ATN HOLDINGS, INC.

9F Summit One Tower, 530 Shaw Blvd. Mandaluyong City
Tel. Nos. 717-0523 and 404-0231

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 at Multi Media Center, Ground Floor, Summit One Tower Annex Bldg. 530 Shaw Blvd., Mandaluyong City on Thursday, **November 9, 2017** at 1:00P.M. with these agenda:

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, 2017 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 12, 2017.**

The enclosed Information Statement is being distributed to stockholders of record as of October 12, 2017, in compliance with the requirements of Section 17.1-(b) of the Securities Regulation Code.

Registration starts at 12:30 in the afternoon. Please bring any form of identification to facilitate registration.

Mandaluyong City, October 12, 2017.

PAUL B. SARIA
Asst. Corporate Secretary

SEC Number 37535
File Number

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 9, 2017

(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) 717-0523**

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

Date	:	**November 9, 2017**, Thursday
Time	:	1:00 o'clock lunch meeting
Place	:	Multi Media Center GF Summit One Tower Annex Bldg. Mandaluyong City

9. Approximate date on which the Information Sheet is first to be sent or given to security holders:
October 17, 2017

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

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

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

Date	**:**	**November 9, 2017, Thursday**
Time	**:**	**1:00 o'clock, Lunch meeting**
Place	**:**	**Multi Media Center GF Summit One Tower Annex Bldg. 530 Shaw Blvd., Mandaluyong City**
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 **October 17, 2017.**

Item 2. Dissenters' Right of Appraisal

Pursuant to the Corporation Code of the Philippines (BP Blg. 168), a dissenting stockholder who has voted against a proposed corporate action shall have the right of appraisal or the right to demand payment of the fair value of his shares in the following instances:

1. Any amendment to the articles of incorporation which 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. Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
3. Merger or consolidation;
4. Investment in another corporation, business, or for any purpose other than the primary purpose for which the corporation was organized.

The appraisal right may be exercised by a dissenting stockholder by making a written demand for the payment of the fair market value of his shares upon the corporation within thirty (30) days after the date on which the vote was taken. After demanding payment of his shares, the dissenting stockholder shall submit the stock certificates representing his shares to the Company, for notation thereon that such shares are dissenting shares. Payment of the shares shall be made only when the corporation has unrestricted retained earnings in its books to cover such payments. A more detailed outline of the procedure for the exercise of the appraisal right is found in Section 81 to 86 of B.P. Blg.168.

The price of the shares of the dissenting stockholder shall be the fair value thereof as at the day immediately prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of the proposed corporate action. If within 60 days from the date of the proposed corporate action was approved by the stockholders, the dissenting stockholders and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by the Company and the third by the two thus chosen. The findings of a majority of the appraisers shall be final, and the Company shall pay the award within 30 days after such award is made.

No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon such payment, the stockholder shall forthwith transfer his shares to the company.

However, it is Management's opinion that there are no matters to be acted upon at the meeting involving instances set forth in the Corporation Code of the Philippines for which a stockholder may exercise the right of appraisal.

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 September 30, 2017	4,500,000,000

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 12, 2017** 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, 2017:

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 9th Floor Summit One Tower 530 Shaw Boulevard, Mandaluyong City Chairman, President and CEO	None	Filipino	2,763,541,260"r"	61.41%
A B B	2. PCD Nominee Corp. (Fil) 37th Floor Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City	Various Various Various	Filipino Filipino Non-Fil	874,384,430"r" 773,795,729"r" 20,259,001"r"	19.43% 17.20% 0.45%

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, 2017:

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	Chee Choong Cheah	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	Eduard O. Jalandoni	10,000"d"	Filipino	00.00%
B	Manuel Moje	10,000"d"	Filipino	00.00%
B	Arturo Magtibay	10,000"d"	Filipino	00.00%
A	Renato E. Taguiam	10,000.00	Filipino	00.00%
A	Paul Saria	3,010,000"d"	Filipino	00.07%
	All directors and executive officers as a group	**P2,773,094,260**		**61.62%**

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 58, 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 and television broadcasting operations and Vice Chairman of CBCP World Corporation a broadband internet service provider and the information technology arm of the Catholic Bishop Conference of the Philippines (CBCP). He is the Chief Executive Officer of Managed Care Phils. Inc., Palladian Land Development Inc., Advanced Home Concept Development Corp., and Unipage Management Inc.

HYLAND SI - Independent Director
Age 59, 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.

HILARIO NG – Director
Age 57, 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.

CHEE CHOONG CHEAH - Independent Director
Age 65, Malaysian
Period Served - 1995 to present
Term of office as director - one year

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

BONIFACIO CHOA - Independent Director
Age 74, 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 64, 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 82, 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.

ARTURO MAGTIBAY
Age 68, Filipino Citizen
Period Served – 2010 to present
Term of office as director – one year

Engr. Arturo Magtibay is concurrent President of Omnicor Industrial Estate Realty Center, Inc. and President of Abacus Global Technovisions, Inc. He is also Director in Abacus Consolidated Resources & Holdings, Inc. and Philippine Regional Investment Development Corp. Engr. Magtibay served as provincial engineer of Batangas and currently serves as Chairman and Professor in the University of Batangas.

EDUARD O. JALANDONI
Age 47, Filipino Citizen
Period Served – 2016 to Present
Term of office as director – one year

Mr. Eduard Jalandoni holds a degree in Marketing Management at De La Salle University. He served as an Investment Analyst in Astra Securities Inc. (1988-1990), Campos, Lanuza & Co. Inc. (1991-1996), and AGJ Securities Inc. (1997-1998). He also served as consultant to Senator Ralph Recto from 2001-2004. At present, he serves as consultant to S.B. Equities Inc., Gov. Emilio Osmeña, Mr. Mariano Osmeña and Mr. Ramon Atayde. He is Managing Director of Zamboanga Restaurant.

ATTY. RENATO E. TAGUIAM – Corporate Secretary
Age 71, Filipino Citizen
Period Served – 2016 Nominee
Term of office as Corp. Sec. – one year

Atty. Taguiam is a graduate of Bachelor of Laws at the University of the Philippines in 1970. He was admitted to the Philippine Bar on March 12, 1971. From 1994 to present, he actively handles litigation cases whether civil, criminal or administrative, before Philippine courts and administrative agencies with areas of specialization including remedial account management, estate and family relations law, land registration law, labor relations law and corporate law under Orbos, Cabusora, Taguiam Law Office. His past positions include the following: From 1988 to 1993, he was an Associate of Linsangan Law Office. He was a Trial Lawyer at Chargekard Corporation in 1984 to 1987. He served as Partner at Montilla Law Office and Gonzales Rivera &Taguiam from 1982 to 1984 and 1975 to 1981, respectively. Atty. Taguiam also worked with Kimberly-Clark Philippines, Inc. from 1981 to 1982 and Utilities Developments Corporation from 1973 to 1974 as legal officer. He served as assistant attorney of Salcedo Del Rosario Bito Misa & Lozada and Agrava & Agrava in 1971.

PAUL B. SARIA – Assistant Corporate Secretary
Age 46, Filipino Citizen
Period Served - 2002 to present
Term of office as director – n/a

A graduate of B.S. Architecture at the University of Sto.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, 2017**, 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)	Renato Taguiam (Filipino)	Chee Choong Cheah (Malaysian)
Hilario T. Ng (Filipino)	Manuel Moje (Filipino)	Bonifacio Choa (Filipino)
Santos L. Cejoco (Filipino)	Arturo Magtibay, Jr. (Filipino)	Hyland Si (Filipino)
Paul B. Saria (Filipino)	Eduard O. Jalandoni (Filipino)	

These nominees were formally nominated to the Nomination Committee by a shareholder of the Company, Hyland Si, Bonifacio Choa and Chee Choong Cheah 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
Atty. Renato Taguiam	-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. Except for the above-mentioned directors there are no family relationships among the officers listed.

Removal/Resignation of Officer

There was no resignation, removal of election of Company directors or officers for the past two years.

(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 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	2017 est.	P 1.90 Million	0	0	P 1.90 Million
	2016	P 1.80 Million	0	0	P 1.80 Million
	2015	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, 2017 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 audit partner from 2013 to 2016.

The audit committee headed by Hyland Si (Independent and Chairman) Santos Cejoco, and Hilario T. Ng has no policies and procedures of the above services.

(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 or Property

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

Recent disposition of property only pertains to a unit in the Summit One Office Tower pursuant to the compromise agreement dated March 7, 2014. Certain investment property with carrying value of P8.3 million owned by PLDI was transferred to the plaintiff in exchange for the Parent Company's shares of stock which the plaintiff held. The shares of stock was transferred to Unipage Management, Inc. (UMI), an affiliated company. Settlement between the Company, PLDI and UMI are taken up as inter-company advances.

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:

1. Minutes of the previous Annual Stockholders' Meeting
    a. Approval of previous annual minutes of meeting
    b. Report of the President
    c. Approval of FY March 31, 2016 audited FS
    d. Election of Directors
    e. Appointment of Independent Auditors
2. Annual Report of the President
3. Fiscal Year Ending March 31, 2017 Audited Financial Statements
4. Amendment of the Articles of Incorporation

The president reported the highlights of the audited fiscal year March 31, 2016 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, 2016 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:

Compensation Committee:	Audit Committee:	Nomination Committee:
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 wan incorporated on February 13, 1969.

Item 19. Voting Procedures

A majority of the subscribed capital, present in person, shall be sufficient at a stockholders' meeting to constitute a quorum for the election of directors and for the transactions of any business whatsoever, except in those cases in which the Corporation Code requires the affirmative vote of a greater portion.

At each meeting of the stockholders, every stockholder shall be entitled to vote in person, for each share of stock held by him, which has voting power upon the matter in question. The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting, except with respect to the procedural questions determined by the chairman of the meeting, shall be by viva voce or show of hands.

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 shall equal, or by distributing such votes at the same principle among any number of candidates.

The manner of counting the vote shall be by viva voce unless balloting is demanded by stockholders representing at least 10% of the outstanding capital stock entitled to vote, in the presence of the corporate secretary or the assistant corporate secretary.

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 October 12, 2017.

Issuer :	**ATN HOLDINGS, INC.**	**PAUL B. SARIA**
Date :	**October 12, 2017**	**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 wan 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 abovementioned 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 around Ever Gotesco in Pasig City.

Managed Care Phil. Inc. (MCPI) is duly registered with Department of Health under License to Operate No. 13-030-13-AS-2. MCPI is a corporation engaged in the healthcare industry with investments in outpatient clinics. The company established a relatively large ambulatory surgical center at the ground floor of the Annex Building of Summit One under the umbrella of its subsidiary MCPI. The surgical center includes 14 surgery rooms, 20 doctors' rooms, 14 recovery rooms, x-ray facilities, Ultrasound, ECG, Treadmill, Dental Clinic, and Computerized Diagnostic Laboratory etc.

In compliance to government DENR regulations on proper waste disposal, MCPI has engaged Integrated Waste Management Inc., a duly DOH/DENR accredited waste disposal company for the regular disposal of medical waste. The company does not need additional government approval for its principal products or services.

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 is embarking on a rock crushing plant project, funded mainly by ATNH and UCPB term loan of P100 million.

Mariestad Mining Corporation
In 2007, the Group entered into an investment agreement with MMC to participate in the extraction of manganese ores in the former's mining site. The Group's participation is in the form of providing financial resources to undertake the mining operations. The Group has financed a total of P7 million that is equivalent to 25% equity interest in MMC. Due to the non-commencement of mining operation, the Group provided a full impairment losses on its investment in MMC. Furthermore, no financial information is available for MMC for the last 5 years.

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 possibly 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 has 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.

   On the energy segment, the most challenging prospect is for ATN Solar to secure its Feed-in-Tariff (FIT) allocation from the government. If allocation is used up, ATN Solar will sell power thru the WESM which gives higher prices than FIT during peak hour demand.

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.
   ATN Holdings long term vision is to generate cash flow from solar project in 25 years, and take advantage of any spike in prices of its real estate assets (Ayala pre-selling price at P30,000 sq.m to P52,000 sq.m) given its proximity to Ayala Land Altaraza 500-hectare new township.

9. ATN market position, vis-à-vis domestic competitors.
   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 present price of Php 30,000 per square meter of Ayala land in the same area is used as a comparative 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.

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 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

In May 13, 2014, the Group transferred certain investment property to UMI to settle a case against the Group.

Pursuant to the compromise agreement dated March 7, 2014, certain investment property with carrying value of P8.3 million owned by PLDI was transferred to the plaintiff in exchange for the Parent Company’s shares of stock which the plaintiff held. The shares of stock was transferred to Unipage Management, Inc. (UMI), an affiliated company. Settlement between the Company, PLDI and UMI are taken up as inter-company advances.

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, 2017.

Certain Relationship and Related Transactions

ATN Solar

ATN Solar is a grantee of a 25-year Renewable Energy Contract with the Department of Energy under Republic Act 9513. 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. The contract includes setting up a 30 MW Solar PV Project (*the Project*). The 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 25 years.

The Project contains a 2-year pre-development stage and another 2 years for development stage, after which construction of power plants and connection to distribution network is to commence.

In a letter submitted to the Energy Regulatory Commission last March 4, 2016, ATN Solar is 98% complete on its pre-development stage by acquiring approval and authority to import and construct and/or install solar photovoltaic equipment and by signing of agreements with different government agencies, 9.3% in construction of its solar PV plants, and 44% complete on its development of interconnection facilities. Current development is at 50% complete. As of the same date, commercial operation of ATN Solar has not yet started.

To be able to completely finance the Project, the ATN Solar intends to list its shares of stock in the stock market. In relation thereto, a third party valuator was engaged to determine ATN Solar's fair market value. In its report dated June 11, 2014, its 30MW project including the land is between P3.02 billion to P3.99 billion, determined under Discounted Cash Flow valuation.

On October 31, 2014, the Company subscribed to additional 155,625,000 shares with a par value of P1 when ATN Solar increased its common share, bringing the Company's equity interest to 49.5%. The Company paid P46,156,250 upon subscription and P8,600,000 on February 11, 2015 and P64,025,050 in 2016.

On March 14, 2017, the Company subscribed for additional 160,800,000 shares with a par value of P1 bringing the Company's equity interest to 48% from 47%. From the total subscription, P40.4 million has been paid in cash and the balance is reported as part of "Subscription payable" in the liabilities section of the statement of financial position.

