SEC Number 37535
File Number

ATN HOLDINGS, INC.

(Company)

9th Floor Summit One Tower
530 Shaw Boulevard, Mandaluyong City 1550

(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 09, 2023

(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,1550**

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

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

Date : **November 09, 2023, Thursday**
Time : **1:30 PM**
Place : **8TH floor, Summit One Tower Parking Bldg.**
: **530 Shaw Boulevard Mandaluyong City**
via ZOOM meeting, thru the link below:
: https://us05web.zoom.us/j/5764453330?pwd=A6eygVbXpKkusNPFpLu9Zl1yPl3guY.1

9. Approximate date on which the Information Sheet is first to be sent or given to security holders:
October 18, 2023

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"	4,025,055,429	P402,505,543
Common "B"	2,800,000,000	280,000,000
	6,825,055,429	P682,505,543

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

YES ___**X**________ **NO** _______

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

A. GENERAL INFORMATION

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

When : **November 09, 2023, Thursday, 1:30PM**

Where : **8TH floor, Summit One Tower Parking Bldg.**
: **530 Shaw Boulevard Mandaluyong City**
: **Stockholders' participation will be via remote communication through the zoom link below**

https://us05web.zoom.us/j/5764453330?pwd=A6eygVbXpKkusNPFpLu9Zl1yPI3guY.1

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 18, 2023.**

(a) Disclosure requirements under Section 49 of the Revised Corporation Code

List of Required Information	Reference Material
1. Description of the voting and vote tabulation procedures used in the previous meeting	Please refer to page 18 of this DIS and Minutes of Annual Meeting of the Shareholders held on November 10, 2022, which may be viewed and/or downloaded at the website of the of the Corporation under www.atnholdings.com "Company Disclosures/ Minutes of All General and Special Stockholders Meeting".
2. Description of the opportunity given to stockholders to ask questions and a record of questions asked and answers given in previous meeting.	Please refer to page 18 of this DIS and Minutes of Annual Meeting of the Shareholders held on November 10, 2022, which may be viewed and/or downloaded at the website of the of the Corporation under www.atnholdings.com "Company Disclosures/ Minutes of All General and Special Stockholders Meeting".
3. Matters discussed and resolutions reached in the previous meeting	Please refer to page 18 of this DIS and Minutes of Annual Meeting of the Shareholders held on November 10, 2022, which may be viewed and/or downloaded at the website of the of the Corporation under www.atnholdings.com "Company Disclosures/ Minutes of All General and Special Stockholders Meeting".
4. A record of the voting results for each agenda item in the previous meeting	Please refer to page 18 of this DIS and Minutes of Annual Meeting of the Shareholders held on November 10, 2022, which may be viewed and/or downloaded at the website of the of the Corporation under www.atnholdings.com "Company Disclosures/ Minutes of All General and Special Stockholders Meeting".
5. A list of directors, officers and stockholders or members who attended the previous meeting	Please refer to page 18 of this DIS and Minutes of Annual Meeting of the Shareholders held on November 10, 2022, which may be viewed and/or downloaded at the website of the of the Corporation under www.atnholdings.com "Company Disclosures/ Minutes of All General and Special Stockholders Meeting".
6. Information in the interest of good corporate governance and the protection of minority stockholders.	Please refer to the Revised Corporate Governance Manual at the website of the Corporation at www.atnholdings.com under

	Corporate governance/ Manual on Corporate Governance of 2017
7. Material information on the current stockholders, and their voting rights	Please refer to page 5-6 of this Definitive Information Statement
8. A detailed, descriptive balanced and comprehensive assessment of the Corporation's performance, which shall include information on any material change in the Corporation's business strategy, and other affairs.	Please refer to SEC Form 17-A (Annual Report) of the Corporation for the fiscal year ending December 31, 2022 which can be accessed at the Company website www.atnholdings.com under "Company Disclosure/ Sec Form 17-A (Annual Report)".
9. A financial report of the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees.	Please refer to SEC Form 17-A (Annual Report) of the Corporation for the fiscal year ending December 31, 2022 which can be accessed at the Company website www.atnholdings.com under "Company Disclosure/ Sec Form 17-A (Annual Report)".
10. An explanation of the dividend policy and the fact of payment of dividends or reason for non-payment.	Please refer to page 32 of the Definitive Information Statement.
11. Director profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations.	The profiles of the nominees for the election of the Board of Directors for year 2023 to 2024 can be found in page 11-12 under Management Report / Directors and Officers, of this Definitive Information Statement.
12. A director attendance report indicating the attendance of each director at each of the meetings of the board and its committees and in regular and special stockholders meeting	For attendance of the directors at the meetings of the Board held in 2022, please refer to page 14 of this Definitive Information Statement
13. Appraisals and performance reports for the board and the criteria and procedure for assessment.	Please refer to page 14 of this Definitive Information Statement and to the Annual Corporate Governance of 2022 found in the Company website www.atnholdigns.com under Corporate Governance tab.
14. A director compensation report prepared in accordance with applicable rules and regulations	Please refer to the Management Report, Item 6. Compensation of Directors and Executive Officers on page 14 of this Definitive Information Statement
15. Director disclosures on self-dealings and related party transactions	Please refer to page 24 of this Definitive Information Statement under Management Report Item G. "Certain Relationship and Related Transactions"
16. The profiles of directors nominated or seeking election or reelection.	The profiles of the nominees for the election of the Board of Directors for year 2023 to 2024 can be found in page 11 under Management Report / Directors and Officers, of this Definitive Information Statement

Item 2. Dissenters' Right of Appraisal

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

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in

any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's property and assets;
3. In case of merger or consolidation; and
4. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose.

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

Procedure for Exercise of Dissenter's Appraisal Right

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

> The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken: Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the Corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.
>
> If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

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

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

Class "A" Shares	4,025,055,429
Class "B" Shares	2,800,000,000
Total Outstanding voting shares as of September 30, 2023	6,825,055,429

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 11, 2023** 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, 2023:

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"	40.49%
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	898,094,430"r" 609,457,229"r" 188,643,251"r"	13.15% 8.92% 2.76%
A B	3. Unipage Management Inc. 9F Summit One Tower, 530 Shaw Blvd., Mand, City	Stockholders	Filipino Filipino	326,791,429"r" 2,041,779,000"r"	4.79% 29.92%

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.

The Board of Directors of Unipage Management Inc. appointed the President Willy Ong as the authorized representative and have the right to vote and direct or dispose the shares held by the company.

(2) Security ownership of Management as of September 30, 2023:

Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	%
	Directors:			
A	Arsenio T. Ng	P276,354,126"d"	Filipino	40.49%
A	Hilario T. Ng	350,100"d"	Filipino	00.05%
A	Ardi Bradley Ng	200,000"d"	Filipino	00.03%
A	Paul C. Cheah	1,000"d"	Filipino	00.00%
A	Santos L. Cejoco	100"d"	Filipino	00.00%
A	Ramon Escueta	1,000"d"	Filipino	00.00%
A	Sophie Miles Ng	1,305,277"d"	Filipino	00.19%
B	Manuel Moje	1,000"d"	Filipino	00.00%
B	Twinie Kaye Ng	1,511,433"d"	Filipino	00.22%
A	Leonides Respicio	1,000"d"	Filipino	00.00%
A	Paul Saria	301,000"d"	Filipino	00.04%
	All directors and executive officers as a group	**P280,026,037**		**41.02%**

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.

(5) Persons Making the Solicitation

WE ARE NOT SOLICITING YOUR PROXY

Shareholders who wish to vote at the Annual Meeting of the Shareholders of ATN HOLDINGS, INC. on November 9, 2023, may do so through the following: by digital ballot, by voting in absentia, or by accomplishing the registration and proxy form that can be downloaded at http://www.atnholdings.com/notice%20of%20annual/uploads/index3.php.

The procedure to vote by digital ballot and to vote in absentia shall be sent securely to the shareholders after they have successfully registered. For shareholders who wish to vote by proxy, please send a scanned copy of the proxy to paul@tbgi.net.ph or a hard copy to the principal office of the Corporation, 9TH Floor, Summit One Tower, 530 Shaw Boulevard, Mandaluyong City.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A SECRETARY'S CERTIFICATE ON THE SIGNATORY AUTHORIZED TO EXECUTE THE PROXY. IN ADDITION TO SUCH REQUIREMENT FOR CORPORATIONS, A PROXY FORM GIVEN BY A BROKER OR CUSTODIAN BANK IN RESPECT OF SHARES OF STOCK HELD BY SUCH BROKER OR CUSTODIAN BANK FOR THE ACCOUNT OF THE BENEFICIAL OWNER MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER OR CUSTODIAN BANK HAS OBTAINED THE WRITTEN CONSENT OF THE BENEFICIAL OWNER.

(6) Registration and Proxy From

ATN

ANNUAL STOCKHOLDERS' MEETING
REGISTRATION / PROXY FORM (VOTING IN ABSENTIA)

1. Required Information (Please mark appropriate box)

☐ Individual ☐ Broker ☐ Corporate ☐ Others (please specify)

Name : ______________________________

Email Address : ______________________________

Contact No. : ______________________________

Postal Address : ______________________________

Number of Shares Owned : ______________________________

I will attend the online/ remote Annual Stockholders Meeting **November 9, 2023 , 1:30 pm** ☐ YES ☐ NO

Note: Zoom meeting link:

https://us05web.zoom.us/j/5764453330?pwd=A6eygVbXpKkusNPFpLu9Zl1yPl3guY.1

The meeting ID and password will be sent to Stockholders email address upon its decision to attend the meeting and submission of complete requirements

2. Required Documents

a. Registration Form filled up and email to ***paul@tbgi.net.ph*** . Deadline of registration and submission of requirements is on October 30, 2023 12:00 noon.

b. Valid government ID card with photo of stockholder/ authorized representative

c. For Corporations – Notarized Corporate Secretary Certificate on authority to vote in behalf of Corporation

d. For Stockholders with Shares under broker account – Notarized Certification from the broker as to the number of shares owned by the stockholder

3. Manner of Voting

☐ Voting in Absentia ☐ Appointing Chairman as Proxy

4. Matters taken up for Voting

	Yes	No
i. Approval of the Minutes of the Annual Shareholders' Meeting Held on 10 November 2022;	☐	☐
ii. Approval of the Report of the President	☐	☐
iii. Approval of the FY March 31, 2023 Audited Financial Statements;	☐	☐
iv. General ratification of the acts of the Board of Directors, Board Committees, and the Management from the date of the last annual stockholders' meeting up to this meeting.	☐	☐

v. Election of Directors: Vote all _______ or Vote individually below:

Nominee	Yes	No	Nominee	Yes	No
Arsenio T. Ng	☐	☐	Manuel R. Moje	☐	☐
Hilario T. Ng	☐	☐	Paul C. Cheah	☐	☐
Santos L. Cejoco	☐	☐	Ramon D. Escueta	☐	☐
Leonides S. Respicio	☐	☐	Ardi Bradley L. Ng	☐	☐
Paul B. Saria	☐	☐	Twinie Kaye L. Ng	☐	☐
Sophie Miles L. Ng	☐	☐			

vi. Appointment of R.R. Tan as External Auditor ☐ ☐

5. Data Privacy Statement

I hereby give my consent for the Company and its authorized third parties to collect, store, disclose, transfer, and process my personal data for the purpose of the live streaming of the 2020 Annual Stockholders' Meeting in accordance with the Company's Data Privacy guidelines and law. Further to this, I give my consent to the recording of the meeting, to be made publicly available thereafter on the Company website, as required by the guidelines promulgated by the Securities and Exchange Commission.

6. Declaration

By signing this Form, I hereby certify the following, that:

- I am a stockholder of the Company as of Record Date October 11, 2023;
- The number of votes covered by this Ballot shall be in accordance with the total number of ATN shares registered in my name as of record date.
- I have read, understand and shall abide by the Rules, Regulations and Guidelines issued by the Company to govern the conduct of the Meeting. In the event I act contrary thereto, the Company has sole discretion to impose its discipline mechanism;
- I understand that the quality of my remote Meeting experience depends on my internet provider's services and connectivity. I hold the Company free and harmless of any liability from any interruption, latency or disconnection from the live streaming resulting thereto;
- In case of an account with joint owners, or an account in and/or capacity, I have secured the consent of all other owners in the submission of this Ballot.
- In case of a corporate shareholder, I am the authorized representative of the corporation and I am duly authorized to submit this Proxy.

IN WITNESS WHEREOF, the Stockholder has executed this proxy as of this ______ day of ________________ 2023.

____

Printed Name and Signature of Stockholder

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A SECRETARY'S CERTIFICATE ON THE SIGNATORY AUTHORIZED TO EXECUTE THE PROXY. IN ADDITION TO SUCH REQUIREMENT FOR CORPORATIONS, A PROXY FORM GIVEN BY A BROKER OR CUSTODIAN BANK IN RESPECT OF SHARES OF STOCK HELD BY SUCH BROKER OR CUSTODIAN BANK FOR THE ACCOUNT OF THE BENEFICIAL OWNER MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER OR CUSTODIAN BANK HAS OBTAINED THE WRITTEN CONSENT OF THE BENEFICIAL OWNER.

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

CERTIFICATE

I, **PAUL B. SARIA**, of legal age, Filipino, with office address at the 9TH Floor, Summit One Tower, 530 Shaw Boulevard, Mandaluyong City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly elected and qualified Assistant Corporate Secretary of **ATN Holdings, Inc.** (the "Corporation") with principal address at the 9TH Floor, Summit One Tower, 530 Shaw Boulevard, Mandaluyong City, Metro Manila;

2. There are no directors, independent directors or officers of the Corporation who are currently appointed in any government agency or is an employee of any government agency.

Issued on October 13, 2023

Paul B. Saria
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 13 October 2023, at QUEZON CITY affiant exhibited to me his Driver's License N04-93-264992 valid until December 16, 2030

Doc. No. 116
Page No. 72;
Book No. X;
Series of 2023.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

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 64, Filipino Citizen
Period Served – 1995 to present
Term of office - one year

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

HILARIO NG – Director
Age 63, 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.

PAUL C. CHEAH – Independent Director
Age 39, Filipino
Period Served – November, 2021 to present
Term of office as director – one year

Mr. Paul C. Cheah is currently Vice President for Investor Relations and Sustainability of Axelum Resources. He previously served as Head for Investor Relations of Philex Mining and Max's Group. Served as Associate Manager and Manager for Investor Relations of Ayala Land and Cebu Pacific Air. Also served various positions at Globe Telecom, BDO Unibank and Deutsche Bank Group in his early career. Mr. Cheah took his Master's Degree in Business Administration in Ateneo Graduate School of Business and went to Heriot Watt University for his Bachelor's Degree in Business and Finance.

RAMON D. ESCUETA – Independent Director
Age 76, Filipino Citizen
Period Served – 2022 to present
Term of office as director – one year

A graduate of B.S. Electrical Engineering at the University of the Philippines and finished his masters in Business Administration, Operations and Production Management at the University of Califonia, Los Angeles, Graduate School of Management. Mr. Escueta is the current President of Apsys solutions and Technologies, Inc., an information and environmental management company. He is also Chairman of the Science and Technology Committee of the Philippine Chamber of Commerce and Industry.

MANUEL R. MOJE - Director
Age 89, 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.

SANTOS L. CEJOCO – Director
Age 70, 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.

ATTY. LEONIDES S. RESPICIO – Corporate Secretary
Age 71, Filipino Citizen
Period Served – November 2019 to present
Term of office as Corp. Sec. – one year

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

PAUL B. SARIA – Assistant Corporate Secretary
Age 52, Filipino Citizen
Period Served - 2002 to present
Term of office as director – one year

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

SOPHIE MILES NG - Director
Age 34, Filipino Citizen
Period Served – 2018 to Present
Term of office as director – one year

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

TWINIE KAYE NG - Director
Age 34, Filipino Citizen
Period Served – 2018 to Present
Term of office as director – one year

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

ARDI BRADLEY L. NG - Director
Age 28, Filipino Citizen
Period Served – 2022 to present
Term of office as director – one year

Mr. Ardi Ng is a graduate of Ateneo De Manila University in year 2016. He holds a degree in Bachelor of Arts in Social Sciences, Major in Social Science. After graduation, Mr. Ng underwent his training in the Company. He is currently the Business Development Officer of Transpacific Broadband Group, Inc. Ardi Ng is the son of the Chairman Arsenio T. Ng.

The aforementioned directors and officers have served the fiscal year ended **March 31, 2023** and shall continue to serve until their successors have been duly elected at the Company's next annual stockholders' meeting.

Nominees for Elections as Directors of the Company

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

Arsenio T. Ng (Filipino)	Leonides Respicio (Filipino)	Ramon Escueta (Filipino) Independent
Hilario T. Ng (Filipino)	Manuel Moje (Filipino)	Paul C. Cheah (Filipino) Independent
Santos L. Cejoco (Filipino)	Sophie Miles Ng (Filipino)	Ardi Bradley L. Ng (Filipino)
Paul B. Saria (Filipino)	Twinie Kaye Ng (Filipino)	

These nominees were formally nominated to the Nomination Committee by a shareholder of the Company, Paul C. Cheah and Ramon Escueta are the nominees for independent directors. The nominated independent director, Ramon Escueta, does not hold directorship or independent directorship in other publicly-listed companies. Paul C. Cheah is an independent director of Transpacific Broadband Group Int'l. Inc. 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 (2022 – 2023)

Arsenio T. Ng	-Chief Executive Officer & President
Hilario T. Ng	-Chief Operating Officer
Santos Cejoco	-Chief Corporate Planner
Leonides Respicio	-Corporate Secretary
Paul B. Saria	-Assistant Corporate Secretary
Ramon Escueta	-Independent Director, Nominations Committee
Paul Cheah	-Independent Director, Remuneration and Audit Committee

(2) Significant Employees

The company has no significant employees.

(3) Family Relationship

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

(4) Involvement in Certain Legal Proceedings

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

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

(5) Appraisals and Performance Report of the Board

The attendance of the directors at the meetings of the Board of Directors held in fiscal year 2022 is as follows:

Directors/ Officers	No. of Meetings Attended/ Held	Percent (%) Present
Arsenio T. Ng	6/6	100%
Hilario T. Ng	6/6	100%
Manuel Moje	5/6	84%
Santos L. Cejoco	6/6	100%
Leonides Respicio	6/6	100%
Paul B. Saria	6/6	100%
Sophie Miles Ng	6/6	100%
Twinie Kaye Ng	6/6	100%
Ardi Bradley Ng	6/6	100%
Ramon Escueta	2/2	100%
Paul Cheah	6/6	100%

Item 6. Compensation of Directors and Executive Officers

The CEO, to signify his solidarity with the Company's stakeholders waived his rights to the compensation due a CEO, as set by the Board of Directors for the fiscal year, thereby taking on the same risks and rewards as the common shareholders.

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

Name	2023 Estimated	2022	2021
Four most highly compensated Executive Officers: 1.Paul B. Saria – Chief Operating Officer 2.Santos Cejoco – Chief Corporate Planner 3.Twinie Kaye Ng – Vice Pres. 4.Sophie Miles NG – Vice Pres. Total	P1.00M	P1.00M	P1.00M
All other officers and directors	P.072M	P0.72M	P0.71M
TOTAL	**P1.72M**	**P1.72M**	**P1.71M**
BONUS	**0**	**0**	**0**
OTHERS	**0**	**0**	**0**
TOTAL	**P1.72M**	**P1.72M**	**P1.71M**

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, 2023 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). For this year, R. R. Tan and Associates adopted the International Ethics Standard allowing the audit partner engagement for a period of seven years. Mr. Chester Nimitz F. Salvador is the current audit partner and he replaced Mr. Domingo A. Daza Jr., who serves as auditor from 2013 to 2016. The rotation of the auditors is part of the auditor's strategy.

(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 9. 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 10. Financial and Other Information

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

Item 11. 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 12. 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.

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

Item 13. Restatement of Accounts

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 14. Authorization or Issuance of Securities Other than for Exchange

Subscription of Unipage Management, Inc. of 2,325,055,429 shares and Arsenio T. Ng of 824,944.571 shares at a price per share value of P0.20 per share.

On November 14, 2019, during the Annual Stockholders Meeting of the Corporation, majority of stockholders present or in proxy resolved to approve the subscription of Unipage Management, Inc. of 2,325,055,429 shares and Arsenio T. Ng of 824,944,571 shares at a price per share value of P0.20 per share. Further, the majority of the minority shareholders voted for the waiver to conduct a rights/public offering with respect to the to the above-mentioned subscription.

In line with the foregoing, the Board of Directors on its special meeting of October 04, 2021 meeting resolved to approve the issuance of the 2,325,055,429 ATN shares for UMI from the unsubscribed portion of the authorized capital stock of the Corporation consisting of Three Hundred Twenty Five Million Fifty Five Thousand Four Hundred Twenty Nine (325,055,429) Common Class “A” Shares and Two Billion (2,000,000,000) Common Class “B” shares, and listing thereof in the Philippine Stock Exchange. Likewise, the Stockholders of the Corporation ratified the board resolution in the Annual Stockholders Meeting of November 25, 2021. Likewise, the majority of the minority shareholders reaffirmed their waiver to conduct a rights/public offering with respect to the to the subscription of the abovementioned shares used solely for the payment of subscription payable to ATN Philippines Solar Energy Group, Inc. The subject shares issued to UMI were approved for listing by the Philippine Stock Exchange last August 25, 2022.

On the above subject matter, no approval from the stockholders is required from the stockholders in the upcoming Annual Stockholders Meeting.

