverage ratio	-0.13	-6.059
E. Profitability ratios		
Net profit 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 as	-		
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)	-
AVAILABLE FOR SALE INVESTMENTS				
Transpacific Broadband Group International, Inc.	133,100,000	P 21,296,000	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	10,768,677	P	-
Managed Care Philippines, Inc.		8,342,328		8,342,328		16,684,656
Total	P	19,111,005	P	19,111,005	P	16,684,656

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
Impairment		-		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, conversion 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	-	-	-	-	-
	<u>12,000,000,000</u>	<u>4,500,000,000</u>	<u>-</u>	<u>-</u>	<u>2,781,241,367</u>	<u>-</u>

SEC Number 37535
File Number _____

ATN HOLDINGS, INC.

(Company)

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

(Address)

717-0523

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC 17Q

(Form Type)

Amendment Designation (if applicable)

June 30, 2020

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2020
2. Commission identification no. 37535 3.BIR Tax Identification No. 005-056-869
4. ATN Holdings, Inc. (the "Company")
5. Philippines
6. Industry Classification Code:
7. 9th Floor, Summit One Tower, 530 Shaw Blvd., 1550 Mandaluyong City
8. Telephone No.7717-0523
9. The Company did not change its name, address or fiscal year during the period covered by this report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P.01	
Class "A"	3,700,000,000
Class "B"	800,000,000

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

I. Financial Statements.

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

		(Unaudited) June 30	Audited March 31
	Notes	2020	2020
ASSETS			
Current Assets			
Cash	8	P27,614,625	P35,118,338
Other current assets	9	6,951,746	6,569,166
		34,566,371	41,687,504
Non-current assets held for sale	10	99,298,000	99,298,000
		133,864,371	140,985,504
Noncurrent Assets			
Investments in:			
Financial assets at fair value			
through other comprehensive income (OIC)	11	21,296,000	21,296,000
Associates - net	12	851,953,643	852,214,833
Investment in properties	13	2,684,795,957	2,673,343,344
Property and equipment - net	14	4,197,074	5,051,712
Due from related parties	24	3,298,341	19,455,498
		3,565,541,016	3,571,361,387
TOTAL ASSETS		P3,699,405,387	P3,712,346,891
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	16	P3,720,062	P3,651,312
Short-term interest bearing loans	17	50,000,000	84,000,000
Lease liability	18	1,281,418	1,792,138
		55,001,480	89,443,450
Liability portion of non-current assets held for sale	10	63,200,000	31,600,000
		118,201,480	121,043,450
Noncurrent Liabilities			
Deposits	19	53,161,002	54,262,602
Subscription payable	20	14,000,000	17,000,000
Due to related parties	24	688,510,895	692,916,071
Pension liability		788,928	788,928
Deferred tax liabilities		714,888,920	714,888,920
		1,471,349,745	1,479,856,521
Total Liabilities		1,589,551,225	1,600,899,971
EQUITY			
Share capital	21	450,000,000	450,000,000
Additional paid-in capital		22,373,956	22,373,956
Unrealized loss on:			
Financial assets at fair value through OCI-net of tax	21	(3,103,863)	(3,103,863)
Retained earnings - March 31		1,640,584,068	1,642,176,827
TOTAL EQUITY		2,109,854,161	2,111,446,920
TOTAL LIABILITIES AND EQUITY		P3,699,405,387	P3,712,346,891

See accompanying Notes to Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	First Quarter Ending	
		June 30, 2020	June 30, 2019
REVENUES			
Lease of properties		P5,137,613	P6,837,973
OTHER INCOME			
Interest and other income		7,889	26,344
		5,145,503	6,864,317
COSTS AND EXPENSES			
Cost of sales and services	22	501,844	1,096,314
Administrative expenses	23	4,663,035	5,811,482
Equity in net loss of an associate	24	261,190	659,832
Finance cost	17	1,219,479	1,536,875
		6,645,547	9,104,503
INCOME (LOSS) BEFORE INCOME TAX		(1,500,044)	(2,240,186)
INCOME TAX EXPENSE		92,715	363,825
INCOME (LOSS) FOR THE PERIOD		(P1,592,759)	(P2,604,011)
OTHER COMPREHENSIVE INCOME (LOSS)			
Fair value changes in Available-for-sale through other comprehensive income (OIC)		-	-
		(P1,592,759)	(P2,604,011)
EARNINGS PER SHARE	25	(0.0004)	(0.0058)