On March 14, 2016 and March 17, 2015, the Parent Company sold 6 million shares and 4 million shares, respectively, of ATN Solar to Unipage Management, Inc. (UMI) with a carrying value of P1 per share subject to the following conditions:

- the Project should complete all governmental and grid approvals;
- the Company should deliver the shares of ATN Solar within 12 months from execution of the Investment Agreement;
- the Company should cause the registration of the shares sold to UMI in the stock and transfer book of ATN Solar.

The Company recognized a gain on sale of its investment in ATN Solar amounting to P12 million and P8 million in 2016 and 2015, respectively and is reflected in the Consolidated Statements of Income.

Unipage Management Inc.(UMI)
During 2017 and 2016, the Group has net payment of advances from UMI amounting to P20,200,000 million and P35,787,508 million, respectively. TBGI shares were sold based on the close/bid price from the Philippine Stock Exchange. ATN Solar shares were sold based on par value adjusted for time value of money, with gain on sale amounting to P12 million. AHCII shares were sold at par value. The Group and UMI are parties to a Hedging Agreement covering the former's bank loan. The net effect of the hedging was accounted for as related party transaction is P1,730,899 during the year.

During fiscal year 2015, the Group transferred certain investment property to UMI to settle a case against the Group. Pursuant to the compromise agreement, certain investment property with carrying value of P8.3 million owned by PLDI was transferred to the plaintiff in exchange for the Parent Company's shares of stock which the plaintiff held. The shares of stock was transferred to Unipage Management, Inc. (UMI), an affiliated company. Settlement between the Company, PLDI and UMI are taken up as inter-company advances.

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, 2017, 2016, and 2015, the Group charged TBGI its proportionate share of communication, dues and utilities expenses amounting to P1,116,709, P968,110, and P637,666, respectively.

Sierra Madre Consolidated Mines (SMCM)
Advances to SMCM on previous periods were fully impaired by the Group last fiscal year 2014.

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 energy generation, ATN Holdings intends to raise Php 1.0 Billion of preferred shares in 2015. The bulk of proceeds will be used to fund capital expenditures of associate ATN Philippines Solar Energy Group, Inc. Unicapital Inc. has been appointed as financial arranger.

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 2017

Financial and Operating Highlights
The following table shows the top six (6) key performance and financial soundness indicators of the company during the fiscal years ending March 31, 2017 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY2017	FY2016	CY2016	CY2015	CY2016	CY2015	CY2016	CY2015
Current Ratio	1.262	.485	13.03	55.43	-	-	5.92	9.16
Debt to Equity Ratio	0.030	0.120	0.45	0.43	-2.87	-2.92	1.71	1.87
Asset to Equity Ratio	1.485	1.400	1.45	1.43	(1.83)	(1.92)	2.71	2.87
Interest Rate Coverage Ratio	3.983	16.425	0.72	1.49	-	-	-	-
Gross Profit Margin	45%	56%	87.7%	88.9%	N/A	N/A	7%	28%
Net Income to Sales Ratio	44.97%	31.6%	-5.7%	2.7%	N/A	N/A	-10.1%	22%
Net Income (Loss) in Pesos	P3,103,612	P9,459,075	-P450,276	P222,221	-P114,243	-P86,002	-P782,585	P2,039,891

The following are the six (6) 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	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 P2.561 billion to P2.705 billion as of FY March 31, 2017. The significant movements in assets were as follows:

(1) Increase of P6.60 million in cash from P5.91 million to P12.51 million.
(2) Decrease in trade receivable from P1.83 million to P0.89 million.
(3) Increase in other current assets from P1.67 million to P2.62 million.
(4) Increase in noncurrent asset held for sale from zero to P42.10 million
(5) Decrease in available-for-sale securities from P42.04 million to P22.20 million.
(6) Increase in investment in associates from P169.80 million to P329.92 million.
(7) Decrease in property and equipment from P25.76 million to P22.37 million.
(8) Decrease in intangible assets from P7.550 million to P6.700 million.
(9) Increase in advances to related party from P27.54 million to P30.21 million.

Current liability of the company increased from P28.65 million to P49.59 million as of FY March 2017. The net increase is due to the following:

(1) Increase in accounts payable and accrued expenses from P3.39 million to P4.64 million.
(2) Increase in bank loans from P25.26 million to P44.95 million due to reclassification to current portion of maturing LTD.

Noncurrent liabilities increased from P703.47 million to P833.79 million as of FY March 31, 2017. The net increase is due to the following:

(1) Increase in bank loans from zero to P22.20 million
(2) Decrease in deposits from P43.89 million to P5.63 million due to reclassification to liability portion of non-current assets held for sale.
(3) Increase in subscription payable from P36.54 to P156.94 million.
(4) Increase in advances from related parties from P41.41 million to P67.42 million.

The company's equity remain the same from P1.829 billion in FY March 31, 2016 to P1.822 billion in FY March 31, 2017 due to:

(1) Decrease in unrealized gain on available-for-sale financial assets from P8.35 million to (P2.20) million.
(2) Retained earnings increased from P1.349 billion to P1.352 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.

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 2016

Financial and Operating Highlights

The following table shows the top six (6) key performance and financial soundness indicators of the company during the fiscal years ending March 31, 2016 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY2016	FY2015	CY2015	CY2014	CY2015	CY2014	CY2015	CY2014
Current Ratio	.485	3.844	55.43	6.69	-	19.48	9.16	3.27
Debt to Equity Ratio	.400	.427	0.43	0.42	-2.92	-2.95	1.87	3.11
Asset-to-Equity Ratio	1.400	1.427	1.428	1.419	-1.916	-1.949	2.871	4.100
Interest Rate Coverage Ratio	16.425	7.872	1.486	0.001	-	-	-	-
Gross Profit Margin	56%	59%	88.9%	8.7%	N/A	N/A	28%	30%
Net Income to Sales Ratio	31.6%	18.3%	2.7%	5837.7%	N/A	N/A	22%	-0.7%
Net Income (Loss) in Pesos	P9,459,075	P5,047,764	P222,221	P474,667,126	-P86,002	-P2,350,511	P2,039,891	-P51,680

The following are the six (6) 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	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 almost remain the same from P2.599 to P2.561 billion as of FY March 31, 2016. The significant movements in assets were as follows:

(1) Increase of P1.256 million in cash from P4.65 million to P5.9 million.
(2) Increase in accounts receivable from P0.921 million to P1.8 million.
(3) Decrease in other current assets from P2.266 million to P1.674 million.
(4) Decrease in available-for-sale securities from P51.5 million to P42 million due to change in fair value.
(5) Decrease in investment in associates from P177.679 million to P169.797 million.
(6) Decrease in property and equipment from P27.723 million to P25.764 million.
(7) Decrease in intangible assets from P8.400 million to P7.550 million.
(8) Decrease in advances to related party from P46.422 million to P27.535 million.

Current liability of the company increased from P3.206 million to P28,648 million as of FY March 2016. The net increase is due to the following:

(1) Increase in accounts payable and accrued expenses from P3.206 million to P3.389 million.
(2) Increase in bank loans to P25.259 million due to reclassification from non-current to current liability.

Noncurrent liabilities decreased from P775 million to P703 million as of FY March 31, 2016. The net decrease is due to the following:

(1) Reclassification bank loans of P24.456 million from non-current to current account.
(2) Increase in deposits from P37.372 million to P43.893 million.
(3) Decrease in subscription payable from P100.568 to P36.543 million.
(4) Increase in advances from related parties from P29.981 million to P41.410 million.

The company's equity remain the same from P1.821 billion in FY March 31, 2015 to P1.829 billion in FY March 31, 2016 due to:

(1) Decrease in unrealized gain on available-for-sale financial assets from P9.224 million to P8.350 million.
(2) Retained earnings increased from P1.339 million to P1.349 billion.

FY 2015

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, 2015 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY2015	FY2014	CY2014	CY2013	CY2014	CY2013	CY2014	CY2013
Current Ratio	3.84	4.52	6.69	6.37	19.48	13.15	3.27	2.64
Debt to Equity Ratio	0.43	0.37	0.42	0.42	-3.41	-7.81	3.10	3.37
Gross Profit Margin	77%	99%	88.7%	70.8%	N/A	N/A	30%	24%
Net Income to Sales Ratio	18.28%	67.61%	5837.7%	7.4%	N/A	N/A	-0.07%	-12.9%
Net Income (Loss) in Pesos	P5,047,764	P463,651,250	P474,667,126	P559,407	-P2,350,511	-P2,794,135	-P51,680	-P1,143,085

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, and the ability of the company to declare dividends for stockholders.

Total assets increased from P2.490 to P2.599 billion as of FY March 31, 2015. The significant movements in assets were as follows:

(1) Increase of P0.489 million in cash from P4.162 million to P4.651 million.
(2) Decrease in accounts receivable from p1.688 million to P0.921 million due to collection.
(3) Decrease in other current assets from P2.485 million to P2.267million.
(4) Decrease in available-for-sale securities from P55.881 million to P51.560 million due to change in fair value.
(5) Increase in investment in associates from P29.512 million to P177.679 million.
(6) Decrease in property and equipment from P31.328 million to P27.723 million.
(7) Decrease in intangible assets from P9.250 million to P8.400 million.
(8) Decrease in advances to related party from P68.232 million to P46.422 million.

Current liability of accounts payable and accrued expenses increased from P2.838 million in 2014, to P3.206 million in 2015.

Noncurrent liabilities increased from P3667,342 million to P775021 million. The net increase is due to the following:

(1) Decrease in bank loans from P28.541 million to P24.456 million due to foreign exchange rate adjustment.
(2) Increase in deposits from P21.061 million to P37.372 million.
(3) Increase in subscription payable to P100.568 due to additional investment in ATN Solar.
(4) Decrease in payable to related parties from P35.393 million to P29.981 million.

The company's equity increased from P1.820 billion in FY March 31, 2014 to P1.821 billion in FY March 31, 2015 due to:

(1) Decrease in unrealized gain on available-for-sale financial assets from P49.505million to P45.205 million.
(2) Retained earnings increased from P1.299 million to P1.303 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.

The DOE issued ATN Solar Certificate of Commerciality on June 27, 2013, while Meralco signed the Interconnection Agreement on December 8, 2014. The ERC approved the ATN Solar Point-to-Point Transmission Line construction on June 8, 2015.

The BOI approved the Certificate of Authority to Import and all pre-importation documents in July 2015 after DOE issued the respective certificates of endorsement. BIR issued Importer's Clearance Certificate in July 2015.

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 with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

R. R. TAN & ASSOCIATES, CPAs has acted as the Company's external auditor since 2009 and has complied with the five-year rotation requirement under SRC Rule 68(3)(b)(iv) (Qualifications and reports of Independent Auditors). Mr. Chester Nimitz F. Salvador the current audit partner for by R. R. TAN & ASSOCIATES, CPAs audited the FY March 31, 2017 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, 2017, 2016 and 2015 financial statements with the contract amount of P351,000 for 2017, P300,000 for 2016 P297,000 for 2015 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:

Class A	Apr 1, 2015 to Mar. 31, 2016		Apr 1, 2016 to Mar. 31, 2017	
	High	Low	High	Low
Qtr. 1	.25	.23	.38	.37
Qtr. 2	.23	.22	.37	.36
Qtr. 3	.22	.21	.231	.29
Qtr. 4	.30	.29	.33	.32

Class B	Apr 1, 2015 to Mar. 31, 2016		Apr 1, 2016 to Mar. 31, 2017	
	High	Low	High	Low
Qtr. 1	.27	.23	.37	.37
Qtr. 2	.23	.23	.36	.36
Qtr. 3	.22	.22	.31	.31
Qtr. 4	.30	.29	.34	.32

(2) Holders

As of September 30, 2017, the company had 226 holders of Class "A" shares and 33 for class "B" shares. The high and low market price on September 20, 2017 for Class A is P0.345 and P0.330 respectively. Class B is P0.345 and P0.335 respectively.

The top 20 stockholders as of September 30, 2017 are as follows:

Class "A" Stockholder	No. of Shares Held	% of Total Shares Outstanding	Class "B" Stockholder	No. of Shares Held	% of Total Shares Outstanding
1. Arsenio T. Ng	2,763,541,260	61.41%	1. PCD Nominee Corp. (Fil)	773,795,729	17.20%
2. PCD Nominee Corp.	874,384,430	19.43%	2. PCD Nominee.Corp. (OAl)	20,259,001	0.45%
3. Susana Ng	20,000,000	0.44%	3. Abraham Limqueco	4,000,000	0.09%
4. Hilario T. Ng	3,501,000	0.08%	4. Bonifacio N. Choa	1,000.000	0.02%
5. Ng Eng Ching	3,000,000	0.07%	5. Yu Ting Guan	500,000	0.01%
6. Mandanas, Hermilando	2,490,000	0.06%	6. Jose Mariano Crisostomo	100,000	0.00%
7. Uniwell Securities	2,200,000	0.05%	7.Ansaldo, Godinez & Co.	43,950	0.00%
8. Ardi Bradley Ng	2,000,000	0.04%	8. Manuel Ang	40,000	0.00%
9. Matthew Hilary Ng	1,750,000	0.04%	9. ATC Securities, Inc.	38,000	0.00%
10. Mark Timothy Ng	1,750,000	0.04%	10. 7K Corporation	35,020	0.00%
11. David Go. Securities Corp.	1,510,000	0.03%	11. Cualoping Securities Corp	30,000	0.00%
12. Anita Ty	1,500,000	0.03%	12..Major Lord Desmond Clive	22,500	0.00%
13. Tiffany Anne Ng	1,500,000	0.03%	13. BPI Securities Corp.	20,000	0.00%
14. Trendline Securities Inc.	1,040,000	0.02%	14. Mario Mina	20,000	0.00%
15. Merchantile Securities Inc.	1,020,000	0.02%	15. IB.Gimenez Securities Inc.	13,000	0.00%
16. David Kho	1,000,000	0.02%	16. Tansengco& Co., Inc.	10,000	0.00%
17. Hyland Si	1,000,000	0.02%	17. Jaime Villanueva	10,000	0.00%
18. Bonifacio Choa	1,000,000	0.02%	18. Ong Giok Kheng	10,000	0.00%
19. Pacific Vulcap Corp.	997,000	0.02%	19. Barcelon, Roxas Sec. Inc.	10,000	0.00%
20. Nestor Tan	500,000	0.01%	20. Patrocinio Villanueva	10,000	0.00%

(3) 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 in 2016. 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.