D. OTHER MATTERS

Item 15. Action with Respect to Reports:

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

1. Approval of the previous annual minutes of meeting last November 10, 2022
2. Report of the President and Approval of the FY March 31, 2023 Audited Financial Statements
3. General ratification of the acts of the Board of Directors, Board Committees, and the Management from the date of the last annual stockholders' meeting up to date of this meeting.
4. Appointment of Independent Auditors

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)	Paul C. Cheah - Chairman	Ramon D. Escueta- Chairman
Paul B. Saria (Member)	Hilario T. Ng (Member)	Santos Cejoco (Member)
Paul C. Cheah - Independent	Santos Cejoco (Member)	Arsenio T. Ng (Member)

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 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).
2. 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.
3. On October 1, 2012, the Board of Directors of the Corporation resolved to amend the annual stockholders meeting date of the Corporation from 2ndThursdayof July to 2nd Thursday of November.
4. 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.
5. 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.
6. On November 21, 2016, the Securities and Exchange Commission approved the extension of corporate life of the Corporation to another fifty years from the expiration of the original term of fifty (50) yrs. The Corporation was incorporated on February 13, 1969.

Item 18. None.

Item 19. Voting Procedures

Stockholders of record as of **11 October 2023** may vote at the Meeting. Stockholders have the right to vote in person or by proxy. Under the Company's policy for the effective participation by shareholders in shareholders' meetings of the Company and the exercise of shareholders' right to vote:

1. The vote required for approval or election:

Pursuant to Article I, Section 5 of the By-Laws of the Corporation, at any meeting of the stockholders, the holder of record for the time being of majority of the stock of the corporation then issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction or Order of Business.

2. **The method by which votes will be counted:**

Article I, Section 7 of the By-Laws of the Corporation provides that at each meeting of the shareholders, every shareholder, in person or by proxy, shall be entitled to vote the number of shares registered in his name which has voting rights upon the matter in question.

Article I, Section 5 of the By-Laws also provides that at every meeting of the stockholders of the corporation, every stockholder entitled to vote shall be entitled to one vote for each shares of stock standing in his name on the books of the corporation. Provided, however, that in the case of the election of Directors, every stockholder entitled to vote shall be entitled to cumulate his votes in accordance with the provisions of law in such case made and provided.

Sections 23 and 57 of the Revised Corporation Code provides that the Corporation may allow a shareholder to cast his vote *in absentia* via modes which the Corporation shall establish, taking into account the Corporation's scale, number of shareholders or members, structure and other factors consistent with the basic right of corporate suffrage. The Secretary shall record all the votes and proceedings of the shareholders and of the directors in a book kept for that purpose.

Shareholders may vote through the following: (1) by digital ballot, (2) by voting in absentia or (3) by appointing the Chairman of the Annual Meeting as their proxy. Please refer to the attached registration and proxy form under Item 4.6 "Voting Securities and Principal Holders Thereof / Registration and Proxy Form" (page 8 of this DIS), for voting by digital ballot, voting *in absentia* and voting by proxy.

Item 20. Previous Minutes of the Annual Stockholders Meeting

Minutes of the Annual Stockholders Meeting of November 10, 2022, 1:30PM via Zoom meeting

1. **Call to Order.** This is to notify that **ATN Holdings, Inc.** held its regular annual stockholders' meeting on November 10, 2022 at the Summit One Tower, 530 Shaw Boulevard, Mandaluyong City. via Zoom Teleconference The meeting started at 1:30 PM and adjourned at 2:30 PM.
2. **Notice of the Meeting.** The Corporate Secretary certified that the Notice of the Annual Stockholders' Meeting and Definitive Information Statement were sent on October 3, 2022 and October 11, 2022 respectively via (1) Disclosure in the PSE Edge system, (2) Disclosure in the Company's website, (3) Publication in two (2) newspapers Daily Tribune and Malaya both on October 13 and 14, 2022, and (4) via email upon request of stockholders.
3. **Determination of Quorum.** The Corporate Secretary certified that a quorum existed with 75.47% or 5,150,869,689 shares of the issued and outstanding shares were present in person or by proxy.

	No of shares	**%**
No. of Outstanding Voting shares	6,825,055,429	100.00%
Shareholders present	5,150,869,689	75.47%
Directors Present:	**Position**	
Arsenio T. Ng	Chairman of the Board	
Hilario T. Ng	Director	
Manuel Moje	Director	
Santos L. Cejoco	Director	
Leonides Respicio	Director	
Paul B. Saria	Director	
Sophie Miles Ng	Director	
Twinie Kaye Ng	Director	
Ardi Bradley Ng	Director	
Ramon Escueta	Independent Director	
Paul Cheah	Independent Director	

4. **Instructions on Rules of Conduct, Voting Procedures and Voting Requirements.** The Corporate Secretary explained the rules of conduct, voting procedures and voting requirements of the meeting via (1) show of hands or (2) registration and voting in absentia. Registration form

and/or proxy forms were sent to stockholder that signified their intent to join the meeting via email or via downloadable form in the company website with a deadline of submission on October 31, 2022. Other question are to be taken up under “Other Matters”

5. **Approval of the Minutes of Meeting of 2021.** The Assistant Corporate Secretary presented an electronic copy of the previous minutes of meeting held on November 25, 2021. On motion duly made and seconded, the minutes of meeting of the previous meeting of the Stockholders held on November 25, 2021. Stockholders votes on the resolution as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	5,150,869,689	0	0
% of total outstanding shares	75.47%		

6. **Report of the President and Presentation of the Audited Financial Statements.** The President, Arsenio T. Ng instructed the Chief Operations Officer, Paul B. Saria to present the report ***(in powerpoint)*** and the Audited Financial Statements ending March 31, 2022 of the Corporation. Stockholders noted the President/Annual Report and the Audited Financial Statements ending March 31, 2022 without objections, as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	5,150,869,689	0	0
% of total outstanding shares	75.47%		

7. **Ratification of the Acts of the Board of Directors and Officer.** The Corporate Secretary announced that stockholders’ ratification is being sought for all the acts and resolution of the Board and other Board Committees exercising powers delegated by the Board, which were adopted for year 2021 to 2022, as well as for all the acts of the Corporation’s officers performed in accordance with the resolutions of the Board. Stockholders ratified all the acts of the Board, Committees and Officers, with the following votes:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	5,150,869,689	0	0
% of total outstanding shares	75.47%		

8. **Election of Directors.** The Corporate Secretary presented the nominees for the Board of Directors of the Corporation. The Corporate Secretary certified that the following were duly nominated as directors of the Company for the ensuing year in accordance with the By-laws of the Corporation. Given that the number of nominees is similar to the required number of Directors under the Corporation’s By-laws, stockholders duly elected the new Board of Directors based on the total cumulative votes as follows:

Director	Shareholdings	FOR
Arsenio T. Ng	2,763,541,260	5,150,869,689
Hilario T. Ng	3,501,000	5,150,869,689
Manuel Moje	10,000	5,150,869,689
Santos L. Cejoco	1,000	5,150,869,689
Leonides Respicio	10,000	5,150,869,689
Paul B. Saria	3,010,000	5,150,869,689
Sophie Miles Ng	3,052,774	5,150,869,689
Twinie Kaye Ng	5,114,333	5,150,869,689
Ardi Bradley L. Ng	2,000,000	5,150,869,689
Paul C. Cheah	11,371,000	5,150,869,689
Ramon Escueta	10,000	5,150,869,689

9. **Appointment of External Auditor.** The Committee and the Board endorsed the appointment of R.R. Tan and Associates as the Corporation’s External Auditor for the fiscal your 2022 to 2023. The Corporate Secretary, on behalf of the management, proposed the adoption of resolution for the appointment of the Corporation’s external auditor. The stockholders voted on the resolution as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	5,150,869,689	0	0
% of total outstanding shares	75.47%		

10. **Other Matters.** The Chairman opened the floor for other matters to be taken up or questions from the stockholders. After a few minutes, there being no matters raised the Chairman adjourned the meeting at 2:30PM, and thanked the stockholders for their attendance and support.

Immediately after the annual stockholders' meeting, the company held its organizational meeting and the following were elected as officers for the year 2022-2023:

Arsenio T. Ng	Chairman President Chief Executive Officer
Hilario Ng	Chief Financial Officer
Santos Cejoco	Chief Corporate Planner
Atty. Leonides S. Respicio	Corporate Secretary
Paul B. Saria	Chief Operations Officer Corporate Information Officer Assistant Corporate Secretary

The following are the committees and the respective members:

Remuneration Committee:	**Audit Committee**
Arsenio T. Ng - Chairman	Paul C. Cheah – Chairman, Independe
Paul B. Saria – Member	Santos Cejoco – Member
Paul C. Cheah – Independent	Hilario T. Ng – Member

Nomination Committee
Ramon D. Escueta - Chairman
Arsenio T. Ng – Member
Santos Cejoco – Member

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 17, 2023.

Issuer :	**ATN HOLDINGS, INC.**	**PAUL B. SARIA**
Date :	**October 17, 2023**	**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 fromP200 million to P1.2 billion. The capital consisted of 720,000 class "A" shares and 480,000 class "B" shares with a par value of P1 each.

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

On June 30, 2016, the Securities and Exchange Commission approved the Amended Articles of Incorporation of ATN Holdings, Inc. for the conversion of the unissued common shares to Five billion (5,000,000,000) preferred shares

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

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

On April 4, 2022, Unipage Management Inc. (UMI) subscribed Class "A" shares of 325,055,429 and Class "B" shares of 2,000,000,00 with a subscription price of P0.20.The composition of Share Capital after the subscription is as follows:

Title of issue	Authorized Capital	Subscribed	Paid up
Common			
Class "A"	4,200,000,000	4,025,055,429	P402,505,543
Class "B"	2,800,000,000	2,800,000,000	280,000,000
Preferred	5,000,000,000	-	-
Total	12,000,000,000	6,825,055,429	P682,505,543

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, and (c) the 256-hectare property located in Rodriguez, Rizal. PLDI's main sources of revenues include sale and rent of condominium units and residential land. Palladian envisions in the future that the above mentioned properties are to be fully considered as a private Economic Zone.

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

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

ATN Philippines Solar Energy Group Inc., the project implementing entity of ATN Group for energy business, is setting up a 30 MW Solar PV Project. It will be situated in a 256-hectare property of parent company ATN Holdings, Inc. in Rodriguez (Montalban), Rizal. The site is less than 10 kilometers away from business districts in Metro Manila with a population of 10 million people.

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

The solar project is designed to have gross generation capacity of 30 MW peak of direct current (DC). 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. The employees are not subject to any collective bargaining agreements. This number of employees is the only foreseen increase in manpower of the ATN Group.

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

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

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

Competitive Position in the Industry

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

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

Major Risks Involved and other disclosures

1. Local/foreign acquisitions, mergers & consolidations, disposals, joint ventures, other forms of business co-operation, new line of business.
   Except for the 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.
3. Material contracts entered into, or are being negotiated.
   ATN Holdings has not entered into a material contract since 31 December 2014.
   As of August 2015, ATN Solar signed supply contracts for solar PV panels, Schneider transformers, switch gear and RMU for 30 MW solar plant capacities.
4. Material change in the operations, operating environment, business plans.
   Except for the solar power generation project, there is no other change in operations, operating environment, and business plans.
5. Operating divisions/particular business segments possess with the largest areas of concern.
   Challenging competition has always been around for all business segments of ATN Holdings. On the property segment, the financial structure with low debt ratio allows the company to hold on to real estate assets for higher value expectation in the long term.
6. Major risks to ATN's future operating performance and asset position.
   The risks associated with the ATN Solar business will be minimized via joint venture with large solar operators or solar PV manufacturers. There is no 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. The low debt ratio and zero foreign exchange denominate debt of ATN Holdings maintains corporate stability even under the severe test of high interest rates and peso devaluation.
7. Plan for corporate restructuring (dissolution of the existing subsidiaries, affiliates, associates or joint ventures)
   There is no plan for corporate restructuring, except the increase of ATN Holdings ownership of ATN Solar.
8. ATN long-term vision, key success factors to achieve this vision.

   The ATN investment program covers three strategic business sectors including (a) renewable energy, (b) raw materials for infra and construction for Build, Build, Build, and (c) real estate development that involves PEZA development and land equity. While ATN initiated the solar project ahead of its other business sectors, it has become necessary to remove the excess rock materials first to make the 256 hectares site ready for development of the solar farm, and the PEZA land equity. The long term vision is to flatten the terrain of the property to make the area valuable at its maximum for PEZA and solar energy development. Key success factors stem from the (a) existence of rock materials that can be used for construction activities inside the PEZA area, as well as the infrastructure projects of the government in Metro Manila., and (b) the proximity of the project site to Metro Manila where there is maximum economic activity.

9. ATN market position, vis-à-vis domestic competitors.
   On the real estate business sector, ATN Holdings market share is relatively small compared to large real estate competitors. However, in absolute terms, ATN land in Rodriguez Rizal, which is the site of the solar project, can reach Php 75 Billion if the comparative present price of Php 30,000 per square meter of Ayala land in the same area is used in asset valuation. The Php 30,000 price per square meter of ATN land is not a remote possibility within the 25 years life of the solar project (when land becomes available for other uses), given that Ayala Land, SM Malls, San Miguel group and its competitors are flocking to the future site of large business process outsourcing activity and construction of support facilities in Rodriguez Rizal.

   On the raw materials business sector the proximity of primary target market comprising infrastructure projects makes ATN competitive, while the renewable energy sector will have a captive market in PEZA locators.

10. The Group has no patent, trademark, license/concession and royalty contracts.

11. The Group does not need for a government approval for real estate for sale.

12. The Group has 25 employees. There is no union in the corporation and all of its subsidiaries. As such, CBAs are not applicable.

Properties

The Company and its subsidiaries are the owners of (a) selected units and floors of Summit One Tower at 530 Shaw Boulevard, Mandaluyong City, (b) the subdivided residential land in Pasig City and (c) land for real estate development and energy generation in Montalban, Rizal.

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

Pursuant to the operating lease commitments, certain investment properties of the Group are leased out to third parties under the operating lease agreement. The lease term is for the period of 1 year renewable at the option of both parties.

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

Legal Proceedings

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

Submission of Matters to a Vote of Security Holders

There was no meeting held since the end of fiscal year March 31, 2023.

Certain Relationship and Related Transactions

During the last two years, there were no transactions undertaken by the Company in which any directors, executive officers, beneficial owner, or any member of their immediate family has a direct or indirect material interest.

The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2023, 2022 and 2021.

For information on related party transactions, including the amount/volume and outstanding balances as of March 31, 2023, please refer to Note 26 of the Company’s Audited Consolidated Financial Statements.

Management's Discussion and Analysis or Plan of Operation

Plan of Operation

The real estate sector of holding company plans to continue its focus on existing principal activities and has no plan to engage in product research and development or purchase or sell any plant and significant equipment. The Company values its human resources and it has no plan to decrease the number of its employees.

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

ATN Solar expects annual revenues to reach P1 Billion per year once the government infrastructure projects on water supply and waste water treatment procure large volumes of rock aggregates, which can start in 2023 or 2024. The Japanese ODA projects for Metro Manila railway and subway likewise provide a large market for ATN rock aggregates. 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.

INTERIM PERIOD ENDING JUNE 30, 2023

	1st Quarter ending			Fiscal Year Ending March 31		
	June 30, 2023	June 30, 2022	% Change	2023	2022	% Change
Revenue	₱ 8,285,163	₱ 11,839,353	-30%	₱ 41,081,410	₱ 34,693,627	18%
Gross profit	2,773,289	4,943,082	-44%	11,823,022	12,056,993	-2%
Gross profit %	33%	42%		29%	35%	
Cost of sales and services	5,511,874	6,896,271	-20%	29,258,388	22,636,634	29%
Administrative expenses	4,466,748	6,508,639	-31%	11,672,971	7,761,076	50%
Equity in net income (loss) of an associate	-	-	-	(354,227)	88,519	-500%
Finance cost	656,138	856,939	-23%	2,518,020	2,244,901	12%
Net income (Net loss) for the period	(2,405,023)	(2,471,861)	-3%	(3,146,380)	2,577,923	-222%
Net loss %	-29%	-21%		-8%	7%	
EDITDA	-₱ 1,287,182	-₱ 1,075,704		₱ 5,279,937	₱ 5,279,937	

The group's consolidated revenue decreased from P11.8 million in quarter ending June 30, 2022 compared to P8.2 million in quarter ending June 30, 2023.
The net loss of P2.4 million stem from the 30% decrease in sales.

FY 2023

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, 2023 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	
	FY 2023	FY 2022	CY 2022	CY 2021	CY 2022	CY 2021
Current Ratio	0.92	0.65	37.44	13.05	1.29	0.03
Debt to Equity Ratio	0.46	0.76	0.44	0.44	3.48	3.43
Asset to Equity Ratio	1.46	1.76	1.44	1.44	4.48	4.43
Interest Rate Coverage Ra	(0.07)	2.15	-	21.94	-	-
Gross Profit Margin	29%	35%	71%	85%	-	-
Net Income to Sales Ratio	-8%	7%	-37.38%	7.67%	-	-
Net Income (loss)	-₱ 3,146,380	₱ 2,577,923	-₱ 1,398,404	₱ 336,941	-₱ 67,538	-₱ 161,780

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
Asset-to-Equity Ratio	Calculated ratio of total asset into total equity. Indicates the long-term or future solvency position or general financial strength of the company.
Interest Rate Coverage Ratio	Calculated ratio of earnings before interest and taxes into interest expenses Indicates the ability to meet its interest payments.
Gross profit Margin	Calculated ratio expressed in percentage of the gross margin into total revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders
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 almost the same from P3.757 billion to P3.763 billion as of FY March 31, 2023. The significant movements in assets were as follows:

(1) Decrease in cash from P16 million to P5.1 million due to acquisition of plant equipment.
(2) Increase in trade receivables from P2.808 million to P6.907 million due to increase in revenue and slower in collection.
(3) Increase in inventories from P5.844 million to P21.672 million due to increase in production.
(4) Increase in other current assets from P8.768 million to P10.807 million due to increase in vat inputs.
(5) Decrease in Financial Assets – FVTOIC from P46.235 million to P27.430 million due to fair value adjustments.
(6) Decrease in due from related parties from P70.219 million to P61.521 million due to payment.

Current liabilities of the company decreased from P51.767 million to P48.423 million as of FY March 2023. The net decrease is due to the following:

(1) Decrease in accounts payable and accrued expenses from P4,767 million to P4.070 million due to payment to suppliers.
(2) Decrease in short-term interest bearing loans from P47 million to P44 million due to partial payment of principal loan.

Noncurrent liabilities decreased from P1.569 billion to P1.133 billion as of FY March 31, 2023. The net decrease is due to the following:

(1) Decrease in deposits from P19 million to P16 million due to usage of rental deposits.
(2) Decrease in due to related parties from P837 million to P405 million. The decrease was due to conversion of advances to pay subscription of capital stock amounting to P466,451,550.
(3) Increase in pension liability from P413 thousand to P476 thousand.

The company's equity increased from P2.137 billion in FY March 31, 2022 to P2.581 billion in FY March 31, 2023. The net increase is due to the following:

(1) Increase in share capital from P450 million to P682 million due to additional subscription of capital stock by UMI.
(2) Increase in additional paid-in capital from P22 million to P256 million due to subscription of capital stock above the par value.
(3) Decrease in unrealized gain on financial asset at fair value through OCI from P24 million to P5 million due to fair value adjustment.

The group's consolidated sales increased from P25 million in March 31, 2022 to P35 million in March 31, 2023. Gross profit percentage increased from 11.85% in FY2022 to 16.55% in FY2023.

Cost of sales and services increased from P22 million in March 31, 2022 to P29 million in March 31, 2023. The increase stem from increase of cost of aggregates sold from P19.673 million to P29.246 million (28.33%).

Other income of rental income decreased by P3 million (-33%) from P9 million in March 2022 to P6 million in March 31, 2023.

Consolidated administrative expenses increased from P7.761 million in March 31, 2022 compared to P11.672 in March 31, 2023. The following are the accounts with more than 5% change.

(1) Increased in taxes and licenses by P2.4 million (1146%) due to payment of documentary stamp tax on original issue of capital stock.
(2) Increased in salaries, wages and benefits by P1.2 million (115%) due to increase in staff and salary adjustments.
(3) Increase in professional fees by P268 thousand (17.53%) due to increase in fees.
(4) Decrease in communication and association dues by P533 thousand (-26%).
(5) Increase in representation and entertainment by P97 thousand (18%)
(6) Increase in transportation and travel by P105 thousand (27%) due to increase in messenger expenses.
(7) Increase in rent by P35 thousand (8%) due to rent adjustments.
(8) Increase in office supplies and printing by P48 thousand (17%).
(9) Increase in security and janitorial services by P28 thousand (10%)
(10) Decrease in insurance by P35 thousand (-47%)
(11)Decrease in repairs and maintenance by P77 thousand (-79%)

The net loss of P3.1 million in FY March 2023 resulted from the decrease in rental income of P3 million and increase in taxes and licenses of P2.4 million.

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.

The ATN group has secured a Special Mining Permit for 82.7092 hectares issued by the DENR- Mines and Geosciences Bureau for the extraction of rocks/ non- metallic minerals from the property in the name of Palladian Lanc Development Inc., 100% subsidiary of ATN Holdings, Inc. With special mining permit, the ATN group is ready to supply rock aggregates for infrastructure projects of the government in greater Metro Manila area. The special mining permit supports ATN's application for an MPSA on the same quarrying operation in Montalban, Rizal, which is under evaluation by DENR.

The present trend following Covid-19 and the Ukraine war reduced market demand across all commodities including the rock aggregates. The reduced demand for rock aggregates resulted to lower volume of expected sales, and the ATN corporate gross was unable to generate the necessary gross margin to fully cover the administrative and financing cost, which management curtailed in reaction to the reduced sales. Management reaction to the adverse market conditions involved (a) reduction in administrative costs by 31%, and (2) reduction in debt level which reduced financing cost by 23% despite the general increase in interest rates.