See accompanying Notes to Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	1st Qtr. Ending	
	June 30, 2020	June 30, 2019
SHARE CAPITAL	P450,000,000	P450,000,000
ADDITIONAL PAID-IN CAPITAL	22,373,956	22,373,956
UNREALIZED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI, NET OF DEFERRED TAX	(3,103,863)	(1,454,817)
RETAINED EARNINGS		
Balance at beginning of fiscal year	1,642,176,827	1,648,654,113
Net profit (loss)	(1,592,759)	(2,604,011)
	1,640,584,068	1,646,050,102
	P2,109,854,161	P2,116,969,241

See accompanying Notes to Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	First Quarter Ending	
	June 30, 2020	June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	(P1,592,759)	(P2,604,011)
Adjustments to reconcile net income to cash		
Depreciation and amortization	854,638	2,433,112
Equity in net loss of an associate	261,190	659,832
Interest income	(7,889)	(26,344)
Interest expense	1,219,479	1,536,875
Operating income before working capital changes	734,658	1,999,464
Decrease (increase) in current assets		
Other current assets	(382,580)	(648,376)
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	68,750	(1,095,730)
Cash (used in) provided by operations	420,828	255,358
Interest income	7,889	26,344
Cash flows from Operating Activities	428,717	281,702
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment properties	(11,452,613)	(23,478,476.00)
Net (Increased) decreased in :		
Advances to and from related parties	11,751,981	23,015,514
Payment of subscription	(3,000,000)	(32,000,000)
Increase (decrease in liability portion of assets held for sale)	31,600,000	-
Increased (decreased) in deposits	(1,101,599)	(1,884,089)
	27,797,769	(34,347,051)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest bearing loans:		
Principal	(34,510,720)	(468,302)
Interest	(1,219,479)	(1,536,875)
Proceeds of bank loans	-	30,000,000
	(35,730,198)	27,994,823
NET INCREASE/(DECREASE) IN CASH	(7,503,712)	(6,070,526)
CASH AT BEGINNING OF PERIOD	35,118,338	17,211,263
CASH AT END OF PERIOD	P27,614,626	P11,140,737

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND MARCH 31, 2020

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.

2. Basis of Preparation and Presentation

Basis of Financial Statement Preparation and Presentation

The interim consolidated financial statements of the Parent Company and Subsidiaries (*the Group*) as at June 30, 2020 and for the three-month period ended June 30, 2020 and 2019 have been prepared 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 unaudited interim financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, Interim Financial Reporting.

Principle for Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and those of the subsidiaries. A parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, control is achieved if and only if the parent company has the following;

- (i) Power over the investee;
- (ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
- (iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The parent reassesses whether or not it controls a subsidiary if facts and circumstances indicates that there are changes to one or more of the three elements of control.

As of June 30, 2020 and FY March 31, 2020, the consolidated subsidiaries are as follows:

<u>Subsidiary</u>	<u>Principal place of business</u>	<u>Principal Activity</u>	<u>% of Ownership</u>
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, 2019, MCPI has ceased its healthcare operations and accordingly sold a significant portion of its medical equipment during 2019. 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

New Standards, Interpretations and Amendments adopted by the Group

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the fiscal year ended March 31, 2020 except for the adoption of new standards effective as at April 1, 2020.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective except for the amendment to PFRS 16, *Leases*.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim financial statements of the company.

Amendments to PFRS 3, Definition of a Business The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business. An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted. These amendments will apply on future business combinations of the Company.

Amendments to PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements. An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Amendments to PFRS 16, COVID-19-related Rent Concessions

The amendments provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted. The amendment has no impact to the interim financial statements as of June 30, 2020.

4. Summary of Significant Accounting Judgments and Estimates

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

There were no significant changes in the significant accounting judgments, estimates, and assumptions used by the Group for the three-month period ended June 30, 2020 except, as a consequence of COVID 19 pandemic.

5. Fair Value Measurement

Financial Instruments

The fair value of financial instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable price exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and the fair value in the consolidated statements of income unless it qualifies for recognition as some other type of asset.