(4) 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.

Compliance with leading practice on Corporate Governance

On May 12, 2017, the Company submitted to the Securities and Exchange Commission the Revised Manual of Corporate Governance in accordance with SEC Memorandum Circular No. 19, Series of 2016. (Code of Corporate Governance for Publicly Listed Companies). Thereafter, a Compliance Officer was appointed to undertake quarterly feedback sessions with the Chairman of the Board to discuss governance-related issues. The level of compliance of the Board is measured by their attendance in scheduled meetings for Corporate Governance in which possible violations are discussed and all attendees are reminded of their responsibilities. In all of the meetings the members attended, there was no violation identified.

The Company adopted additional leading practices on good governance in its Manual of Corporate Governance, although some of them were already practiced in the Company beforehand. On the overall, the Company has substantially complied with the rules and principles of corporate governance set out in the Company's Manual of Corporate Governance.

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.
9th Floor Summit One Tower
530 Shaw Blvd. Mand. City

SEC FORM 17-Q – Quarter ending September 30, 2017
A copy of the 2nd qtr. report of the period ended September 30, 2017 will be available to all stockholders during the Annual Stockholders' meeting.

ATN HOLDINGS, INC.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

July 11, 2017

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, 2017 and 2016, 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 Operating Officer**	**Paul Saria** **Chief Finance Officer**

SUBSCRIBED AND SWORN to before me this JUL 17 2017 day of July 2017, 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	03/13/2018	Mandaluyong
Hilario T. Ng	DL# F03-89-049-506	08/23/2018	Manila
Paul B. Saria	DL# N04-93-264-992	12/15/2021	Mandaluyong

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not.Com. No. NP-... Until 12-31-2018
NOTARY PUBLIC
IBP O.R No. 1038374 Jan. 2017 up to Dec. 2018
PTR O.R. No. 3881630 C 01-12-17
Roll No. 33832 / TIN #129-871-009
MCLE No. V-0019296 valid from 04/15/2016 until 04/14/2019/PASIG CITY
Address: 31-F Harvard St. Cubao, Q.C.

Doc. No. : 143
Page No. : 15
Book No. 16
Series of 2017

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2018
SEC Accreditation No.0220-FR-2, valid until March 27, 2020
BIR Accreditation No. 07-001080-002-2016, valid until October 3, 2019

Report of Independent Public Accountants

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

Report on the Audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of **ATN HOLDINGS, INC. AND SUBSIDIARIES** (the Group), which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, 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, 2017, 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, 2017 and 2016, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2017, 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, 2017, the Group has 48% equity investment in an associate amounting to P330 million and is accounted for using the equity method of accounting. Said associate, has not started commercial operation as of the date of our report. Management conducts an impairment testing on this investment at least annually. Given the company's amount of investment and the complex nature of the associates' operations, we consider the audit of investment in an associate as significant in our audit. Investment in associate is discussed in Note 13.

Audit procedures conducted
We obtained and reviewed the latest financial statements of the subsidiary which includes areas were significant judgement and estimates are involve. We also verified if there are indications of impairment by reading and evaluating relevant documents related to the operation of the associate. We also met with the management and discussed with them the current and projected performance of the associate and assessed the feasibility and significant milestones attained by the associate.

Valuation and recoverability of Investment Properties

As of March 31, 2017 and 2016, the Group has Investment Properties amounting to P2,232 million and P2,275 million, comprising 82% and 88% of the total assets, respectively. Significant portion of Investment properties are measured under the fair value method as determined by the accredited professional property appraiser. Such 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 16.

Audit procedures conducted
Our audit of Investment properties was focused on the appropriateness and reasonableness of the significant observable 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.

Other Matters
We did not audit the financial statements of subsidiaries as of and for the three years ended December 31, 2016, 2015 and 2014, 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 P2.3 billion and P733 million, respectively, in December 31, 2016, P2.3 billion and P704 million, respectively, in December 31, 2015, and 2.3 million and P675 million, respectively, in December 31, 2014. Gross income and total expenses amounted to P7.4 million and P8.6 million, respectively, for the year ended December 31, 2016, P9.9 million and P8.4 million, respectively, for the year ended December 31, 2015, and P9.3 million and P12.3 million, respectively, for the year ended December 31, 2014. The financial statements of these subsidiaries were audited by other 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 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended March 31, 2017, 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, 2017 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.

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

R. R. TAN AND ASSOCIATES, CPAs

By: **CHESTER NIMITZ F. SALVADOR**
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 2535320, January 17, 2017, Pasig City
SEC Accreditation No. 1608-A, valid until January 26, 2020
BIR Accreditation No. 07-001050-002-2016, valid until
June 22, 2019

July 11, 2017
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2017 AND 2016

	Notes		2017		2016
ASSETS					
Current Assets					
Cash	9	**P**	**12,509,322**	P	5,907,888
Trade receivable	10		**898,122**		1,833,570
Real estate inventories	11		**4,485,000**		4,485,000
Other current assets	13		**2,618,210**		1,674,800
			20,510,654		13,901,258
Non-current assets held for sale	12		**42,100,683**		-
			62,611,337		13,901,258
Non-current Assets					
Investments in:					
Available-for-sale (AFS) securities	15		**22,201,700**		42,037,122
Associates - net	14		**329,920,466**		169,797,733
Investment properties	16		**2,231,661,996**		2,275,270,962
Property and equipment - net	17		**22,366,014**		25,764,230
Intangible asset	18		**6,700,000**		7,550,000
Due from related parties	25		**30,212,961**		27,535,144
			2,643,063,137		2,547,955,191
TOTAL ASSETS		**P**	**2,705,674,474**	P	2,561,856,449
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	19	**P**	**4,641,033**	P	3,389,433
Bank loans - current	20		**3,900,000**		25,259,054
			8,541,033		28,648,487
Liability portion of non-current assets held for sale	12		**41,052,955**		-
			49,593,988		28,648,487
Non-current Liabilities					
Bank loans - non-current	20		**22,203,823**		-
Deposits	21		**5,628,882**		43,893,805
Subscription payable			**156,943,700**		36,543,700
Due to related parties	25		**67,422,399**		41,410,247
Pension liability	26		**702,866**		652,914
Deferred tax liabilities - net	27		**580,891,065**		580,968,204
			833,792,735		703,468,870
TOTAL LIABILITIES			**883,386,723**		732,117,357
EQUITY					
Share capital	22		**450,000,000**		450,000,000
Additional paid-in capital			**22,373,956**		22,373,956
Unrealized gain (loss) on AFS securities - net fo tax	22		**(2,204,351)**		8,350,602
Retained earnings - March 31			**1,352,118,146**		1,349,014,534
TOTAL EQUITY			**1,822,287,751**		1,829,739,092
TOTAL LIABILITIES AND EQUITY		**P**	**2,705,674,474**	P	2,561,856,449

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2017, 2016 AND 2015

	Notes		**2017**		2016		2015
REVENUES							
Lease of properties	*16 & 29*	**P**	**8,239,262**	P	8,615,932	P	8,381,143
Health care services			**7,711,236**		9,256,390		7,135,533
Sale of real estates			**714,286**		-		-
Other income:							
Gain on sale of AFS securities			**10,727,536**		-		-
Interest income			**16,402**		8,971		4,974
Gain on foreign exchange			**3,907**		27,524		4,084,423
Gain on sale of investment in associate	*14*		-		12,000,000		8,000,000
			27,412,629		29,908,817		27,606,073
COSTS AND EXPENSES							
Cost of sales and services	*23*		**9,171,255**		7,855,803		6,283,701
Administrative expenses	*24*		**13,177,538**		7,754,892		10,941,503
Equity in net loss of an associate	*14*		**677,267**		1,882,081		3,457,235
Loss on foreign exchange			**-**		1,411,810		-
Finance costs	*20*		**1,105,684**		669,958		879,540
			24,131,744		19,574,544		21,561,979
INCOME BEFORE INCOME TAX EXPENSE			**3,280,885**		10,334,273		6,044,094
INCOME TAX EXPENSE (BENEFIT)							
Current	*27*		**170,220**		1,520,509		996,330
Deferred	*27*		**7,053**		(645,311)		-
			177,273		875,198		996,330
INCOME FOR THE PERIOD		**P**	**3,103,612**	P	9,459,075	P	5,047,764
EARNINGS PER SHARE	*28*	**P**	**0.00069**	P	0.00210	P	0.00112

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2017, 2016 AND 2015

	Notes		2017		2016		2015
INCOME FOR THE PERIOD		**P**	**3,103,612**	P	9,459,075	P	5,047,764
OTHER COMPREHENSIVE INCOME (LOSS)							
Items to be reclassified to profit or loss in subsequent periods:							
Fair value changes in AFS securities taken to profit and loss - net of deferred tax	*22*		**(10,616,931)**		-		-
Fair value changes in AFS securities - net of deferred tax	*22*		**61,978**		(873,551)		(4,299,171)
TOTAL COMPREHENSIVE INCOME (LOSS)		**P**	**(7,451,341)**	P	8,585,524	P	748,593

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, 2017, 2016 AND 2015

	Notes		**Share Capital**		**Additional Paid-in Capital**		**Unrealized gain on Available-for-sale financial assets - net of deferred income tax**		**Retained Earnings**		**Total**
Balance at March 31, 2015		P	450,000,000	P	22,373,956	P	9,224,153	P	1,339,555,459	P	1,821,153,568
Changes in fair value of AFS securities	*22*		-		-		(873,551)		-		(873,551)
Income for the period			-		-		-		9,459,075		9,459,075
Balance at March 31, 2016			450,000,000		22,373,956		8,350,602		1,349,014,534		1,829,739,092
Changes in fair value of AFS securities	*22*		**-**		**-**		**61,978**		**-**		**61,978**
Changes in fair value of AFS securities reclassified to profit or loss	*22*		**-**		**-**		**(10,616,931)**		**-**		**(10,616,931)**
Income for the period			**-**		**-**		**-**		**3,103,612**		**3,103,612**
Balance at March 31, 2017		**P**	**450,000,000**	**P**	**22,373,956**	**P**	**(2,204,351)**	**P**	**1,352,118,146**	**P**	**1,822,287,751**

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2017, 2016, AND 2015

	Notes		**2017**		2016		2015
CASH FLOWS FROM OPERATING ACTIVITIES							
Income before income tax expense		**P**	**3,280,885**	P	10,334,273	P	6,044,094
Adjustments for:							
Depreciation and amortization	*17,18*		**4,783,930**		4,454,824		4,454,824
Unrealized foreign exchange loss (gain)			**-**		1,350,406		(4,084,423)
Gain on sale of investment in associate			**-**		(12,000,000)		(8,000,000)
Equity in net loss of an associate	*14*		**677,267**		1,882,081		3,457,235
Interest expense	*20*		**1,105,684**		669,958		879,540
Interest income			**(16,402)**		(8,971)		(4,974)
Provision for retirement liability	*26*		**49,952**		62,863		451,933
Impairment loss on non-current assets held for sale			**1,230,901**		-		-
Impairment loss on AFS investment			**-**		31,540		-
Gain on sale of AFS investment			**(10,727,535)**		-		-
Operating Income Before Working Capital Changes			**384,682**		6,776,974		3,198,229
(Increase) Decrease in Operating Assets:							
Trade receivable			**935,448**		(911,963)		631,360
Other current assets			**(943,411)**		591,906		218,946
Increase (Decrease) in Operating Liabilities:							
Accounts payable and accrued expenses			**1,251,600**		182,832		367,881
Deposits			**2,132,387**		4,338,160		8,127,146
Cash provided by operations			**3,760,706**		10,977,909		12,543,562
Income tax paid			**(155,235)**		(1,954,653)		(996,330)
Interest received			**16,402**		8,971		4,974
Net Cash Provided by Operating Activities			**3,621,873**		9,032,227		11,552,206
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of:							
Property and equipment	*17*		**(535,714)**		(1,645,536)		-
Investment properties	*16*		**(457,618)**		-		-
Disposal of:							
Available-for-sale investments	*15*		**-**		8,613,500		-
Non-current assets held for sale			**735,000**		-		-
Advances to related parties			**(1,238,092)**		-		(19,400,000)
Collections of advances to related parties			**18,469,101**		36,887,508		61,500,000
Increase in deposits			**655,647**		2,183,515		2,183,470
Payment of subscription			**(40,400,000)**		(64,025,050)		(55,056,250)
Net Cash Used in Investing Activities			**(22,771,676)**		(17,986,063)		(10,772,780)
CASH FLOWS FROM FINANCING ACTIVITIES							
Payment of :							
Bank loans			**(21,359,054)**		(4,548,160)		-
Interest	*19*		**(1,105,684)**		(669,958)		(879,540)
Proceeds of bank loans			**22,203,823**		4,000,000		-
Advances from related parties			**26,269,462**		11,428,324		589,191
Payments made to related parties			**(257,310)**		-		-
Net Cash Provided by (Used in) Financing Activities			**25,751,237**		10,210,206		(290,349)
INCREASE IN CASH AND CASH EQUIVALENTS			**6,601,434**		1,256,370		489,077
CASH AT BEGINNING OF YEAR			**5,907,888**		4,651,518		4,162,441
CASH AT END OF YEAR		**P**	**12,509,322**	P	5,907,888	P	4,651,518

See accompanying Notes to Consolidated Financial Statements

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 July 11, 2017.

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 available-for-sale financial assets (AFS) 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 consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council.

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, 2017, 2016 and 2015, the consolidated subsidiaries are as follows:

Subsidiary	Principal place of business	Principal Activity	% of Ownership
Palladian Land Development, Inc. (PLDI)	Summit One Tower, Mandaluyong	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, well-equipped with modern technologies such as x-ray machine, ultrasound, colored echocardiography, complete laboratory and operating room set-up, giving emphasis on preventive, constructive/re-constructive health care and clinical service.

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
Financial assets and financial liabilities are recognized in the consolidated statements of financial position of the Group when it becomes a party to the contractual provisions of the instrument.

Initial Recognition
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at fair value through profit or loss, the initial measurement of financial instruments includes transaction costs.

Determination of Fair Value
The fair value for 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 prices exists.

Where the transaction price in a non-active market is different from the fair value from 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 fair value in the consolidated statements of income unless it qualifies for recognition as some other type of asset.