Since President Ferdinand R. Marcos Jr. formally lifted the state of public health emergency declared due to the coronavirus disease 2019 (Covid-19) pandemic on July 22, 2023, ATN expect demand to increase in the next following months given the government infrastructure projects. ATN corporate cash flow is expected to be positive because the (a) market prices of rock aggregates have significantly increased due to increases in prices of diesel which is a major production input, and (b) some quarry operators have ceased operation stemming from liquidity problems and the firmness of DENR requirement for industry participants to have legal sources of raw material. ATN is one of the three quarry and crusher owners out of the twenty operators in Montalban Rizal.

FY 2022
Financial and Operating Highlights

The following table shows the top six (6) important financial indicators of the company during the fiscal years ending March 31, 2022 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	
	FY 2022	FY 2021	CY 2021	CY 2020	CY 2021	CY 2020
Current Ratio	0.65	0.60	13.05	10.77	0.03	0.04
Debt to Equity Ratio	0.76	0.74	0.44	0.44	3.43	3.33
Asset to Equity Ratio	1.76	1.74	1.44	1.44	4.43	4.33
Interest Rate Coverage Ra	2.15	(0.44)	21.94	(6.19)	-	-
Gross Profit Margin	35%	58%	85%	11%	-	-
Net Income to Sales Ratio	7%	-28%	7.67%	-4.62%	-	-
Net Income (loss)	₱ 2,577,923	-₱ 3,958,479	₱ 515,478	-₱ 3,967,229	-₱ 161,780	-₱ 135,016

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
Asset-to-Equity Ratio	Calculated ratio of total asset into total equity. Indicates the long-term or future solvency position or general financial strength of the company.
Interest Rate Coverage Ratio	Calculated ratio of earnings before interest and taxes into interest expenses Indicates the ability to meet its interest payments.
Gross profit Margin	Calculated ratio expressed in percentage of the gross margin into total revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders
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 almost the same from P3.737 billion to P3.757 billion as of FY March 31, 2022. The significant movements in assets were as follows:

(1) Increase in cash from P11 million to P16 million.
(2) Decrease in trade receivables from P4.980 million to P2.808 million.
(3) Decrease in inventories from P8.033 million to P5.844 million
(4) Increase in Financial Assets – FVOCI from P57.233 million to P46.235 million.
(5) Increase in due from related parties from P43.818 million to P70.219 million.

Current liabilities of the company decreased from P55 million to P51 million as of FY March 2022. The net decrease is due to the following:

(1) Increase in accounts payable and accrued expenses from P4,470 million to P4.766 million.
(2) Decrease in short-term interest bearing loans from P50 million to P47 million.
(3) Full payment of lease liability of P748 thousand.

Noncurrent liabilities increased from P1.538 billion to P1.569 billion as of FY March 31, 2022. The net increase is due to the following:

(1) Decrease in deposits from P21 million to P19 million.
(2) Decrease in pension liability from P844 thousand to P413 thousand.

The company's equity almost remain the same from P2.143 billion in FY March 31, 2022 to P2.137 billion in FY March 31, 2022.

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 2021

Financial and Operating Highlights

The following table shows the top seven (7) important financial indicators of the company during the fiscal years ending March 31, 2021 and comparable period in the past year.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY 2021	FY 2020	CY 2020	CY 2019	CY 2020	CY 2019	CY 2020	CY 2019
Current Ratio	0.61	1.16	10.77	1.58	0.04	0.05	-	51.62
Debt to Equity Ratio	0.74	0.76	0.44	0.45	3.33	3.26	-1.46	-1.62
Asset to Equity Ratio	1.74	1.76	1.44	1.45	4.33	4.26	-0.46	-0.62
Interest Rate Coverage Ra	(2.44)	(2.13)	(10.60)	0.63	-	-	-	-
Gross Profit Margin	58%	93%	11%	50%	-	-	-	-
Net Income to Sales Ratio	-21%	-38%	-4.60%	8.50%	-	-	-	-
Net Income (loss)	(3,958,479)	(6,477,286)	(3,967,229)	2,276,954	(135,016)	(103,329)	(634,452)	(5,191,489)

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
Asset-to-Equity Ratio	Calculated ratio of total asset into total equity. Indicates the long-term or future solvency position or general financial strength of the company.
Interest Rate Coverage Ratio	Calculated ratio of earnings before interest and taxes into interest expenses Indicates the ability to meet its interest payments.
Gross profit Margin	Calculated ratio expressed in percentage of the gross margin into total revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders
EBITDA	Calculated earnings before income tax, and non-cash charges. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses.
Net Income to Sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

Total assets almost the same from P3.712 billion to P3.737 billion as of FY March 31, 2021. The significant movements in assets were as follows:

(1) Decrease in cash from P35 million to P11 million due to partial payment of short-term interest bearing loans.
(2) Increase in trade receivables of P4.980 million due to slower in collection from sale of aggregates.
(3) Increase in inventories of P8.033 million and these are stockpile of aggregates.
(4) Increase in other current assets from P6.569 million to P8.823 million. The increase stem from the 5% tax withheld from rental.
(5) Decrease in non-current assets held for sale from P99.298 million to nil due to sale and transfer to investment property.

(6) Increase in Financial Assets – FVOCI from P21.296 million to P57.233 million. The increase is due to fair value adjustment. The changes in fair value were also reported separately in the statement of comprehensive income, net of deferred income tax.
(7) Decrease in investment properties from P2,673 billion and increased in property and equipment due to re-classification and transfers.
(8) Increase in due from related parties from P19.455 million to P43.818 million. These are intercompany advances and does not bear interest.

Current liabilities of the company decreased from P121 million to P54 million as of FY March 2021. The net decrease is due to the following:
(1) Increase in accounts payable and accrued expenses from P3.651 million to P4.470 million due to increase in accrued expenses.
(2) Decrease in short-term interest bearing loans from P84 million to P50 million due to partial payment of loan principal.
(3) Full payment of lease liability of P1.792 million.
(4) Decrease in liability portion of non-current assets held for sale from P31.6 million to nil reclassification of account.

Noncurrent liabilities increased from P1.479 billion to P1.539 billion as of FY March 31, 2021. The net decrease is due to the following:
(1) Decrease in deposits from P54 million to P22 million. The decrease was mainly due to return of security deposits and some opted to use during the end of their lease.
(2) Full payment of subscription payable of P17 million to nil.
(3) Increase in due to related parties from P693 million to P803 million. These are intercompany payable and advances and payable upon demand.
(4) Increase in pension liability from P789 thousand to P845 thousand due to adjustments.

The company's equity almost remain the same from P2.111 billion in FY March 31, 2020 to P2.143 billion in FY March 31, 2021.

Total revenue of the company increased from P15.987 million as of FY March 31, 2020 compared to P18.590 million as of FY March 31, 2020. The net increase is due to the following:
(1) Increase sale of aggregates of P6.865 million in 2021.
(2) Decrease in lease income by P11.7 due to increase non -renewal of lease contract.
(3) Decrease in other income by P1.1 million. Other represents gain on sale of equipment and from sale of investment property in 2020.

Cost and expenses increased from P22.069 million in FY March 2020 compared to P23.855 million as of march 31, 2021. The net increase is due to the following:
(1) Increase in cost and services by P69.769. The increase is due to cost of aggregates sold.
(2) Decrease in administrative expenses by P3.412 million.
(3) Decrease in equity in net loss of an associate by P636 thousand.
(4) Decrease in finance cost by P929 thousand due to decrease in loan principal.

The net losses in 2021 and 2020 resulted from higher activity levels of an expanded organization to support the quarrying and crushing operations of ATN Infra Rocks. The additional costs should have formed part of finished goods inventory of rock aggregates, but management chose to treat it as period cost (expensed) under materiality concept. During the cited period, the company accumulated more than 500,000 tons of rock aggregates (with market value of about P 400 million) and rock boulders inventory feed for the crusher, which can be sold upon resumption of construction of Build, Build, Build infrastructure projects. In the latter part of 2020, ATN commences to sell the aggregates inventory to reverse the two-year reported losses which are insignificant relative to the value of accumulated inventory that is reflected at cost in the financial statements of ATN Solar.

The country just came out from a pandemic virus crisis which resulted to slowdown in the Philippine economy because of the mandated lockdowns all over the country. While the financial impact is considered a non-adjusting subsequent event as at FY March 31, 2021, the effect on the Company's operations and financial performance, however, cannot be reasonably determined. Nonetheless, the

Company believes that it can remain a going concern given the essential nature of its industry and its participation in the government's Build Build Build Infrastructure program to jumpstart the economy.

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

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

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

Item 7 - Financial Information

The audited financial statement is attached.

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

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

R. R. TAN & ASSOCIATES, CPAs has acted as the Company's external auditor since 2009 and has complied with the five-year rotation requirement under SRC Rule 68(3)(b)(iv) (Qualifications and reports of Independent Auditors). Mr. Chester Nimitz F. Salvador the current audit partner for by R. R. TAN & ASSOCIATES, CPAs audited the financial statements from FY March 31, 2018 to FY March 31, 2023, while Mr. Domingo A. Daza Jr., has served as such since 2013.

Information on Independent Accountant and Related Matter

(1) External Audit Fees and Services
R. R. TAN & ASSOCIATES, CPAs, the external auditor of the company, audited the financial statements with the contract amount of P400,800 for fiscal year 2023, P389,600 for fiscal year March 2022 and P373,400 for fiscal year March 2021 inclusive of VAT and out of pocket expenses.

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

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

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

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

(1) Market Information

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

Class A	Apr 1, 2022 to Mar. 31, 2023		Apr 1, 2021 to Mar. 31, 2022	
	High	Low	High	Low
Qtr. 1	.415	.405	.72	.70
Qtr. 2	.360	.350	.54	.52

Qtr. 3	.365	.355	.46	.38
Qtr. 4	.395	.390	.64	.59

Class B	Apr 1, 2022 to Mar. 31, 2023		Apr 1, 2021 to Mar. 31, 2022	
	High	Low	High	Low
Qtr. 1	.425	.420	.74	.70
Qtr. 2	.375	.365	.55	.51
Qtr. 3	.385	.360	.52	.40
Qtr. 4	.400	.395	.65	.59

	April to June 2023		July to September 2023	
	High	Low	High	Low
Class A	.395	.390	.385	.380
Class B	.395	.390	.385	.380

Holders

As of September 30, 2023, the company had 223 holders of Class "A" shares and 31 for class "B" shares. As of September 28, 2023 the market price for Class A has a high of P0.395 and low of P0.380. Class B has a high and low of P0.380.

The top 20 stockholders as of September 30, 2022 are as follows:

	Class "A" Stockholders	No of Shares Held	% of Total Shares Outstanding	Class "B" Stockholders	No of Shares Held	% of Total Shares Outstanding
1	PCD NOMINEE CORP	898,094,430	22.31%	PCD NOMINEE CORP (FIL)	609,457,229	21.77%
2	NG, ARSENIO T.	2,763,541,260	68.66%	PCD NOMINEE CORP (NON-FIL)	188,643,251	6.74%
3	UNIPAGE MANAGEMENT I	326,791,429	8.12%	UNIPAGE MANAGEMENT INC.	2,041,779,000	72.92%
4	NG, HILARIO T.	3,501,000	0.09%	CHOA, BONIFACIO N.	1,000,000	0.04%
5	UNIWELL SECURITIES, INC	2,200,000	0.05%	YU TING GUAN	500,000	0.02%
6	NG, ARDI BRADLEY	2,000,000	0.05%	CRISOSTOMO, JOSE MARIANO	100,000	0.00%
7	NG, MARK TIMOTHY	1,750,000	0.04%	ANG, MANUEL	40,000	0.00%
8	NG, MATTHEW HILARY	1,750,000	0.04%	ATC SECURITIES, INC.	38,000	0.00%
9	DAVID GO SECURITIES C(	1,510,000	0.04%	7K CORPORATION	35,020	0.00%
10	NG, TIFFANY ANNE	1,500,000	0.04%	CUALOPING SECURITIES CORP	30,000	0.00%
11	TY, ANITA	1,500,000	0.04%	MAJOR LORD DESMOND	22,500	0.00%
12	TRENDLINE SECURITIES, I	1,040,000	0.03%	BPI SECURITIES CORPORATION	20,000	0.00%
13	MERCANTILE SECURITIES	1,020,000	0.03%	MINA, MARIO	20,000	0.00%
14	KHO, DAVID L.	1,000,000	0.02%	I.B. GIMENEZ SECURITIES, INC.	13,000	0.00%
15	CHOA, BONIFACIO	1,000,000	0.02%	ONG GIOK KHENG	10,000	0.00%
16	SI, HYLAND	1,000,000	0.02%	TANSENGCO & CO., INC.	10,000	0.00%
17	PACIFIC VULCAP COR.	997,000	0.02%	VILLANUEVA, JAIME	10,000	0.00%
18	CO, JOYCE ANGELA NG	800,000	0.02%	VILLANUEVA, PATROCINIO P.	10,000	0.00%
19	LIU, JESSILYN NG	800,000	0.02%	GARCIA, KAGITINGAN FLORES	10,000	0.00%
20	CHING, WENDY JANE NG	800,000	0.02%	BARCELON, ROXAS SECURITIES	10,000	0.00%

Dividends

There are no dividends yet declared by the Corporation. For the last two (2) fiscal years, no dividends, whether cash or property, were declared by the Company. Corporate dividend policy is based on (a) cash surplus after allowing for capital expenditure and/or investment program, and (b) excess retained earnings that can be declared for stock dividends or can be supported by any excess cash. The investment program for the quarry and rock crusher in the past five years required cash from earnings and external sources. As such, no dividend has been declared in said period.

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

a. Two percent (2%) stock dividend'

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

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

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

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

(7) Recent Sales of Unregistered Securities

Subscription of Unipage Management, Inc. of 2,325,055,429 shares and Arsenio T. Ng of 824,944.571 shares at a price per share value of P0.20 per share.

On November 25, 2021, majority of the minority shareholders reaffirmed their waiver to conduct a rights/public offering with respect to the subscription of Unipage Management, Inc. of 2,325,055,429 shares and Arsenio T. Ng of 824,944.571 shares at a price per share value of P0.20 per share used solely for the payment of subscription payable to ATN Philippines Solar Energy Group, Inc.

The Board of Directors on its special meeting of October 04, 2021 meeting resolved to approve the issuance of the 2,325,055,429 ATN shares for UMI from the unsubscribed portion of the authorized capital stock of the Corporation consisting of Three Hundred Twenty Five Million Fifty Five Thousand Four Hundred Twenty Nine (325,055,429) Common Class “A” Shares and Two Billion (2,000,000,000) Common Class “B” shares, and listing thereof in the Philippine Stock Exchange. Likewise, the Stockholders of the Corporation ratified the board resolution in the Annual Stockholders Meeting of November 25, 2021. The subject shares were approved for listing by the Philippine Stock Exchange last August 25, 2022.

The Company has not sold any securities within the past three years that were not registered under the SRC. Still pending is the issuance of 824,944.571 shares for Mr. Arsenio Ng.

(8) Compliance with leading practice on Corporate Governance

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

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

<u>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:</u>

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

CONSOLIDATED FINANCIAL STATEMENTS

ATN HOLDINGS, INC. AND SUBSIDIRIES

As at March 31, 2023 and 2022 and for each of the three years in the period ended March 31, 2023.

R. R. TAN AND ASSOCIATES
Certified Public Accountants

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 12, 2023

The management on **ATN HOLDINGS, INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the fiscal years ended **March 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

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

SUBSCRIBED AND SWORN to before me this JUL 13 2023 day of ________, affiants exhibiting to me their driver's license as follows:

NAMES	RES. CERT. NO.	DATE OF EXPIRATION	PLACE OF ISSUE
Arsenio T. Ng	DL# NO1-86-031588	03/13/2033	Mandaluyong
Hilario T. Ng	DL# F03-89-049-506	08/23/2023	Manila
Paul B. Saria	DL# N04-93-264-992	12/15/2031	Mandaluyong

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

Doc. No. : 226
Page No. : 23
Book No. XV
Series of 2023 29

R. R. TAN & ASSOCIATES, CPAs

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

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100510-002-2022, valid until September 14, 2025

Report of Independent Public Accountants

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

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, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2023, 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 consolidated 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, 2023, the Group's investment in an associate amounted to P852 million equivalent to 49% beneficial equity interest. The asset represents 23% of the total assets at year-end. The investment in associate is accounted under the equity method. The associate is still in the pre-operating stage. We consider this as a key audit matter based on the following key assessments: (i) volume of investments, (ii) complex nature of associate's operations and (iii) certainty or uncertainty of commencing operations.

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

Audit procedures conducted

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

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

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

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

- Review of significant agreements entered into with other parties related to its solar energy, including minutes of Board of Directors meeting.

Recoverability of Mine-related Assets

As at March 31, 2023, mine related assets included under Property and equipment amounted to P2.4 billion. This asset represents 63% of the total consolidated assets as at March 31, 2023. We consider this as key audit matter based on the following key assessments: (i) Carrying value of the asset and (ii) Adherence to certain mine and environmental laws and regulation which ultimately affect the production of aggregates.

The Group's disclosure on Property and equipment is presented under Note 15 of the Notes to the Consolidated Financial Statements.

Audit procedures conducted

In the audit of Property and equipment, the following procedures were carried out:

- Review and validation of communications with relevant government agencies particularly those affecting operations;

- Analysis and recalculation of management's estimates related to the assets' useful lives, production volume, residual value including impairment assessment;

- Performing analytical procedures of the Group's lapsing schedule of Property and equipment; and

- Review of sales contract entered into with customers including verification of sales invoices issued after reporting date.

Other Matters

We did not audit the financial statements of subsidiaries as of and for the three years ended December 31, 2022, 2021 and 2020, which are consolidated in the accompanying consolidated financial statements. Total assets and total liabilities of these subsidiaries included in the accompanying consolidated financial statements amounted to P2.4 billion and P796 million, respectively, in December 31, 2022, P2.4 billion and P796 million, respectively, in December 31, 2021, and P2.4 billion and P794 million, respectively, in December 31, 2020. Gross income and total expenses amounted to P3.7 million and P8.2 million, respectively, for the year ended December 31, 2022, P7.1 million and P8.7 million, respectively, for the year ended December 31, 2021, and P85.9 million and P88.5 million, respectively, for the year ended December 31, 2020. The financial statements of these subsidiaries were audited by another auditor whose unmodified reports thereon have been furnished to us, and our opinion, insofar as it relates to these amounts included for these subsidiaries is based solely on the reports of the other auditor.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A and Annual Report for the year ended March 31, 2023, but does not include the consolidated 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, 2023 are expected to be made available to us after the date of auditor's report.