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

	Quarter ending June 30, 2020		FY ending March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans and receivables				
Cash	27,614,625	27,614,625	35,118,338	35,118,338
Financial assets at FVOCI	21,296,000	21,296,000	21,296,000	21,296,000
Other financial liabilities				
Accounts payable and accrued expenses	3,720,062	3,720,062	3,651,312	3,651,312
Bank loans	50,000,000	50,000,000	84,000,000	84,000,000
Deposits	53,161,002	53,161,002	54,262,602	54,262,602
Subscription payable	14,000,000	14,000,000	17,000,000	17,000,000

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.

6. 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 June 30, 2020 and March 31, 2020 based on contractual undiscounted payments:

June 30, 2020	On demand	Not later than one month	Later than 1 month & not later than 1 3 months	Later than 3 month & not later than 1 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	3,720,062	-	-	-	-	P 3,720,062
Bank loans	-	-	-	50,000,000	-	50,000,000
Due to related parties	-	-	-	-	688,510,895	688,510,895
Lease liability	-	-	-	1,281,418	-	1,281,418
Subscription payable	-	-	-	-	14,000,000	14,000,000
	P 3,720,062	-	-	P 51,281,418	P 702,510,895	P 757,512,375

FY March 31, 2020	On demand	Not later than one month	Later than 1 month & not later than 1 3 months	Later than 3 month & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	P 3,651,312	-	-	-	-	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 85,792,138	P 709,916,071	P 799,359,521

Credit Risk

Credit risk is risk due to uncertainty in a counterparty's (also called an obligor) ability to meet its obligation.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The table below shows the gross maximum exposure to credit risk of the Group as of June 30, 2020 and March 31, 2020. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	June 30, 2020	FY March 2020
Cash and cash equivalents	P 27,614,625	P 35,118,338
Financial assets at FV through OCI	21,296,000	21,296,000
	P 48,910,625	P 56,414,338

The credit quality of the Group's assets as of June 30, 2020 and March 31, 2020 is as follows:

June 30, 2020	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
Cash and cash equivalents	27,614,625	-	-	-	P 27,614,625
Financial assets at FV at OCI	-	21,296,000	-	-	21,296,000
	P 27,614,625	P 21,296,000	P -	P -	P 48,910,625

FY March 31, 2020	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade			
Cash and cash equivalents	35,118,338	-	-	-	P 35,118,338
Financial assets at FV at OCI	-	21,296,000	-	-	21,296,000
	P 35,118,338	P 21,296,000	P -	P -	P 56,414,338

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 . 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:

	June 30, 2020	FY March 31, 2020
Equity	P 2,109,854,161	P 2,111,446,920
Total assets	3,699,405,387	3,712,346,891
Ratio	0.57	0.57

7. 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:

	June 30, 2020	June 30, 2019
Revenues	P 5,137,613	6,837,973
Cost and expenses	6,645,547	9,104,503
Net income (loss)	(1,592,759)	(2,604,011)
Segment assets	3,699,405,387	3,502,961,807
Segment liabilities	1,589,551,225	1,385,992,567

8. Cash

Cash accounts with the banks generally earn interest at rates based on prevailing bank deposit rates. Cash in bank amounted to P27,614,625 and P35,118,338 as of June 30, 2020 and March 31, 2020, respectively.

9. Other Current Assets

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

		June 2020		FY March 2020
Input taxes	P	4,543,093	P	3,740,483
Deposits		1,053,140		1,841,898
Prepaid taxes		1,355,513		986,785
	P	6,951,746	P	6,569,166

10. Non-Current Assets Held for Sale

The movements of this account is as follows:

		June 2020		FY March 2020
Balance at the beginning of the year	P	99,298,000	P	18,477,856
Assets sold during the year		-		(12,317,141)
Re-negotiated contracts		-		(6,160,715)
Re-classification fom investment property		-		99,298,000
	P	99,298,000	P	99,298,000

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 P63.2 million and P31.6 million as of June 30, 2020 and March 31, 2020 and 2019, respectively. These liabilities comprise the payments made by the other party in the aforesaid contracts to sell.