Classification of Financial Instruments
The Group classifies financial assets into the following categories, (i) At fair value through profit or loss (FVPL), (ii) Available-for-sale, (iii) Held-to-maturity and (iv) Loans and receivable. The Group classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of March 31, 2017 and 2016, the Group's financial instruments are of the nature of AFS securities, loans and receivables, and other financial liabilities.

AFS securities
AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the consolidated statements of financial position. Changes in the fair value are recognized directly in equity account as "Unrealized gain on AFS financial assets". Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in consolidated statement of income.

Included under this category are shares of stock of publicly listed companies.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried at amortized cost in the consolidated statement of financial position. Amortization is determined using the effective interest method less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the Group's cash, receivables and due from related parties.

Other Financial Liabilities
Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statements of comprehensive income.

Included under this category are accounts payable and accrued expenses, bank loans, deposits, subscription payable and advances from related parties.

Reclassification of Financial Assets
A financial asset is reclassified out of the FVPL category when the following conditions are met (i) the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and (ii) there is a rare situation.

A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the consolidated statements of income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment

Financial Assets
The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Assets carried at amortized cost
If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognized in the profit and loss accounts.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

Any subsequent reversal of an impairment loss is recognized in the profit and loss accounts, to the extent that the carrying value of the asset at the date the impairment is reversed, does not exceed what the amortized cost would have been had the impairment not been recognized.

(ii) Assets carried at cost
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows

discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are subject to impairment review at each end of the reporting period. Impairment loss is recognized when there is objective evidence such as significant financial difficulty of the issuer/obligor, significant or prolonged decline in market prices and adverse economic indicators that the recoverable amount of an asset is below its carrying amount.

Non-Financial Assets
The Group's investment properties, property and equipment, investment in associates and intangible asset 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.

Derecognition of Financial Instruments

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 Group 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 Group 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 Group 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 Group'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 Group could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or 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 derecognition 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.

Real Estate Inventories

Real estate inventories are carried at the lower of cost and net realizable value (NRV). Cost includes the value of land plus expenditures necessary to complete the housing units. Net realizable value is the estimated selling price in the ordinary course of business less cost to complete and sell the units. NRV is determined in a manner provided in Note 5.

As of March 31, 2017 and 2016, real estate inventories are carried at cost.

Non-current Assets Held for Sale

The Company 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.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the 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.

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, Financial Instruments: Recognition and Measurement.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance 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 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 equipment	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.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting period.

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.

Bank Loans
Bank loans are measured at their nominal values and subsequently recognized at amortized costs less payments.

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.

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 AFS financial assets pertains to mark-to-market valuation of available-for-sale financial assets.

Retained earnings include all current and prior period results of operations as disclosed in the consolidated statements of comprehensive 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 is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

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

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

(iii) Rental 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) Sales of services – revenue are recognized upon rendering of services or completion of services made.

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

(vi) 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. Interest expense is reported on accrual basis.

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.

Borrowing Costs

Borrowing costs are generally expense as incurred. Borrowing costs are capitalized if they are attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are ready for their intended use.

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 comprehensive 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 of April 1, 2016
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning April 1, 2016.

Amendments to PAS 1, *Presentation of Financial Statements – Disclosure Initiative*
The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS. These clarify the following:

- That entities shall not reduce the understandability of their financial statements by either obscuring material information with immaterial information or aggregating material items that have different natures or functions;
- That specific line items in the statements of income and OCI and the statements of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the Notes to Financial Statements;
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

These amendments do not have any impact on the Group.

Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization*
The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. The amendment does not have any significant impact on the Group's financial position or performance.

Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and either the cost model or revaluation model (after maturity). The amendments also

require that produce growing on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments do not have any impact to the Group as the Group does not have any bearer plants.

Amendments to PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements*
The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after April 1, 2016, with early adoption permitted. The amendment does not have any significant impact on the Group's financial position or performance.

Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*.
These amendments clarify that the exemption in PFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when it measures all of its subsidiaries at fair value. They also clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity parent is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture) to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries when applying the equity method. These amendments are not applicable to the consolidated financial statements. The amendments are effective for annual periods beginning on or after April 1, 2016, with early adoption permitted. These amendments do not have any impact on the Group's financial statements.

Amendments to PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after April 1, 2016, with early adoption permitted. The amendment does not have any significant impact on the Group's financial position or performance.

PFRS 14, *Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items in the statement of comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after April 1, 2016. This standard does not apply since the Group is not a first-time adopter of PFRS.

Annual Improvements to PFRSs (2012-2014 cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after April 1, 2016 and do not have any material impact to the Group's financial statements. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*
  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*
  The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

<u>New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to March 31, 2017</u>
The standards, amendments and interpretations which have been issued but not yet effective as at March 31, 2017 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.

Effective 2018

Amendments to PAS 7, *Statement of Cash Flows*
The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including

both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. They are effective for annual periods beginning on or after April 1, 2017, with earlier application being permitted.

Amendments to PAS 12, *Income taxes – Recognition of Deferred Tax Assets for Unrealized Losses*
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application of the amendments is permitted. These amendments are not expected to have any impact on the Group.

Effective 2019

Amendments to PAS 40, *Investment Property – Transfers of Investment Property*
The amendments clarify when an entity should transfer property, including property under construction or development, into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. The amendments are effective for annual periods beginning on or after July 1, 2019. Retrospective application is only permitted if that is possible without the use of hindsight. The amendments are not expected to have any impact on the Group.

Philippine IFRIC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Entities may apply the interpretation on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Group does not expect the adoption of this interpretation to have any significant impact on the financial statements.

Amendments to PFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
The amendments are intended to clarify following:

- Accounting for cash-settled share-based payment transactions that include a performance condition;
- Classification of share-based payment transactions with net settlement features; and
- Accounting for modifications of share-based payment transactions from cash-settled to equity settled.

They are effective for annual periods beginning on or after April 1, 2019. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application of the amendment is permitted.

Amendments to PFRS 4, *Insurance Contracts – Applying PFRS 9 'Financial Instrument' with PFRS 4 'Insurance Contracts'*
The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard, before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9. The amendments are not applicable to the Group since there are no activities that are predominantly connected with insurance or issue insurance contracts. They are effective for annual periods beginning on or after April 1, 2018.

PFRS 9, *Financial Instruments (2014)*
PFRS 9 (2014) replaces PAS 39, Financial Instruments: Recognition and Measurement, and supersedes the previously published versions of PFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). PFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2013. PFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management. The new standard is to be applied retrospectively for annual periods beginning on or after April 1, 2018, with early adoption permitted. The Company is still assessing the potential impact on its financial statements resulting from the application of PFRS 9.

PFRS 15, *Revenue from Contracts with Customers*
PFRS 15 replaces PAS 11, *Construction Contracts*, PAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 18, *Transfer of Assets from Customers* and SIC-31, Revenue - *Barter Transactions Involving Advertising Services*. The new standard introduces a new revenue recognition model for contracts with customers which specifies that revenue should be recognized when (or as) a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled. Depending on whether certain criteria are met, revenue is recognized over time, in a manner that best reflects the company's performance, or at a point in time, when control of the goods or services is transferred to the customer. The standard does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other PFRSs. It also does not apply if two companies in the same line of business exchange nonmonetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other PFRS takes precedence.

The new standard is effective for annual periods beginning on or after April 1, 2018, with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Annual Improvements to PFRSs (2014-2016 cycle)
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after April 1, 2018 and will not have any material impact to the Company's financial statements. They include:

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*
  The amendment deleted the short-term exemptions in paragraphs E3-E7 of PFRS 1, because they have now served their intended purpose.

- PFRS 12, *Disclosure of Interests in Other Entities*
  The amendment clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10-B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations.*

- PAS 28, *Investments in Associates and Joint Ventures*
  The amendment clarified that the election to measure at fair value through profit or loss an investment in associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Effective 2020

PFRS 16, *Leases*
On January 13, 2016, the IASB issued its new standard, PFRS 16, Leases, which replaces PAS 17, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating lease or finance leases in accordance with PAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statement of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or loss or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after April 1, 2019. Earlier application is not permitted until the FRSC has adopted the new revenue recognition standard. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective application, with options to use certain transition reliefs.

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 April 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 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.

Determination of functional currency
The Group has determined that its functional currency is the Philippine peso which is the currency of the primary economic environment in which the Group operates.

Classification of financial assets
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.

Estimating net realizable value of real estate inventories
The carrying value of real estate inventories is carried at the lower of cost and net realizable value (NRV). The estimates used in determining NRV is dependent on the recoverability of its cost with reference to existing market prices, location or the recent market transactions. The amount and timing of recorded cost for any period would differ if different estimates were used.

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.

In 2017, management determined that certain investment properties are available for immediate sale within the next 12 months and already has an identified buyer. Management reclassified these from *Investment properties* into *Non-current assets held for sale* in the consolidated statement of financial position as of March 31, 2017. The carrying value of these assets amounted to P42.1 million as of March 31, 2017.

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 P8,239,262 in 2017, P8,615,932 in 2016, and P8,381,143 in 2015.

Determination of fair value of assets and liabilities
The Company measures fair value of financial instruments 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:

Estimation of allowance for impairment losses on receivables
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible accounts. The level of allowance for impairment losses is evaluated by management on the basis of factors affecting collectability of the receivables. In addition, a review of the accounts designed to identify accounts to be provided with allowance, is made on a continuing basis.

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 P22.37 million and P25.76 million as of March 31, 2017 and 2016, 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.

In March 2014, a reappraisal was made for part of the Group's investment properties. The appraisal resulted into an increment amounting to P676.7 million. For lots, raw land and condominium units, the value were arrived at using the *Sales Comparison Approach.* This is a comparative approach to value that considers the sales of similar substitute properties and related market data and establishes a value estimate by processes involving comparison, listings and offerings. The value of improvements was determined under the *Cost approach*. The approach is based on the reproduction cost of the subject property, less depreciation, plus the value of the land to which an estimate of entrepreneurial incentive is commonly added.

Investment properties amounted to P2.231 billion and P2.275 billion as of March 31, 2017 and 2016, respectively.

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. The carrying value of assets held for sale as of March 31, 2017 amounted to P42.1 million.

Impairment of investment in associates and advances to 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 Investment in and Advances to Associates as of March 31, 2017 and 2016 is as follows:

	2017			2016		
	Gross carrying amount	**Allowance for impairment**	**Net carrying value**	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in associates:						
ATN Phils Solar Energy Group, Inc.	**P 329,920,466**	**P -**	**P 329,920,466**	P 169,797,733	P -	P 169,797,733
Mariestad Mining Corporation (MMC)	**7,000,000**	**7,000,000**	**-**	7,000,000	7,000,000	-
Advances to related parties:						
Unipage Management Inc. (UMI)	**28,974,869**	**-**	**28,974,869**	27,535,144	-	27,535,144
Sierra Madre Consolidated Mines (SMCM)	**11,756,000**	**11,756,000**	**-**	11,756,000	11,756,000	-
	P 377,651,335	**P 18,756,000**	**P 358,895,335**	P 216,088,877	P 18,756,000	P 197,332,877

6. Fair Value Measurement

Fair value of 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.

	2017		2016	
	Carrying value	**Fair value**	Carrying value	Fair value
Loans and receivables				
Cash	**P 12,509,322**	**P 12,509,322**	P 5,907,888	P 5,907,888
Trade receivable	**898,122**	**898,122**	1,833,570	1,833,570
AFS securities	**22,201,700**	**22,201,700**	42,037,122	42,037,122
Other financial liabilities				
Accounts payable and accrued expenses	**4,641,033**	**4,641,033**	3,389,433	3,389,433
Bank loans	**26,103,823**	**26,103,823**	25,259,054	25,259,054
Deposits	**5,628,882**	**5,628,882**	43,893,805	43,893,805
Subscription payable	**156,943,700**	**156,943,700**	36,543,700	36,543,700

Fair values were determined as follows:

- *Cash, receivables, accounts payable and accrued expenses, deposits, and subscription payable* – the fair values are approximately the carrying amounts at initial recognition due to their short-term nature.

- *AFS securities* – 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 also by reference to the quoted AFS securities.

- *Bank loans* – The fair value of the loans payable is determined by discounting the principal using the market rate of 5%.

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

	March 31, 2017			
	Carrying value	**Fair value hierarchy**		
		Level 1	**Level 2**	**Level 3**
AFS securities				
Listed	**P 517,700**	**P 517,700**	**P -**	**P -**
Unlisted	**21,684,000**	**-**	**21,684,000**	**-**

	March 31, 2016							
	Carrying value		Fair value hierarchy					
			Level 1		Level 2		Level 3	
AFS securities								
Listed	P	20,353,122	P	20,353,122	P	-	P	-
Unlisted		21,684,000		-		21,684,000		-

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, 2017 and 2016 based on contractual undiscounted payments:

2017	**On demand**	**Not later than one month**	**Later than 1 month & not later than 3 months**	**Later than 3 months & not later than 1 year**	**Later than 1 year & not later than 5 years**	**Total**
Accounts payable and accrued expenses	**P 1,990,000**	**P 2,651,032**	**P -**	**P -**	**P -**	**P 4,641,032**
Bank loans	**-**	**-**	**-**	**3,900,000**	**22,203,823**	**26,103,823**
Due to related parties	**-**	**-**	**-**	**-**	**67,422,399**	**67,422,399**
	P 1,990,000	**P 2,651,032**	**P -**	**P 3,900,000**	**P 89,626,222**	**P 98,167,254**

2016	On demand	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 months & not later than 1 year	Later than 1 year & not later than 5 years	Total
Accounts payable and accrued expenses	P 1,990,000	P 1,399,433	P -	P -	P -	P 3,389,433
Bank loans	-	-	-	25,259,054	-	25,259,054
Due to related parties	-	-	-	-	41,410,247	41,410,247
	P 1,990,000	P 1,399,433	P -	P 25,259,054	P 41,410,247	P 70,058,734

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, 2017 and 2016. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	2017	2016
Cash and cash equivalents*	**P 12,499,322**	P 5,897,888
AFS securities	**22,233,240**	42,068,662
Trade receivable	**898,128**	1,833,570
Due from related parties	**41,968,961**	39,291,144
** excludes cash on hand*	**P 77,599,651**	P 89,091,264

The credit quality of the Group's assets as of March 31, 2017 and 2016 is as follows:

2017	Neither past due nor impaired: High grade	Neither past due nor impaired: Standard grade	Past due but not impaired	Past due and impaired	Total
Cash and cash equivalents*	**P 12,499,322**	**P -**	**P -**	**P -**	**P 12,499,322**
AFS securities	**-**	**22,201,700**	**-**	**31,540**	**22,233,240**
Trade receivable	**-**	**898,128**	**-**	**-**	**898,128**
Due from related parties	**-**	**19,908,826**	**10,304,135**	**11,756,000**	**41,968,961**
** excludes cash on hand*	**P 12,499,322**	**P 43,008,654**	**P 10,304,135**	**P 11,787,540**	**P 77,599,651**

2016	Neither past due nor impaired: High grade	Neither past due nor impaired: Standard grade	Past due but not impaired	Past due and impaired	Total
Cash and cash equivalents*	P 5,897,888	P -	P -	P -	P 5,897,888
AFS securities	-	42,037,122	-	31,540	42,068,662
Trade receivable	-	1,833,570	-	-	1,833,570
Due from related parties	-	18,000,000	9,535,144	11,756,000	39,291,144
** excludes cash on hand*	P 5,897,888	P 61,870,692	P 9,535,144	P 11,787,540	P 89,091,264

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.

