ATN HOLDINGS, INC AND SUBSIDIARIES

Consolidated Financial Statements
For the fiscal years ended March 31, 2022, 2021 and 2020

ATN HOLDINGS, INC.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

July 11, 2022

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, 2022 and 2021**, 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 20 day of 2022, affiants exhibiting to me their driver's license as follows:

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

Doc. No. 325;
Page No. 93;
Book No. XVI;
Series of 2022.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2021-2022)
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022
PTR O.R. No. 2463250D 1/03/2022 Roll No. 33832 /TIN# 129-871-009
MCLE EXTENSION APRIL 15, 2022 UP TO APRIL 14, 2023 AS PER S.C. EN BANC B.M. NO. 850
Address: 31-F Harvard St. Cubao, Q.C.

Report of Independent Public Accountants

The Stockholders and Board of Directors
ATN HOLDINGS, INC. AND SUBSIDIARIES
9^{TH} 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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2022, 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, 2022, 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 and now venturing into quarrying activities. We consider this as a key audit matter based on the following key assessments: (i) volume of investments, (ii) complex nature of associate’s operations and (iii) certainty or uncertainty of commencing operations.

The Group’s disclosure in Investment in associate is discussed in Note 13 of the Notes to 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 and the rock crusher project during the year and any subsequent material events;

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

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

Recoverability of Mine-related Assets

As at March 31, 2022, 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, 2022. We consider this as key audit matter based on the following key assessments: (i) Carrying value of the asset (ii) the government's intervention on the Group's mining operation and (iii) 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;

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

Remote Audit Performance

As social and physical distancing are observed at all times due to COVID-19 pandemic, and with different strains of virus continue to be discovered, the conduct of audit work has to be done remotely and out-of-office. We consider this as a key audit matter, since certain audit procedures such as inspection and verification of original documents were done electronically.

Audit procedures conducted

In the audit of the consolidated financial statements as at and for the fiscal year ended March 31, 2022, the following procedures were done remotely:

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

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

- Inspection and verification of publicly available documents.

- Discussion of audit results via teleconference.

Other Matters

We did not audit the financial statements of subsidiaries as of and for the three years ended December 31, 2021, 2020 and 2019, 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, 2021, P2.4 billion and P794 million, respectively, in December 31, 2020, and P2.5 billion and P819 million, respectively, in December 31, 2019. Gross income and total expenses amounted to P7.1 million and P8.7 million, respectively, for the year ended December 31, 2021, P85.9 million and P88.5 million, respectively, for the year ended December 31, 2020, and P27.2 million and P29.2 million, respectively, for the year ended December 31, 2019. 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, 2022, 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, 2022 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

Salvador

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 8131887, January 12, 2022, Pasig City
SEC Accreditation No. 1812-A, valid until July 24, 2023
BIR Accreditation No. 07-100488-001-2022, valid until May 30, 2025

July 11, 2022
Pasig City

R. R. TAN & ASSOCIATES, CPAs

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PRC-BOA Reg. No. 0132, valid until August 13, 2024
SEC Accreditation No. 0394-F, valid until July 23, 2023
BIR Accreditation No. 07-100015-001-2019, valid until September 12, 2022

Independent Auditors' Report on Supplementary Schedules

The Stockholders and Board of Directors
ATN HOLDINGS, INC. AND SUBSIDIARIES
9TH Floor, Summit 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, 2022 and 2021 and for each of the three years in the period ended March 31, 2022, included in this Form 17-A, and have issued our report thereon dated July 11, 2022. 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. 8131887, January 12, 2022, 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 11, 2022
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2022 AND 2021

	Notes		**2022**		2021
ASSETS					
Current Assets					
Cash in banks	*8*	**P**	**16,099,477**	P	11,259,058
Trade receivables	*9*		**2,808,880**		4,979,948
Inventories	*10*		**5,844,042**		8,033,302
Other current assets	*11*		**8,768,859**		8,823,714
			33,521,258		33,096,022
Non-current Assets					
Investments in:					
Financial assets - Fair value through other comprehensive income (FVOCI)	*12*		**46,235,000**		57,233,000
Associates - net	*13*		**851,947,294**		851,858,775
Investment properties	*14*		**349,667,279**		342,023,689
Property and equipment - net	*15*		**2,406,390,705**		2,409,084,290
Due from related parties - net	*24*		**70,219,984**		43,818,636
			3,724,460,262		3,704,018,390
TOTAL ASSETS		**P**	**3,757,981,520**	P	3,737,114,412
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	*16*	**P**	**4,766,937**	P	4,470,400
Short-term loans payable	*17*		**47,000,000**		50,000,000
Finance lease liability	*23*		**-**		748,070
			51,766,937		55,218,470
Non-current Liabilities					
Deposits	*18*		**19,704,472**		21,382,129
Due to related parties	*24*		**837,567,210**		803,095,213
Pension liability	*22*		**413,345**		844,950
Deferred tax liabilities - net	*27*		**711,364,390**		713,363,830
			1,569,049,417		1,538,686,122
TOTAL LIABILITIES			**1,620,816,354**		1,593,904,592
EQUITY					
Share capital	*19*		**450,000,000**		450,000,000
Additional paid-in capital			**22,373,956**		22,373,956
Unrealized gain on financial asset at fair value through OCI - net of tax	*19*		**23,994,939**		32,617,516
Retained earnings - March 31			**1,640,796,271**		1,638,218,348
TOTAL EQUITY			**2,137,165,166**		2,143,209,820
TOTAL LIABILITIES AND EQUITY		**P**	**3,757,981,520**	P	3,737,114,412