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

In preparing the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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. 173379, January 17, 2023, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-100488-001-2022, valid until May 30, 2025

July 12, 2023
Pasig City

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
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Tel.: (632) 8638-3430 to 32; Fax: (632) 8638-3430
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BIR Accreditation No. 07-100510-002-2022, valid until September 14, 2025

Independent Auditors' Report on Supplementary Schedules

The Stockholders and Board of Directors
ATN HOLDINGS, INC. AND SUBSIDIARIES
9TH Floor, Summit One 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** as at March 31, 2023 and 2022 and for each of the three years in the period ended March 31, 2023, included in this Form 17-A, and have issued our report thereon dated July 12, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 173379, January 17, 2023, Pasig City
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BIR Accreditation No. 07-100488-001-2022, valid until May 30, 2025

July 12, 2023
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2023 AND 2022

	Notes		**2023**		2022
ASSETS					
Current Assets					
Cash in banks	*8*	**P**	**5,190,128**	P	16,099,477
Trade receivables	*9*		**6,907,302**		2,808,880
Inventories	*10*		**21,671,838**		5,844,042
Other current assets	*11*		**10,807,488**		8,768,859
			44,576,756		33,521,258
Non-current Assets					
Investments in:					
Financial assets - Fair value through other comprehensive income (FVOCI)	*12*		**27,430,000**		46,235,000
Associates - net	*13*		**851,593,067**		851,947,294
Investment properties	*14*		**349,667,279**		349,667,279
Property and equipment - net	*15*		**2,425,888,340**		2,406,390,705
Due from related parties - net	*26*		**61,521,707**		70,219,984
Trust funds	*16*		**2,389,379**		-
			3,718,489,772		3,724,460,262
TOTAL ASSETS		**P**	**3,763,066,528**	P	3,757,981,520
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	*17*	**P**	**4,070,116**	P	4,766,937
Short-term loans payable	*18*		**44,353,000**		47,000,000
			48,423,116		51,766,937
Non-current Liabilities					
Deposits	*19*		**16,091,419**		19,704,472
Due to related parties	*26*		**405,058,507**		837,567,210
Pension liability	*24*		**476,364**		413,345
Deferred tax liabilities - net	*27*		**711,351,786**		711,364,390
			1,132,978,076		1,569,049,417
TOTAL LIABILITIES			**1,181,401,192**		1,620,816,354
EQUITY					
Share capital	*20*		**682,505,543**		450,000,000
Additional paid-in capital	*20*		**256,319,963**		22,373,956
Unrealized gain on financial asset at fair value through OCI	*20*		**5,189,939**		23,994,939
Retained earnings - March 31			**1,637,649,891**		1,640,796,271
TOTAL EQUITY			**2,581,665,336**		2,137,165,166
TOTAL LIABILITIES AND EQUITY		**P**	**3,763,066,528**	P	3,757,981,520

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2023, 2022 AND 2021

	Notes	**2023**	2022	2021
SALES	*21*	**P 35,059,949**	P 25,679,177	P 6,865,011
COST OF SALES AND SERVICES	*22*	**29,258,388**	22,636,634	7,865,288
GROSS PROFIT (LOSS)		**5,801,561**	3,042,543	(1,000,277)
ADMINISTRATIVE EXPENSES	*23*	**11,672,971**	7,761,076	8,484,645
LOSS FROM OPERATIONS		**(5,871,410)**	(4,718,533)	(9,484,922)
OTHER INCOME (CHARGES)				
Rental income	*14,25*	**6,021,461**	9,014,450	11,700,040
Interest income	*8*	**38,306**	15,212	25,199
Finance costs	*23*	**(2,518,020)**	(2,244,901)	(3,654,034)
Equity in net income (loss) of an associate	*13*	**(354,227)**	88,519	(356,058)
Reversal of pension liability	*24*	**-**	431,605	-
Impairment losses	*11,30*	**-**	-	(3,495,812)
		3,187,520	7,304,885	4,219,335
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		**(2,683,890)**	2,586,352	(5,265,587)
INCOME TAX EXPENSE (BENEFIT)	*27*	**462,490**	8,429	(1,307,108)
INCOME (LOSS) FOR THE PERIOD		**P (3,146,380)**	P 2,577,923	P (3,958,479)
EARNINGS (LOSS) PER SHARE	*28*	**P (0.00046)**	P 0.00057	P (0.00088)

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2023, 2022 AND 2021

	Notes	**2023**	2022	2021
INCOME (LOSS) FOR THE PERIOD		**P (3,146,380)**	P 2,577,923	P (3,958,479)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items not to be reclassified to profit or loss in subsequent periods:				
Fair value changes in Financial asset at fair value through other comprehensive income	*20*	**(18,805,000)**	(8,622,577)	35,721,378
TOTAL COMPREHENSIVE INCOME (LOSS)		**P (21,951,380)**	P (6,044,654)	P 31,762,899

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, 2023, 2022 AND 2021

	Notes	Share Capital	Additional Paid-in Capital	Unrealized Gain (Loss) on Financial Assets at Fair Value Through OCI	Retained Earnings	Total
Balance at March 31, 2020		P 450,000,000	P 22,373,956	P (3,103,862)	P 1,642,176,827	P 2,111,446,920
Changes in fair value of financial assets at fair value through OCI	*20*	-	-	35,721,378	-	35,721,379
Loss for the period		-	-	-	(3,958,479)	(3,958,479)
Balance at March 31, 2021		450,000,000	22,373,956	32,617,516	1,638,218,348	2,143,209,820
Changes in fair value of financial assets at fair value through OCI	*20*	-	-	(8,622,577)	-	(8,622,577)
Income for the period		-	-	-	2,577,923	2,577,923
Balance at March 31, 2022		**450,000,000**	**22,373,956**	**23,994,939**	**1,640,796,271**	**2,137,165,166**
Issuances during the year		**232,505,543**	**233,946,007**	**-**	**-**	**466,451,550**
Changes in fair value of financial assets at fair value through OCI	*20*	**-**	**-**	**(18,805,000)**	**-**	**(18,805,000)**
Loss for the period		**-**	**-**	**-**	**(3,146,380)**	**(3,146,380)**
Balance at March 31, 2023		**P 682,505,543**	**P 256,319,963**	**P 5,189,939**	**P 1,637,649,891**	**P 2,581,665,336**

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2023, 2022, AND 2021

	Notes	**2023**	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax expense		**P (2,683,890)**	P 2,586,352	P (5,265,587)
Adjustments for:				
Depreciation and amortization	*15*	**3,805,936**	2,693,585	1,596,079
Interest income	*8*	**(38,306)**	(15,212)	(25,199)
Equity in net (income) loss of associate	*13*	**354,227**	(88,519)	356,058
Interest expense	*23*	**2,518,020**	2,244,901	3,654,034
Provision for (reversal of) retirement liability	*24*	**63,019**	(431,605)	56,022
Impairment loss		**-**	-	3,495,812
Operating Income Before Working Capital Changes		**4,019,006**	6,989,502	3,867,219
(Increase) Decrease in Operating Assets:				
Trade receivable		**(4,098,422)**	2,171,068	(4,979,948)
Inventories		**(15,827,796)**	(5,454,330)	(8,033,302)
Other current assets		**(1,650,110)**	879,773	(4,389,533)
Increase (Decrease) in Operating Liabilities:				
Accounts payable and accrued expenses		**(696,821)**	296,537	819,088
Cash Provided by (Used in) Operations		**(18,254,143)**	4,882,550	(12,716,476)
Income taxes paid		**(863,613)**	(457,364)	(1,360,827)
Interest received		**38,306**	15,212	25,199
Net Cash Provided by (Used in) Operating Activities		**(19,079,450)**	4,440,398	(14,052,104)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of:				
Property and equipment	*15*	**(23,303,571)**	-	(47,025,758)
Investment properties		**-**	-	(7,623,950)
Increase in trust funds		**(2,389,379)**	-	-
Proceeds from disposal of				
Non-current asset held for sale		**-**	-	47,605,103
Cash advances made to related parties	*26*	**(280,813)**	(26,401,348)	(26,923,805)
Collection of advances to related parties	*26*	**8,979,090**	-	2,560,667
Decrease in deposits		**(3,613,053)**	(1,677,657)	(32,880,473)
Payment of subscription		**-**	-	(17,000,000)
Net Cash Used in Investing Activities		**(20,607,726)**	(28,079,005)	(81,288,216)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of short-term loans		**44,353,000**	-	50,000,000
Payment of short-term loans:				
Principal		**(47,000,000)**	(3,748,070)	(85,044,068)
Interest		**(2,518,020)**	(2,244,901)	(3,654,034)
Availment of advances from related parties	*26*	**69,487,541**	35,106,234	111,250,715
Payment of advances from related parties	*26*	**(35,544,694)**	(634,237)	(1,071,573)
Net Cash Provided by Financing Activities		**28,777,827**	28,479,026	71,481,040
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(10,909,349)**	4,840,419	(23,859,280)
CASH AT BEGINNING OF YEAR		**16,099,477**	11,259,058	35,118,338
CASH AT END OF YEAR		**P 5,190,128**	P 16,099,477	P 11,259,058

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023, 2022, AND 2021

1. Corporate Information

ATN Holdings, Inc. (*ATN, the Parent or the Group*) 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 group, real estate investments and exploration and development of mineral resources.

On November 10, 2016, the Group'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.

<u>ATN Integrated Aggregates Project</u>
The Group was granted by the Department of Environment and Natural Resources (DENR) through the Mines and Geoscience Bureau (MGB) an Exploration Permit (EP) denominated as EP-IVA-019 dated March 14, 2019. The EP located in Barangay Macabud in Rodriguez, Rizal covering 3 hectares of private land, involves the quarrying of basalt to be processed into marketable concrete aggregate products.

The quarry operation will employ open cast mining method wherein the mining extraction utilizes a hillside cut approach forming multiple benches at 5-10 meters height and of 5 meters width for each bench. Pit wall slope ranges from 35 to 45 degrees or steeper. It entails the crushing of the blasted materials to reduce to its saleable size.

A Declaration of Mining Project Feasibility confirmed that basalt mineral resource exists in the Company's mine site.

Following the approval of Environmental Protection and Enhancement Program and Social Development and Management Program, the Special Mines Permit (SMP) covering 83 hectares, was issued with inclusive term from January 4, 2023 to January 3, 2024 denominated as SMP No.2022-03 also by the DENR -MGB. The SMP is renewable once, provided, that the SMP may be further renewed depending upon the nature of the deposit, the propriety of the mining operation, the environmental and community relations track record of the applicant, faithful compliance with the terms and conditions of the SMP and diligence of the applicant in pursuing the mineral agreement application, subject to the approval of the Secretary of DENR. The Mineral Production Sharing Agreement denominated as AMA-IVA-236 is still under evaluation of the DENR-MGB.

The estimated cost of capital is peg at P346 million.

The registered office address of ATN is 9th Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City.

The accompanying consolidated financial statements were authorized for issue by the President on July 12, 2023.

2. Statement of Compliance and Basis of Preparation and Presentation

<u>Statement of Compliance</u>
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council including SEC pronouncements.

Basis of Financial Statement Preparation and Presentation

The accompanying consolidated financial statements of the Parent Company and Subsidiaries (*the Group*) have been prepared in accordance with Philippine Financial Reporting Standards on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) 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.

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

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, 2023, 2022 and 2021, the consolidated subsidiaries are as follows:

Subsidiary	Principal place of business	Principal Activity	% of Ownership
Palladian Land Development, Inc. (PLDI)	Marbella Bldg. Roxas Blvd, Pasay	Real Property Developer	100%
Advanced Home Concept Development Corporation (AHCDC)	Summit One Tower, Mandaluyong	Real Property Developer	100%
Managed Care Philippines, Inc. (MCPI)	Summit One Tower, Mandaluyong	Health and Wellness Provider	100%

PLDI holds real estate properties that are either for lease or for development.

AHCDC are companies engaged in the development of residential real estate projects. MCPI is an out-patient ambulatory surgical center. These companies have ceased to operate actively. Management is contemplating on the most advantageous business strategy to spin off its operations.

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 consolidated 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 in Banks
Cash in banks are deposits which generally earn interest at prevailing bank deposit rates.

Financial Instruments

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

(a) Financial assets

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

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

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

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

As of March 31, 2023, and 2022, the Group's financial assets are classified as (i) Financial assets at amortized cost and (ii) Financial assets at fair value through OCI (equity instruments).

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

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost include cash in banks, trade receivables, deposits, advances to related parties and trust funds.

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

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

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

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

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

For Trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group considers a financial asset in default when contractual payments are generally 1 to 3 months past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: I2-month ECL
For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the balance sheet date are recognized.

Stage 2: Lifetime ECL - not credit-impaired
For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL - credit-impaired
Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the balance sheet date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

ECL calculation
ECL calculations are outlined below:

(i) Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the loan has not been previously derecognized and is still in the portfolio.
(ii) Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account the expected changes in the exposure after the reporting date.

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group expects to receive, including from the realization of any collateral expressed as percentage of the EAD.

(b) Financial liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

- the rights to receive cash flows from the asset have expired;
- the 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.

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

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

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

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

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

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

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

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

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

The fair values for financial instruments traded in active markets at the reporting date are based on their quoted market prices, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models. Any difference noted between the fair value and the transaction price is treated as expense or income, unless it qualifies for recognition as some type of asset or liability.

Inventories
Stockpile inventories are aggregates for sale, which are valued at the lower of cost and net realizable value (NRV). Cost consists of fuel, utilities, manpower services, depreciation, and other costs that are directly attributable in bringing the aggregates in its saleable conditions. Cost is determined by the moving average production and handling cost during the period. NRV is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Any write-down of inventory to NRV is recognized in the consolidated statements of income in the period the write-down occurs. Periodic inventory survey is performed to determine the volume of aggregates inventory.

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

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

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

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

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

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

Investment in Associates

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

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

Property and Equipment

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

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

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

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

Item	Method	Divisor
Land improvements	Unit-of-production	25.4 million cubic meters
Machinery and equipment	Straight line	25 years
Office furniture and improvements	Straight line	10 years
Transportation equipment	Straight line	5 years
Right-of-use assets	Straight line	5 years

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

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

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

Stripping Costs
As part of its mining operations, the Group incurs stripping costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine before the production phase commences (development stripping) are capitalized as part of the cost of constructing the mine and subsequently amortized over its useful life using unit-of-production method. Stripping costs incurred during the development phase is included under land improvements.

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

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

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

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

Deposits
Deposits represent security deposits from tenants. Deposits are refundable upon expiration of the lease term.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in PFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.
The Group As a Lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Additional paid-in capital includes 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 on financial assets at FVOCI pertains to mark-to-market valuation of financial asset.

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

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

Revenue and Cost Recognition
Revenue comprises revenue from sale of goods and rendering of services measured by reference to the fair value of consideration received or receivable by the Group for services rendered (transaction price), excluding VAT and discounts. Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time. A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

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

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

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

(i) Sale of aggregates – revenue is recognized when control passes to the customer, which occurs at a point in time when the aggregates are physically transferred to the customer or buyer.

(ii) 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.

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

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.

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Retirement Benefit Cost

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

Income Taxes

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

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

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

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

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

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

Foreign Currency Transactions and Translations

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

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 in Fiscal Year 2023
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to standards effective in fiscal year 2023. The adoption however did not result to any material changes in the consolidated financial statements.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

Amendments to PFRS 3, *Reference to the Conceptual Framework*
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine-IFRIC 21, Levies, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied prospectively.

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*
The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before the asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2 *Inventories.*

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of a Group's ordinary activities, the amendments require the Group to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statements of comprehensive income. This disclosure is not required if such proceeds and costs are presented separately in the statement of comprehensive income.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments do not have significant impact on the consolidated financial statements.

Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract: Cost of Fulfilling a Contract*
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual periods beginning on or after January 1, 2022. The amendments do not have significant impact on the consolidated financial statements.

Annual Improvements to PFRSs (2018-2020 cycle)

The Annual Improvements to PFRSs (2018-2020 cycle) are effective for annual periods beginning or after January 1, 2022 and do not have a significant impact on the consolidated financial statements.

PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

PFRS 16, *Leases, Lease incentives illustrative example*
The amendment to Illustrative Example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

PAS 41, *Agriculture, Taxation in fair value measurements*
The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to Fiscal Year 2023
The standards, amendments and interpretations which have been issued but not yet effective as at Fiscal Year 2023 are disclosed below. Except as otherwise indicated, the Group does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

Effective for annual periods beginning on or after January 1, 2023

Amendments to PAS 12*, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the consolidated financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the consolidated financial statements.

Amendments to PAS 8, *Definition of Accounting Estimates*
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the consolidated financial statements.

Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2024

Amendments to PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice.

Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements of PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of lease. Any gain or loss to the partial of full termination of the lease does not relate to the right of use retained but to the right of use terminated.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Early application is permitted. The amendments are not expected to have a material impact on the consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2025

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

The key principles in PFRS 17 are that an entity:

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

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

- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Group since it has no activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the consolidated financial statements.

5. Summary of Significant Accounting Judgments and Estimates

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

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

Going-concern assumption of certain subsidiaries
Included in consolidated financial statements are accounts of certain subsidiaries which are either reported a limited or no operation for the years ended December 31, 2022 and 2021. Management intends to re-focus its current business thrust into other ventures which are deemed to be more profitable and continue operation for a foreseeable future. Hence, the consolidated financial statements are prepared under the going concern assumption.

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

As of March 31, 2023 and 2022, the Group classifies its investment in equity securities as financial assets at FVOCI.

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

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 P6,021,461 in 2023, P9,014,450 in 2022, and P11,700,040 in 2021.

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

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

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

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

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

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

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

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

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

Estimating NRV of inventories
The carrying value of inventories is the lower of cost and 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.

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 P2,425,888,340 and P2,406,390,705 as of March 31, 2023 and 2022, 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.

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

The net carrying value of Investments in Associates and Due from Related Parties as of March 31, 2023 and 2022 is as follows:

	2023		
	Gross carrying amount	**Allowance for impairment**	**Net carrying value**
Investments in associates:			
ATN Phils Solar Energy Group, Inc.	**P 851,593,067**	**P -**	**P 851,593,067**
Mariestad Mining Corporation	**11,306,000**	**11,306,000**	**-**
Due from related parties:			
ATN Phils Solar Energy Group, Inc.	**45,140,894**	**-**	**45,140,894**
Transpacific Broadband Group Int'l, Inc.	**16,380,813**	**-**	**16,380,813**
Sierra Madre Consolidated Mines	**7,450,000**	**7,450,000**	**-**
	P 931,870,774	**P 18,756,000**	**P 913,114,774**

	2022		
	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in associates:			
ATN Phils Solar Energy Group, Inc.	P 851,947,294	P -	P 851,947,294
Mariestad Mining Corporation	11,306,000	11,306,000	-
Due from related parties:			
ATN Phils Solar Energy Group, Inc.	54,119,984	-	54,119,984
Transpacific Broadband Group Int'l, Inc.	16,100,000	-	16,100,000
Sierra Madre Consolidated Mines	7,450,000	7,450,000	-
	P 940,923,278	P 18,756,000	P 922,167,278

6. Fair Value Measurement

Financial Instruments

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

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

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

	2023		2022	
	Carrying value	**Fair value**	Carrying value	Fair value
Cash	**P 5,190,128**	**P 5,190,128**	P 16,099,477	P 16,099,477
Trade receivables	**6,907,302**	**6,907,302**	2,808,880	2,808,880
Financial asset at FVOCI	**27,430,000**	**27,430,000**	46,235,000	46,235,000
Deposits	**1,595,276**	**1,595,276**	1,633,362	1,633,362
Due from related parties	**61,521,707**	**61,521,707**	70,219,984	70,219,984
Trust funds	**2,389,379**	**2,389,379**	-	-
Other financial liabilities				
Accounts payable and accrued expenses	**4,070,116**	**4,070,116**	4,766,937	4,766,937
Short-term loans payable	**44,353,000**	**44,353,000**	47,000,000	47,000,000
Deposits	**16,091,419**	**16,091,419**	19,704,472	19,704,472
Due to related parties	**405,058,507**	**405,058,507**	837,567,210	837,567,210

Fair values were determined as follows:

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

- *Financial asset at fair value through other comprehensive income* – The fair value of investments that are actively traded in organized markets is determined by reference to quoted market bid prices at the close of business on reporting date.

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

- *Deposits, due to related parties and trust funds* - The fair value of deposits, due to related parties and trust funds approximates the carrying value as at year end.

Fair value hierarchy
The following table presents the summary of the Group's assets and liabilities measured or disclosed at fair value on a recurring or non-recurring basis recognized in the Consolidated Statements of Financial Position as of March 31, 2023 and 2022:

	2023			2022		
	Fair value hierarchy			Fair value hierarchy		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Cash in bank	**P -**	**P 5,190,128**	**P -**	P -	P 16,099,477	P -
Trade receivables	**-**	**6,907,302**	**-**	-	2,808,880	-
Financial assets at fair value through OCI	**27,430,000**	**-**	**-**	46,235,000	-	-
Deposits	**-**	**1,595,276**	**-**	-	1,633,362	-
Due from related parties	**-**	**61,521,707**	**-**	-	70,219,984	-
Trust funds	**-**	**2,389,379**	**-**	-	-	-
	P 27,430,000	**P 77,603,792**	**P -**	P 46,235,000	P 90,761,703	P -
Liabilties						
Accounts payable and accrued expenses	**P -**	**P 4,070,116**	**P -**	P -	P 4,766,937	P -
Short-term loans payable	**-**	**44,353,000**	**-**	-	47,000,000	-
Deposits	**-**	**16,091,419**	**-**	-	19,704,472	-
Due to related parties	**-**	**405,058,507**	**-**	-	837,567,210	-
	P -	**P 469,573,042**	**P -**	P -	P 909,038,619	P -

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

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

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

Location	Type	Valuation techniques	Significant observable inputs	Fair value hierarchy	Range
Riverside Village	Townhouses	Market approach	Selling price (per square meter)	Level 3	P22,500 - P36,333
			Size		5.0%
			Location		-5% to -10%
			Improvements		-25% to -35%
Summit One Tower	Parking lots	Market approach	Selling price (per square meter)	Level 2	P61,818 - P82,926
			Size		5%
			Location		-5%
			Improvements		-
	Condominium units	Market approach	Selling price (per square meter)	Level 2	P61,864 - P64,937
			Size		5%
			Location		-5%
			Improvements		10% to 15%

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Group'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.

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, 2023 and 2022 based on contractual undiscounted payments:

2023	On demand	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 months & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	P 4,070,116	P -	P -	P -	P -	P 4,070,116
Short-term loans payable	-	-	-	44,353,000	-	44,353,000
Deposits	-	-	-	-	16,091,419	16,091,419
Due to related parties	-	-	-	-	405,058,507	405,058,507
	P 4,070,116	P -	P -	P 44,353,000	P 421,149,926	P 469,573,042

2022	On demand	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 months & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	P 4,766,937	P -	P -	P -	P -	P 4,766,937
Short-term loans payable	-	-	-	47,000,000	-	47,000,000
Deposits	-	-	-	-	19,704,472	19,704,472
Due to related parties	-	-	-	-	837,567,210	837,567,210
	P 4,766,937	P -	P -	P 47,000,000	P 857,271,682	P 909,038,619

__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).

The table below shows the gross maximum exposure to credit risk of the Group as of March 31, 2023 and 2022. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	2023	2022
Cash	**P 5,190,128**	P 16,099,477
Trade receivables	**6,907,302**	2,808,880
Financial asset at fair value through OCI	**27,430,000**	46,235,000
Deposits	**1,595,276**	1,633,362
Due from related parties	**68,971,707**	77,669,984
Trust funds	**2,389,379**	-
	P 112,483,792	P 144,446,703

The credit quality of the Group's assets as of March 31, 2023 and 2022 is as follows:

2023	**Stage 1 12-months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Credit impaired**	**Total**
Cash	**P 5,190,128**	**P -**	**P -**	**P 5,190,128**
Trade receivables	**6,907,302**	**-**	**-**	**6,907,302**
Financial asset at fair value - OCI	**27,430,000**	**-**	**-**	**27,430,000**
Deposits	**1,595,276**	**-**	**-**	**1,595,276**
Due from related parties	**-**	**61,521,707**	**7,450,000**	**68,971,707**
Trust funds	**-**	**2,389,379**	**-**	**2,389,379**
	41,122,706	**63,911,086**	**7,450,000**	**112,483,792**
ECL	**-**	**-**	**7,450,000**	**7,450,000**
Net carrying value	**P 41,122,706**	**P63,911,086**	**P -**	**P 105,033,792**

2022	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired	Total
Cash	P 16,099,477	P -	P -	P 16,099,477
Trade receivables	2,808,880	-	-	2,808,880
Financial asset at fair value - OCI	46,235,000	-	-	46,235,000
Deposits	1,633,362	-	-	1,633,362
Due from related parties	-	70,219,984	7,450,000	77,669,984
	66,776,719	70,219,984	7,450,000	144,446,703
ECL	-	-	7,450,000	7,450,000
Net carrying value	P 66,776,719	P70,219,984	P -	P 136,996,703

Market Risk

Market risk is the risk of change in fair value of financial instrument from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk represents what the Group would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

The Group manages market risk by evenly distributing capital among investment instruments in different financial institution.