As of March 31, 2017 and 2016, all of the Company's past due but not impaired receivables are 120 days past due amounting to P10,304,135 and P9,535,144, respectively.

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.

Sensitivity analysis of market risk exposure follows:

Interest Rate Risk
The primary source of the Group's interest rates risk relates to debt instruments with floating interest rates disclosed in Note 20.

An estimate of 100 basis points increase or decrease is used in reporting interest rate changes on fair value of loans and represents management's assessment of the reasonable possible change in interest rates.

The effect on profit for the year is increase or decrease by P217,314 in 2017 and P228,579 in 2016.

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, AFS financial asset. Before taking into account the effect of taxes, equity as of March 31, 2017 and 2016 would either decrease or increase by P51,770 and P2,035,313, 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 AFS 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:

		2017		2016
Equity	**P**	**1,822,287,751**	P	1,829,739,092
Total assets		**2,705,674,474**		2,561,856,449
Ratio		**0.67**		0.71

8. Segment information

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The industry segments where the Group operates are (i) Real estate development and (ii) Health care management.

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.

The segment information in the consolidated financial statements as of March 31, 2017, 2016 and 2015 follows:

	As of March 31, 2017				
	Real estate	Health and wellness	Corporate and others	Adjustment	Total
Revenues	**P 8,606,701**	**P 7,711,236**	**P 346,847**	**P -**	**P 16,664,784**
Direct costs	**1,705,998**	**7,115,257**	**-**	**-**	**8,821,255**
Gross profit	**6,900,703**	**595,979**	**346,847**	**-**	**7,843,529**
Other income	**11,988**	**4,833**	**10,731,024**	**-**	**10,747,845**
	6,912,691	**600,812**	**11,077,871**	**-**	**18,591,374**
Administrative expenses	**7,473,383**	**2,424,273**	**3,629,882**	**-**	**13,527,538**
Equity in net loss of associate	**-**	**-**	**677,267**	**-**	**677,267**
Finance cost	**1,105,684**	**-**	**-**	**-**	**1,105,684**
	8,579,067	**2,424,273**	**4,307,149**	**-**	**15,310,489**
Income before income tax expense	**(1,666,376)**	**(1,823,461)**	**6,770,722**	**-**	**3,280,885**
Income tax expense	**-**	**-**	**-**	**177,273**	**177,273**
Income	**P (1,666,376)**	**P (1,823,461)**	**P 6,770,722**	**P (177,273)**	**P 3,103,612**
Segment assets	**P 2,234,174,520**	**P 25,404,739**	**P 446,095,215**	**P -**	**P 2,705,674,474**
Segment liabilities	**123,722,653**	**4,407,722**	**173,661,313**	**581,595,035**	**883,386,723**
Segment cash flows:					
Operating	**2,997,279**	**3,199,394**	**(2,574,800)**	**-**	**3,621,873**
Investing	**(457,618)**	**(535,714)**	**(21,778,344)**	**-**	**(22,771,676)**
Financing	**503,859**	**(3,903,396)**	**29,150,774**	**-**	**25,751,237**
Other information:					
Depreciation and amortization	**1,314,516**	**3,469,414**	**-**	**-**	**4,783,930**
Non-cash expenses other than depreciation	**658,722**	**15,376**	**1,277,433**	**-**	**1,951,531**

	As of March 31, 2016				
	Real estate	Health care	Corporate and others	Adjustment	Total
Revenues	P 8,332,207	P 9,256,390	P 283,725	P -	P 17,872,322
Direct costs	922,842	6,932,961	-	-	7,855,803
Gross profit	7,409,365	2,323,429	283,725	-	10,016,519
Other income	31,558	4,435	12,000,502	-	12,036,495
	7,440,923	2,327,864	12,284,227	-	22,053,014
Administrative expenses	6,512,773	1,559,093	1,094,836	-	9,166,702
Equity in net loss of associate	-	-	1,882,081	-	1,882,081
Finance cost	669,958	-	-	-	669,958
	7,182,731	1,559,093	2,976,917	-	11,718,741
Income before income tax expense	258,192	768,771	9,307,310	-	10,334,273
Income tax expense	-	-	-	875,198	875,198
Income	P 258,192	P 768,771	P 9,307,310	P (875,198)	P 9,459,075
Segment assets	P 2,227,764,335	P 31,855,842	P 302,236,272	P -	P 2,561,856,449
Segment liabilities	91,712,490	5,969,952	52,735,328	581,699,587	732,117,357
Segment cash flows:					
Operating	4,815,652	2,828,923	1,387,652	-	9,032,227
Investing	2,183,515	8,067,964	(28,237,542)	-	(17,986,063)
Financing	5,827,662	5,187,308	(804,764)	-	10,210,206
Other information:					
Depreciation and amortization	1,314,516	3,140,308	-	-	4,454,824
Non-cash expenses other than depreciation	1,350,406	-	1,913,621	-	3,264,027

	As of March 31, 2015				
	Real estate	Health care	Corporate and others	Adjustment	Total
Revenues	P 8,381,143	P 7,135,533	P -	P -	P 15,516,676
Direct costs	922,388	5,361,313	-	-	6,283,701
Gross profit	7,458,755	1,774,220	-	-	9,232,975
Other income	4,086,881	2,168	8,000,348	-	12,089,397
	11,545,636	1,776,388	8,000,348	-	21,322,372
Administrative expenses	8,053,473	1,785,831	1,102,199	-	10,941,503
Equity in net loss of associate	-	-	3,457,235	-	3,457,235
Finance cost	879,540	-	-	-	879,540
	8,933,013	1,785,831	4,559,434	-	15,278,278
Income before income tax expense	2,612,623	(9,443)	3,440,914	-	6,044,094
Income tax expense	-	-	-	996,330	996,330
Income (Loss)	P 2,612,623	P (9,443)	P 3,440,914	P (996,330)	P 5,047,764
Segment assets	P 2,234,088,370	P 37,759,468	P 327,534,199	P -	P 2,599,382,037
Segment liabilities	80,347,943	1,035,458	114,201,360	582,643,707	778,228,468
Segment cash flows:					
Operating	8,975,805	3,709,342	(1,132,941)	-	11,552,206
Investing	10,473,320	(1,100,000)	(20,146,100)	-	(10,772,780)
Financing	18,709,651	-	(19,000,000)	-	(290,349)
Other information:					
Depreciation and amortization	2,299,061	2,155,763	-	-	4,454,824
Non-cash expenses other than depreciation	-	-	3,457,235	-	3,457,235

Segment liabilities for each segment do not include the following:

	2017	2016	2015
Deferred tax liabilities	**P 580,891,065**	P 580,968,204	P 582,052,206
Retirement liability	**702,866**	652,914	590,051
Income tax payable	**1,104**	78,469	1,450
	P 581,595,035	P 581,699,587	P 582,643,707

9. Cash

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

	2017	2016
Cash in banks	**P 12,499,322**	P 5,897,888
Cash on hand	**10,000**	10,000
	P 12,509,322	P 5,907,888

Cash accounts with the banks generally earn interest at rates based on prevailing bank deposit rates.

10. Trade Receivable

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

	2017	2016
Receivable from:		
Real estate owners	**P 148,057**	P 231,269
Medical and health related services	**750,065**	1,602,301
	P 898,122	P 1,833,570

The terms and conditions of the above receivables are as follows:

- Receivables from real estate owners are expenses on the common area of Summit One Tower paid by the Group. These receivables are not subject to interest.
- Trade receivables from medical and health related services are normally collectible on a 30 to 90 days term.

As of March 31, management believes that amounts are fully collectible and no provision for probable loss is necessary.

11. Real Estate Inventories

As of March 31, 2017 and 2016, this account represents the cost of unsold residential lots of PLDI and AHCDC. While these lots are actively marketed by PLDI and AHCDC through their agents, there has been no sales for the last two years.

As of March 31, 2017 and 2016, these lots have a carrying value of P4,485,000.

Management believes that the carrying values as at year-end is fully recoverable when these assets are sold.

12. Non-Current Assets Held for Sale

In prior year, the Group entered into a contract to sell for the sale of its investment properties at a total contract price of P47.15 million. Payments are made in equal monthly installments over a period of 10 years. In 2017, management believes, that with the cumulative payments to date, it is reasonably expected that the remaining balance will be faithfully completed by the buyer. Hence, the cost of investment property subject of the contract to sell was reclassified to Non-current asset held-for-sale during 2017.

The breakdown of this account as of March 31, 2017 is as follows:

Carrying value at the time of reclassification	**P**	**43,331,584**
Impairment loss recognized in profit or loss		**1,230,901**
	P	**42,100,683**

During 2017, the Group recognized impairment loss amounting to P1,230,901 after the asset were measured to lower of cost or fair value less cost to sell. The impairment loss is reported as part of administrative expenses in the consolidated statement of income.

Consistent with the reclassification of the investment properties, the related liability of the asset held for sale were also reclassified to liability portion of non-current assets held for sale amounting to P41.05 million as of March 31, 2017. These liabilities comprise the payments made by the other party in the aforesaid contract to sell.

Management expects to record the sale of above investment properties within the fiscal year ended March 31, 2018.

13. Other Current Assets

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

		2017		2016
Creditable withholding taxes	**P**	**1,555,557**	P	1,339,615
Deposits		**747,574**		98,800
Input taxes		**315,079**		236,385
	P	**2,618,210**	P	1,674,800

- Creditable withholding taxes represents the 5% tax withheld on rental. The same may be applied against future income tax liabilities. As of March 31, 2017 and 2016, creditable withholding taxes are considered recoverable in full and no impairment losses is necessary.

- Deposits are advance payment of rental that are expected to be applied within the next 12 months.

- Input taxes represent 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.

14. Investments in Associates

This account consists of the following:

		2017		2016
Cost				
Beginning of the year				
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P**	**175,625,000**	P	181,625,000
Mariestad Mining Corporation (MMC)		**7,000,000**		7,000,000
		182,625,000		188,625,000
Additions during the year (ATN Solar)		**160,800,000**		-
Disposal during the year (ATN Solar)		**-**		(6,000,000)
Balance at year end		**343,425,000**		182,625,000
Equity in net losses				
Beginning		**(5,827,267)**		(3,945,186)
Current year		**(677,267)**		(1,882,081)
Ending		**(6,504,534)**		(5,827,267)
Total		**336,920,466**		176,797,733
Allowance for impairment losses		**(7,000,000)**		(7,000,000)
	P	**329,920,466**	P	169,797,733

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 Project*). The 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.

The Project contains a 2-year pre-development stage and another 2 years for development stage, after which construction of power plants and connection to distribution network is to commence.

On March 14, 2017, the Company subscribed for additional 160,800,000 shares with a par value of P1 bringing the Company's equity interest to 48% from 47%. From the total subscription, P40.4 million have been paid in cash and the balance is reported as part of "Subscription payable" in the liabilities section of the statement of financial position.

On March 14, 2016, the Group sold 6 million shares of ATN Solar to Unipage Management, Inc. (UMI) with a carrying value of P1 per share for P18 million subject to the following conditions:

- the Project should complete all governmental and grid approvals;
- the Company should deliver the shares of ATN Solar within 12 months from execution of the Investment Agreement;
- the Company should cause the registration of the shares sold to UMI in the stock and transfer book of ATN Solar.

The Company recognized a gain on sale of its investment in ATN Solar amounting to P12 million in 2016 and was reflected in the consolidated statements of income. UMI is a related party (see Note 25).

The latest financial information of ATN Solar is as follows:

	December 31,			
		2017		2016
Current assets	**P**	**29,920,245**	P	46,937,960
Non-current assets		**707,646,347**		526,541,363
Current liabilities		**3,420,988**		4,854,260
Non-current liabilities		**47,533,588**		205,603,857
Equity	**P**	**686,612,016**	P	363,021,206
Carrying value of investment in ATN Solar	**P**	**329,920,466**	P	169,797,733
Net administrative expense	**P**	**1,409,190**	P	4,018,679
Group's share in net administrative expense	**P**	**677,267**	P	1,882,081

ATN Solar's fiscal period is January 1 to December 31. As of December 31, 2016, ATN Solar has not commenced commercial operation and still in a pre-operating stage.

MMC
In 2007, the Group entered into an investment agreement with MMC to participate in the extraction of manganese ores in the former's mining site. The Group's participation is in the form of providing financial resources to undertake the mining operations. The Group has financed a total of P7 million that is equivalent to 25% equity interest in MMC. Due to the non-commencement of mining operation, the Group provided a full impairment losses on its investment in MMC. Furthermore, no financial information is available for MMC for the last 5 years.

15. Available-for-Sale Investments

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

		2017		2016
Listed shares of stocks	**P**	**517,700**	P	20,353,122
Unlisted shares of stocks		**21,684,000**		21,684,000
	P	**22,201,700**	P	42,037,122

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.

During 2017, the Group sold 11,060,459 TBGI shares amounting to P19.8 million to UMI. Such sale resulted to a gain on sale amounting to P10.7 million reported in the consolidated statement of income.

During 2016, the Group also sold its investment in Ambulatory Health Care Institute, Inc. (AHCII) to UMI for P8.6 million for which no gain or loss was realized.

