



PORTS FOR PROGRESS



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Our Principles



Our Purpose

We make trade flow
and change
what's possible
for everyone.

Vision

We aim to be the
Philippines' premier
ports and logistics
investor, developer
and operator.



Chairman's Message



As a trade enabler and industry trailblazer, we take pride in powering economic progress by ensuring supply chain efficiency through ATI's strategic port and logistics assets. Our discipline, foresight, and prudence put us on a solid footing to continue upgrading our ports, expand our portfolio, and deliver sustainable value to our communities.

Asian Terminals delivered another sterling performance in 2024, as we made trade flow, reshaped possibilities, and opened new opportunities for the Philippine supply chain—despite continued challenges and uncertainties in both local and global markets.

Anchored on our enduring culture of resilience and innovation, we actively contributed to the country's growth momentum. The Philippines closed the year with a solid 5.6% GDP growth, among the strongest in the region. As a trade enabler and industry trailblazer, we take pride in powering economic progress by ensuring supply chain efficiency through ATI's strategic port and logistics assets.

In line with this, 2024 also marked the unveiling of our two landmark developments for the benefit of our port users. First, the expanded Batangas Passenger Terminal — now the country's biggest, busiest, and most



modern domestic travel hub; and second, the Tanza Container Barge Terminal — our bespoke facility strategically positioned to serve the Cavite growth corridor with faster and smarter trade solutions.

At a consolidated level, our ports in Manila and Batangas handled nearly 1.6 million TEUs (twenty-foot equivalent units), reflecting a 4.1% growth from 2023 and bringing us ever closer to pre-pandemic performance.

In the non-containerized segment, the Batangas Port served over 2.7 million outbound travelers, around 550,000 domestic vehicles, and nearly 200,000 completely built car units, effectively connecting Luzon to the rest of the nation.

Indeed, our agility, tenacity, and ingenuity as a ports and terminals business stood out last year, underpinning our journey of growth, transformation, and resiliency.

Fueled by our strong operational performance, I am pleased to report that our total revenues reached Php16.5 billion, up 7.1% from Php15.4 billion in 2023. We concluded the year with a net income of Php4.5 billion, modestly higher than the Php4.44 billion posted the previous year.

Year-on-year, we have consistently demonstrated a stronger balance sheet and healthy cash flows, anchored on operational discipline, strategic foresight, and prudent decision-making. This places us on a solid footing to continue upgrading our ports, expanding our portfolio, and delivering sustainable

value to our shareholders and communities.

Looking ahead, our capital investment program for 2025 remains in full swing, with a minimum allocation of Php4.2 billion. This will fund further terminal expansions, the acquisition of green equipment and technologies to reduce our carbon footprint, and our foray into innovative supply chain solutions—leveraged on our modern ports infrastructure.

As we chart our path forward, we remain guided by resilience, innovation, and commitment to excellence — the same values that have driven our success. These will remain our compass as we navigate future challenges and respond to evolving market demands.

In closing, I extend my deepest appreciation to my fellow members of the Board, our shareholders, government and industry partners, our valued customers, and the entire ATI team. Your unwavering support and contribution made 2024 another banner year.

Together, let us build on our success and shape a more progressive, connected, sustainable, and resilient future for Philippine trade.

GLEN C. HILTON
Chairman of the Board

President's Review of Business Activities



Our capability to facilitate faster and smarter trade alongside our capacity to handle growing cargo volume are anchored on our continuing modernization programs. I am very pleased to note that our future-proofing initiatives behind our multi-billion-peso investment, in line with our commitment with government, made significant strides, helping us achieve solid results.

It is my honor to report that Asian Terminals sustained its growth momentum in 2024 as we kept Philippine trade flowing and growing in support of the growth and resilience of our nation.

Guided by our mission and vision for progressive ports infrastructure, we delivered faster, safer, and smarter trade solutions through our expanding facilities in Manila, Batangas, Laguna, and Cavite. Altogether, our modern trade engines facilitated the seamless movement of goods, supported industries, created jobs, and connected communities in step with the Philippines' sustained expansion as one of the strongest economies in the region.

Reflective of such growth, our facilities collectively handled around 1.59 million TEUs (twenty-foot equivalent units) of containerized cargoes for a 4.1% year-on-year growth. Of these, Manila South Harbor handled nearly 1.3 million TEUs, while Batangas Port moved close to 300,000 TEUs. This brought our consolidated volume almost on par with our 1.6 million-TEU pre-pandemic record. Our strong operational performance translated to revenues of Php16.5 billion and a net income of Php4.5 billion, reflecting modest growth compared to 2023 figures.