11. Financial Asset at Fair Value through Other Comprehensive Income

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

		June 2020		FY March 2020
Listed shares of stock	P	496,000	P	496,000
Unlisted shares of stock		20,800,000		20,800,000
	P	21,296,000	P	21,296,000

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.

12. Investments in Associates - net

This account consists of the following:

		June 2020		FY March 2020
Cost:				
Beginning of the year				
ATN Phils Solar Energy Group	P	865,080,120	P	690,080,120
Mariestad Mining Corp.		11,306,000		11,306,000
	P	876,386,120	P	701,386,120
Additions during the year (ATN Solar)		-		175,000,000
		876,386,120		876,386,120
Equity in net losses				
Beginning of the year		(12,865,287)		(11,872,644)
Current year		(261,190)		(992,643)
		(13,126,477)		(12,865,287)
Total		863,259,643		863,520,833
Allowance for impairment		(11,306,000)		(11,306,000)
	P	851,953,643	P	852,214,833

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.

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.

13. Investment Properties

The composition of this account as follows:

		June 2020		FY March 2020
Land	P	2,350,938,678	P	2,339,486,065
Condominium units		284,554,278		284,554,278
Parking slots		26,350,000		26,350,000
Townhouses		22,953,001		22,953,001
	P	2,684,795,957	P	2,673,343,344

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

		June 2020		FY March 2020
Balance at the beginning of the year	P	2,673,343,344	P	2,725,369,359
Additions arising from:				
Land improvements		11,452,613		41,111,270
Reclassifications from NCA-held for sale		-		6,160,715
Reclassifications to NCA-held for sale		-		(99,298,000)
	P	2,684,795,957	P	2,673,343,344

14. Property and Equipment

Property and equipment consists of:

June 30, 2020		Office Furniture & Fixtures		Leasehold Improvements		Transportation Equipment		Total
Cost								
At April 1, 2019	P	6,331,055	P	19,969,173	P	7,879,464	P	34,179,692
Addition		-		-		-		-
Deduction		-		-		-		-
At April 1, 2020		6,331,055		19,969,173		7,879,464		34,179,692
Accumulated depreciation								
At April 1, 2019		6,089,949		19,628,470		3,409,561		29,127,980
Provisions		17,902		340,703		496,033		854,638
At April 1, 2020		6,107,851		19,969,173		3,905,594		29,982,618
Carrying value								
At April 1, 2020	P	223,204	P	-	P	3,973,870	P	4,197,074

FY March 31, 2020		Medical Equipment & Fixtures		Office Furniture & Fixtures		Leasehold Improvements		Transportation Equipment		Total
Cost										
At April 1, 2019	P	34,937,452	P	6,138,644	P	19,969,173	P	7,879,464	P	68,924,733
Addition		-		192,411		-		-		192,411
Deduction		(34,937,452)		-		-		-		(34,937,452)
At April 1, 2020		-		6,331,055		19,969,173		7,879,464		34,179,692
Accumulated depreciation										
At April 1, 2019		25,949,086		6,054,149		18,319,729		2,417,415		52,740,379
Provisions		1,128,602		35,800		1,308,741		992,146		3,465,289
Deduction		(27,077,688)		-		-		-		(27,077,688)
At April 1, 2020		-		6,089,949		19,628,470		3,409,561		29,127,980
Carrying value										
At April 1, 2020	P	-	P	241,106	P	340,703	P	4,469,903	P	5,051,712

15. 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:

		FY March 2020
Cost	P	15,000,000
Accumulated amortization		
Balance, April 1		11,000,000
Provisions		500,000
Provision for impairment		3,500,000
		15,000,000
Net Book Value		-

16. Accounts Payable and Accrued Expenses

This account consists of the following:

		June 2020		FY March 2020
Taxes payable	P	2,985,000	P	2,985,000
Trade		720,990		621,122
Income tax payable		14,072		17,814
Other current liabilities		-		27,376
	P	3,720,062	P	3,651,312

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;
- Other current liabilities includes unearned rental income and expanded withholding taxes

17. Short-term Loans

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

		June 2020		FY March 2020
Parent	P	50,000,000	P	50,000,000
Palladian Land Development Inc.		-		34,000,000
	P	50,000,000	P	84,000,000

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 of December 31, 2019. In June 30, 2020 the company paid the loan in full.