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

		2017		2016
Balance at the beginning of fiscal year	**P**	**42,037,122**	P	51,560,258
Disposals		**(19,798,222)**		(8,613,500)
Impairment		**-**		(31,540)
Changes in fair value		**(37,200)**		(878,096)
Balance at the end of fiscal year	**P**	**22,201,700**	P	42,037,122

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

16. Investment Properties

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

		2017		2016
Land	**P**	**2,003,634,520**	P	2,003,634,520
Condominium units		**168,451,363**		211,325,329
Parking lots		**34,272,670**		35,007,670
Townhouses		**14,023,443**		14,023,443
Commercial building		**11,280,000**		11,280,000
	P	**2,231,661,996**	P	2,275,270,962

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

		2017		2016
Balance at the beginning of the year	**P**	**2,275,270,962**	P	2,283,560,812
Additions		**457,618**		-
Reclassifications (see Note 12)		**(43,331,584)**		-
Disposal during the year		**(735,000)**		(8,289,850)
	P	**2,231,661,996**	P	2,275,270,962

Additions during 2017 represent various improvements to condominium units.

During 2016, certain investment property were transferred to a third party in exchange for shares stocks the latter held. The transaction is a result of a compromise agreement involving an intra-corporate dispute filed by a stock broker (the third party) to the SEC. Accordingly, shares of stock of the Parent held by the broker was exchange for a condominium unit owned by the Group. The subject shares of the Parent was transferred to UMI. The settlement between the Group and UMI were taken up as inter-company transactions amounting to P8,289,850 (see Notes 25 and 30).

On March 27, 2014, 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 P676.06 million. The fair market value is determined by a firm of independent appraiser on March 4, 2014 using the Sales Comparison Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Accordingly, the Company categorized these condominium units under Level 2 of the fair value hierarchy. Management believes that there are no present material factors that would significantly increase or decrease the fair value of these properties as of March 31, 2017.

Commercial building situated at San Fernando, Pampanga has a sound value of P22.63 million based on its depreciated appraisal value. The valuation method used in determining the appraised value of this property is Cost Approach, a comparative approach that considers a substitute for purchase of a given property, the possibility of constructing another property that is equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The management did not recognize any gain on its appraisal last March 27, 2014 since the building is not occupied and dilapidated.

Residential units are located at Riverside Village, Pasig City. Prices of foreclosed properties located near the properties owned were used by management as a guide in determining fair value of its own property. The fair value amounted to P13,577,015. The property is valued in terms of its highest and best use which is categorized under Level 3 of the fair value hierarchy.

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
Riverside Village	Townhouses	Sales comparison approach	Selling price (per square meter) Size Location Neighborhood Transport/Road network	Level 3	P13,000 - P48,000
Summit One Tower	Parking lots	Sales comparison approach	Selling price (per square meter) Size Location Neighborhood Transport/Road network	Level 2	P32,000
	Condominium units	Sales comparison approach	Selling price (per square meter) Size Location Neighborhood Transport/Road network	Level 2	P45,000 - P60,000
Rodriguez, Rizal	Land	Sales comparison approach	Selling price (per square meter) Size Location Neighborhood Transport/Road network	Level 2	P600 - P850
San Fernando, Pampanga	Land	Sales comparison approach	Selling price (per square meter) Size and shape of property Location Transport/Road network	Level 2	P9,360 - P9,990
	Commercial building	Cost approach	Condition of the building	Level 3	P22,623,818

Certain investment properties subject to contracts to sell were reclassified to *Non-current asset held for sale* (see Note 12).

Rental income on investment properties amounted to P8,239,262 in 2017, P8,615,932 in 2016, and P8,381,143 in 2015. Direct operating cost on these properties amounted to P970,998 in 2017, P922,842 in 2016, and P922,388 in 2015.

Certain investment property was mortgaged to the bank to secure the Group's financing requirements (see Note 20).

17. Property and Equipment

Property and equipment consists of:

2017		**Medical Equipment & Fixtures**		**Office Furniture & Fixtures**		**Leasehold Improvements**		**Transportation Equipment**		**Total**
Costs										
At April 1, 2016	**P**	**34,194,095**	**P**	**6,138,644**	**P**	**19,969,173**	**P**	**2,641,072**	**P**	**62,942,984**
Addition		**535,714**		**-**		**-**		**-**		**535,714**
At March 31, 2017		**34,729,809**		**6,138,644**		**19,969,173**		**2,641,072**		**63,478,698**
Accumulated depreciation										
At April 1, 2016		**18,284,705**		**4,902,838**		**12,995,675**		**995,536**		**37,178,754**
Provisions		**1,805,763**		**449,266**		**1,349,794**		**329,107**		**3,933,930**
At March 31, 2017		**20,090,468**		**5,352,104**		**14,345,469**		**1,324,643**		**41,112,684**
Net Book Value										
At March 31, 2017	**P**	**14,639,341**	**P**	**786,540**	**P**	**5,623,704**	**P**	**1,316,429**	**P**	**22,366,014**

2016		Medical Equipment & Fixtures		Office Furniture & Fixtures		Leasehold Improvements		Transportation Equipment		Total
Costs										
At April 1, 2015	P	34,194,095	P	6,138,644	P	19,969,173	P	995,536	P	61,297,448
Disposal		-		-		-		1,645,536		1,645,536
At March 31, 2016		34,194,095		6,138,644		19,969,173		2,641,072		62,942,984
Accumulated depreciation										
At April 1, 2015		16,478,942		4,453,572		11,645,880		995,536		33,573,930
Provisions		1,805,763		449,266		1,349,795		-		3,604,824
At March 31, 2016		18,284,705		4,902,838		12,995,675		995,536		37,178,754
Net Book Value										
At March 31, 2016	P	15,909,390	P	1,235,806	P	6,973,498	P	1,645,536	P	25,764,230

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

	2017	2016	2015
Direct costs	**P 1,805,763**	P 1,805,763	P 1,805,763
Administrative expenses	**2,128,167**	1,799,061	1,799,061
	P 3,933,930	P 3,604,824	P 3,604,824

18. 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. Management believes that the use of portal is limited to 16-20 years since the medical industry continues to change and the portal needs to be updated as patients' medical/health/wellness requirements changes.

The movement in intangible asset is as follows:

	2017	2016	2015
Cost	**P 15,000,000**	P 15,000,000	P 15,000,000
Accumulated amortization			
Balance, April 1	**7,450,000**	6,600,000	5,750,000
Provisions	**850,000**	850,000	850,000
Balance, March 31	**8,300,000**	7,450,000	6,600,000
Net Book Value at March 31	**P 6,700,000**	P 7,550,000	P 8,400,000

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

	2017	2016	2015
Direct costs	**P 350,000**	P 350,000	P 350,000
Administrative expenses	**500,000**	500,000	500,000
	P 850,000	P 850,000	P 850,000

19. Accounts Payable and Accrued Expenses

This account consists of the following:

	2017	2016
Capital gains tax payable	**P 1,990,000**	P 1,990,000
Trade	**1,895,105**	1,070,343
Accrued expenses	**545,567**	238,858
Others	**210,361**	90,232
	P 4,641,033	P 3,389,433

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

- 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;
- Capital gains tax payable pertains to the aggregate amount of taxes payable on sale of unlisted shares;
- Other current liabilities are non-interest bearing and have a maximum term of six (6) months.

The fair values of accounts payable and accrued expenses have not been disclosed due to their short duration. Management considers the carrying amounts recognized in the consolidated statements of financial position to be a reasonable approximation of their fair values.

20. Bank loans

This account consists of borrowings of PLDI as follows:

	2017	2016
China Banking Corporation (CBC)	**P 3,900,000**	P 4,000,000
Rizal Commercial Banking Corporation (RCBC)	**22,203,823**	21,259,054
	26,103,823	25,259,054
Less: Current portion	**3,900,000**	25,259,054
Non-current portion	**P 22,203,823**	P -

CBC

Loans from CBC represents Peso credit facility for a maximum amount of P4 million subject to the following significant terms and conditions:

- Loan may be availed in US Dollar or PH Peso;
- The loan is for a period of 1 year with interest at prevailing bank rates;
- Interest is to be paid monthly in-arrears; principal upon maturity;
- Proceeds is to be used for working capital;
- The line is secured by real estate mortgage owned by PLDI;
- Surety agreement of stockholders in favor of CBC

RCBC

Loan from RCBC which is denominated in Japanese Yen, was availed on August 2016 for working capital requirements. The loan is for a period of 2 years, subject to 3% interest per annum and collateralized by real estate mortgage owned by PLDI. Total principal amounted to JPY52.2 million or P22.2 million.

Loans from RCBC is subject to a hedging agreement with UMI under the following conditions:

- PLDI will pay UMI the amount of P150,000 to hedge the JPY52 million loan from foreign currency changes;
- Reckoning date of foreign currency loss shall be December 31, every year;
- Any book losses at the end of each fiscal year shall be for the account of UMI

As of March 31, 2017, foreign currency losses incurred related to translating the RCBC JP Yen loans amounted to P1.8 million were charged to UMI (see Note 25) in accordance with the hedging agreement.

Financing charges related to these loans amounted to P1,105,684 in 2017, P669,958 in 2016, and P879,540 in 2015.

21. Deposits

This account consists of the following:

		2017		2016
Deposit on operating leases	**P**	**5,628,882**	P	5,008,826
Deposit on contract to sell		**-**		38,884,979
	P	**5,628,882**	P	43,893,805

Deposit on operating leases is made in compliance with the existing leasing agreement with the lessee. The amount is refundable at the expiration of lease contracts.

Deposit on contract to sell represents advance payment on sale of investment properties reclassified to Non-current assets held for sale (see Note 12).

22. Equity

Share capital
Component of share capital is as follows:

Title of issue	Authorized share capital – Number of shares		Authorized share capital – Amount	Subscribed and paid – Number of shares		Subscribed and paid – 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

The share capital above is based on amended Articles of Incorporation which was approved during the Company's annual stockholders' meeting held on November 12, 2015. The amendment covers the following under Section 7 of the articles of incorporation.

- Decrease in authorized class "A" common shares from 7.2 million shares to 4.2 million shares with a par value of P0.10 per share;
- Decrease in authorized class "B" common shares from 4.8 million shares to 2.8 million shares with a par value of P0.10 per share;
- Introduction of 5 million preferred shares with a par value of P0.10 per share

These amendments were approved by the SEC on June 30, 2016.

In accordance with the Articles of Incorporation, certain restrictions have been imposed regarding issuance and transfer of share capital as follows:

- Class "A" common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines.

- Class "B" common shares are to be issued to any person subject to the required foreign ownership limitation under the laws of the Philippines.

- Preferred shares have the following features, rights and privileges:

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

Unrealized gain on available-for-sale investments
The movement of this account is as follows:

		2017		2016
Balance at beginning of year	**P**	**8,350,602**	P	9,224,153
Disposal		**(10,616,931)**		-
Changes in fair value - net of deferred tax		**61,978**		(873,551)
Balance at the end of year	**P**	**(2,204,351)**	P	8,350,602

23. Cost of sales and services

The breakdown of this account is as follows:

		2017		2016		2015
Depreciation and amortization						
(see Notes 16 and 17)	**P**	**2,155,763**	P	2,155,763	P	2,155,763
Utilities		**1,536,294**		1,406,714		612,538
Medical supplies		**1,201,737**		994,457		457,665
Rent (see Note 29)		**1,037,441**		964,702		479,924
Salaries, wages and employee benefits		**1,190,117**		935,847		897,606
Taxes and licenses		**970,998**		922,842		922,388
Cost of real estate		**735,000**		-		-
Professional fees		**343,905**		475,478		757,817
	P	**9,171,255**	P	7,855,803	P	6,283,701

24. Administrative expenses

The breakdown of this account is as follows:

		2017		2016		2015
Taxes and licenses	**P**	**2,901,075**	P	396,325	P	567,582
Depreciation and amortization						
(see Notes 17 and 18)		**2,628,167**		2,299,061		2,299,061
Communication and association dues		**1,787,085**		1,347,058		1,859,917
Salaries, wages and benefits		**1,340,939**		956,121		1,490,149
Impairment loss on non-current assets						
held for sale (see Note 12)		**1,230,901**		-		-
Professional fees		**802,354**		777,944		661,955
Security and janitorial services		**742,138**		239,100		595,274
Rent (see Note 29)		**558,756**		1,201,486		1,205,760
Office supplies and printing		**421,872**		188,013		589,557
Transportation and travel		**255,128**		131,744		936,033
Hedging fee		**150,000**		-		-
Retirement expense (see Note 26)		**49,952**		87,769		316,353
Impairment loss		**-**		31,540		-
Repairs and maintenance		**-**		4,580		3,125
Representation and entertainment		**-**		2,443		79,485
Miscellaneous		**309,171**		91,708		337,252
	P	**13,177,538**	P	7,754,892	P	10,941,503

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.

25. Related Party Transactions

The Company's related parties and its relationship are as follows:

Related party	Relationship
Unipage Management, Inc. (UMI)	Affiliated company
Transpacific Broadband Group Int'l, Inc. (TBGI)	Affiliated company
Sierra Madre Consolidated Mines, Inc. (SMCM)	Affiliated company
ATN Philippines Solar Energy Group, Inc. (ATN Solar)	Affiliated company
Certain shareholders	Key management officers

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

		Amount of transactions		Year-end balances		
Related party	Transaction	**2017**	2016	**2017**	2016	Terms and conditions
UMI	(i) Net payment of advances	**P (20,200,000)**	P (35,787,508)	**P 28,974,869**	P 27,535,144	Unsecured, non-interest bearing, and no fixed payment terms
	(ii) Sale of AFS investments (see Note 15)	**19,908,826**	8,613,500			
	(iii) Sales of investment in associates (see Note 14)	**-**	18,000,000			
	(iv) Compromise agreement (see Note 16)	**-**	8,289,850			
	(v) Net effect of hedging transaction	**1,730,899**	-			
SMCM		**-**	-	**11,756,000**	11,756,000	Unsecured, non-interest bearing, and no fixed payment terms; impaired
ATN Solar	Teaming agreement	**273,940**	-	**273,940**	-	On-demand
Shareholders	Net availment/ (payment) of advances	**964,152**	(1,100,000)	**964,152**	-	Unsecured, non-interest bearing, and no fixed payment terms
				41,968,961	39,291,144	
Allowance for impairment				**11,756,000**	11,756,000	
Net due from related parties				**P 30,212,961**	P 27,535,144	

		Amount of transactions		Year-end balances		
Related party	Transaction	**2017**	2016	**2017**	2016	Terms and conditions
TBGI	Teaming agreement	**P (1,298,918)**	P 3,689,627	**P 2,209,401**	P 910,483	No payment terms, unsecured
ATN Solar	Teaming agreement	**(257,310)**	257,310	**-**	257,310	No payment terms, unsecured
Shareholders	Net availment/ (payment) of advances	**(24,970,544)**	(14,860,641)	**65,212,998**	40,242,454	No payment terms, unsecured
				P 67,422,399	P 41,410,247	

The details of significant transactions with related parties are as follows:

- Transactions with UMI for the years 2017 and 2016 are as follows:

  (i) During 2017 and 2016, the Group has net payment of advances from UMI amounting to P20,200,000 million and P35,787,508 million, respectively.