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2022, 2021 AND 2020

	Notes	**2022**	2021	2020
REVENUES				
Sales of aggregates	*13*	**P 25,679,177**	P 6,865,011	P -
Lease of properties	*14,23*	**9,014,450**	11,700,040	15,694,118
Interest income	*8*	**15,212**	25,199	9,976
Equity in net income of an associate	*13*	**88,519**	-	-
Reversal of pension liability	*22*	**431,605**	-	-
Gain on sale of equipment		**-**	-	283,390
Gain on sale of investment property		**-**	-	920,532
		35,228,963	18,590,250	16,908,016
COSTS AND EXPENSES				
Cost of sales and services	*20*	**22,636,634**	7,865,288	1,096,314
Administrative expenses	*21*	**7,761,076**	8,484,645	11,896,962
Equity in net loss of an associate	*13*	**-**	356,058	992,643
Finance costs	*17,23*	**2,244,901**	3,654,034	4,583,848
Impairment losses	*11,28*	**-**	3,495,812	3,500,000
		32,642,611	23,855,837	22,069,767
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		**2,586,352**	(5,265,587)	(5,161,751)
INCOME TAX EXPENSE (BENEFIT)	*25*	**8,429**	(1,307,108)	1,315,535
INCOME (LOSS) FOR THE PERIOD		**P 2,577,923**	P (3,958,479)	P (6,477,286)
EARNINGS (LOSS) PER SHARE	*26*	**P 0.00057**	P (0.00088)	P (0.00144)

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2022, 2021 AND 2020

	Notes		**2022**	2021	2020
INCOME (LOSS) FOR THE PERIOD		**P**	**2,577,923**	P (3,958,479)	P (6,477,286)
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 - net of tax	*19*		**(8,622,577)**	35,721,378	(1,649,045)
TOTAL COMPREHENSIVE INCOME (LOSS)		**P**	**(6,044,654)**	P 31,762,899	P (8,126,331)

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, 2022, 2021 AND 2020

	Notes	Share Capital	Additional Paid-in Capital	Unrealized gain (loss) on Financial assets at fair value through OCI - net of deferred tax	Retained Earnings	Total
Balance at March 31, 2019		P 450,000,000	P 22,373,956	P (1,454,817)	P 1,648,654,113	P 2,119,573,251
Changes in financial assets at fair value through OCI	*19*	-	-	(1,649,045)	-	(1,649,045)
Loss for the period		-	-	-	(6,477,286)	(6,477,286)
Balance at March 31, 2020		450,000,000	22,373,956	(3,103,862)	1,642,176,827	2,111,446,920
Changes in financial assets at fair value through OCI	*19*	-	-	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 financial assets at fair value through OCI	*19*	**-**	**-**	**(8,622,577)**	**-**	**(8,622,577)**
Income for the period		**-**	**-**	**-**	**2,577,923**	**2,577,923**
Balance at March 31, 2022		**P 450,000,000**	**P 22,373,956**	**P 23,994,939**	**P 1,640,796,271**	**P 2,137,165,166**

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2022, 2021, AND 2020

	Notes		**2022**		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES							
Income (loss) before income tax expense		**P**	**2,586,352**	P	(5,265,587)	P	(5,161,751)
Adjustments for:							
Depreciation and amortization	*15*		**2,693,585**		1,596,079		4,642,450
Interest income	*8*		**(15,212)**		(25,199)		(9,976)
Equity in net loss of associate	*13*		**(88,519)**		356,058		992,643
Interest expense	*17,23*		**2,244,901**		3,654,034		4,583,848
Provision (reversal) for retirement liability	*22*		**(431,605)**		56,022		133,654
Impairment loss	*11,28*		**-**		3,495,812		3,500,000
Operating Income Before Working Capital Changes			**6,989,502**		3,867,219		8,680,868
(Increase) Decrease in Operating Assets:							
Trade receivable			**2,171,068**		(4,979,948)		-
Inventories			**(5,454,330)**		(8,033,302)		-
Other current assets			**879,773**		(4,389,533)		976,050
Increase (Decrease) in Operating Liabilities:							
Accounts payable and accrued expenses			**296,537**		819,088		(825,811)
Cash Provided by (Used in) Operations			**4,882,550**		(12,716,476)		8,831,107
Income tax paid			**(457,364)**		(1,360,827)		(2,649,019)
Interest received			**15,212**		25,199		9,976
Net Cash Provided by (Used in) Operating Activities			**4,440,398**		(14,052,104)		6,192,064
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of:							
Property and equipment	*15*		**-**		(47,025,758)		(192,411)
Investment properties	*14*		**-**		(7,623,950)		(41,111,270)
Proceeds from disposal of							
Non-current asset held for sale			**-**		47,605,103		-
Cash advances made to related parties	*24*		**(26,401,348)**		(26,923,805)		(19,455,498)
Collection of advances to related parties	*24*		**-**		2,560,667		-
Increase (Decrease) in deposits			**(1,677,657)**		(32,880,473)		3,109,621
Payment of subscription			**-**		(17,000,000)		(86,981,600)
Net Cash Used in Investing Activities			**(28,079,005)**		(81,288,216)		(144,631,158)
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds of bank loans			**-**		50,000,000		50,000,000
Payment of interest bearing loans:							
Principal			**(3,748,070)**		(85,044,068)		(88,362,259)
Interest			**(2,244,901)**		(3,654,034)		(4,583,848)
Availment of advances from related parties	*24*		**35,106,234**		111,250,715		233,675,336
Payment of advances from related parties	*24*		**(634,237)**		(1,071,573)		(34,383,059)
Net Cash Provided by Financing Activities			**28,479,026**		71,481,040		156,346,170
INCREASE (DECREASE) IN							
CASH AND CASH EQUIVALENTS			**4,840,419**		(23,859,280)		17,907,076
CASH AT BEGINNING OF YEAR			**11,259,058**		35,118,338		17,211,262
CASH AT END OF YEAR		**P**	**16,099,477**	P	11,259,058	P	35,118,338

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022, 2021, AND 2020

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. 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. The registered office address of ATN is 9^{th} Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City. ATN Holdings, Inc. has no ultimate Parent Company.