Price Risk

The Group's price risk exposure at year-end relates to financial asset whose value fluctuates as a result of changes in market price, principally, Investment in financial assets at FVOCI. Before taking into account the effect of taxes, equity as of March 31, 2023 and 2022 would either decrease or increase by P0.55 million and P0.92, respectively, had the variable changed by 2%. The impact on the Group's equity excludes the impact of transactions affecting profit or loss since financial instrument carried at fair value are classified as Investment in financial asset at fair value through OCI.

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:

	2023	2022
Equity	**P 2,581,665,336**	P 2,137,165,166
Total assets	**3,763,066,528**	3,757,981,520
Ratio	**0.69**	0.57

8. Cash in Banks

Cash in banks generally earn interest based on prevailing bank deposit rates. Cash in banks amounted to P5,190,128 and P16,099,477 as of March 31, 2023 and 2022, respectively.

Interest earned from these deposits amounted to P38,306, P15,212 and P25,199 for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

9. Trade Receivables

Trade receivables represent receivable from sale of aggregates and rental of properties amounting to P6,907,302 and P2,808,880 as at March 31, 2023 and 2022, respectively. These are non-interest bearing and are generally collectible within twelve (12) months.

The aging of trade receivables is as follows:

			Past due		
2023	**Current**	**31-60 days**	**61-90 days**	**Total**
Trade receivables	**P 3,815,860**	**P 2,177,740**	**P 913,702**	**P 6,907,302**

		Past due		
2022	Current	31-60 days	61-90 days	Total
Trade receivables	P 2,808,880	P -	P -	P 2,808,880

10. Inventories

The Group's aggregates inventories as at March 31, 2023 and 2022 are as follows:

	2023	2022
Armor rocks	**P 5,126,800**	P -
Crushed basalt aggregates	**16,545,038**	5,844,042
	P 21,671,838	P 5,844,042

As at March 31, 2023 and 2022, inventories are carried at cost. Due to a relatively high demand, the NRV approximates the carrying value.

11. Other Current Assets

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

	2023	2022
Input taxes - net of allowance for impairment loss of P90,669 in 2023 and 2022	**P 2,612,560**	P 525,093
Deposits	**1,595,276**	1,633,362
Prepaid taxes	**6,599,652**	6,610,404
	P 10,807,488	P 8,768,859

- Input taxes represent the 12% tax on domestic purchases of goods and services from VAT registered entities. Input tax is applied against output taxes in the succeeding month.

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

- Prepaid taxes represent 5% tax withheld on rental. The same may be applied against future income tax liabilities. As of March 31, 2023 and 2022, creditable withholding taxes are considered recoverable in full and no impairment loss is necessary.

12. Financial Asset at Fair Value through Other Comprehensive Income

This account represents 130,000,000 listed shares of Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined through reference to published price quotations.

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

	2023	2022
Balance at the beginning of fiscal year	**P 46,235,000**	P 57,233,000
Changes in fair value	**(18,805,000)**	(8,622,577)
Effect of deferred tax adjustment	**-**	(2,375,423)
Balance at the end of fiscal year	**P 27,430,000**	P 46,235,000

Changes in fair value are reported separately in the consolidated statements of comprehensive income as “Fair value changes in financial asset at fair value through other comprehensive income”.

13. Investments in Associates - net

This account consists of the following:

	2023	2022	2021
Cost			
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P 865,080,120**	P 865,080,120	P 865,080,120
Mariestad Mining Corporation (MMC)	**11,306,000**	11,306,000	11,306,000
	876,386,120	876,386,120	876,386,120
Equity in net losses (ATN Solar)			
Beginning	**(13,132,826)**	(13,221,345)	(12,865,287)
Income (Loss) during the year	**(354,227)**	88,519	(356,058)
Ending	**(13,487,053)**	(13,132,826)	(13,221,345)
Total	**862,899,067**	863,253,294	863,164,775
Allowance for impairment losses	**(11,306,000)**	(11,306,000)	(11,306,000)
	P 851,593,067	P 851,947,294	P 851,858,775

ATN Solar
ATN Solar is a grantee of Solar Energy Service Contract with the Philippine Government through the Department of Energy to develop, own and operate a 30MW solar power plant in Rodriguez, Rizal.

During the year, ATN Solar has commenced discussion with Engineering Procurement Construction (EPC) groups for the construction of the plant. Construction phases are (1) 250kW pilot plant to test possible technical issues and improve construction efficiency of commercial scale plant to reduce construction timelines. (2) 250kW pilot plant to be expanded to 2MW for the complete modular assembly of DC/AC system.

The Company has awarded in principle the construction of the 250kW plant. Initial output power will be utilized by its parent company ATN Holding, Inc. for internal use, with no export to the grid. Completion in project phases will allow ATN Solar to finalized supply agreements with a Retail Electricity Supplier (RES) and/or the Meralco group.

After successful construction of the pilot plant, the Company will decide on the award of construction of modular 3 x 10MW Solar PV plant to the EPC or other EPC to complete the three modules.

The project site of 15 hectares for 30 MW have been leveled and cleared. With the advances in solar panel capacity from to 210Wp to 630Wp per panel, a 15-hectare land area will be allocated for the 30 MW project. The Company needs to install the DC components of the project since the 3 x 10MW sub-distribution lines connected to Meralco have been installed in place. All temporary and ancillary facilities including but not limited to water supply facility, personnel housing, heavy equipment for construction, power supply for construction are ready for the implementation off the 30 MW project, pending the result of the pilot project.

As of July 12, 2023, the Company is finalizing its Power Supply Agreement with Meralco and various RES. Demand for electricity given the expected depletion of the Malampaya Natural Gas, which supplies to 2,400MW power plants. The increase in coal prices by 400x, due to the Ukraine war, hasten the need of renewable energy like solar to supply peak hour demands.

As of March 31, 2023, the Group owns 48.8% of ATN Solar and it exercises significant influence over the financial and operating matters of the associate.

The latest financial information of ATN Solar is as follows:

	December 31,	
	2022	2021
Current assets	**P 7,275,783**	P 13,436,018
Non-current assets	**1,845,276,119**	1,822,156,259
Current liabilities	**14,880,000**	48,281,037
Non-current liabilities	**1,168,766,643**	1,117,680,108
Equity	**P 668,905,259**	P 669,631,132

Other financial information:

	December 31,	
	2022	2021
Carrying value of investment in ATN Solar	**P 851,593,067**	P 851,947,294
Net income (loss)	**(725,874)**	181,391
Group's share in net income (loss)	**(354,227)**	88,519

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

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 P11,306,000 in MMC. Due to the non-commencement of mining operation, the Group provided a full impairment loss on its investment in MMC. Furthermore, there was no recent financial information available for MMC.

14. Investment Properties

The composition of this account as of March 31, 2023 and 2022 is as follows:

Land	P	15,810,000
Condominium units		284,554,278
Parking lots		26,350,000
Townhouses		22,953,001
	P	349,667,279

Rental income on investment properties amounted to P6,021,461 in 2023, P9,014,450 in 2022 and P11,700,040 in 2021. Direct operating cost incurred on these properties amounted to P1,077,280 in 2023, P1,028,870 in 2022 and P1,003,687 in 2021.

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

15. Property and Equipment

Property and equipment consists of:

2023	**Land and mine site improvements**		**Machineries and equipment**		**Office furniture and improvements**		**Transportation equipment**		**Total**
Costs									
At April 1, 2022	**P 2,358,943,606**	**P**	**47,025,758**	**P**	**6,331,055**	**P**	**7,879,464**		**P 2,420,179,883**
Additions during the year	**-**		**23,303,571**		**-**		**-**		**23,303,571**
At March 31, 2023	**2,358,943,606**		**70,329,329**		**6,331,055**		**7,879,464**		**2,443,483,454**
Accumulated depreciation and impairment loss									
At April 1, 2022	**67,105**		**2,351,290**		**6,161,559**		**5,209,224**		**13,789,178**
Provisions for depreciation and depletion	**53,684**		**2,993,383**		**35,804**		**723,065**		**3,805,936**
At March 31, 2023	**120,789**		**5,344,673**		**6,197,363**		**5,932,289**		**17,595,114**
Carrying value									
At March 31, 2023	**P 2,358,822,817**	**P**	**64,984,656**	**P**	**133,692**	**P**	**1,947,175**		**P 2,425,888,340**

2022	Land and mine site improvements		Machineries and equipment		Office furniture and improvements		Transportation equipment		Right-of-use assets	Total
Costs										
At April 1, 2021	P 2,358,943,606	P	47,025,758	P	6,331,055	P	2,641,072	P	5,238,392	P 2,420,179,883
Reclassification	-		-		-		5,238,392		(5,238,392)	-
At March 31, 2022	2,358,943,606		47,025,758		6,331,055		7,879,464		-	2,420,179,883
Accumulated depreciation and impairment loss										
At April 1, 2021	13,421		470,258		6,125,755		2,641,072		1,845,087	11,095,593
Provisions for depreciation and depletion	53,684		1,881,032		35,804		-		723,065	2,693,585
Reclassification	-		-		-		2,568,152		(2,568,152)	-
At March 31, 2022	67,105		2,351,290		6,161,559		5,209,224		-	13,789,178
Carrying value										
At March 31, 2022	P 2,358,876,501	P	44,674,468	P	169,496	P	2,670,240	P	-	P 2,406,390,705

Land and improvements with carrying value of P2.3 billion was reclassified from Investment property in 2021. This was measured using the fair value model prior to the reclassification. The increase in carrying value arising from fair value adjustment as of the latest appraisal amounted to P230.5 million was credited to Fair value gains in investment properties reported in the consolidated statements of income for the year ended March 31, 2018. As allowed under PAS 40 on the transfer from investment property carried at fair value to property and equipment, the fair value at the time of change in use is the cost of property under its new classification. The reclassification was made in view of the owner-occupation (quarry activities).

To prepare the site for quarry operation, the Group incurs stripping costs. These costs are incurred in the development phase which are capitalized as part of constructing the quarry site and subsequently amortized over its useful life using the unit-of-production method. The capitalization of stripping costs ceases when the quarry site is ready for production.

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

		2023		2022
Cost of production	**P**	**1,112,351**	P	-
Direct costs		**1,934,716**		1,934,716
Administrative expenses		**758,869**		758,869
	P	**3,805,936**	P	2,693,585

16. Trust funds

In accordance with mineral processing permit the Group is required by the DENR-MGB to set up the following funds

- Environment Trust Fund (ETF) – fund to address the environmental impacts and safety concerns in the implementation, operation and abandonment/decommissioning and rehabilitation of mining projects.

- Monitoring Trust Fund (MTF) – fund to cover maintenance and other operating budget for the transportation and travel expenses, cost of laboratory analysis, cost of supplies and materials, cost of communication services, cost of consultancy work and other reasonable expenses incurred by the monitoring team of the MRF Committee.

- Rehabilitation Cash Fund (RCF) - fund to ensure compliance with the approved rehabilitation activities and schedules, including research programs, as defined in the EPEP.

- Final Mine Rehabilitation and Decommissioning Fund (FMRDF) – fund to be established and maintained through cash deposits to cover the Group's rehabilitation liability upon the closure of the mine and to ensure payment of compensable damages that may be caused by mine wastes.

The movements of these funds are as follows:

	Balance as of March 31, 2022*		Contributions		Transfers**		Interest earned		Balance as of March 31, 2023
ETF	P	10,000	P	150,004	P	100,000	P	38	**P**	**60,042**
MTF		10,000		149,935		-		23		**159,958**
RCF		10,000		543,980		-		50		**554,030**
FMRDF		10,000		1,605,229		-		120		**1,615,349**
	P	40,000	P	2,449,148	P	100,000	P	231	**P**	**2,389,379**

**The funds were initially set up on March 25, 2022*

***Transferred to MTF*

These trust funds are held in government depository banks. Withdrawal is restricted only based on the duly approved purpose of the funds.

17. Accounts Payable and Accrued Expenses

This account consists of the following:

		2023		2022
Capital gains tax payable	**P**	**2,985,000**	P	2,985,000
Trade payables		**1,085,116**		1,599,996
Taxes payable		**-**		181,941
	P	**4,070,116**	P	4,766,937

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

- Trade payables are non-interest bearing and are normally settled on a 90-day term;
- Taxes payable are settled in the following month.

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

18. Short-term Loans Payable

The Group has an omnibus line with China Banking Corporation for a maximum amount of P50 million. Interest is charged every month on the outstanding loan balance at 5.75% per annum in 2023 and 4.25% per annum in 2022. The loan has a term of 360 days and is collateralized by condominium units in Summit One Tower. As of March 31, 2023 and 2022, the balance of the loan amounted to P44.3 million and P47 million, respectively. Proceeds of the loan are used for working capital requirements.

Interest expense related to this loan amounted to P2,518,020, P2,220,283 and P3,539,070 for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

19. Deposits

This account represents deposit on operating leases which is made in compliance with the existing leasing agreement with the lessee. The amount is refundable at the expiration of lease contracts.

As of March 31, 2023 and 2022, deposits on operating leases amounted to P16,091,419 and P19,704,472, respectively.

20. Equity

Share capital
Component of share capital is as follows:

	Authorized share capital at P0.10 par value per share		Subscribed and paid			
			2023		2022	
Title of issue	Number of shares	Amount	**Number of shares**	**Amount**	Number of shares	Amount
Common						
Class A	4,200,000,000	P 420,000,000	**4,025,055,429**	**P 402,505,543**	3,700,000,000	P 370,000,000
Class B	2,800,000,000	280,000,000	**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	**6,825,055,429**	**P 682,505,543**	4,500,000,000	P 450,000,000

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

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

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

- Preferred shares are cumulative, non-participating, non-voting shares that are entitled for mandatory redemption on the 5^{th}, 7^{th} and 10^{th} year anniversary of issue.

The movement of capital as of March 31, 2023 and 2022 are as follows:

	2023	2022
Balance at beginning of year	**P 450,000,000**	P 450,000,000
Conversion of advances from stockholders	**232,505,543**	-
Balance at the end of year	**P 682,505,543**	P 450,000,000

During the annual stockholders meeting held on November 14, 2019, the stockholders approved the following resolutions:

- Issuance of 2,325,055,429 shares to Unipage Management, Inc. (UMI) from the unsubscribed portion of the authorized capital stock.
- The Group to increase its authorized capital from 12 billion shares to 24 billion shares both with par value of P0.10.
- Issuance of 824,944,571 shares to a certain shareholder upon increase of Authorized Capital Stock.

On April 5, 2022, a subscription agreement was executed wherein UMI subscribed to 2,325,055,429 shares of the Group for a total subscription price amounting to P466,451,550. Payment was satisfied through the conversion of the former's advances to the Group. The additional subscription was allocated as follows:

Share capital	P 232,505,543
Additional paid-in capital	233,946,007
	P 466,451,550

As of March 31, 2023 and 2022, Additional paid-in capital amounted to P256,319,963 and P22,373,956, respectively.

As of March 31, 2023, the application for increase in capital is due for filing with the Securities and Exchange Commission.

Unrealized gain (loss) on Financial assets at fair value through OCI
The movement of this account is as follows:

	2023	2022	2021
Balance at beginning of year	**P 23,994,939**	P 32,617,516	P (3,103,862)
Changes in fair value - net of deferred tax	**(18,805,000)**	(10,998,000)	35,721,378
Effect of deferred tax adjustment	**-**	2,375,423	
Balance at the end of year	**P 5,189,939**	P 23,994,939	P 32,617,516

21. Sales

The Group sells aggregates in different sizes (armor rocks, crushed basalt, etc.) to various customers. Revenue is recognized only when the Group satisfies a performance obligation which is the delivery and acceptance of the aggregates by the customers. That is the point in time when the transfer of control of the aggregates occurs from the Group to the customers.

Sale of aggregates is made directly to customers. All sales are made locally and the geographical information of customers is irrelevant.

Sale of aggregates amounted to P35.1 million, P25.7 million, and P6.9 million for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

22. Cost of Sales and Services

The breakdown of this account is as follows:

		2023		2022		2021
Cost of aggregates sold	**P**	**26,246,392**	P	19,673,048	P	6,377,922
Direct costs on real estate leasing (see Note 14)		**1,077,280**		1,028,870		1,003,687
Depreciation (see Note 15)		**1,934,716**		1,934,716		483,679
	P	**29,258,388**	P	22,636,634	P	7,865,288

The details of cost of aggregates sold are as follows:

		2023		2022		2021
Inventory, beginning	**P**	**5,844,042**	P	-	P	-
Add: Cost of production						
Fuel and gasoline		**21,526,293**		14,362,501		2,120,179
Utilities		**7,984,604**		2,703,552		1,251,127
Manpower services		**6,636,810**		1,827,212		346,166
Trucking and freight		**4,814,130**		6,623,825		2,660,450
Depreciation (see Note 15)		**1,112,351**		-		-
		42,074,188		25,517,090		6,377,922
		47,918,230		25,517,090		6,377,922
Less: Inventory, ending		**(21,671,838)**		(5,844,042)		-
	P	**26,246,392**	P	19,673,048	P	6,377,922

23. Administrative Expenses and Finance Costs

The breakdown of this account is as follows:

		2023		2022		2021
Taxes and licenses	**P**	**2,637,677**	P	211,600	P	257,567
Salaries and employee benefits (see Note 24)		**2,310,459**		1,070,574		1,387,236
Professional fees		**1,802,856**		1,534,000		1,070,607
Communication and association dues		**1,510,155**		2,043,978		2,322,873
Depreciation (see Note 15)		**758,869**		758,869		1,112,400
Representation and entertainment		**630,767**		533,679		483,220
Transportation and travel		**495,093**		388,569		316,204
Rent		**460,561**		425,133		425,133
Office supplies and printing		**329,226**		281,245		176,972
Security and janitorial services		**313,000**		284,352		628,155
Government contributions		**295,940**		-		-
Insurance		**39,969**		75,530		153,299
Repairs and maintenance		**20,499**		98,013		109,710
Miscellaneous		**67,900**		55,534		41,269
	P	**11,672,971**	P	7,761,076	P	8,484,645

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

Sources of finance costs for the years ended March 31, 2023, 2022 and 2021 are as follows:

		2023		2022		2021
Short-term loans (see Note 18)	**P**	**2,518,020**	P	2,220,283	P	3,539,070
Lease liabilities		**-**		24,618		114,964
	P	**2,518,020**	P	2,244,901	P	3,654,034

24. Salary and Employee Benefits

This account consists of the following:

		2023		2022		2021
Salaries and wages	**P**	**2,247,440**	P	1,070,574	P	1,331,214
Provisions for retirement		**63,019**		-		56,022
	P	**2,310,459**	P	1,070,574	P	1,387,236

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

The movement of the pension liability account is as follows:

		2023		2022		2021
Balance at the beginning of the year	**P**	**413,345**	P	844,950	P	788,928
Provisions during the year		**63,019**		-		56,022
Reversal of pension liability		**-**		(431,605)		-
	P	**476,364**	P	413,345	P	844,950

25. Leases

Group as a Lessor
The Group leases its investment properties to various tenants. The term of the lease is for a period of one year renewable at the option of both parties. Rental income for the year ended March 31, 2023, 2022 and 2021 amounted to P6,021,461, P9,014,450 and P11,700,040, respectively.

The agreements, among others, have the following terms:

- Payment of monthly rent;
- Payment of security deposit;
- Annual escalation clause of rental rates upon renewal; and
- Restriction of use, among others.

Direct operating cost related to lease of these properties amounted to P1,077,280 in 2023, P1,028,870 in 2022 and P1,003,687 in 2021.

26. Related Party Transactions

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

		Transactions during the year				Outstanding balance		
		Cash transactions		Non-cash transactions				
Category	Year	Due from (Collections)	Due to (Settlement)	Assignment of advances	Conversion to capital	**Due from related parties**	**Due to related parties**	*Terms and conditions*
Associate								
ATN Solar								
Cash advances	**2023**	**P (8,979,090)**	**P -**	**P -**	**P -**	**P 45,140,894**	**P -**	*Demandable; Non-interest*
	2022	26,401,348	-	-	-	54,119,984	-	*bearing; Unsecured;*
	2021	23,923,805	-	-	-	27,718,636	-	*Payable in cash*
Companies under common control								
Transpacific Broadband Group Int'l, Inc. (TBGI)								
Cash advances	**2023**	**280,813**	**4,943,545**	**-**	**-**	**16,380,813**	**4,943,545**	*Demandable; Non-interest*
	2022	-	(634,237)	-	-	16,100,000	-	*bearing; Unsecured;*
	2021	3,000,000	(1,071,573)	-	-	16,100,000	634,237	*Payable in cash*
Sierra Madre Consolidated Mines (SMCM)								
Cash advances	**2023**	**-**	**-**	**-**	**-**	**7,450,000**	**-**	*Demandable; Non-interest*
	2022	-	-	-	-	7,450,000	-	*bearing; Unsecured;*
	2021	-	-	-	-	7,450,000	-	*Payable in cash*
Unipage Management, Inc. (UMI)								
Cash advances	**2023**	**-**	**64,543,996**	**210,000,000**	**(466,451,550)**	**-**	**78,585,899**	*Demandable; Non-interest*
	2022	-	33,698,856	-	-	-	270,493,453	*bearing; Unsecured;*
	2021	-	55,949,072	-	-	-	236,794,597	*Payable in cash*
Stockholders								
Cash advances	**2023**	**-**	**(35,544,694)**	**(210,000,000)**	**-**	**-**	**321,529,063**	*Demandable; Non-interest*
	2022	-	1,407,378	-	-	-	567,073,757	*bearing; Unsecured;*
	2021	(2,560,667)	55,301,643	-	-	-	565,666,379	*Payable in cash*
	2023					**P 68,971,707**	**P 405,058,507**	
	2022					P 77,669,984	P 837,567,210	
	2021					P 51,268,636	P 803,095,213	

Significant transactions with related parties are as follows:

1. UMI and certain stockholders provide financing for the Group. Eventually, these funds are transferred and used to support ATN Solar's capital expenditures and operating expenses.