(ii) – (iii) Sale of shares of stock to UMI during 2017 and 2016 is as follows:

	Transaction price	
Issuer	**2017**	2016
TBGI (see Note 15)	**P 19,908,826**	P -
ATN Solar (see Note 14)	**-**	18,000,000
AHCII (see Note 15)	**-**	8,613,500
	P 19,908,826	P 26,613,500

TBGI shares were sold based on the close/bid price from the Philippine Stock Exchange. ATN Solar shares were sold based on par value adjusted for time value of money, with gain on sale amounting to P12 million. AHCII shares were sold at par value.

(iv) The Group transferred one of its investment property as payment to Blue Stock Development Holdings, Inc. amounting to P8,289,850 (see Note 30 and 16).

(v) As discussed in Note 20, the Group and UMI are parties to a *Hedging Agreement* covering the former's bank loans. The net effect of the hedging were accounted for as related party transaction as follows:

Net foreign currency loss on hedged account	**P 1,880,899**
Transaction fee due to UMI	**(150,000)**
	P 1,730,899

- 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.

- 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, 2017, 2016, and 2015, the Group charged TBGI its proportionate share of communication, dues and utilities expenses amounting to P1,116,709, P968,110, and P637,666, respectively.

  In the same manner, the Group charged ATN Solar the following expenses during 2017:

	2017	2016
Salaries and wages	**P 216,000**	P 216,000
Employees' welfare and benefits	**70,711**	81,006
Legal services	**40,000**	50,000
Office supplies	**29,548**	26,167
Management fees	**175,000**	392,735
	P 531,259	P 765,908

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

	Advances to (from) subsidiaries	
	2017	2016
PLDI	**P (50,185,273)**	P (25,741,233)
MCPI	**11,942,328**	14,942,328
AHCDC	**10,768,677**	10,768,677
	P (27,474,268)	P (30,228)

The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2017 and 2016.

26. Retirement Benefits

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 balance of retirement liability account as of March 31 is as follows:

	2017	2016	2015
Balance at the beginning of the year	**P 652,914**	P 590,051	P 138,118
Provisions during the year	**49,952**	62,863	451,933
	P 702,866	P 652,914	P 590,051

27. Income Taxes

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

	2017	2016	2015
Current	**P 170,220**	P 1,520,509	P 996,330
Deferred	**7,053**	(645,311)	-
	P 177,273	P 875,198	P 996,330

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

	2017	2016	2015
Statutory income tax	**P 989,454**	P 3,100,282	P 1,813,228
Tax effect of:			
Non-deductible expenses	**211,191**	1,013,874	1,037,171
Unrecognized temporary difference	**2,199,809**	(831,267)	(247,577)
Income subject to final tax	**(3,223,181)**	(2,407,691)	(1,606,492)
Actual provision for income tax	**P 177,273**	P 875,198	P 996,330

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

		2017		2016
Unrealized gain on fair value adjustment of investment properties	**P**	**579,313,496**	P	579,313,496
Unrealized gain on AFS financial assets		**2,165,989**		2,265,166
Unrealized foreign exchange		**1,172**		(405,122)
Impairment loss on non-current assets held for sale		**(369,270)**		-
Impairment loss on AFS securities		**(9,462)**		(9,462)
Retirement liability		**(210,860)**		(195,874)
	P	**580,891,065**	P	580,968,204

Except for the related deferred tax liability on available-for-sale and fair value through profit or loss investment listed on Philippine Stock Exchange, financial assets which are stated at ½ of 1% stock transaction, all other deferred tax liabilities are stated at 30% income tax rate.

The Group did not recognize any deferred tax assets as at March 31, 2017 and 2016 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.

		2017		2016
Allowance for impairment losses	**P**	**4,335,000**	P	4,335,000
Net Operating Loss Carry Over (NOLCO)		**2,970,699**		2,961,859
Minimum Corporate Income Tax (MCIT)		**310,085**		292,191
	P	**7,615,784**	P	7,589,050

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

		Original amounts			
Year incurred	Expiry		NOLCO		MCIT
2017	2020	**P**	**4,469,995**	**P**	**155,235**
2016	2019		**833,774**		**5,675**
2015	2018		**4,598,562**		**149,175**
		P	**9,902,331**	**P**	**310,085**

NOLCO and MCIT incurred in 2014 amounting to P4,440,528 and P127,341, respectively, expired in 2017 without any benefit therefrom.

28. Earnings per Share

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

		2017		2016		2015
Earnings (A)	**P**	**3,103,612**	P	9,459,075	P	5,047,764
Divided by:						
Weighted Average Shares (B)		**4,500,000,000**		4,500,000,000		4,500,000,000
Earnings per share (A/B)	**P**	**0.00069**	P	0.00210	P	0.00112

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

29. Lease commitments

Group as a Lessee

(a) Managed Care Philippines, Inc. (MCPI) as lessee
MCPI entered into a lease agreement with Minoru Holdings, Inc. and PNB Holdings Corporation to lease the ground floor of the Summit One Tower Parking Building as the clinic of MCPI for its operations. Lease term is 6 years starting August 1, 2016 to July 31, 2022.

(b) Palladian Land Development, Inc. (PLDI) as lessee
Lease agreement of PLDI with Minoru Holdings, Inc. and PNB Holdings Corporation leases the Summit One Tower PB 8-B with for a period of 6 years starting November 16, 2015 until November 15, 2021.

Rent expense recognized in the consolidated statement of income is as follows:

	2017	2016	2015
Direct cost	**P 1,037,441**	P 964,702	P 479,924
Administrative expense	**558,756**	1,201,486	1,205,760
	P 1,596,197	P 2,166,188	P 1,685,684

Future minimum lease payments to these lease contracts are as follows:

	2017	2016
within 12 months	**P 554,291**	P 1,297,632
more than 12 months but less than 5 years	**2,217,163**	5,190,530
	P 2,771,454	P 6,488,162

Group as a Lessor

(c) Lease agreement with various lessees
Certain investment properties were being leased out to various third parties. Terms of leases are one year subject to extension by mutual agreement of the lessor and lessees.

Rent income recognized in the consolidated statement of income amounted to P8,239,262 in 2017, P8,615,932 in 2016 and P8,381,143 in 2015.

30. Other Matters

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.

Contingencies
In 2012, the Parent Company is a party to an intra-corporate dispute involving its certificate of increase in capital and amendment of articles of incorporation filed with at the Company Registration and Monitoring Department of the Securities and Exchange Commission (CRMD-SEC).

On February 24, 2014, the Parent Company (defendant) and Blue Stock Development Holdings, Inc. (plaintiff) entered into a compromise agreement under Sec Case. No. MC11-130 with the RTC Mandaluyong with the following terms, among others:

- The Parent Company or its assigns shall acquire the shares of stock of the Parent Company held by the plaintiff. Payment of the shares acquired shall be made partly in deferred cash payment and through assignment/conveyance of condominium units.

- Both parties shall file a “Motion for Withdrawal of Complaint” or “Joint Motion to Dismiss” with the CRMD-SEC case.

A Motion to Withdraw Complaint was filed by the complainant under SEC CRMD 12-305.

On March 7, 2014, the RTC Mandaluyong issued a decision approving the Compromise Agreement of both parties.

On April 3, 2014, the SEC issued an Order granting the Motion to Withdraw Complaint, having been duly executed and officially filed with the Commission, and it appearing that no third parties will be prejudiced thereto.

The Group, through UMI, assigned a certain investment property amounting to P8,289,850 to settle the compromise agreement with Blue Stock Development Holdings, Inc.

Non cash investing and financing activities
Non-cash investing and financing activities that were excluded in the preparation of the statements of cash flows are as follows:

- Decline in fair value of the Group’s investment in available-for-sale resulted in a decrease in the fair value amounting to P37,200 and P878,096 net of deferred tax.
- Sale of AFS investment amounting to P19 million during 2017 and sale of shares of associate amounting to P18 million during 2016 did not generate cash payments during the year but increase in advances to related parties.

R. R. TAN & ASSOCIATES, CPAs

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PRC-BOA Reg. No. 0132, valid until December 31, 2018
SEC Accreditation No.0220-FR-2, valid until March 27, 2020
BIR Accreditation No. 07-001080-002-2016, valid until October 3, 2019

Independent Auditors' Report on Supplementary Schedules

The Board of Directors and Stockholders
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, 2017 and 2016 and for each of the three years in the period ended March 31, 2017, included in this Form 17-A, and have issued our report thereon dated July 11, 2017. Our audits were made for the purpose of forming an opinion on the basic 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 Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic 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 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. 2535320, January 17, 2017, Pasig City
SEC Accreditation No. 1608-A, valid until January 26, 2020
BIR Accreditation No. 07-001050-002-2016, valid until
June 22, 2019

July 11, 2017
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
Index to Supplementary Schedules
Under SEC Rule 68, As Amended (2011)
March 31, 2017

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PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2017		Adopted	Not adopted	Not applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		x		
PFRS's Practice Statement Management Commentary		x		
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards			x
	Amendments to PFRS 1 and PAS 27: Cost of an investment in a Subsidiary; Jointly Controlled entity or Associate			x
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			x
	Amendments to PFRS 1: Limited Exemptions from Comparative PFRS 7 Disclosures for First-time Adopters			x
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			x
	Amendments to PFRS 1: Government Loans			x
	Amendments to PFRS 1: Borrowing Costs			x
	Amendments to PFRS 1: Meaning of Effective PFRS			x
PFRS 2	Share-based Payment			x
	Amendments to PFRS 2: Vesting Conditions and Cancellations			x
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			x
	Amendments to PFRS 2: Definition of Vesting Condition			x
PFRS 3	Business Combinations			x
	Amendments to PFRS 3: Accounting for Contingent Consideration in a Business Combination			x
	Amendments to PFRS 3: Scope Exceptions for Joint Arrangements			x
PFRS 4	Insurance Contracts			x
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
	Amendments to PFRS 4: Applying PFRS 9 'Financial Instrument' with PFRS 4 'Insurance Contracts'	Not early adopted		
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	x		
	Amendments to PFRS 5: Changes in Methods of Disposal	x		
PFRS 6	Exploration for and Evaluation of Mineral Resources			x
PFRS 7	Financial Instruments: Disclosures	x		
	Amendments to PFRS 7: Transition	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
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	Amendments to PFRS 7: Improving Disclosures About Financial Instruments	x		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	x		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	x		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
	Amendments to PFRS 7: Servicing Contracts			x
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			x
PFRS 8	Operating Segments	x		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			x
PFRS 9	Financial Instruments	Not early adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		

ATN HOLDINGS, INC.
Schedule I - Tabular Schedule of All Effective Standards and Interpretations Pursuant to SRC Rule 68, as Amended
March 31, 2017

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2017		Adopted	Not adopted	Not applicable
PFRS 10	Consolidated Financial Statements	x		
	Amendments to PFRS 10: Investment Entities			x
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities - Applying the Consolidation Exception			x
	Amendments to 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	Not early adopted		
PFRS 11	Joint Arrangements			x
	Amendments to PFRS 11: Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations			x
PFRS 12	Disclosure of Interest in Other Entities	x		
	Amendments to PFRS 12: Investment Entities - Applying the Consolidation Exception			x
PFRS 13	Fair Value Measurement	x		
	Amendments to PFRS 13: Short-term Receivables and Payables	x		
	Amendments to PFRS 13: Portfolio Exceptions			x
PFRS 14	Regulatory Deferral Accounts			x
PFRS 15	Revenue from Contracts with Customers	Not early adopted		
PFRS 16	Leases	Not early adopted		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	x		
	Amendment to PAS 1: Capital Disclosures	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendments to PAS 32 and PAS 1: Presentation of Items of Other Comprehensive Income	x		
	Amendments to PAS 1: Clarification of the Requirements for Comparative Presentation	x		
	Amendments to PAS 1: Disclosure Initiative	x		
PAS 2	Inventories	x		
PAS 7	Statement of Cash flows	x		
	Amendments to PAS 7: Disclosure Initiative	Not early adopted		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	x		
PAS 10	Events After the Balance Sheet Date	x		
PAS 11	Construction Contracts			x
PAS 12	Income Taxes	x		
	Amendment to PAS 12: Deferred Tax: Recovery of Underlying Assets	x		
	Amendment to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	Not early adopted		
PAS 16	Property, Plant and Equipment	x		
	Amendments to PAS 16: Classification of Servicing Equipment	x		
	Amendments to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation	x		
	Amendments to PAS 16: Property, Plant and Equipment and PAS 38: Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization	x		
	Amendments to PAS 16: Agriculture - Bearer Plants			x
PAS 17	Leases	x		
PAS 18	Revenue	x		
PAS 19 (Amended)	Employee benefits	x		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			x
	Amendments to PAS 19: Regional Market Issue Regarding Discount Rate			x
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			x

ATN HOLDINGS, INC.
Schedule I - Tabular Schedule of All Effective Standards and Interpretations Pursuant to SRC Rule 68, as Amended
March 31, 2017