The accompanying consolidated financial statements were authorized for issue by the President on July 11, 2022.

2. Statement of Compliance and Basis of Preparation and Presentation

Statement of Compliance
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.

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, 2022, 2021 and 2020, the consolidated subsidiaries are as follows:

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

PLDI and AHCDC are companies engaged in the development of residential real estate projects.

MCPI is an out-patient ambulatory surgical center. For the year ended December 31, 2021, MCPI has not commenced its healthcare operations since shutting down in 2018 and accordingly sold a significant portion of its medical equipment during 2020. AHCDC and PLDI have likewise ceased to actively sell its remaining real estate properties. Unsold inventories of real properties were reclassified to investment properties as result of change in recognition. The Parent Company and PLDI is now focused on leasing its investment properties to third parties.

Subsidiaries are consolidated from the date when control is transferred to the ATN Group and cease to be consolidated when control is transferred out of the ATN Group.

For consolidation purposes, the financial statements of the subsidiaries with calendar period ending December 31, are consolidated in the Parent Company's financial statements as of March 31 which is allowed by the existing standard if the difference is not more than three months. Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of subsidiaries' financial statements and the date of the consolidated financial statements.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these 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, 2022, and 2021, 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, advances to related parties and deposits.

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.

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

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

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

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

Impairment of financial assets
The Group 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 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.

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

For cash in bank and deposit, the 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.

(b) Financial liabilities

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

Subsequent Measurement
Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The 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.

<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 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 observable.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the 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 contractual services, depreciation, depletion 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.

Real estate and supplies inventories are carried at lower of cost and net realizable value. Cost of real estate inventories include capitalized costs incurred for development and improvement of the properties. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

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.

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

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

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

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

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

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

Deposits
Deposits represent security deposits from 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.

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

(ii) 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.

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

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 13th month pay and the cash equivalent of not more than five (5) days of service incentive leave for employees who have rendered at least five (5) years of service and have reach the age of 60 at the time of retirement. Annually, the Group assesses the sufficiency of the recorded retirement liability. Any increase or decline thereto is adjusted in the consolidated statement of financial position.

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

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

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

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

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

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

Foreign Currency Transactions and Translations
Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (*the functional currency).* The consolidated financial statements of the Parent 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 2022
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 2022. 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 16, *Leases – COVID-19-Related Rent Concessions beyond June 30, 2021*
The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;

- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

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

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted. The Group adopted the amendments beginning April 1, 2021. As there are no rent concessions granted to the Group as a lessee, these amendments had no impact on the consolidated financial statements.

Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16 – *Interest Rate Benchmark Reform Phase 2*
The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively. These amendments had no impact on the consolidated financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to Fiscal Year 2022
The standards, amendments and interpretations which have been issued but not yet effective as at Fiscal Year 2022 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, 2022

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 are not expected to 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 are not expected to 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 are not expected to 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.

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 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.

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, 2021 and 2020. 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, 2022 and 2021, 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 P9,014,450 in 2022, P11,700,040 in 2021, and P15,694,118 in 2020.

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.

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 P2,406,390,705 million and P2,409,084,290 as of March 31, 2022 and 2021, 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, 2022 and 2021 is as follows:

	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**

	2021		
	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in associates:			
ATN Phils Solar Energy Group, Inc.	P 851,858,775	P -	P 851,858,775
Mariestad Mining Corporation	11,306,000	11,306,000	-
Due from related parties:			
ATN Phils Solar Energy Group, Inc.	27,718,636	-	27,718,636
Transpacific Broadband Group Int'l, Inc.	16,100,000	-	16,100,000
Sierra Madre Consolidated Mines	7,450,000	7,450,000	-
	P 914,433,411	P 18,756,000	P 895,677,411

6. Fair Value Measurement

<u>Financial Instruments</u>
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.

	2022		2021	
	Carrying value	**Fair value**	Carrying value	Fair value
Cash	**P 16,099,477**	**P 16,099,477**	P 11,259,058	P 11,259,058
Trade receivables	**2,808,880**	**2,808,880**	4,979,948	4,979,948
Financial asset at FVOCI	**46,235,000**	**46,235,000**	57,233,000	57,233,000
Due from related parties	**70,219,984**	**70,219,984**	43,818,636	43,818,636
Other financial liabilities				
Accounts payable and accrued expenses	**4,766,937**	**4,766,937**	4,470,400	4,470,400
Short-term loans payable	**47,000,000**	**47,000,000**	50,000,000	50,000,000
Deposits	**19,704,472**	**19,704,472**	21,382,129	21,382,129
Due to related parties	**837,567,210**	**837,567,210**	803,095,213	803,095,213

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 of 6%.

- *Deposits* - The fair value of deposits approximates the carrying value as at year end.

<u>*Fair value hierarchy*</u>
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, 2022 and 2021:

	2022			2021		
	Fair value hierarchy			Fair value hierarchy		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Cash in bank	**P -**	**P 16,099,477**	**P -**	P -	P 11,259,058	P -
Trade receivables	**-**	**2,808,880**	**-**	-	4,979,948	-
Financial assets at fair value through OCI	**46,235,000**	**-**	**-**	1,333,000	55,900,000	-
Due from related parties	**-**	**70,219,984**	**-**	-	43,818,636	-
	P 46,235,000	**P 89,128,341**	**P -**	P 1,333,000	P 115,957,642	P -
Liabilties						
Accounts payable and accrued expenses	**P -**	**P 4,766,937**	**P -**	P -	P 4,470,400	P -
Short-term loans payable	**-**	**47,000,000**	**-**	-	50,000,000	-
Deposits	**-**	**19,704,472**	**-**	-	21,382,129	-
Due to related parties	**-**	**837,567,210**	**-**	-	803,095,213	-
	P -	**P 909,038,619**	**P -**	P -	P 878,947,742	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.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Group is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Group manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; c) be able to access funding when needed at the least possible cost, and d) maintain an adequate time spread of financial maturities.