2. In prior years, the Group provided cash 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 was 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 P7.45 million.

3. On April 5, 2022, a Deed of Assignment was executed wherein the advances provided by a certain stockholder to the Company amounting to P210 million were assigned to UMI. On the same date, a Subscription Agreement was executed wherein the Company issued 2,325,055,429 shares to UMI in exchange for the latter's advances to the Parent Company amounting to P466,451,550. This non-cash transaction was excluded in the consolidated statements of cash flows for the fiscal year ended March 31, 2023.

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

	Due (to) from subsidiaries					
		2023		2022		2021
Palladian Land Development, Inc.	**P**	**23,245,620**	P	28,919,160	P	30,386,720
Managed Care Philippines, Inc.		**8,642,328**		8,642,328		8,542,328
Advanced Home Concept Development Corporation		**10,818,677**		10,768,677		10,768,677
	P	**42,706,625**	P	48,330,165	P	49,697,725

5. The amount of compensation paid to key management personnel amounted to P370,000 for the fiscal year ended March 31, 2023. During the fiscal years ended March 31, 2022 and 2021, the Group did not recognize any key management compensation nor provided any stock options and bonuses.

6. There were no provisions for ECL during 2023, 2022 and 2021 covering Advances to related parties.

As of March 31, 2023, 2022 and 2021, the net carrying values of these advances are as follows:

		2023		2022		2021
Due from related parties	**P**	**68,971,707**	P	77,669,984	P	51,268,636
Less: Allowance for impairment losses		**(7,450,000)**		(7,450,000)		(7,450,000)
		61,521,707		70,219,984		43,818,636
						-
Due to related parties	**P**	**405,058,507**	P	837,567,210	P	803,095,213

27. Income Taxes

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

		2023		2022		2021
Current	**P**	**475,094**	P	326,925	P	26,476
Deferred		**(12,604)**		(318,496)		(1,333,584)
	P	**462,490**	P	8,429	P	(1,307,108)

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

		2023		2022		2021
Statutory income tax	**P**	**(670,973)**	P	646,588	P	(1,579,676)
Tax effect of:						
Reduced tax rate		**-**		(1,435,917)		-
Non-deductible expenses		**2,065**		303		97,917
Unrecognized deferred income tax		**1,140,975**		1,860,769		181,581
Utilized NOLCO		**-**		(1,059,510)		-
Income subject to final tax		**(9,577)**		(3,804)		(6,930)
Actual provision for income tax	**P**	**462,490**	P	8,429	P	(1,307,108)

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

		2023		2022		2021
Unrealized gain on fair value adjustment of investment properties	**P**	**711,467,726**	P	711,467,726	P	712,945,891
Unrealized gain on financial assets - FVOCI		**-**		-		671,426
Retirement liability		**(115,940)**		(103,336)		(253,487)
	P	**711,351,786**	P	711,364,390	P	713,363,830

The Group did not recognize any deferred tax assets as at March 31, 2023 and 2022 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.

		2023		2022
Impairment losses	**P**	**4,510,167**	P	4,510,167
Net Operating Loss Carry Over (NOLCO)		**3,544,513**		4,531,325
Minimum Corporate Income Tax (MCIT)		**161,756**		202,449
	P	**8,216,436**	P	9,243,941

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

NOLCO

Year incurred		Amount		Applied		Expired		Remaining balance	Expiry
2023	P	4,502,499	P	-	P	-	P	4,502,499	2026
2022		329,690		-		-		329,690	2025
2021		10,315,029		(969,165)		-		9,345,864	2026
2020		10,612,883		(2,163,137)		(8,449,746)		-	2023
	P	25,760,101	P	(3,132,302)	P	(8,449,746)	P	14,178,053	

MCIT

Year incurred		Amount		Applied		Expired		Remaining balance	Expiry
2022	P	83,001	P	-	P	-	P	83,001	2025
2021		78,485		-		-		78,485	2026
2020		40,963		-		(40,693)		270	2023
	P	202,449	P	-	P	(40,693)	P	161,756	

NOLCO
On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which provide that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

28. Earnings (Loss) per Share

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

		2023		2022		2021
Income (Loss) (A)	**P**	**(3,146,380)**	P	2,577,923	P	(3,958,479)
Divided by:						
Weighted Average Shares (B)		**6,825,055,429**		4,500,000,000		4,500,000,000
Earnings (Loss) per share (A/B)	**P**	**(0.00046)**	P	0.00057	P	(0.00088)

As of the respective year ends, there were no potential ordinary shares with dilutive effect.

29. Segment Information

For management reporting purposes, the Group is divided into two (2) reportable segments consisting of the (i) Real estate leasing and (ii) Aggregates which is involve in the production and selling of rock aggregates. The latter being introduced only in 2021.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

Segment information for the reportable segment is shown in the following table:

	As of March 31, 2023			
	Real estate leasing	**Sale of aggregates**	**Non-segment items**	**Total**
Revenues	**P 6,021,461**	**P 35,059,949**	**P 38,306**	**P 41,119,716**
Cost and Expenses	**1,763,370**	**26,246,392**	**13,100,259**	**41,110,021**
Segment results	**4,258,091**	**8,813,557**	**(13,061,953)**	**9,695**
Reportable segment assets	**357,295,180**	**2,452,338,219**	**953,433,129**	**3,763,066,528**
Reportable segment liabilities	**16,091,419**	**-**	**1,166,750,237**	**1,182,841,656**
Non-cash expenses				
Depreciation	**-**	**1,934,716**	**758,869**	**2,693,585**

	As of March 31, 2022			
	Real estate leasing	Sale of aggregates	Non-segment items	Total
Revenues	P 9,014,450	P 25,679,177	P 535,336	P 35,228,963
Cost and Expenses	1,698,365	19,673,048	8,577,613	29,949,026
Segment results	7,316,085	6,006,129	(8,042,277)	5,279,937
Reportable segment assets	365,835,891	2,412,134,756	980,010,873	3,757,981,520
Reportable segment liabilities	19,704,472	-	1,601,111,882	1,620,816,354
Non-cash expenses				
Depreciation	-	1,934,716	758,869	2,693,585

	As of March 31, 2021			
	Real estate leasing	Sale of aggregates	Non-segment items	Total
Revenues	P 11,700,040	P 6,865,011	P 25,199	P 18,590,250
Cost and Expenses	2,152,418	6,377,922	10,233,606	18,763,946
Segment results	9,547,622	487,089	(10,208,407)	(173,696)
Reportable segment assets	361,316,049	2,414,064,238	961,734,125	3,737,114,412
Reportable segment liabilities	21,382,129	-	1,572,522,463	1,593,904,592
Non-cash expenses				
Depreciation	-	483,679	1,112,400	1,596,079
Impairment losses	3,495,812	-	-	3,495,812

Sale of aggregates to four (4) major customers in 2023 accounted to 93% of the revenues arising from Sale of aggregates segment.

Sale of aggregates to three (3) major customers in 2022 accounted to 100% of the revenues arising from Sale of aggregates segment.

Sale of aggregates to one (1) customer in 2021 accounted to 100% of the revenues arising from Sale of aggregates segment.

30. Other Matters

Final Mine Rehabilitation and Decommissioning Fund (FMRDF)
As provided for in FMRDF, the Group is required to set up a fund designed to ensure compliance with the approved rehabilitation activities and schedules, including research programs as defined in the Environment Protection and Enhancement Program. As provided for in the EPEP and FMRDF Plan, initial funding will commence in the 4th year of operation amounting to P1.035 million. The fund is required to have P5 million in 13 years. Annual contribution is based on a specific formula as provided under DAO 2005-07. Withdrawal thereto shall be based on a committee-approved work and financial plan.

Supplemental disclosure to consolidated statements of cash flows
Details of the movement in cash flows from financing activities for the fiscal years ended March 31, 2023 and 2022 are as follows:

2023	**Beginning**	**Net cash flows**	**Others**	**End**
Due to related parties	**P 837,567,210**	**P 33,942,847**	**P(466,451,550)**	**P 405,058,507**
Short-term loans payable	**47,000,000**	**(2,647,000)**	**-**	**44,353,000**
Interest payable	**-**	**(2,518,020)**	**2,518,020**	**-**
	P 884,567,210	**P 28,777,827**	**P(463,933,530)**	**P 449,411,507**

2022	Beginning	Net cash flows	Others	End
Due to related parties	P 803,095,213	P 34,471,997	P -	P 837,567,210
Short-term loans payable	50,748,070	(3,748,070)	-	47,000,000
Interest payable	-	(2,244,901)	2,244,901	-
	P 853,843,283	P 28,479,026	P 2,244,901	P 884,567,210

<u>Non cash financing activities</u>

Others pertaining to due to related parties in 2023 represent debt to capital conversion for the subscription of Group's additional shares by a certain stockholder. (see Notes 20 and 26)

ATN HOLDINGS, INC. AND SUBSIDIARIES
Index to the Consolidated Financial Statements and Supplementary Schedules
Under Revised Securities Regulation Code Rule 68
March 31, 2023

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ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule I - Financial Soundness Indicators

Key Performance Indicators	Formula	For the Fiscal Year Ended March 31	
		2023	**2022**
A. Current/Liquidity Ratio			
Current Ratio	Current Assets / Current Liabilities	**0.921:1**	0.648:1
Quick Ratio	Current Assets - Inventory - Other Current Assets / Current Liabilities	**0.250:1**	0.365:1
B. Solvency Ratio/Debt-to-Equity Ratio			
Solvency Ratio	Net Income Before Depreciation and Amortization / Total Liabilities	**0.001:1**	0.003:1
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**0.458:1**	0.758:1
C. Asset to Equity Ratio			
Asset-to-Equity Ratio	Total Assets / Total Equity	**1.458:1**	1.758:1
D. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	Profit (Loss) Before Tax Add: Depreciation, Depletion and Amortization Interest Expense Less: Interest Income	**P 3,601,760**	P 7,509,626
E. Profitabilty Ratios			
Profit Before Tax Margin Ratio	Profit (Loss) Before Tax / Total Revenue	**(6.53%)**	7.45%
Return on Assets	Net Income (Loss) / Average Total Assets	**(0.084%)**	0.069%
Return on Equity	Net Income (Loss) / Average Total Equity	**(0.133%)**	0.120%

ATN HOLDINGS, INC. AND SUBSIDIARIES

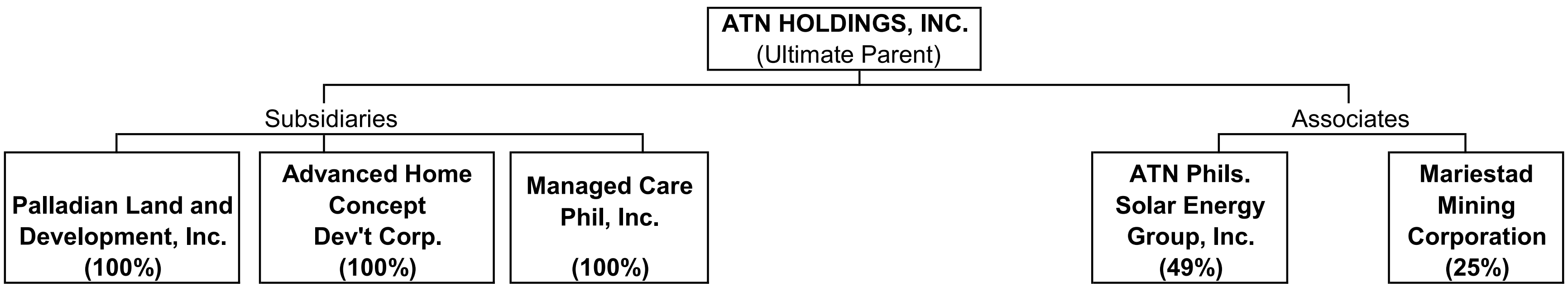
Schedule II - Parent Company's Reconciliation of Retained Earnings Available for Dividend Declaration

March 31, 2023

Balance at beginning of year		P 16,268,763
Adjustment on beginning balance		
Unrealized gains on fair value of investment properties		(44,505,125)
Effect of deferred tax on unrealized gains on fair value of investment properties		2,670,308
		(25,566,055)
Income during the period closed to retained earnings	1,370,152	
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	-	
Unrealized foreign exchage 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 assets	-	
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 PFRS	-	
Subtotal	-	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP - loss	-	
Equity in net loss of an associate		
Loss on fair value adjustment of investment property (after tax)	-	
Subtotal	-	
Net income actually earned during the period		1,370,152
Add(less): Dividend declarations during the period	-	
Appropriations of retained earnings during the year	-	
Reversals of appropriations	-	
Treasury shares	-	
Subtotal		-
Balance at end of year		P (24,195,903)

ATN HOLDINGS, INC. AND SUBSIDIARIES

Schedule III - A map showing the relationship between and among the Parent Company
and its Subsidiaries and Associates
Pursuant to Rule 68
March 31, 2023



ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule A - Financial assets
March 31, 2023

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 -	P 11,306,000	P -	P -
ATN Philippines Solar Energy Group, Inc.	-	851,593,067	(354,227)	-
Less: Allowance for impairment loss (MMC)	-	(11,306,000)	-	-
	P -	P 851,593,067	P (354,227)	P -
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI				
Transpacific Broadband Group International, Inc.	130,000,000 shares	P 27,430,000	P -	P -

ATN HOLDINGS, INC. AND SUBSIDIARIES

Schedule B - Amount Receivable from Directors, Officers, Employees, Related parties and Principal Stockholders (Other than Related Parties)

March 31, 2023

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts Written off	Allowance for impairment	Current	Non-current	Balance at end of the period
ATN Philippines Solar Energy Group, Inc.	P 54,119,984	P -	P (8,979,090)	P -	P -	P -	P 54,119,984	P 45,140,894
Transpacific Broadband Group Int'l Inc.	16,100,000	280,813.000	-	-	-	-	16,100,000	16,380,813
	P 70,219,984	P 280,813	P (8,979,090)	P -	P -	P -	P 70,219,984	P 61,521,707

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
March 31, 2023

Related Party		Balance at beginning of period		Net Transactions		Balance at end of period
Palladian Land and Development, Inc.	P	28,919,160	P	(5,673,540)	P	23,245,620
Advanced Home Concept Development Corporation		10,768,677		(50,000)		10,818,677
Managed Care Philippines, Inc.		8,642,328		-		8,642,328
Total	P	48,330,165	P	(5,723,540)	P	42,706,625

ATN HOLDINGS, INC. AND SUBSIDIARIES

Schedule E - Indebtedness to Related Parties

March 31, 2023

Realted Party	Balance at beginning of period	Payment/ Conversion to capital	Assignment	Addition	Balance at end of period
Transpacific Broadband Group International, Inc.	P -	P -	P -	P 4,943,545	P 4,943,545
Unipage Management Corp.	270,493,453	466,451,550	(210,000,000)	64,543,996	78,585,899
Stockholder	567,073,757	35,544,694	210,000,000	-	321,529,063
Total	P 837,567,210	P 501,996,244	P -	P 69,487,541	P 405,058,507

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule G - Capital Stock
March 31, 2023

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 - P 0.10 par value						
Class A	4,200,000,000	4,025,055,429	-	325,131,429	2,818,590,357	881,333,643
Class B	2,800,000,000	2,800,000,000	-	2,041,779,000	1,000,000	757,221,000
Preferred shares	5,000,000,000	-	-	-	-	-
	12,000,000,000	6,825,055,429	-	2,366,910,429	2,819,590,357	1,638,554,643

FISCAL YEAR 2023
AUDITED FINANCIAL STATEMENTS

ATN HOLDINGS, INC.
As at March 31, 2023 and 2022

R. R. TAN AND ASSOCIATES
Certified Public Accountants

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 12, 2023

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, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

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

SUBSCRIBED AND SWORN to before me this JUL 13 2023 day of ______, affiants exhibiting to me their driver's license as follows:

NAMES	RES. CERT. NO.	DATE OF EXPIRATION	PLACE OF ISSUE
Arsenio T. Ng	DL# NO1-86-031588	03/13/2033	Mandaluyong
Hilario T. Ng	DL# F03-89-049-506	08/23/2023	Manila
Paul B. Saria	DL# N04-93-264-992	12/15/2031	Mandaluyong

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Page No. : 23
Book No. XV
Series of 2023 23

ATTY. ROGELIO K. BOLIVAR
NOTARY PUBLIC
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

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

PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100510-002-2022, valid until September 14, 2025

Report of Independent Public Accountants

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ATN HOLDINGS, INC.** (the Company), which comprise the Parent Company statements of financial position as at March 31, 2023 and 2022, and Parent Company statements of income, Parent Company statements of comprehensive income, Parent Company statements of changes in equity and Parent Company statements of cash flows for each of the three years in the period ended March 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2023, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended March 31, 2023, 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, 2023 are expected to be made available to us after the date of auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 173379, January 17, 2023, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-100488-001-2022, valid until May 30, 2025

July 12, 2023
Pasig City

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
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BIR Accreditation No. 07-100510-002-2022, valid until September 14, 2025

Independent Auditors' Report on Other Regulatory Requirements

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

We have audited the accompanying financial statements of **ATN HOLDINGS, INC.** for the year ended March 31, 2023, on which we have rendered the attached report dated July 12, 2023. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole.

The information contained in the Parent Company's Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of additional analysis and not a required part of the basic financial statements but supplementary information required by the Revised Securities Regulation Code Rule 68. Such information has been subjected to the auditing procedures applied in our audit and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 173379, January 17, 2023, Pasig City
SEC Accreditation No. 1812-A, valid until July 23, 2023
BIR Accreditation No. 07-100488-001-2022, valid until May 30, 2025

July 12, 2023
Pasig City

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2023 AND 2022

	Notes	2023	2022
ASSETS			
Current Assets			
Cash in banks	8	**P 2,107,900**	P 9,166,112
Trade receivables	9	**6,858,908**	2,739,745
Inventories	10	**21,671,838**	5,844,042
Other current assets	11	**2,531,144**	206,630
		33,169,790	17,956,529
Non-current Assets			
Investments in:			
Financial assets at fair value through other comprehensive income (FVOCI)	12	**27,430,000**	46,235,000
Subsidiaries and associates - net	13	**1,067,080,120**	1,067,080,120
Investment properties	14	**77,080,709**	77,080,709
Property and equipment - net	15	**22,191,220**	-
Advances to related parties	24	**95,586,004**	109,907,821
Trust funds	16	**2,389,379**	-
		1,291,757,432	1,300,303,650
TOTAL ASSETS		**P 1,324,927,222**	P 1,318,260,179
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	17	**P 3,758,338**	P 3,665,947
Short-term loans payable	18	**44,353,000**	47,000,000
		48,111,338	50,665,947
Non-current Liabilities			
Deposits	19	**15,068,006**	15,068,006
Advances from related parties	24	**319,423,210**	759,218,260
Deferred tax liability	25	**2,670,308**	2,670,308
		337,161,524	776,956,574
TOTAL LIABILITIES		**385,272,862**	827,622,521
EQUITY			
Share capital	20	**682,505,543**	450,000,000
Additional paid-in capital	20	**234,319,963**	373,956
Unrealized gain on financial asset at fair value through OCI	20	**5,189,939**	23,994,939
Retained earnings - March 31		**17,638,915**	16,268,763
TOTAL EQUITY		**939,654,360**	490,637,658
TOTAL LIABILITIES AND EQUITY		**P 1,324,927,222**	P 1,318,260,179

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2023 AND 2022

	Notes		**2023**		2022
SALES	*21*	**P**	**35,059,949**	P	25,679,177
COST OF SALES	*22*		**26,246,392**		19,673,048
GROSS PROFIT			**8,813,557**		6,006,129
ADMINISTRATIVE EXPENSES	*23*		**6,790,299**		1,842,980
INCOME FROM OPERATIONS			**2,023,258**		4,163,149
OTHER INCOME (CHARGES)					
Rental income	*14*		**2,280,321**		2,293,964
Interest income	*8*		**33,048**		4,835
Finance cost	*18*		**(2,518,020)**		(2,220,283)
Impairment losses	*13,24*		**-**		(33,642,328)
			(204,651)		(33,563,812)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE			**1,818,607**		(29,400,663)
INCOME TAX EXPENSE	*25*		**448,455**		83,001
INCOME (LOSS) FOR THE PERIOD		**P**	**1,370,152**	P	(29,483,664)
EARNINGS (LOSS) PER SHARE	*26*	**P**	**0.0002**	P	(0.0066)

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2023 AND 2022

	Notes	**2023**	2022
INCOME (LOSS) FOR THE PERIOD		**P 1,370,152**	P (29,483,664)
Items not to be reclassified to profit or loss in subsequent periods:			
Fair value changes in financial assets at fair value through other comprehensive income	*20*	**(18,805,000)**	(8,622,577)
TOTAL COMPREHENSIVE LOSS		**P (17,434,848)**	P (38,106,241)

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2023 AND 2022

	Notes		**Share Capital**		**Additional Paid-in Capital**		**Unrealized Gain on Financial Assets at Fair Value Through OCI**		**Retained Earnings**		**Total**
Balance at March 31, 2021		P	450,000,000	P	373,956	P	32,617,516	P	45,752,427	P	528,743,899
Changes in fair value of financial assets at fair value through other comprehensive income - net of tax	*20*		-		-		(8,622,577)		-		(8,622,577)
Loss for the period			-		-		-		(29,483,664)		(29,483,664)
Balance at March 31, 2022			**450,000,000**		**373,956**		**23,994,939**		**16,268,763**		**490,637,658**
Issuances during the year			**232,505,543**		**233,946,007**		**-**		**-**		**466,451,550**
Changes in fair value of financial assets at fair value through other comprehensive income	*20*		**-**		**-**		**(18,805,000)**		**-**		**(18,805,000)**
Income for the period			**-**		**-**		**-**		**1,370,152**		**1,370,152**
Balance at March 31, 2023		**P**	**682,505,543**	**P**	**234,319,963**	**P**	**5,189,939**	**P**	**17,638,915**	**P**	**939,654,360**

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2023 AND 2022

	Notes	**2023**	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax expense		**P 1,818,607**	P (29,400,663)
Adjustments for:			
Depreciation	*15*	**1,112,351**	-
Impairment losses	*13,24*	**-**	33,642,328
Interest expense	*18*	**2,518,020**	2,220,283
Interest income	*8*	**(33,048)**	(4,835)
Operating Income Before Working Capital Changes		**5,415,930**	6,457,113
Decrease (Increase) in Operating assets:			
Trade receivables		**(4,119,163)**	2,240,203
Inventories		**(15,827,796)**	(5,844,042)
Other current assets		**(2,371,846)**	101,666
Increase (Decrease) in Accounts payable and accrued expenses		**92,391**	(38,051)
Cash Provided by (Used in) Operations		**(16,810,484)**	2,916,889
Income taxes paid		**(401,123)**	(243,498)
Interest received		**33,048**	4,835
Net Cash Provided by (Used in) Operating Activities		**(17,178,559)**	2,678,226
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		**(23,303,571)**	-
Increase in trust funds		**(2,389,379)**	-
Advances to related parties	*24*	**(330,813)**	(26,501,348)
Collection of advances to related parties	*24*	**14,652,630**	1,467,560
Net Cash Used in Investing Activities		**(11,371,133)**	(25,033,788)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of short term loans		**44,353,000**	-
Payment of short term loans:			
Principal		**(47,000,000)**	(3,000,000)
Interest		**(2,518,020)**	(2,220,283)
Availment of advances from related parties	*24*	**26,656,500**	33,698,956
Net Cash Provided by Financing Activities		**21,491,480**	28,478,673
NET INCREASE(DECREASE) IN CASH		**(7,058,212)**	6,123,111
CASH AT BEGINNING OF YEAR		**9,166,112**	3,043,001
CASH AT END OF THE YEAR		**P 2,107,900**	P 9,166,112

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

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, real estate investments and exploration and development of mineral resources.