18. 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 June 30, 2020 and March 31, 2020 the loan has an outstanding balance of P1.2 and P1.8 million, respectively.

19. 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.

20. 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:

		June 2020		FY March 2020
Balance at the beginning of the year	P	17,000,000	P	86,981,600
Subscription during the year		-		17,000,000
Payments during the year		(3,000,000)		(86,981,600)
	P	14,000,000	P	17,000,000

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 %.

21. Equity

Share capital

Component of share capital is as follows:

Title of issue	Authorized share capital		Subscribed and paid	
	Number of shares	Amount	Number of shares	Amount
Common				
Class A	4,200,000,000	P 420,000,000	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-priced 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:

	June 2020	FY March 2020
Balance at the beginning of the year	(3,103,863)	(1,454,818)
Changes in fair value - net of deferred tax	-	(1,649,045)
	(3,103,863)	(3,103,863)

22. Cost of Sales and Services

This account represents real estate taxes of P501,844 and P1,096,314 ad of June 30, 2020 and June 30, 2019 respectively.

23. Administrative Expenses

The breakdown of this account is as follows:

		June 2019		June 2019
Communication and association dues	P	1,128,669	P	1,281,142
Depreciation and amortization		854,638		2,586,237
Salaries, wages and benefits		636,113		833,398
Professional fees		451,427		168,500
Taxes, licenses and permits		222,703		146,375
Rent		220,855		202,444
Security services		115,590		187,607
Office supplies and printing		88,377		34,433
Transportation and travel		68,284		153,821
Representation		53,950		95,950
Insurance		24,135		-
Miscellaneous		798,294		121,574
	P	4,663,035	P	5,811,482

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

24. Related Party Transactions

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

(i) Due from related parties

Related parties	June 30, 2020			
	Beginning balance	Availment	Collection	Ending balance
Associates				
ATN Phils. Solar Energy Group Inc.	P 3,794,821	-	P 496,480	P 3,298,341
Companies under common control				
Transpacific Broadband Group Int'l Inc.	13,100,000	-	13,100,000	-
Sierra Madre Consolidated Mines	11,756,000	-	-	11,756,000
Stockholders	2,560,677	-	2,560,677	-
	31,211,498	-	16,157,157	15,054,341
Allowance for ECL	11,756,000	-	-	11,756,000
	P 19,455,498	P -	P 16,157,157	P 3,298,341

Related parties	FY March 31, 2020			
	Beginning balance	Availment	Collection	Ending balance
Associates				
ATN Phils. Solar Energy Group Inc.	P -	P 161,794,821	P 158,000,000	P 3,794,821
Companies under common control				
Transpacific Broadband Group Int'l 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

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

Related parties	June 30, 2020			
	Beginning balance	Availment	Collection	Ending balance
Companies under common control				
Unipage Management Inc.	180,845,525	11,000,000	-	191,845,525
Transpacific Broadband Group Int'l Inc.	1,705,810	-	13,614,833	(11,909,023)
Stockholders	510,364,736	-	1,790,343	508,574,393
	P 692,916,071	P 11,000,000	P 15,405,176	P 688,510,895

Related parties	FY March 31, 2020			
	Beginning balance	Availment	Collection	Ending balance
Associates				
ATN Phils. Solar Energy Group Inc.	P 34,383,059	-	P 34,383,059	-
Companies under common control				
Unipage Management Inc.	-	180,845,525	-	180,845,525
Transpacific Broadband Group Int'l 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

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

	June 2020	FY March 2020
AHCDC	P 11,707,392	P 10,768,677
MCPI	8,342,328	8,342,328
PLDI	(8,832,077)	(2,088,738)
	P 11,217,643	P 17,022,267

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.

25. Earnings (Loss) per Share

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

	June 2020	June 2020
Earnings	(2,604,011)	(2,862,747)
Divided by :		
Weighted Average Shares	4,500,000,000	4,500,000,000
Earning per share	(0.001)	(0.001)

26. 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 25, 2020. The Company believes that it can remain on a going concern when the State of Calamity is lifted.