The table below summarizes the maturity profile of the Group's financial liabilities at March 31, 2022 and 2021 based on contractual undiscounted payments:

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**

2021	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 4,470,400	P -	P -	P -	P -	P 4,470,400
Short-term loans payable	-	-	-	50,000,000	-	50,000,000
Deposits	-	-	-	-	21,382,129	21,382,129
Due to related parties	-	-	-	-	803,095,213	803,095,213
	P 4,470,400	P -	P -	P 50,000,000	P 824,477,342	P 878,947,742

Credit Risk

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

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

The table below shows the gross maximum exposure to credit risk of the Group as of March 31, 2022 and 2021. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	2022	2021
Cash	**P 16,099,477**	P 11,259,058
Trade receivables	**2,808,880**	4,979,948
Financial asset at fair value through OCI	**46,235,000**	57,233,000
Due from related parties	**77,669,984**	51,268,636
	P 142,813,341	P 124,740,642

The credit quality of the Group's assets as of March 31, 2022 and 2021 is as follows:

2022	Neither past due nor impaired - High grade	Neither past due nor impaired - Standard grade	Past due but not impaired	Past due and impaired	Total
Cash	**P 16,099,477**	**P -**	**P -**	**P -**	**P 16,099,477**
Trade receivable	**-**	**2,808,880**	**-**	**-**	**2,808,880**
Financial asset at fair value - OCI	**-**	**46,235,000**	**-**	**-**	**46,235,000**
Due from related parties	**-**	**-**	**70,219,984**	**7,450,000**	**77,669,984**
	P 16,099,477	**P 49,043,880**	**P70,219,984**	**P 7,450,000**	**P 142,813,341**

2021	Neither past due nor impaired - High grade	Neither past due nor impaired - Standard grade	Past due but not impaired	Past due and impaired	Total
Cash	P 11,259,058	P -	P -	P -	P 11,259,058
Trade receivable	-	4,979,948	-	-	4,979,948
Financial asset at fair value - OCI	-	57,233,000	-	-	57,233,000
Due from related parties	-	-	43,818,636	7,450,000	51,268,636
	P 11,259,058	P 62,212,948	P43,818,636	P 7,450,000	P 124,740,642

High grade cash accounts are deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Market Risk

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

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

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

Price Risk

The Group's price risk exposure at year-end relates to financial asset whose value fluctuates as a result of changes in market price, principally, Investment in financial assets at FVOCI. Before taking into account the effect of taxes, equity as of March 31, 2022 and 2021 would either decrease or increase by P4.6 million and P5.7, respectively, had the variable changed by 10%. The impact on the Group's equity excludes the impact of transactions affecting profit or loss since financial instrument carried at fair value are classified as Investment in financial asset 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:

		2022		2021
Equity	**P**	**2,137,165,166**	P	2,143,209,820
Total assets		**3,757,981,520**		3,737,114,412
Ratio		**0.57**		0.57

8. Cash in banks

Cash in banks generally earns interest based on prevailing bank deposit rates. Cash in banks amounted to P16,099,477 and P11,259,058 as of March 31, 2022 and 2021, respectively.

Interest earned from these deposits amounted to P15,212, P25,199 and P9,976 for the fiscal years ended March 31, 2022, 2021 and 2020, respectively.

9. Trade receivables

Trade receivables represent receivable from sale of aggregates and rental of properties amounting to P2,808,880 and P4,979,948 as at March 31, 2022 and 2021, respectively. These are non-interest bearing and are generally collectible within twelve (12) months.

10. Inventories

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

		2022		2021
Stockpile inventory	**P**	**5,844,042**	P	-
Real estate inventory		**-**		7,643,590
Unused production supplies		**-**		389,712
	P	**5,844,042**	P	8,033,302

As of March 31, 2022 inventories are carried at cost which approximates its net realizable value.

As discussed in Note 2, the Group has ceased to actively sell its real estate properties. Unsold inventories of real properties amounting to P7.6 million were reclassified to investment properties as a result of change in recognition. The Group is now focused on leasing its investment properties to third parties.

11. Other Current Assets

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

		2022		2021
Input taxes - net of allowance				
for impairment loss of P90,669 in 2022 and 2021	**P**	**525,093**	P	1,083,227
Deposits		**1,633,362**		1,541,767
Prepaid taxes		**6,610,404**		6,198,720
	P	**8,768,859**	P	8,823,714

- 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, 2022 and 2021, 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 132,100,000 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:

	2022	2021
Balance at the beginning of fiscal year	**P 57,233,000**	P 21,296,000
Changes in fair value	**(10,998,000)**	35,937,000
Balance at the end of fiscal year	**P 46,235,000**	P 57,233,000

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 – net of tax".

13. Investments in Associates - net

This account consists of the following:

	2022	2021	2019
Cost			
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P 865,080,120**	P 865,080,120	P 331,425,000
Mariestad Mining Corporation (MMC)	**11,306,000**	11,306,000	11,306,000
	876,386,120	876,386,120	342,731,000
Equity in net losses (ATN Solar)			
Beginning	**(13,221,345)**	(12,865,287)	(8,244,798)
Income (Loss) during the year	**88,519**	(356,058)	(3,627,846)
Ending	**(13,132,826)**	(13,221,345)	(11,872,644)
Total	**863,253,294**	863,164,775	689,513,476
Allowance for impairment losses	**(11,306,000)**	(11,306,000)	(11,306,000)
	P 851,947,294	P 851,858,775	P 678,207,476

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.