Our capability to facilitate faster and smarter trade alongside our capacity to handle growing cargo volume are anchored on our continuing modernization programs. I am very pleased to note that our future-proofing initiatives behind our multi-billion-peso investment, in line with our commitment with government, made significant strides, helping us achieve solid results.

In our flagship terminal, the expansion of Manila South Harbor Pier 3 neared its full completion, bannered by bigger and deeper berths and deployment of two brand new modern quay cranes. Our operational upgrades at the quayside were complemented by our landside expansion, paving the way for over 25% increase in our annual throughput capacity. Over in Batangas, we proudly unveiled the revitalized Batangas Passenger Terminal – the country’s biggest, busiest, and most-modern interisland transport facility – with no less than His Excellency Philippine President Ferdinand R. Marcos Jr. alongside local stakeholders and international partners leading the inaugural event.

Equally important, our standing as an innovative trade enabler was highlighted during the year as we launched our bespoke international container barge terminal in Tanza, Cavite. Our newest terminal provides a direct cargo link between Manila South Harbor and Cavite’s industries via barge, delivering greater value to customers as we optimize domestic seaways as economic superhighways, while also reducing road congestion and carbon emissions.

Meanwhile, for our non-containerized segments, Manila South Harbor actively supported the country’s tourism industry, welcoming international cruise liners which brought in 32,000 foreign visitors into the Philippines. Car importations via Batangas Port – the preferred gateway for international rolling cargoes – also remained robust, facilitating the delivery of nearly 200,000 car units given the strong demand for conventional and electrified variants. Batangas Port also facilitated the transit of over 2.7 million outbound interisland passengers.

Alongside our significant accomplishments, our focus on safety, diversity, technology, and sustainability remained pivotal. Our safety performance continuously improved, reflecting our commitment to stakeholders’ wellness and wellbeing. During the year, we joined our global colleagues in celebrating Global Safety Day as we highlighted the importance of keeping our people, customers, and stakeholders safe for the sake of their families.

Our people also remained at the core of our mission. We advanced our inclusion and diversity agenda as we welcomed more women into frontlines, sustained the development of our talent pool through local and global training programs, and reinforced our strong industrial relations with the successful conclusion of collective bargaining agreements with our unions. All

these were contributory to ATI earning its badge as a Great Place to Work.

Technology and digital transformation continued to accelerate throughout the year as we launched new systems and improved existing platforms to make operations more market-responsive and port transactions more customer-centric. ATI’s pioneering IT infrastructure contributed to enhancing efficiency, transparency, and resiliency across our industry.

Our sustainability programs also advanced in step with our business growth. We enhanced our environmental footprint as we continued to use renewable energy across our operations, accelerated our transition towards green equipment, and built on our resource conservation and ecology protection initiatives. Our commitment to our communities was also without relent. In partnership with DP World Foundation and local non-profit organizations, we extended humanitarian aid in response to natural calamities. Education remained our largest community investment as we supported more scholars and rolled out engagement and volunteering programs with our neighboring academic institutions.

Indeed, ATI delivered another year of solid overall performance behind our operational expertise, fiscal discipline, and focus on long-term strategies. These accomplishments were made possible through the dedication of our people, the trust and confidence of our customers, and the strong collaboration with our port authorities and stakeholders. We take inspiration from these achievements, as we strive to deliver even better results for our customers, our industry partners, and shareholders.

As a trade enabler, ATI remains steadfast in investing in and operating bigger, faster, and smarter ports and logistics infrastructure as engines of progress for the Philippines. In the years to come, we look forward to building more resilient, comprehensive and competitive supply chains, leveraged on our modern and integrated trade assets, as we continue changing what’s possible for the industries, economies, and communities we serve.



EUSEBIO H. TANCO
President & Director

Operational Highlights



Our safe and efficient operations are consistently anchored on world-class port infrastructure, state-of-the-art equipment, industry-leading operational framework, and game-changing digital solutions for our customers. Throughout the year, we sustained our capital outlay across these fronts, enabling us to deliver comprehensive and competitive services from the ports to factory doors.

CONNECTING ECONOMIES



Whether in Manila, Batangas or Laguna, our world-class ports and inland logistics terminals facilitate the seamless flow of containers, bringing precious cargoes from ports to major industrial and consumer touchpoints. Working in synergy, our integrated facilities serve as strategic drivers for the Philippine economy.

SUPPORTING INDUSTRIES



Our international roll-on/roll-off operation in Batangas is the best and biggest in the country, complemented by spacious storage infrastructure to secure precious rolling cargoes. With direct local connectivity, car importers and distributors can reach domestic markets more efficiently, reliably, and cost-effectively.