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2017		Adopted	Not adopted	Not applicable
PAS 21	The Effects of Changes in Foreign Exchange Rates	x		
	Amendment: Net Investment in a Foreign Operation			x
PAS 23	Borrowing Costs			x
PAS 24	Related Party Disclosures	x		
	Amendments to PAS 24: Key Management Personnel	x		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			x
PAS 27 (Revised)	Separate Financial Statements			x
	Amendments to PAS 27: Investment Entities			x
	Amendments to PAS 27: Separate Financial Statements - Equity Method in Separate Financial Statements			x
PAS 28 (Amended)	Investment in Associates and Joint Ventures	x		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			x
	Amendments to PAS 28: Investment in Associates and Joint Ventures and PFRS 10: Consolidated Financial Statements - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Not early adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			x
PAS 32	Financial Instruments: Disclosure and Presentation	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendment to PAS 32: Classification of Rights Issues			x
	Amendments to PAS 32: Tax Effect of Distribution of Holders of Equity Instruments			x
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	x		
PAS 33	Earnings Per Share	x		
PAS 34	Interim Financial Reporting			x
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			x
	Amendments to PAS 34: Disclosure of Information 'Elsewere in the Interim Financial Report'			x
PAS 36	Impairment of Assets	x		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	x		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	x		
PAS 38	Intangible Assets	x		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			x
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			x
PAS 39	Financial Instruments: Recognition and Measurement	x		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	x		
	Amendments to pas 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			x
	Amendments to PAS 39: The Fair Value Option	x		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			x
PAS 39	Amendment to PAS 39: Eligible Hedged Items			x
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			x

ATN HOLDINGS, INC.
Schedule I - Tabular Schedule of All Effective Standards and Interpretations Pursuant to SRC Rule 68, as Amended
March 31, 2017

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND Effective as of March 31, 2017		Adopted	Not adopted	Not applicable
PAS 40	Invesment Property	x		
	Amendment to PAS 40: Investment Property	x		
	Amendments to PAS 40: Transfers of Investment Property	Not early adopted		
PAS 41	Agriculture			x
	Amendments to PAS 41: Agriculture - Bearer Plants			x
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			x
IFRIC 2	Member's Share in Co-operative Entities and Similar Instruments			x
IFRIC 4	Determining whether an Arrangement contains a Lease			x
IFRIC 5	Rights to Interests Arising from Decommisioning, Restoration and Environmental Rehabilitation Funds			x
IFRIC 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Component			x
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting under Hyperinflationary Economies			x
IFRIC 8	Scope of PFRS 2			x
IFRIC 9	Reassessment of Embedded Derivatives			x
	Amendments to Philippine Interpretations IFRIC-9 and PAS 39: Embedded Derivatives			x
IFRIC 10	Interim Financial Reporting and Impairment			x
IFRIC 11	PFRS 2-Group and Treasury Share Transactions			x
IFRIC 12	Service Concession Arrangements			x
IFRIC 13	Customer Loyalty Programmes			x
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction			x
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			x
IFRIC 15	Agreements for Construction of Real Estate	Not early adopted		
IFRIC 16	Hedges of a Net Investment in Foreign Operation			x
IFRIC 17	Distribution of Non Cash Assets to Owners			x
IFRIC 18	Transfers of Assets from Customers			x
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			x
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			x
IFRIC 21	Levies			x
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Not early adopted		
SIC - 7	Introduction of the Euro			x
SIC - 10	Government Assistance - No Specific Relation to Operating Activities			x
SIC - 12	Consolidation - Special Purpose Entities			x
	Amendment to SIC - 12: Scope of SIC - 12			x
SIC - 13	Jointly Controlled Entities - Non Monetary Contributions by Venturers			x
SIC - 15	Operating Leases - Incentives	x		
SIC - 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			x
SIC - 27	Evaluating the Substance of Transactions Involving the Legal form of a Lease			x
SIC - 29	Service Concession Arrangements - Disclosures			x
SIC - 31	Revenue - Barter Transactions Involving Advertising Services			x
SIC - 32	Intangible Assets - Web Site Costs			x

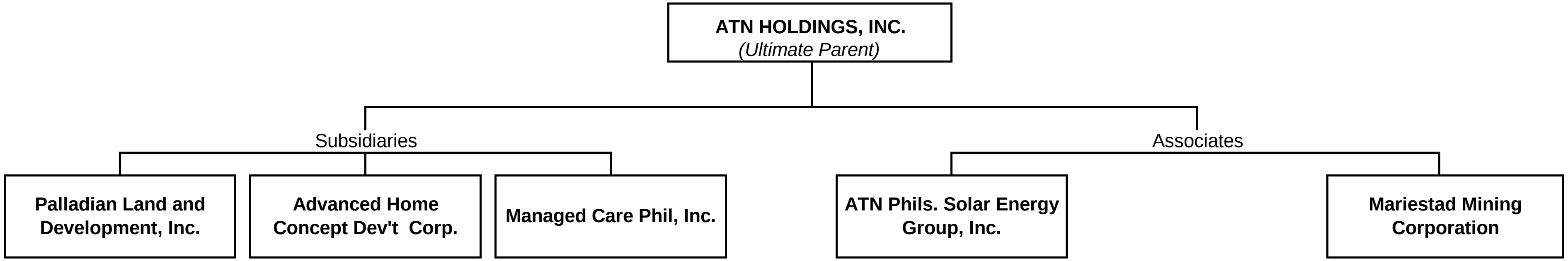
ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule II - Financial Soundness
Pursuant to SRC Rule 68, As Amended

		2017	2016
A.	Current/liquidity ratios		
	Current ratio	**1.262**	0.485
	Quick ratio	**1.119**	0.270
	Cash ratio	**0.252**	0.206
B.	Solvency ratio/Debt-to-equity ratio		
	Solvency ratio	**0.030**	0.120
C.	Asset-to-Equity ratios	**1.485**	1.400
D.	Interest rate coverage ratio	**3.983**	16.425
E.	Profitability ratios		
	Net profit margin analysis	**11.385%**	31.626%
	Return on assets	**0.118%**	0.367%
	Return on equity	**0.171%**	0.518%
	Return on capital employed	**0.166%**	0.434%

ATN HOLDINGS, INC.
Schedule III - Parent Company Retained Earnings Available for Dividend Declaration
March 31, 2017

Balance at beginning of year			P	23,759,543
Adjustment on beginning balance				(2,452,660)
				21,306,883
Income during the period closed to Retained Earnings		7,000,636		
Less:	Non-actual/unrealized income net of tax	-		
	Equity in net income of associate/joint venture	-		
	Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-		
	Unrealized actuarial gain	-		
	Fair value adjustment on financial assets at FVTPL	-		
	Fair Value adjustment of Investment Property	-		
	Increase in deferred tax asset that increased net income	180,050		
	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		180,050		
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				6,820,586
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	28,127,469

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule IV - A map showing the relationship between and among the Company
and its Ultimate Parent Company, Subsidiaries and Associates
Pursuant to Rule 68, as Amended
March 31, 2017



ATN HOLDINGS, INC. AND SUBSIDIARIES

Schedule A - Non-Current Marketable Equity Securities, Other Long Term Investment in Stocks and Other Investments

March 31, 2017

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	7,000,000	P	-	P	-
ATN Philippines Solar Energy Group, Inc.	-		329,920,466		(677,267)		-
Less: Allowance for impairment loss (MMC)	-		(7,000,000)		-		-
	-	P	329,920,466	P	(677,267)		-
AVAILABLE FOR SALE INVESTMENTS							
Transpacific Broadband Group International, Inc.	13,310,000	P	22,201,700	P	-	P	-

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule B - Amount Receivable from Directors, Officers, Employees, Related parties and Principal Stockholders (Other than Related Parties)
March 31, 2017

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Allowance for impairment	Current	Non Current	Balance at end of period
Sierra Madre Consolidated Mines	P 5,878,000	P -	P -	P 5,878,000	P -	P -	P -
ATN Philippines Solar Energy Group, Inc.	-	273,940	-	-	-	273,940	273,940
Unipage Management, Inc.	27,535,144	26,439,725	25,000,000	-	-	28,974,869	28,974,869
Shareholder	-	17,964,152	17,000,000	-	-	964,152	964,152
	P 33,413,144	P 44,677,817	P 42,000,000	P 5,878,000	P -	P 30,212,961	P 30,212,961

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
March 31, 2017

Related Party		Balance at beginning of period		Net transactions		Balance at end of period
Palladian Land Development, Inc.	P	(25,741,233)	P	(24,444,040)	P	(50,185,273)
Advanced Home Concept Development Corporation		10,768,677		1,173,651		11,942,328
Managed Care Philippines, Inc.		14,942,328		(4,173,651)		10,768,677
Total	P	(30,228)	P	(27,444,040)	P	(27,474,268)

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule D - Intangible Assets (Other assets)
March 31, 2017

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		7,450,000		850,000		-		8,300,000
Net Book Value	P	7,550,000	P	850,000	P	-	P	6,700,000

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule E - Long-Term Debt
March 31, 2017

Creditor	Original Currency		Balance at beginning of period (in peso)		Payment (in peso)		Addition (in peso)		Unrealized foreign exchange gain		Balance at end of period (in peso)	
China Banking Corporation	P	4,000,000	P	4,000,000	P	100,000	P	-	P	-	P	3,900,000
Rizal Commercial Banking Corporation	¥	52,232,000		21,259,054		21,259,054		22,203,823		-		22,203,823
Total			P	25,259,054	P	21,359,054	P	22,203,823	P	-	P	26,103,823

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule F - Indebtedness to Related Parties (Long-term loans from related parties)
March 31, 2017

Related Party	Balance at beginning of period		Payment		Addition		Balance at end of period	
Transpacific Broadband Group International, Inc.	P	910,483	P	-	P	1,298,918	P	2,209,401
ATN Philippines Solar Energy Group, Inc.		257,310		257,310		-		-
Stockholder		40,242,454		-		24,970,544		65,212,998
Total	P	41,410,247	P	257,310	P	26,269,462	P	67,422,399

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule G - Guarantees of Securities of Other Issuers
March 31, 2017

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
None		P -	P -	

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule H - Share Capital
March 31, 2017

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, convertion and other rights	Number of shares held by related parties	Number of shares held by directors, officers and employees	Others
Common shares - P0.10 par value						
Class A	4,200,000,000	3,700,000,000	-	-	409,614,960	3,290,385,040
Class B	2,800,000,000	800,000,000	-	-	1,001,000	798,999,000
Preferred shares	5,000,000,000	-	-	-	-	-
	12,000,000,000	4,500,000,000	-	-	410,615,960	4,089,384,040

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 Form 17C

(Form Type)

Amendment Designation (if applicable)

(Period Ended Date)

(Secondary License Type and File Number)

ATN HOLDINGS, INC.

9th Floor Summit One Tower, 530 Shaw Boulevard, Mandaluyong City
Tel no. 632-7170523 fax 717-0523

CERTIFICATION

I, PAUL B. SARIA, of legal age, Filipino, married and with office address at 9th Floor Summit One Tower, 530 Shaw Blvd., Mandaluyong City, being the Corporate Information Officer and Assistant Corporate Secretary of ATN Holdings, Inc. hereby certify that following Executive Officers and Directors of the Corporation, for the year 2016-2017, are not employed as employee in any government agency.

Name	Designation	Name	Designation
Arsenio T. Ng	President & CEO	Arturo Magtibay	Director
Hilario T. Ng	Director & COO	Manuel Moje	Director
Santos L. Cejoco	Director & CCP	Bonifacio Choa	Independent Director
Renato E. Taguiam	Director & Corp. Secretary	Chee Choong Cheah	Independent Director
Eduard Jalandoni	Director	Hyland SI	Independent Director
Paul B. Saria	Director & CIO		

Certified by:

Paul B. Saria
Assistant Corporate Secretary

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me this SEP 25 2017, affiant Paul B. Saria exhibited to me his Driver's License No. NO4-93-264992, expires on December 16, 2021

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not.Com. No. NP-060-1-12-17 until 12-31-2018
IBP O.R No. 1038374 Jan. 2017 up to Dec. 2018
PTR O.R. No. 3881630 C 01-12-17
Roll No. 33832 / TIN #129-871-009
MCLE No. V-0010296 valid from 04/15/2016 until 04/14/2019/PASIG CITY
Address: 31-F Harvard St. Cubao, Q.C.

Doc. No. 390
Page No. 39
Book No. XV
Series of 2017

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 Form 17C

(Form Type)

Certification of Independent Directors

Amendment Designation (if applicable)

(Period Ended Date)

(Secondary License Type and File Number)

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 posses all the qualifications and none of the disqualifications to serve as an Independent Director of Transpacific Broadband Group Int'l., 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 SEP 27 2017 day of __________, at QUEZON CITY.

Hyland Si
Affiant

SUBSCRIBED AND SWORN to before me this SEP 27 2017 day of ______ at QUEZON CITY __________________, affiant personally appeared before me and exhibited to me his/her Community Tax Certificate No. ____________ issued at ______________ on __________.

Doc. No. 65;
Page No. 7;
Book No. 28;
Series No. 2017.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not.Com. No. NP-059-1-12-17 until 12-31-2018
IBP O.R No. 1038374 Jan. 2017 up to Dec. 2018
PTR O.R. No. 3381930 C 01-12-17
Roll No. 33832 / TIN #129-871-009
MCLE No. V-0010235 valid from 04/15/2013 until 04/14/2019/PASIG 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 posses all the qualifications and none of the disqualifications to serve as an Independent Director of Transpacific Broadband Group Int'l., 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 SEP 2 7 2017 day of __________, at QUEZON CITY.

Bonifacio Choa
Affiant

SUBSCRIBED AND SWORN to before me this SEP 2 7 2017 day of ______ at QUEZON CITY __________, affiant personally appeared before me and exhibited to me his/her Community Tax Certificate No. __________ issued at __________ on __________.

Doc. No. 15;
Page No. 2;
Book No. XVII;
Series No. 2017

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not.Com. No. NP-060-1-12-17 until 12-31-18,
IBP O.R No. 1038374 Jan. 2017 up to Dec. 2018
PTR O.R No. 3881630 C 01-12-17
Roll No. 33832/TIN# 129-871-009
MCLE No. V-0010296 valid from 04/15/2016 until 04/14/2019/PASIG 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 posses 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 SEP 2 7 day of 2017, at QUEZON CITY.

Cheah Chee Choong
Affiant

SEP 2 7 2017

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.

Doc. No. 17;
Page No. 2;
Book No. XVII;
Series No. 2017

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not.Com. No. NP-059-1-12-17 until 12-31-18
IBP O.R No. 1038374 Jan. 2017 up to Dec. 2018
PTR O.R No. 3881630 C 01-12-17
Roll No. 33832/TIN# 129-871-009
MCLE No. V-0010296 valid from 04/15/2016 until 04/14/2019/PASIG CITY
Address: 31-F Harvard St. Cubao, Q.C.