As of February 10 2022, 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 ATN Holdings, 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 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.

On May 20, 2020, the Company was granted the Mineral Processing Permit and Permit to Dispose rock aggregates. Revenue generated by the Group from sale of these aggregates amounted to P25.6 million and P6.8 million for the fiscal years ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, 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,	
	2021	2020
Current assets	**P 13,436,018**	P 20,874,619
Non-current assets	**1,822,156,259**	1,791,339,263
Current liabilities	**48,281,037**	70,065,587
Non-current liabilities	**1,117,680,108**	1,069,479,810
Equity	**P 669,631,132**	P 672,668,485

Other financial information:

	2021	2020
Carrying value of investment in ATN Solar	**P 851,947,294**	P 851,858,775
Net income (loss)	**181,391**	(729,628)
Group's share in net income (loss)	**88,519**	(356,058)

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 million 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 is as follows:

		2022		2021
Land	P	**15,810,000**	P	8,166,410
Condominium units		**284,554,278**		284,554,278
Parking lots		**26,350,000**		26,350,000
Townhouses		**22,953,001**		22,953,001
	P	**349,667,279**	P	342,023,689

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

		2022		2021
Balance at the beginning of the year	P	**342,023,689**	P	2,673,343,345
Additions arising from:				
Land improvements		**-**		7,623,950
Reclassifications:				
from Real estate inventories (see Note 10)		**7,643,590**		-
to Property and equipment		**-**		(2,358,943,606)
from Non-current asset held for sale		**-**		20,000,000
	P	**349,667,279**	P	342,023,689

Rental income on investment properties amounted to P9,014,450 in 2022, P11,700,040 in 2021 and P15,694,118 in 2020. Direct operating cost incurred on these properties amounted to P1,028,870 in 2022, P1,003,687 in 2021 and P1,096,314 in 2020.

Certain investment properties were mortgaged to the bank to secure the Group's financing requirements. (see Note 17).

15. Property and Equipment

Property and equipment consists of:

2022	Land and mine site improvements (see Note 14)		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

2021	Land and mine site improvements (see Note 14)	Machineries and equipment	Office furniture and improvements	Transportation equipment	Right-of-use assets	Total
Costs						
At April 1, 2020	P -	P -	P 6,331,055	P 2,641,072	P 5,238,392	P 14,210,519
Addition	-	47,025,758	-	-	-	47,025,758
Reclassification	2,358,943,606	-	-	-	-	2,358,943,606
At March 31, 2021	2,358,943,606	47,025,758	6,331,055	2,641,072	5,238,392	2,420,179,883
Accumulated depreciation and impairment loss						
At April 1, 2020	-	-	6,089,954	2,287,536	1,122,024	9,499,514
Provisions for depreciation and depletion	13,421	470,258	35,801	353,536	723,063	1,596,079
At March 31, 2021	13,421	470,258	6,125,755	2,641,072	1,845,087	11,095,593
Carrying value						
At March 31, 2021	P 2,358,930,185	P 46,555,500	P 205,300	P -	P 3,393,305	P 2,409,084,290

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. Stripping cost is included as part of Land and mine site improvements totaling P85.3 million in 2021.

Machineries and equipment represent the purchase price including freight and insurance charges for the acquisition of stone and hydraulic cone crusher totaling P47 million. This machinery is used for the production of rock aggregates.

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

	2022	2021
Administrative expenses	**P 758,869**	P 1,112,400
Direct costs	**1,934,716**	483,679
	P 2,693,585	P 1,596,079

16. Accounts Payable and Accrued Expenses

This account consists of the following:

	2022	2021
Capital gains tax payable	**P 2,985,000**	P 2,985,000
Trade payable	**1,599,996**	1,328,903
Taxes payable	**181,941**	156,497
	P 4,766,937	P 4,470,400

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.

17. Short-term Loans Payable

The Parent company has an omnibus line with China Banking Corporation (CBC) for a maximum amount of P50 million. Short-term loans are availed for working capital requirements. The loan is subject to an interest rate of 4.25% payable monthly and is collateralized by a condominium unit in Summit One Tower.

PLDI has an existing combined peso credit line of up to P44 million with CBC. As March 31, 2020, PLDI have availed a total of P34 million. These loans carry interest rate of 4.25%. The loan is collateralized by a real estate mortgage covering PLDI's investment properties. Proceeds of loan were used for working capital requirements.

The PLDI loan was paid in full on April 17, 2020.

As of March 31, 2022 and 2021, the balance of the Parent company's loan amounted to P47 million and P50 million, respectively.

Interest expense related to this loan amounted to P2,220,283, P3,539,070 and P4,382,168 for the fiscal years ended March 31, 2022, 2021 and 2020, respectively.

18. 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, 2022 and 2021, deposits on operating leases amounted to P19,704,472 and P21,382,129, respectively.

19. Equity

Share capital
Component of share capital is as follows:

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

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

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

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

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

During the annual stockholders meeting held on November 14, 2019, the stockholders approved the increase in authorized capital from 12 billion shares to 24 billion shares both with par value of P0.10. The required subscription will be satisfied through conversion of advances from stockholders at a pre-determined subscription price. As of July 11, 2022 the application for increase in capital is due for filling with the Securities and Exchange Commission.