27. Other SEC requirements

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

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

Item 2. Management's Discussion and Analysis of Operation

(B) Interim Periods

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

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

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

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

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
Current Ratio	1.13	0.45	2.00	0.59	0.05	0.05	0.03	0.03
Debt to Equity Ratio	0.75	0.65	0.43	0.3	3.26	0.56	1.6	1.6
Asset to Equity Ratio	1.75	1.65	1.43	0.92	4.26	0.86	0.62	0.62
Interest Rate Coverage R:	0.23	(0.03)	0.81	2.22	-	-	-	-
Gross Profit Margin	90%	84%	90%	84%	-	-	-	-
EBITDA	Php (645,407)	Php 346,051	Php 636,408	Php 2,250,827	-	-	-	-
Net Income to Sales Ratio	-31%	-38%	-3%	12.88%	-	-	-	-
Net Income (loss)	-PhP1,592,759	PhP2,604,011	-PhP168,082	PhP869,891	-PhP130,152	-PhP101,150	-PhP266,742	-PhP2,192,352

On a consolidated basis, ATN accounts that changed by more than 5% compared to quarter ending June 30, 2020 financial statements are as follows:

- Cash and cash equivalent decreased to Php27 million from Php35 million (-21%).
- Property and equipment decreased to Php4 million from Php5 million (-17%)
- Advances to related parties decreased to P3 million from Php19 million (-83%)
- Short-term Interest bearing loans decreased to Php50 million from Php84 million (-40%).
- Lease liability decreased to Php1 2 million from Php1.7 million (-28%)
- Liability portion of non-current assets held for sale increased to Php63 million from Php31 million (100%)
- Subscription payable decreased to Php14 million from Php17 million. (-17%).
- Total revenue decreased as of June 30, 2020 to P5 million compared to P6 million as of June 30, 2019, (-24%).
- Cost of services decreased as of June 30, 2020 to Php500 thousand compared to Php1 million as of June 30, 2019 due to decrease in taxes and licenses (-54%)

10. Administrative expenses decreased from Php5.8 million in June 30, 2019 compared to Php4.6 million in June 30, 2020. The following are the accounts with more than 5% change:
- a. Decrease in communication, dues and utilities by Php152 thousand (-11%).
 - b. Decrease in depreciation and amortization by Php1.7 million (-66%).
 - c. Decrease in salaries, wages and other benefits by Php197 thousand (-23%).
 - d. Increase in professional fees by Php282 thousand (167%).
 - e. Increase in taxes and licenses by Php76 thousand (-52%).
 - f. Decrease in security services by Php72 thousand (-38%).
 - g. Increase in office supplies by Php53 thousand (156%).
 - h. Decrease in rent by Php131 thousand (-65%).
 - i. Decrease in transportation and travel by Php85 thousand (-55%).
 - j. Increase in insurance by Php24 thousand (100%).
 - k. Decrease in representation by Php92 thousand (95%).

Corporate Development

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

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

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

For the period ended June 30, 2020 and 2019, MCPI has ceased its healthcare operation and sold a significant portion of its medical equipment. AHCDC and PLDI likewise ceased to actively sell its remaining real estate properties and were classified to investment properties as a result of change in recognition. The financial statements do not include any adjustment that might result from this uncertainty.

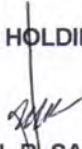
The company expects to continue its focus on its existing principal activities and actively pursue opportunities for investment in the construction materials supply business and renewable energy sectors in the Philippines.


SIGNATURES

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

Company : ATN HOLDINGS, INC.

Signature and Title :


PAUL B. SARIA
 Principal Financial Officer
 September 25, 2020



CELINIA FAELMOQA
 Principal Accounting Officer
 September 25, 2020

CERTIFICATION

I, PAUL B. SARIA, of legal age, Filipino, married and with office address at 9th Floor, Summit One Tower, 530 Shaw Boulevard, Mandaluyong City, being the Corporate Information Officer and Assistant Corporate Secretary of ATN Holdings, Inc. hereby certify that the following Executive Officers and Directors of the Corporation, for the year 2019-2020 are not employed as employee in any government agency.