On November 10, 2016, the Company's articles of incorporation was amended extending its corporate life for another fifty (50) years from February 12, 2019. The amendment was approved by the SEC on November 21, 2016.

The common shares of ATN are listed and traded in the Philippine Stock Exchange.

ATN Integrated Aggregates Project
The Company was granted by the Department of Environment and Natural Resources (DENR) through the Mines and Geoscience Bureau (MGB) an Exploration Permit (EP) denominated as EP-IVA-019 dated March 14, 2019. The EP located in Barangay Macabud in Rodriguez, Rizal covering 3 hectares of private land, involves the quarrying of basalt to be processed into marketable concrete aggregate products.

The quarry operation will employ open cast mining method wherein the mining extraction utilizes a hillside cut approach forming multiple benches at 5-10 meters height and of 5 meters width for each bench. Pit wall slope ranges from 35 to 45 degrees or steeper. It entails the crushing of the blasted materials to reduce to its saleable size.

A Declaration of Mining Project Feasibility confirmed that basalt mineral resource exists in the Company's mine site.

Following the approval of Environmental Protection and Enhancement Program and Social Development and Management Program, the Special Mines Permit (SMP) covering 83 hectares, was issued with inclusive term from January 4, 2023 to January 3, 2024 denominated as SMP No.2022-03 also by the DENR -MGB. The SMP is renewable once, provided, that the SMP may be further renewed depending upon the nature of the deposit, the propriety of the mining operation, the environmental and community relations track record of the applicant, faithful compliance with the terms and conditions of the SMP and diligence of the applicant in pursuing the mineral agreement application, subject to the approval of the Secretary of DENR. The Mineral Production Sharing Agreement denominated as AMA-IVA-236 is still under evaluation of the DENR-MGB.

The estimated cost of capital is peg at P346 million.

The registered office address of ATN is 9th Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City.

As of March 31, 2022, the Parent Company has no employees. Administrative functions are provided either thru outsourced personnel or support services from subsidiaries and affiliate companies. During fiscal year 2023, some of the employees of its subsidiaries were transferred to the Parent Company.

The accompanying financial statements were authorized for issue by the President on July 12, 2023.

2. Statement of Compliance and Basis of Preparation and Presentation

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Basis of Preparation and Presentation
The accompanying financial statements have been prepared using the historical cost method except for financial assets at fair value through other comprehensive income (FVOCI) and investment properties which are carried at fair value.

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

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

The financial statements are prepared as the Parent Company's separate financial statements. The Parent Company's investment in its subsidiaries is accounted at cost, less any impairment loss.

Impairment loss is provided when there is objective evidence that the investment in subsidiaries will not be recovered.

3. Summary of Significant Accounting Policies

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

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

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

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

A liability is current when:

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

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

Cash in banks
Cash in banks are deposits which generally earn interest at prevailing bank deposit rates.

Financial Instruments

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

(a) Financial assets

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

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

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

As of March 31, 2023 and 2022, the Company's financial assets are classified as (i) Financial assets at amortized cost and (ii) Financial assets at fair value through OCI (equity instruments).

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

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

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

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

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

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

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

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

For Trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company considers a financial asset in default when contractual payments are generally 1 to 3 months past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: I2-month ECL
For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the balance sheet date are recognized.

Stage 2: Lifetime ECL - not credit-impaired
For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL - credit-impaired
Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the balance sheet date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

ECL calculation
ECL calculations are outlined below:

(i) Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the loan has not been previously derecognized and is still in the portfolio.
(ii) Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account the expected changes in the exposure after the reporting date.

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company expects to receive, including from the realization of any collateral expressed as percentage of the EAD.

Financial liabilities

Initial recognition and measurement
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The fair values for financial instruments traded in active markets at the reporting date are based on their quoted market prices, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models. Any difference noted between the fair value and the transaction price is treated as expense or income, unless it qualifies for recognition as some type of asset or liability.

Inventories
Inventories represent aggregates for sale. Inventories are valued at the lower of cost and net realizable value (NRV). Cost consists of fuel, utilities, manpower services, depreciation, and other costs that are directly attributable in bringing the aggregates in its saleable conditions. Cost is determined by the moving average production and handling cost during the period. NRV is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Any write-down of inventory to NRV is recognized in the statement of income in the period the write-down occurs. Periodic inventory survey is performed to determine the volume of aggregates inventory.

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

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

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

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

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

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

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

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

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

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

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

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

Property and equipment

The initial cost of property and equipment consists of its purchase price, including import duties, taxes, borrowing costs and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period in which costs are incurred. In situations where it can be clearly demonstrated that the expenditures would result in an increase in future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of such property and equipment.

Property and equipment are subsequently stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation or amortization of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is computed using the straight-line method over the stipulated useful lives of the assets as follows:

Transportation equipment	10 years

When assets are sold or retired, the cost and related accumulated depreciation and accumulated impairment in value are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Stripping costs

As part of its mining operations, the Company incurs stripping costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine before the production phase commences (development stripping) are capitalized as part of the cost of constructing the mine and subsequently amortized over its useful life using unit-of-production method. Stripping costs incurred during the development phase is included under land improvements.

Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

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

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

(i) Sale of aggregates – revenue is recognized when control passes to the customer, which occurs at a point in time when the aggregates are physically transferred to the customer or buyer.

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

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

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

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

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

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

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

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

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

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

Provisions

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

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

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

Contingencies

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

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

Earnings (Loss) per share

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

Related party transactions and relationships

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

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

Events after the reporting period

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

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective in Fiscal Year 2023
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to standards effective in fiscal year 2023. The adoption however did not result to any material changes in the financial statements.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

Amendments to PFRS 3, *Reference to the Conceptual Framework*
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine-IFRIC 21, Levies, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied prospectively.

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*
The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before the asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2 *Inventories.*

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of a Company’s ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and costs are presented separately in the statement of comprehensive income.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments do not have significant impact on the Company’s financial statements.

Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract: Cost of Fulfilling a Contract*
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual periods beginning on or after January 1, 2022. The amendments do not have significant impact on the Company’s financial statements.

Annual Improvements to PFRSs (2018-2020 cycle)

The Annual Improvements to PFRSs (2018-2020 cycle) are effective for annual periods beginning or after January 1, 2022 and do not have a significant impact on the Company's financial statements.

PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

PFRS 16, *Leases, Lease incentives illustrative example*
The amendment to Illustrative Example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

PAS 41, *Agriculture, Taxation in fair value measurements*
The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to Fiscal Year 2023
The standards, amendments and interpretations which have been issued but not yet effective as at Fiscal Year 2023 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 for annual periods beginning on or after January 1, 2023

Amendments to PAS 12*, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Company.

Amendments to PAS 8, *Definition of Accounting Estimates*
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
The amendments provide guidance and examples to help entities apply materiality judgement to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

Effective for annual periods beginning on or after January 1, 2024

Amendments to PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Company is currently assessing the impact the amendments will have on current practice.

Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements of PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of lease. Any gain or loss to the partial of full termination of the lease does not relate to the right of use retained but to the right of use terminated.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Early application is permitted. The amendments are not expected to have a material impact on the Company.

Effective for annual periods beginning on or after January 1, 2025

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

The key principles in PFRS 17 are that an entity:

- Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;

- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- Divides the contracts into groups that it will recognize and measure;
- Recognizes and measures groups of insurance contracts at:

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

- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Company since it has no activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the financial statements.

5. Summary of Significant Accounting Judgments and Estimates

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

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

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

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

As of March 31, 2023 and 2022, the Company is in control of its subsidiaries.

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

As of March 31, 2023 and 2022, the Company determined that it exercise significant influence over its associates.

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

As of March 31, listed shares are classified as financial assets at FVOCI amounting to P27.4 million in 2023 and P46.2 million in 2022.

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

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

Accordingly, the condominium units and parking lots are classified as investment properties.

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

The Company's rental income amounted to P2,280,321 in 2023 and P2,293,964 in 2022.

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

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

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

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

Estimating NRV of inventories
The carrying value of inventories is the lower of cost and 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.

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

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

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

As of March 31, 2023 and 2022, the carrying values of Investment in subsidiaries and associates are as follows:

Investment in:		
Subsidiaries	P	202,000,000
Associates		865,080,120

Determination of fair value of assets and liabilities
The Parent Company measures fair value of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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. Assets and liabilities are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Parent Company, 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).

Fair value measurement is discussed in Note 6.

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

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

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

Investment properties amounted to P77.08 million both in March 31, 2023 and 2022.

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

Management believes that there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax asset to be utilized.

Unrecognized deferred tax assets amounted of P309,323 and P350,286 as of March 31, 2023 and 2022, respectively.

6. Fair Value Measurement

The fair value for assets and liabilities traded in active market at the reporting date is based on their quoted market price. For all other assets and liabilities 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 of other observable current market transactions in the same instruments or based on a valuation technique, the Parent Company recognizes the difference between the transaction price and fair value in the statement of income unless it qualifies for recognition as some other type of asset.

Assets and liabilities measured at fair value and those which are not measured at fair value but fair value is required to be disclosed are categorized in a manner discussed in note 5.

The following table presents the summary of the Parent Company's assets and liabilities measured or disclosed at fair value on a recurring or non-recurring basis recognized in the Statements of Financial Position as of March 31, 2023 and 2022:

	2023			2022		
	Fair value hierarchy			Fair value hierarchy		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash in bank	P -	P 2,107,900	P -	P -	P 9,166,112	P -
Trade receivables	-	6,858,908	-	-	2,739,745	-
Financial assets at fair value through OCI	27,430,000	-	-	46,235,000	-	-
Investment properties	-	77,080,709	-	-	77,080,709	-
Advances to related parties	-	95,586,004	-	-	109,907,821	-
Trust funds		2,389,379	-	-	-	-
	P 27,430,000	P 184,022,900	P -	P 46,235,000	P 198,894,387	P -
Liabilties						
Accounts payable and accrued expenses	P -	P 3,758,338	P -	P -	P 3,665,947	P -
Short-term loans payable	-	44,353,000	-	-	47,000,000	-
Deposits	-	15,068,006	-	-	15,068,006	-
Advances from related parties	-	319,423,210	-	-	759,218,260	-
	P -	P 382,602,554	P -	P -	P 824,952,213	P -

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.

The Company manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; and c) be able to access funding when needed at the least possible cost.

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

As of March 31, 2023 and 2022, accounts payable and accrued expenses and deposits have maximum maturities of less than 1 year. Advances from related parties do not have fixed repayment period but management believes that settlement is expected after 12 months but not more than 5 years.

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

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of statements of financial position (or in the detailed analysis provided in the notes to financial statements).

The table below shows the gross maximum exposure to credit risk of the Company as of March 31, 2023 and 2022.

	Gross maximum exposure	
	2023	2022
Cash in bank	**P 2,107,900**	P 9,166,112
Trade receivables	**6,858,908**	2,739,745
FVOCI investments	**27,430,000**	46,235,000
Advances to related parties	**111,678,332**	126,000,149
Trust funds	**2,389,379**	-
	P 150,464,519	P 184,141,006

Credit quality of the Company's assets as of March 31, 2023 and 2022 is as follows:

2023	**Stage 1 12-months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Credit impaired**	**Total**
Cash in bank	**P 2,107,900**	**P -**	**P -**	**P 2,107,900**
Trade receivables	**6,858,908**	**-**	**-**	**6,858,908**
FVOCI investments	**27,430,000**	**-**	**-**	**27,430,000**
Advances to related parties:				
Stockholders and related companies	**-**	**61,521,707**	**7,450,000**	**68,971,707**
Subsidiaries	**-**	**34,064,297**	**8,642,328**	**42,706,625**
Trust funds	**2,389,379**	**-**	**-**	**2,389,379**
	38,786,187	**95,586,004**	**16,092,328**	**150,464,519**
ECL	**-**	**-**	**16,092,328**	**16,092,328**
Net carrying value	**P 38,786,187**	**P 95,586,004**	**P -**	**P 134,372,191**

2022	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired	Total
Cash in bank	P 9,166,112	P -	P -	P 9,166,112
Trade receivables	2,739,745	-	-	2,739,745
FVOCI investments	46,235,000	-	-	46,235,000
Advances to related parties:				
Stockholders and related companies	-	70,219,984	7,450,000	77,669,984
Subsidiaries	-	39,687,837	8,642,328	48,330,165
	58,140,857	109,907,821	16,092,328	184,141,006
ECL	-	-	16,092,328	16,092,328
Net carrying value	P 58,140,857	P 109,907,821	P -	P 168,048,678

Market Risk

Market risk is the risk of change in fair value of financial instrument from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk represents what the Company would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

The Company manages market risk by evenly distributing capital among investment instruments in different financial institution.

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

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

Observed volatility rates of the fair values of Company's investments held at fair value and their impact on the Company's equity as at March 31, 2023 and 2022 is shown below:

	Impact on equity	
% change in market values	**2023**	2022
+2%	**P 548,600**	P 924,700
-2%	**(548,600)**	(924,700)

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

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

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

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

	2023	2022
Equity	**P 939,654,360**	P 490,637,658
Total assets	**1,324,927,222**	1,318,260,179
Ratio	**0.71**	0.37

8. Cash in Banks

Cash in banks generally earns interest based on prevailing bank deposit rates. Cash in banks amounted to P2,107,900 and P9,166,112 as of March 31, 2023 and 2022, respectively.

Interest earned on these deposits amounted to P33,048 in 2023 and P4,835 in 2022.

9. Trade Receivables

Trade receivables represents receivable from sale of aggregates amounting to P6,858,908 and P2,739,745 as at March 31, 2023 and 2022, respectively. These are non-interest bearing and are generally collectible within twelve (12) months.

The aging of trade receivables is as follows:

			Past due					
2023		**Current**		**31-60 days**		**61-90 days**		**Total**
Trade receivables	**P**	**3,767,466**	**P**	**2,177,740**	**P**	**913,702**	**P**	**6,858,908**

			Past due					
2022		Current		31-60 days		61-90 days		Total
Trade receivables	P	2,739,745	P	-	P	-	P	2,739,745

10. Inventories

The Company's aggregates inventories as at March 31, 2023 and 2022 are as follows:

		2023		2022
Armor rocks	**P**	**5,126,800**	P	-
Crushed basalt aggregates		**16,545,038**		5,844,042
	P	**21,671,838**	P	5,844,042

As at March 31, 2023 and 2022, inventories are carried at cost. Due to a relatively high demand, the NRV approximates the carrying value.

The movement of inventories is as follows:

		2023		2022
Balance at beginning of year	**P**	**5,844,042**	P	-
Cost of production (see Note 22)		**42,074,188**		25,517,090
Cost of sales		**(26,246,392)**		(19,673,048)
Balance at end of year	**P**	**21,671,838**	P	5,844,042

11. Other Current Assets

This account consists of the following:

		2023		2022
Input vat	**P**	**2,411,447**	P	39,601
Prepaid taxes		**119,697**		167,029
	P	**2,531,144**	P	206,630

Input VAT represents 12% tax in local purchase of goods and services. Input taxes are creditable against output taxes in the subsequent month.

Prepaid taxes represent excess tax credits which are creditable against income tax in succeeding period.

12. Financial Assets at Fair Value through Other Comprehensive Income

This account represents 130,000,000 listed shares of Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined through reference to published price quotations.

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

		2023		2022
Balance, April 1	**P**	**46,235,000**	P	57,233,000
Changes in fair value		**(18,805,000)**		(8,622,577)
Effect of deferred tax adjustment		**-**		(2,375,423)
Balance, March 31	**P**	**27,430,000**	P	46,235,000

Changes in fair value are reported separately in the parent company statements of comprehensive income as "Unrealized gain/loss on financial assets at fair value through other comprehensive income".

13. Investments in Subsidiaries and Associates

As of March 31, 2023 and 2022, this account consists of the following**:**

Investments in subsidiaries	
Cost	**P 227,000,000**
Less: Allowance for impairment losses	**(25,000,000)**
Net carrying value	**202,000,000**
Investments in associates	
Cost	**872,080,120**
Less: Allowance for impairment losses	**(7,000,000)**
Net carrying value	**865,080,120**
Total investments in subsidiaries and associates	**P 1,067,080,120**

(i) Investment in subsidiaries

The details of this account as of March 31, 2023 and 2022 are as follows:

	% of ownership		
Palladian Land Development, Inc. (PLDI)	100%	**P**	**200,000,000**
Managed Care Phils., Inc. (MCPI)	100%		**25,000,000**
Advanced Home Concept Development Corporation (AHCDC)	100%		**2,000,000**
			227,000,000
Less: Allowance for impairment losses			**(25,000,000)**
Net carrying value		**P**	**202,000,000**

PLDI holds real estate properties that are either for lease or for development.

AHCDC are companies engaged in the development of residential real estate projects. MCPI is an out-patient ambulatory surgical center. These companies have ceased to operate actively. Management is contemplating on the most advantageous business strategy to spin off its operations.

All subsidiaries are incorporated and domiciled in the Philippines.

(ii) Investment in associates

The composition of this account as of March 31, 2023 and 2022 is as follows:

Cost		
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P**	**865,080,120**
Mariestad Mining Corporation (MMC)		**7,000,000**
		872,080,120
Less: Allowance for impairment losses		**(7,000,000)**
Net carrying value	**P**	**865,080,120**

ATN Solar
ATN Solar is a grantee of Solar Energy Service Contract with the Philippine Government through the Department of Energy to develop, own and operate a 30MW solar power plant in Rodriguez, Rizal.

During the year, ATN Solar has commenced discussion with Engineering Procurement Construction (EPC) groups for the construction of the plant. Construction phases are (1) 250kW pilot plant to test possible technical issues and improve construction efficiency of commercial scale plant to reduce construction timelines. (2) 250kW pilot plant to be expanded to 2MW for the complete modular assembly of DC/AC system.

The Company has awarded in principle the construction of the 250kW plant. Initial output power will be utilized by its parent company ATN Holding, Inc. for internal use, with no export to the grid. Completion in project phases will allow ATN Solar to finalized supply agreements with a Retail Electricity Supplier (RES) and/or the Meralco group.

After successful construction of the pilot plant, the Company will decide on the award of construction of modular 3 x 10MW Solar PV plant to the EPC or other EPC to complete the three modules.

The project site of 15 hectares for 30 MW have been leveled and cleared. With the advances in solar panel capacity from to 210Wp to 630Wp per panel, a 15-hectare land area will be allocated for the 30 MW project. The Company needs to install the DC components of the project since the 3 x 10MW sub-distribution lines connected to Meralco have been installed in place. All temporary and ancillary facilities including but not limited to water supply facility, personnel housing, heavy equipment for construction, power supply for construction are ready for the implementation off the 30 MW project, pending the result of the pilot project.

As of July 12, 2023, the Company is finalizing its Power Supply Agreement with Meralco and various RES. Demand for electricity given the expected depletion of the Malampaya Natural Gas, which supplies to 2,400MW power plants. The increase in coal prices by 400x, due to the Ukraine war, hasten the need of renewable energy like solar to supply peak hour demands.

As of March 31, 2023, the Parent Company owns 48.8% of ATN Solar and it exercises significant influence over the financial and operating matters of the associate.