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

		2022		2021		2020
Balance at beginning of year	**P**	**32,617,516**	P	(3,103,862)	P	(1,454,817)
Changes in fair value - net of deferred tax		**(8,622,577)**		35,721,378		(1,649,045)
Balance at the end of year	**P**	**23,994,939**	P	32,617,516	P	(3,103,862)

20. Cost of Sales and Services

The breakdown of this account is as follows:

		2022		2021		2020
Cost of aggregates sold	**P**	**19,673,048**	P	6,377,922	P	-
Direct costs on real estate leasing (see Note 14)		**1,028,870**		1,003,687		1,096,314
Depreciation and depletion (see Note 15)		**1,934,716**		483,679		-
	P	**22,636,634**	P	7,865,288	P	1,096,314

The details of cost of aggregates sold are as follows:

		2022		2021		2020
Inventory, beginning	**P**	**-**	P	-	P	-
Add: Cost of production		**25,517,090**		6,377,922		-
Less: Inventory, ending		**(5,844,042)**		-		-
	P	**19,673,048**	P	6,377,922	P	-

21. Administrative Expenses

The breakdown of this account is as follows:

		2022		2021		2020
Communication and association dues	**P**	**2,043,978**	P	2,322,873	P	1,814,730
Professional fees		**1,534,000**		1,070,607		878,317
Salaries and employee benefits (see Note 22)		**1,070,574**		1,387,236		1,844,255
Depreciation (see Note 15)		**758,869**		1,112,400		4,642,450
Representation and entertainment		**533,679**		483,220		334,059
Rent		**425,133**		425,133		408,263
Transportation and travel		**388,569**		316,204		411,060
Security and janitorial services		**284,352**		628,155		241,500
Office supplies and printing		**281,245**		176,972		194,741
Taxes and licenses		**211,600**		257,567		629,963
Repairs and maintenance		**98,013**		109,710		-
Insurance		**75,530**		153,299		221,405
Miscellaneous		**55,534**		41,269		276,219
	P	**7,761,076**	P	8,484,645	P	11,896,962

Pursuant to a *Teaming Agreement* executed in January 2013, a 75%-25% cost sharing of cost/expenses related to technical operations was implemented. All other cost including, but not limited to salaries and utilities shall be borne solely by Palladian Land Development, Inc.

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

22. Salary and Employee Benefits

This account consists of the following:

		2022		2021		2020
Salaries and wages	**P**	**1,070,574**	P	1,331,214	P	1,710,601
Provisions for retirement		**-**		56,022		133,654
	P	**1,070,574**	P	1,387,236	P	1,844,255

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:

		2022		2021		2020
Balance at the beginning of the year	**P**	**844,950**	P	788,928	P	655,274
Provisions during the year		**-**		56,022		133,654
Reversal of pension liability		**(431,605)**		-		-
	P	**413,345**	P	844,950	P	788,928

23. 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, 2022, 2021 and 2020 amounted to P9,014,450, P11,700,040 and 15,694,118, 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 P1,028,870 in 2022, P1,003,687 in 2021 and P1,096,314 in 2020.

Group as a Lessee
On August 10, 2018, the Group availed of the auto loan facility of a local bank amounting to P3.05 million payable in 36 months subject to interest rate of 9.92%. The loan is collateralized by a chattel mortgage on transportation equipment acquired. As of March 31, 2022 and 2021, the loan has an outstanding balance of nil and P748,070, respectively.

For the fiscal years ended March 31, 2022, 2021 and 2020, interest expense related to this loan amounted to P24,618, P114,964 and P201,680, respectively.

24. Related Party Transactions

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

		Transactions during the year		Outstanding balance		
Category	Year	Due from (Collections)	Due to (Settlement)	**Due from related parties**	**Due to related parties**	*Terms and conditions*
Associate						
ATN Solar						
Cash advances	**2022**	**P 26,401,348**	**P -**	**P 54,119,984**	**P -**	*Demandable; Non-interest*
	2021	23,923,805	-	27,718,636	-	*bearing; Unsecured;*
	2020	3,794,831	(34,383,059)	3,794,831	-	*Payable in cash*
Companies under common control						
Transpacific Broadband Group Int'l, Inc. (TBGI)						
Cash advances	**2022**	**-**	**(634,237)**	**16,100,000**	**-**	*Demandable; Non-interest*
	2021	3,000,000	(1,071,573)	16,100,000	634,237	*bearing; Unsecured;*
	2020	13,100,000	605,146	13,100,000	1,705,810	*Payable in cash*
Sierra Madre Consolidated Mines (SMCM)						
Cash advances	**2022**	**-**	**-**	**7,450,000**	**-**	*Demandable; Non-interest*
	2021	-	-	7,450,000	-	*bearing; Unsecured;*
	2020	-	-	7,450,000	-	*Payable in cash*
Unipage Management, Inc. (UMI)						
Cash advances	**2022**	**-**	**33,698,856**	**-**	**270,493,453**	*Demandable; Non-interest*
	2021	-	55,949,072	-	236,794,597	*bearing; Unsecured;*
	2020	-	180,845,525	-	180,845,525	*Payable in cash*
Stockholders						
Cash advances	**2022**	**-**	**1,407,378**	**-**	**567,073,757**	*Demandable; Non-interest*
	2021	(2,560,667)	55,301,643	-	565,666,379	*bearing; Unsecured;*
	2020	2,560,667	52,224,665	2,560,667	510,364,736	*Payable in cash*
	2022			**P 77,669,984**	**P 837,567,210**	
	2021			P 51,268,636	P 803,095,213	
	2020			P 26,905,498	P 692,916,071	

As of March 31, 2022, 2021 and 2020, the net carrying values of these advances are as follows:

	2022	2021	2020
Due from related parties	**P 77,669,984**	P 51,268,636	P 26,905,498
Less: Allowance for impairment losses	**(7,450,000)**	P (7,450,000)	(7,450,000)
	70,219,984	43,818,636	19,455,498
			-
Due to related parties	**P 837,567,210**	P 803,095,213	P 692,916,071

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 the pre-operations and other expenses of ATN Solar.