Name	Designation	Name	Designation
Arsenio T. Ng	President & CEO	Twinie Kaye Ng	Director
Hilario T. Ng	Director & COO	Manuel Moje	Director
Santos L. Cejoco	Director & CCP	Bonifacio Choa	Independent Director
Leonides Respicio	Director & Corp. Secretary	Chee Choong Cheah	Independent Director
Sophie Miles Ng	Director	Hyland Si	Independent Director
Paul B. Saria	Director, CIO & Assistant Corporate Secretary		

Certified by:

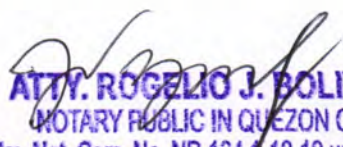

Paul B. Saria
Assistant Corporate Secretary

ACKNOWLEDGMENT

OCT 15 2020

SUBSCRIBED AND SWORN to before me this ____ day, affiant Paul B. Saria exhibited to me his Driver's License No. N04-93-264992 and expires on December 15, 2021.

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Book No. xxxx
Series No. 212


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.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Bonifacio Choa**, Filipino, of legal age and a resident of 118 Benavidez St. San Juan, Metro Manila, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ATN Holdings Inc.** and have been its independent director since November 2012.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Bon Mar Realty	President	1977 to present
Future Logic	President	1996 to present
Digital Isys Corporation	President	1998 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ATN Holdings, Inc.** as provided for in Section 38 of the Securities Regulation Code and its implemented Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the corporate secretary of **ATN Holdings, Inc.** of any changes in the abovementioned information within five days from its occurrence.

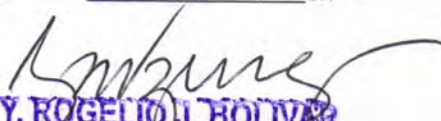
OCT 21 2020
QUEZON CITY
 Done, this ____ day of _____, at _____


Bonifacio Choa
 Affiant

OCT 21 2020
QUEZON CITY

SUBSCRIBED AND SWORN to before me this ____ day of _____ at _____, affiant personally appeared before me and exhibited to me his/her Community Tax Certificate No. _____ issued at _____ on _____.

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 Book No. XXX
 Series No. 20-20


ATTY. ROGELIO J. BOLIVAR
 NOTARY PUBLIC IN QUEZON CITY
 AM Adm. Not. Com. No. NP-124 1-12-19 until 12-31-2020
 ISP O.R. No. 055256 Jan. 2019 & ISP O.R. No. 055256 Jan. 2020
 PTR O.R. No. 5832194-C 1-3-2020 / Roll No. 33832 / TIN# 129-871-009
 MCLE No. VI-0029582 valid from 12/16/19 Valid until 04/14/22 Quezon City
 Address: 31-F Harvard St. Cubao, Q.C.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Cheah Chee Choong**, Filipino, of legal age and a resident of Royal View Mansion, 242 LT Artiaga St. San Juan, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of ATN Holdings Inc. and have been its independent director since November 2012.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philma Industrial PTE LTD.	Director	1986 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ATN Holdings Inc. as provided for in Section 38 of the Securities Regulation Code and its implemented Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the corporate secretary of ATN Holdings Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this OCT 21 2020 day of _____, at QUEZON CITY.

Cheah Chee Choong

Cheah Chee Choong
Affiant

OCT 21 2020

SUBSCRIBED AND SWORN to before me this _____ day of _____ at QUEZON CITY, affiant personally appeared before me and exhibited to me his passport A37485658 issued Kuala Lumpur on March 7, 2016.

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Book No. XXX
Series No. 2020

Rogelio J. Bolivar
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.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Hyland Si**, Filipino, of legal age and office address at Rm 1005 Taipan Place, Emerald Avenue, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ATN Holdings Inc.** and have been its independent director since November 2012.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Torque Builder, Inc.	Vice President	1979 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ATN Holdings, Inc.** as provided for in Section 38 of the Securities Regulation Code and its implemented Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the corporate secretary of **ATN Holdings, Inc., Inc.** of any changes in the abovementioned information within five days from its occurrence.


Done, this OCT 21 2020 day of _____, at QUEZON CITY.


Hyland Si
 Affiant

OCT 21 2020 QUEZON CITY

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____, affiant personally appeared before me and exhibited to me his/her Community Tax Certificate No. _____ issued at _____ on _____.

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 Book No. XXX
 Series No. 2020


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.