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

14. Investment Properties

As of March 31, 2023 and 2022, this account consists of the following:

Commercial condominium units	P	**37,468,709**
Residential units		**6,962,000**
Parking lots		**26,350,000**
Vacant lots		**6,300,000**
	P	**77,080,709**

Condominium units and parking lots are located at Summit One Tower, Mandaluyong City. The fair market value of condominium units and parking lots is determined by a firm of independent appraiser using the Market Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Accordingly, the Company categorized these condominium units and parking lots under Level 2 of the fair value hierarchy. Management believes that there are no present material factors that would significantly increase or decrease the fair value of these properties as of March 31, 2023.

Residential units and vacant lots are located at Riverside Village, Pasig City. The fair market value of residential units is determined by a firm of independent appraiser on April 2, 2018 based on analysis of prevailing land usage in the neighborhood and the property itself which represents the highest and best use of the property under Level 3 in the fair value hierarchy. The fair market value of vacant lots is determined by a firm of independent appraiser using the Market Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.

The description of valuation techniques and inputs used in determining the fair value of investment properties are classified as Level 2 and 3 in fair value hierarchy is as follows:

Location	Type	Valuation techniques	Significant observable inputs	Fair value hierarchy	Range
Riverside Village	Residential and vacant lots	Market approach	Selling price (per square meter)	Level 3	P22,500 - P36,333
			Size		5.0%
			Location		-5% to -10%
			Improvements		-25% to -35%
Summit One Tower	Parking lots	Market approach	Selling price (per square meter)	Level 2	P61,818 - P82,926
			Size		5%
			Location		-5%
			Improvements		-
	Condominium units	Market approach	Selling price (per square meter)	Level 2	P61,864 - P64,937
			Size		5%
			Location		-5%
			Improvements		10% to 15%

Rental income on investment properties amounted to P2,280,321 and P2,293,964 in 2023 and 2022, respectively. No direct operating costs were incurred on these investment properties in both 2023 and 2022. Real property taxes amounting to P12,241 in 2023 and 2022 were charged as part of Administrative expenses under “Taxes and Licenses”.

15. Property and Equipment - Net

As of March 31, 2023, this account consists of machinery and equipment with a book value of P22,191,220, net of accumulated depreciation of P1,112,351.

Depreciation charged to direct costs amounted to P1,112,351 in 2023.

16. Trust Funds

In accordance with mineral processing permit the Company is required by the DENR-MGB to set up the following funds

- Environment Trust Fund (ETF) – fund to address the environmental impacts and safety concerns in the implementation, operation and abandonment/decommissioning and rehabilitation of mining projects.

- Monitoring Trust Fund (MTF) – fund to cover maintenance and other operating budget for the transportation and travel expenses, cost of laboratory analysis, cost of supplies and materials, cost of communication services, cost of consultancy work and other reasonable expenses incurred by the monitoring team of the MRF Committee.

- Rehabilitation Cash Fund (RCF) - fund to ensure compliance with the approved rehabilitation activities and schedules, including research programs, as defined in the EPEP.

- Final Mine Rehabilitation and Decommissioning Fund (FMRDF) – fund to be established and maintained through cash deposits to cover the Company's rehabilitation liability upon the closure of the mine and to ensure payment of compensable damages that may be caused by mine wastes.

The movements of these funds are as follows:

	Balance as of March 31, 2022*	Contributions	Transfers**	Interest earned	Balance as of March 31, 2023
ETF	P 10,000	P 150,004	P 100,000	P 38	**P 60,042**
MTF	10,000	149,935	-	23	**159,958**
RCF	10,000	543,980	-	50	**554,030**
FMRDF	10,000	1,605,229	-	120	**1,615,349**
	P 40,000	P 2,449,148	P 100,000	P 231	**P 2,389,379**

**The funds were initially set up on March 25, 2022*

***Transferred to MTF*

These trust funds are held in government depository banks. Withdrawal is restricted only based on the duly approved purpose of the funds.

17. Accounts Payable and Accrued Expenses

This account consists of the following:

	2023	2022
Capital gains tax payable	**P 2,985,000**	P 2,985,000
Trade payables	**773,338**	645,706
Taxes payable	**-**	35,241
	P 3,758,338	P 3,665,947

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

- Trade payables are non-interest bearing and are normally settled on a 90-day term;
- Taxes payable are settled in the following month.

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

18. Short-term Loans Payable

The Parent Company has an omnibus line with China Banking Corporation for a maximum amount of P50 million. Interest is charged every month on the outstanding loan balance at 5.75% per annum in 2023 and 4.25% per annum in 2022. The loan has a term of 360 days and is collateralized by condominium units in Summit One Tower. As of March 31, 2023 and 2022, the balance of the loan amounted to P44.3 million and P47 million, respectively. Proceeds of the loan are used for working capital requirements.

Interest expense related to this loan amounted to P2,518,020 and P2,220,283 for the fiscal years ended March 31, 2023 and 2022, respectively.

19. Deposits

This account represents deposit on operating leases which is made in compliance with the existing leasing agreement with the lessee. The amount is refundable at the expiration of lease contracts.

As of March 31, 2023 and 2022, deposits on operating leases amounted to P15,068,006.

20. Equity

Share capital
The component of the Parent Company's share capital is as follows:

	Authorized share capital at P0.10 par value per share		Subscribed and paid			
			2023		2022	
Title of issue	Number of shares	Amount	**Number of shares**	**Amount**	Number of shares	Amount
Common						
Class A	4,200,000,000	P 420,000,000	**4,025,055,429**	**P 402,505,543**	3,700,000,000	P 370,000,000
Class B	2,800,000,000	280,000,000	**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	**6,825,055,429**	**P 682,505,543**	4,500,000,000	P 450,000,000

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

- Class "A" common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines.
- Class "B" common shares are to be issued to any person subject to the required foreign ownership limitation under the laws of the Philippines.
- Preferred shares are cumulative, non-participating, non-voting shares that are entitled for mandatory redemption on the 5^{th}, 7^{th} and 10^{th} year anniversary of issue.

The movement of capital as of March 31, 2023 and 2022 are as follows:

	2023	2022
Balance at beginning of year	**P 450,000,000**	P 450,000,000
Conversion of advances from stockholders	**232,505,543**	-
Balance at the end of year	**P 682,505,543**	P 450,000,000

During the annual stockholders meeting held on November 14, 2019, the stockholders approved the following resolutions:

- Issuance of 2,325,055,429 shares to Unipage Management, Inc. (UMI) from the unsubscribed portion of the authorized capital stock.
- The Parent Company to increase its authorized capital from 12 billion shares to 24 billion shares both with par value of P0.10.
- Issuance of 824,944,571 shares to a certain shareholder upon increase of Authorized Capital Stock.

On April 5, 2022, a subscription agreement was executed wherein UMI subscribed to 2,325,055,429 shares of the Company for a total subscription price of P466,451,550. Payment was satisfied through the conversion of the former's advances to the Company. The additional subscription was allocated as follows:

Share capital	P	232,505,543
Additional paid-in capital		233,946,007
	P	466,451,550

As of March 31, 2023 and 2022, Additional paid-in capital amounted to P234,319,963 and P373,956, respectively.

As of March 31, 2023, the application for increase in capital is due for filing with the Securities and Exchange Commission.

Unrealized gain on financial asset at fair value through other comprehensive income
The movement of this account is as follows:

		2023		2022
Balance at beginning of year	**P**	**23,994,939**	P	32,617,516
Changes in fair value		**(18,805,000)**		(10,998,000)
Effect of deferred tax		**-**		2,375,423
Balance at the end of year	**P**	**5,189,939**	P	23,994,939

21. Sales

The Parent Company sells aggregates in different sizes (armor rocks, crushed basalt, etc.) to various customers. Revenue is recognized only when the Parent Company satisfies a performance obligation which is the delivery and acceptance of the aggregates by the customers. That is the point in time when the transfer of control of the aggregates occurs from the Parent Company to the customers.

Sale of aggregates is made directly to customers. All sales are made locally and the geographical information of customers is irrelevant.

Sale of aggregates amounted to P35.1 million and P25.7 million for the fiscal years ended March 31, 2023 and 2022, respectively.

22. Cost of Sale of Aggregates

The breakdown of this account is as follows:

		2023		2022
Inventory, beginning	**P**	**5,844,042**	P	-
Add: Cost of production				
Fuel and gasoline		**21,526,293**		14,362,501
Utilities		**7,984,604**		2,703,552
Manpower services		**6,636,810**		1,827,212
Trucking and freight		**4,814,130**		6,623,825
Depreciation (see Note 15)		**1,112,351**		-
		42,074,188		25,517,090
		47,918,230		25,517,090
Less: Inventory, end		**(21,671,838)**		(5,844,042)
	P	**26,246,392**	P	19,673,048

23. Administrative Expenses

The breakdown of this account is as follows:

		2023		2022
Taxes and licenses	**P**	**2,425,964**	P	90,461
Professional fees		**1,752,858**		1,469,000
Salaries and wages		**988,760**		-
Communication, light and water		**381,450**		-
Transportation and travel		**373,292**		141,072
Government contributions		**295,940**		-
Office supplies		**294,474**		142,447
Representation and entertainment		**147,088**		-
Security services		**36,000**		-
Rent		**35,428**		-
Miscellaneous		**59,045**		-
	P	**6,790,299**	P	1,842,980

24. Related Party Transactions

It is the policy of the Company that any transaction with a Related Party be conducted at arms' length and on terms generally available to an unaffiliated third party under at least the same or similar circumstances. There must be sound business reason(s) to enter into such a related party transaction, taking into account such factors as cost efficiency, time, and such other terms advantageous to Company, among others. The Audit Committee is tasked to oversee and review the propriety of related party transactions (RPT) and the required reporting disclosures. The Company's material RPT Policy covers all transactions meeting the materiality threshold of transactions, i.e., 10% or more of the total consolidated assets as of the latest audited financial statements.

RPT is defined as a transfer of resources, services or obligations between the Company and a related party, regardless of whether or not a price is charged; or, outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

Related Parties covers the Company's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the company. It also covers

Company's parent company, subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

The BOD shall have the overall responsibility in ensuring that transactions with Related Parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interests of the company's shareholders and other stakeholders.

The details of related party transaction during 2023 and 2022 are as follows:

Transactions and balances

(a) Advances to related parties

	2023			
Related parties	Balance at beginning of year	Availment	Collection	Balance at end of year
Subsidiaries				
Managed Care Philippines, Inc.	**P 8,642,328**	**P -**	**P -**	**P 8,642,328**
Advanced Home Concept Development Corporation	**10,768,677**	**50,000**	**-**	**10,818,677**
Palladian Land Development, Inc.	**28,919,160**	**-**	**5,673,540**	**23,245,620**
Associate				
ATN Philippines Solar Energy Group, Inc.	**54,119,984**	**-**	**8,979,090**	**45,140,894**
Companies under common control				
Transpacific Broadband Group Intl, Inc.	**16,100,000**	**280,813**	**-**	**16,380,813**
Sierra Madre Consolidated Mines	**7,450,000**	**-**	**-**	**7,450,000**
	126,000,149	**330,813**	**14,652,630**	**111,678,332**
Allowance for ECL	**16,092,328**	**-**	**-**	**16,092,328**
	P 109,907,821	**P 330,813**	**P 14,652,630**	**P 95,586,004**

	2022			
Related parties	Balance at beginning of year	Availment	Collection	Balance at end of year
Subsidiaries				
Managed Care Philippines, Inc.	P 8,542,328	P 100,000	P -	P 8,642,328
Advanced Home Concept Development Corporation	10,768,677	-	-	10,768,677
Palladian Land Development, Inc.	30,386,720	-	1,467,560	28,919,160
Associate				
ATN Philippines Solar Energy Group, Inc.	27,718,636	26,401,348	-	54,119,984
Companies under common control				
Transpacific Broadband Group Intl, Inc.	16,100,000	-	-	16,100,000
Sierra Madre Consolidated Mines	7,450,000	-	-	7,450,000
	100,966,361	26,501,348	1,467,560	126,000,149
Allowance for ECL	7,450,000	-	-	16,092,328
	P 93,516,361	P 26,501,348	P 1,467,560	P 109,907,821

In prior years, the Company provided cash advances to Sierra Madre Consolidated Mines (SMCM) to fund its mining activities. Such advances will be converted into equity interest in SMCM when mining operations commence. Due to unforeseen circumstances, SMCM encountered financial difficulties and were unable to operate and generate revenues and cash flows. Accordingly, the

Company provided a full impairment loss on its advances to SMCM in 2014 amounting to P7.45 million.

During the fiscal year 2022, the Company provided a full allowance for impairment on its advances to Managed Care Philippines, Inc. (MCPI) amounting to P8,642,328. MCPI has ceased its healthcare operations and accordingly sold a significant portion of its medical equipment during 2020.

The movement of allowance for ECL in 2023 and 2022 is as follows:

		2023		2022
Balance at the beginning of year	**P**	**16,092,328**	P	7,450,000
Provision for impairment losses		**-**		8,642,328
Balance at the end of the year	**P**	**16,092,328**	P	16,092,328

(b) Advances from related parties

	2023			
Related party	Balance at beginning of year	Availments	Conversion to Share capital	Balance at end of year
Company under common control				
Unipage Management Inc. (UMI)	**P 250,911,193**	**P 13,000,000**	**P 256,451,550**	**P 7,459,643**
Stockholders	**508,307,067**	**13,656,500**	**210,000,000**	**311,963,567**
	P 759,218,260	**P 26,656,500**	**P 466,451,550**	**P 319,423,210**

	2022			
Related party	Balance at beginning of year	Availments	Payment	Balance at end of year
Company under common control				
Unipage Management Inc. (UMI)	P 217,212,237	P 33,698,956	P -	P 250,911,193
Stockholders	508,307,067	-	-	508,307,067
	P 725,519,304	P 33,698,956	P -	P 759,218,260

<u>Terms and conditions</u>
Advances to/from related parties has the following terms and condition:

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

The amount of compensation paid to key management personnel amounted to P370,000 in 2023 and nil in 2022.

On April 5, 2022, a Deed of Assignment was executed wherein the advances provided by a certain stockholder to the Company amounting to P210 million were assigned to UMI. On the same date, a Subscription Agreement was executed wherein the Company issued 2,325,055,429 shares to UMI in exchange for the latter's advances to the Parent Company amounting to P466,451,550. This non-cash transaction was excluded in the statement of cash flows for the fiscal year ended March 31, 2023.

25. Income Taxes

Income tax expense amounting to P448,455 in 2023 and P83,001 in 2022 represents current income tax.

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

		2023		2022
Statutory income tax	**P**	**454,652**	P	(7,350,166)
Tax effect of:				
Income subject to final tax		**(8,262)**		(1,209)
Non-deductible expense		**2,065**		8,410,885
Utilized NOLCO		**-**		(1,059,510)
Unrecognized deferred income tax - MCIT		**-**		83,001
	P	**448,455**	P	83,001

As of March 31, 2023 and 2022, the Company's deferred tax liabilities amounting to P2,670,308 represents deferred tax on unrealized gains on investment properties.

The Company did not recognize any deferred tax assets as at March 31, 2023 and 2022 on the following items since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

		2023		2022
Net Operating Loss Carry Over (NOLCO)	**P**	**199,846**	P	199,846
Minimum Corporate Income Tax (MCIT)		**109,477**		150,440
	P	**309,323**	P	350,286

The carry-forward benefits of NOLCO and the excess of the MCIT over the regular corporate income tax, which can be claimed by the Parent Company as credits against the regular corporate income tax due, are as follows:

NOLCO

Year incurred		Amount		Applied		Expired		Remaining balance	Expiry
2021	P	1,768,550	P	(969,165)	P	-	P	799,385	2026
	P	1,768,550	P	(969,165)	P	-	P	799,385	

MCIT

Year incurred		Amount		Applied		Expired		Remaining balance	Expiry
2022	P	83,001	P	-	P	-	P	83,001	2025
2021		26,476		-		-		26,476	2026
2020		40,963		-		(40,963)		-	2023
	P	150,440	P	-	P	(40,963)	P	109,477	

26. Earnings (Loss) Per Share

Earnings (Loss) per share is computed by dividing the income (loss) for the year by the weighted average number of common shares as follows:

		2023		2022
Income (Loss) for the year	**P**	**1,370,152**	P	(29,483,664)
Weighted average numbers of shares outstanding during the year		**6,825,055,429**		4,500,000,000
	P	**0.0002**	P	(0.0066)

As of March 31, 2023 and 2022, there were no potential ordinary shares with dilutive effect.

27. Other Matters

Operating Lease Commitments
Certain investment properties of the Companies are leased out to third parties under the operating lease agreement. The lease term is for a period of 1 year renewable at the option of both parties.

Supplemental disclosure to statements of cash flows
Details of the movement in cash flows from financing activities for the fiscal years ended March 31, 2023 and 2022 are as follows:

2023	**Beginning**	**Net cash flows**	**Others**	**End**
Due to related parties	**P 759,218,260**	**P 26,656,500**	**P (466,451,550)**	**P 319,423,210**
Short-term loans payable	**47,000,000**	**(2,647,000)**	**-**	**44,353,000**
Interest payable	**-**	**(2,518,020)**	**2,518,020**	**-**
	P 806,218,260	**P 21,491,480**	**P (463,933,530)**	**P 363,776,210**

2022	Beginning	Net cash flows	Others	End
Due to related parties	P 725,519,304	P 33,698,956	P -	P 759,218,260
Short-term loans payable	50,000,000	(3,000,000)	-	47,000,000
Interest payable	-	(2,220,283)	2,220,283	-
	P 775,519,304	P 28,478,673	P 2,220,283	P 806,218,260

<u>Non cash financing activities</u>

Others pertaining to due to related parties in 2023 represent debt to capital conversion for the subscription of Company’s additional shares by a certain stockholder. (see Notes 20 and 24)

28. Supplementary Information Required under Revenue Regulation 15-2010

The Bureau of Internal Revenue (BIR) issued Revenue Regulation 15-2010 which requires additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the fiscal year ended March 31, 2023 is presented in compliance thereto.

- The VAT output tax declared amounted to P4,526,440.

- The VAT input tax claimed is broken down as follows:

Beginning of the year	P	39,601
Domestic purchases of goods and services during the year		6,898,286
Claimed against Output VAT and adjustments		(4,526,440)
Total input claimed during the year	P	2,411,447

- Withholding taxes paid and accrued during the fiscal year are as follows:

Expanded	P	138,023
Compensation		10,000

- As of March 31, 2023, the Company has no pending tax cases within and outside the administration of the BIR.

- All other taxes, local and national, lodge under taxes and licenses account are as follows:

Local		
Mayor's permit	P	88,167
Real property tax		12,241
National		
BIR Annual registration		500
Documentary stamp tax on original issuance of shares of stocks		2,325,056
	P	2,425,964

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Paul C. Cheah**, Filipino, of legal age and a resident of Royal View Mansion, 242 Lt. Artiaga St., San Juan City, 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.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Axelum Resources Corp.	Vice-President and Investor Relations Officer	October 2019 to Present
Transpacific Broadband Group Int'l. Inc.	Independent Director	September 2022 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ATN Holdings, Inc.** as provided for in Section 38 of the Securities Regulation Code and its implemented Rules and Regulations and other SEC issuances.

4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.

5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

6. I shall inform the Corporate Secretary of **ATN Holdings Inc.** of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this ____ day of SEP 0 6 2023, at QUEZON CITY

Paul C. Cheah
Affiant

SEP 0 6 2023

SUBSCRIBED AND SWORN to before me this __________ at QUEZON CITY, affiant personally appeared before me and exhibited to me his Driver's License No. N01-01-262724 with expiry date on January 21, 2024.

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Page No. 79;
Book No. 4;
Series of 2023.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 35532 / TIN # 129-871-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Ramon D. Escueta**, Filipino, of legal age and a resident of 529 Vergel St. Pasay City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director nominee of ATN Holdings Inc.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Apsys Solutions and Technologies	President	2012 to present
Philippine Chamber of Commerce -Science and Technology Committee	Chairman	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ATN Holdings, Inc**. as provided for in Section 38 of the Securities Regulation Code and its implemented Rules and Regulations and other SEC issuances.

4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.

5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

6. I shall inform the corporate secretary of **ATN Holdings Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this ____ day of SEP 0 6 2023 at QUEZON CITY.

RAMON D. ESCUETA
Affiant

SUBSCRIBED AND SWORN to before me this SEP 0 6 2023 day of ______ at QUEZON CITY ______, affiant personally appeared before me and exhibited to me his SSS Unified Multi Purpose ID No. CRN-0111-2282011-2.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

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Book No. 17 :
Series of 2023.

ATN HOLDINGS, INC.

9TH Floor Summit One Tower
530 Shaw Blvd. Mandaluyong City
Tel. Nos. 7717-0523 / 8404-0239

CERTIFICATION

I, PAUL B. SARIA, of legal age, Filipino, married and with office address at 9th Floor, Summit One Tower, 530 Shaw Boulevard, Mandaluyong City, being the Corporate Information Officer and Assistant Corporate Secretary of ATN Holdings, Inc. hereby certify that the following Executive Officers and Directors of the Corporation, for the year 2022-2023 are not employed as employee in any government agency.

Name	Designation	Name	Designation
Arsenio T. Ng	President & CEO	Twinie Kaye Ng	Director
Hilario T. Ng	Director & COO	Sophie Miles Ng	Director
Santos L. Cejoco	Director & CCP	Manuel Moje	Director
Leonides Respicio	Director & Corp. Secretary	Paul C. Cheah	Independent Director
Paul B. Saria	Director, CIO & Assistant Corporate Secretary	Ramon D. Escueta	Independent Director

Certified by:

Paul B. Saria
Assistant Corporate Secretary

ACKNOWLEDGMENT

SUBSCRIBED AND SWORN to before me this OCT 0 2 2023 day, affiant Paul B. Saria exhibited to me his Driver's License No. N04-93-264992 and expires on December 15, 2031.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/02/2023 / Roll No. 33632 / TIN # 129-871-005-000
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

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