2. The Group and TBGI are parties to a Teaming Agreement executed in January 2013. Pursuant thereto, sharing of cost and expenses incurred within Summit One Condominium. Expenses related to technical operations is to be advanced by either of the parties and to be reimbursed from the other parties proportionately or by actual usage as the case maybe.

3. 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.

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

	Due (to) from subsidiaries		
	2022	2021	2020
Palladian Land Development, Inc.	**P 28,919,160**	P 30,386,720	P (2,088,738)
Managed Care Philippines, Inc.	**8,642,328**	8,542,328	8,342,328
Advanced Home Concept Development Corporation	**10,768,677**	10,768,677	10,768,677
	P 48,330,165	P 49,697,725	P 17,022,267

5. The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2022, 2021 and 2020.

6. There were no provisions for ECL during 2022, 2021 and 2020 covering Advances to related parties.

25. Income Taxes

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

	2022	2021	2020
Current	**P 326,925**	P 26,476	P 867
Deferred	**(318,496)**	(1,333,584)	1,314,668
	P 8,429	P (1,307,108)	P 1,315,535

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

	2022	2021	2020
Statutory income tax	**P 646,588**	P (1,351,724)	P (1,548,525)
Tax effect of:			
Reduced tax rate	**(1,435,917)**	-	-
Non-deductible expenses	**303**	374	1,385,492
Unrecognized deferred income tax	**1,860,769**	50,564	1,481,561
Utilized NOLCO	**(1,059,510)**	-	-
Income subject to final tax	**(3,804)**	(6,322)	(2,993)
Actual provision for income tax	**P 8,429**	P (1,307,108)	P 1,315,535

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

	2022	2021	2020
Unrealized gain on fair value adjustment of investment properties	**P 711,467,726**	P 712,945,891	P 712,945,891
Unrealized gain on financial assets - FVOCI	**-**	671,426	2,179,709
Retirement liability	**(103,336)**	(253,487)	(236,680)
	P 711,364,390	P 713,363,830	P 714,888,920

The Group did not recognize any deferred tax assets as at March 31, 2022 and 2021 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.

	2022	2021
Impairment losses	**P 4,510,167**	P 5,507,996
Net Operating Loss Carry Over (NOLCO)	**4,531,325**	6,570,798
Minimum Corporate Income Tax (MCIT)	**202,449**	124,826
	P 9,243,941	P 12,203,620

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
2022	P 329,690	P -	P -	P 329,690	2025
2021	10,315,029	(969,165)	-	9,345,864	2026
2020	10,612,883	(2,163,137)	-	8,449,746	2023
2019	5,355,278	(1,105,737)	(4,249,541)	-	2022
	P 26,612,880	P (4,238,039)	P (4,249,541)	P 18,125,300	

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	-	-	40,963	2023
2019	5,378	-	(5,378)	-	2022
	P 207,827	P -	P (5,378)	P 202,449	

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.

26. Earnings (Loss) per Share

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

	2022	2021	2020
Earnings (Loss) (A)	**P 2,577,923**	P (3,958,479)	P (6,477,286)
Divided by:			
Weighted Average Shares (B)	**4,500,000,000**	4,500,000,000	4,500,000,000
Earnings (Loss) per share (A/B)	**P 0.00057**	P (0.00088)	P (0.00144)

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

27. 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, 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	2,410,465,633	965,332,730	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

	As of March 31, 2020		
	Real estate leasing	Non-segment items	Total
Revenues	P 15,694,118	P 1,213,898	P 16,908,016
Cost and Expenses	2,189,182	11,738,135	13,927,317
Segment results	13,504,936	(10,524,237)	2,980,699
Reportable segment assets	2,819,380,560	892,966,331	3,712,346,891
Reportable segment liabilities	35,251,312	1,565,648,659	1,600,899,971
Non-cash expenses			
Depreciation	-	4,642,450	4,642,450
Impairment losses	3,500,000	-	3,500,000

28. Other Matters

Effects of COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the increasing number of COVID-19 cases worldwide. This was followed by the issuance of Presidential Proclamation Order No. 929 declaring a State of Calamity in the Country from the COVID-1 outbreak.

Different quarantine classifications were imposed nationwide which resulted to disruptions in business and economic activities and their impact on business continue to evolve. Internally, the Group continues to adapt to these including implementation of the following:

- Work-from-home arrangement for certain office personnel;
- Online meetings and discussions with officers and employees;
- Use of mobile banking and online platforms for certain financial transactions;

Considering the evolving nature of this outbreak, the Group continues to monitor the situation and will take further actions as necessary and appropriate in response to these economic disruptions and other consequences.

Final Mine Rehabilitation and Decommissioning Fund (FMRDF)
As provided for in FMDF, 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.

Intangible asset
The Group previously owns a web-based portal development of a subsidiary for the marketing of its medical services to local and international clients. The portal enables its subsidiary to attract prospective patients availing different medical services. Following the cessation of business operation of the subsidiary, a provision for impairment loss was provided in 2020 amounting to P3.5 million. The net book value was brought down to nil as of March 31, 2020.

Non-current assets held for sale
In 2019, the Company entered into a contract to sell for the sale of investment properties located in Pampanga, previously classified as Investment property with carrying value of P79.2 million, net of impairment losses of P3,405,143. The contract price is payable over the period of 9 months.

Consistent with the reclassification from investment property to Non-current asset held for sale, the related liability therefrom was credited to Liability portion of the Non-current asset held for sale amounting to P31.6 million in 2020. This liability pertains to the advance payment of the buyer in accordance with the sale agreement. The sale was completed in 2021.

Supplemental disclosure to statement of cash flows
Details of the movement in cash flows from financing activities for the years ended December 31, 2021 and 2020 are as follows:

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**

2021	Beginning	Net cash flows	Others	End
Due to related parties	P 692,916,071	P 110,179,142	P -	P 803,095,213
Short-term loans payable	85,792,138	(35,044,068)	-	50,748,070
Interest payable	-	(3,654,034)	3,654,034	-
	P 778,708,209	P 71,481,040	P 3,654,034	P 853,843,283

Others represent periodic recognition of interest expense on short term loans.

ATN HOLDINGS, INC. AND SUBSIDIARIES
Index to the Consolidated Financial Statements and Supplementary Schedules
Under Revised Securities Regualtion Code Rule 68
March 31, 2022

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

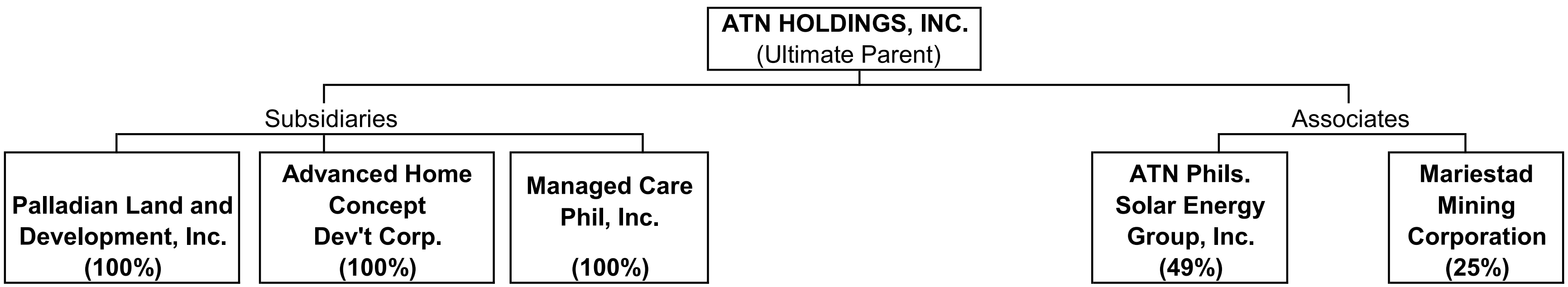
Key Performance Indicators	Formula	For the Fiscal Year Ended March 31	
		2022	**2021**
A. Current/Liquidity Ratio			
Current Ratio	Current Assets / Current Liabilities	**0.648:1**	0.599:1
Quick Ratio	Current Assets - Inventory - Other Current Assets / Current Liabilities	**0.365:1**	0.294:1
B. Solvency Ratio/Debt-to-Equity Ratio			
Solvency Ratio	Net Income Before Depreciation and Amortization / Total Liabilities	**0.003:1**	(0.001):1
Debt-to-Equity Ratio	Total Liabilities / Total Equity	**0.758:1**	0.744:1
C. Asset to Equity Ratio			
Asset-to-Equity Ratio	Total Assets / Total Equity	**1.758:1**	1.744:1
D. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	Profit (Loss) Before Tax Add: Depreciation, Depletion and Amortization Interest Expense Less: Interest Income	**P 7,509,626**	P (40,673)
E. Profitabilty Ratios			
Profit Before Tax Margin Ratio	Profit (Loss) Before Tax / Total Revenue	**7.34%**	(28.32%)
Return on Assets	Net Income (Loss) / Average Total Assets	**0.069%)**	(0.106%)
Return on Equity	Net Income (Loss) / Average Total Equity	**0.120%**	(0.186%)

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule II - Parent Company's Reconciliation of Retained Earnings Available for Dividend Declaration
March 31, 2022

Balance at beginning of year		P 45,752,427
Adjustment on beginning balance		-
		45,752,427
Income during the period closed to retained earnings	29,483,664	
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		29,483,664
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 16,268,763

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, 2022



ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule A - Financial assets
March 31, 2022

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.		-		851,947,294		88,519		-
Less: Allowance for impairment loss (MMC)		-		(11,306,000)		-		-
	P	-	P	851,947,294	P	88,519	P	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI								
Transpacific Broadband Group International, Inc.	P	132,100,000	P	46,235,000	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, 2022

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
Sierra Madre Consolidated Mines	P 7,450,000	P -	P -	P -	P (7,450,000)	P -	P -	P -
ATN Philippines Solar Energy Group, Inc.	27,718,636	26,401,348	-	-	-	-	54,119,984	54,119,984
Transpacific Broadband Group Int'l Inc.	16,100,000	-	-	-	-	-	16,100,000	16,100,000
	P 51,268,636	P 26,401,348	P -	P -	P (7,450,000)	P -	P 70,219,984	P 70,219,984

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
March 31, 2022

Related Party		Balance at beginning of period		Net Transactions		Balance at end of period
Palladian Land and Development, Inc.	P	30,386,720	P	(1,467,560)	P	28,919,160
Advanced Home Concept Development Corporation		10,768,677		-		10,768,677
Managed Care Philippines, Inc.		8,542,328		(100,000)		8,642,328
Total	P	49,697,725	P	(1,567,560)	P	48,330,165

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule E - Indebtedness to Related Parties
March 31, 2022

Realted Party	Balance at beginning of period	Payment	Addition	Balance at end of period
Transpacific Broadband				
Group International, Inc.	P 634,237	P 634,237	P -	P -
Unipage Management Corp.	236,794,597	-	33,698,856	270,493,453
Stockholder	565,666,379	-	1,407,378	567,073,757
Total	P 803,095,213	P 634,237	P 35,106,234	P 837,567,210

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule G - Capital Stock
March 31, 2022

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	3,700,000,000	-	-	2,780,240,367	-
Class B	2,800,000,000	800,000,000	-	-	1,001,000	-
Preferred shares	5,000,000,000	-	-	-	-	-
	12,000,000,000	4,500,000,000	-	-	2,781,241,367	-