OPTIMIZING OPPORTUNITIES



Our track record and experience in handling non-containerized and unconventional cargoes remain the industry benchmark. Bringing this specialized cargo handling expertise to key markets ensure support for power generation, transportation, construction, major industries, and other vital economic drivers.

BRIDGING COMMUNITIES



Our world-class Batangas Passenger Terminal, the most modern in its class, has elevated passenger experience to a whole new level. Equipped with fully air-conditioned lounges, restaurants, and modern amenities, it takes pride in bridging island communities while delivering the ultimate comfort and convenience for passengers.

MSH International Container Terminal

Port Modernization for a Progressive Nation



Manila South Harbor's (MSH) International Container Terminal, the flagship ports and logistics hub of ATI, serves as the premier international gateway to the Philippines – one of the strongest and most dynamic economies in the Asia Pacific region. By combining modern infrastructure and leading technologies with proven industry experience, MSH facilitates faster and smarter trade in support of various industries. Cognizant of its important role, ATI sustained the transformation of MSH in 2024, keeping it in step with growing customer demand, responding to shifting market trends, and preparing for the future, in line with its long-term commitment with the port authority.



NEARLY
1.3M

TEUS
HANDLED IN
2024

AROUND
8%

INCREASE
IN TEUS
HANDLED

BERTH EXTENSION

At the heart of MSH's modernization program is the Pier 3 extension project which continued to take full shape during the period. Approaching its full completion, the length of the pier was successfully extended to over 600-meters, mirroring the length of its adjacent Pier 5 and essentially doubling its berthing capacity. Its extended berth was designed for five-lane truck operations, positioning Pier 3 as a rapid berth for faster container cycles and quicker vessel and truck turnaround time. Apart from the berth extension, dredging activities were also conducted to maintain MSH's draft to ~13 meters, enabling the terminal to handle more and bigger ships deployed by its international shipping line partners.

Following the berth's extension, two brand new Ship-to-Shore (STS) cranes – among the biggest and most advanced equipment in the country – were set to arrive early 2025. By then, STS cranes in Pier 3 would have reached five units, complementing the 6 units in Pier 5, and bringing MSH's total fleet to 11.

CAPACITY EXPANSION

Key landside developments also gained significant traction during the period. The remaining portions of the Engineering Island Basin yard at the northern-most side of MSH were completely paved while finishing touches of Container Yard 02 at the terminal's southern-most end was executed to support the growing trade volume. These initiatives created additional backup container spaces for

20,000 TEUs (twenty-foot equivalent units) and 10,000 TEUs, respectively. Storage spaces for refrigerated containers meanwhile were maintained at 500 units to support higher demand for frozen goods and to complement the food security initiatives of government.

Furthermore, in close coordination with port authorities, a spillover facility for trucks was developed right across the MSH Designated Examination Area (DEA). This served as a temporary holding space for lorries while awaiting completion of the mandatory non-intrusive container examination by the Customs Bureau. To facilitate faster processing, additional truck lanes were also activated leading to the DEA to complement the two-lane passthrough container x-ray machines – each with the capacity of handling 100 laden trucks on an hourly basis.

TRADE INNOVATION

Apart from port modernization, MSH also exemplified ATI's corporate mantra of changing what's possible for the trade sector. This was best demonstrated as it paved the way for the much-awaited launch of the Philippines first successful international container barge terminal located in Tanza, Cavite – a customs accredited facility and warehouse operated by ATI subsidiary Tanza Container Terminal Inc.

The barge terminal is operationally linked to MSH, enabling the immediate transfer of cleared container boxes from Manila to Tanza and vice-versa in support of high-volume importers and exporters in the Province of Cavite. This innovative trade solution optimizes domestic seaways as economic superhighways for the transit of containers, with the barge serving as alternative carriage for more than 100 40-footer containers per sailing, instead of trucks. This helps decongest metro roads, reduces carbon footprint, and expedites the flow of containers to match the rapid production cycle of customers.

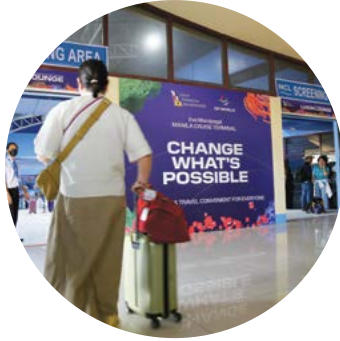
Overall, MSH handled nearly 1.3 million TEUs in 2024, representing an increase of around 8%, mirroring the resilient growth of the Philippine economy.

MSH General Stevedoring Terminal

Service Versatility for Progressive Industries



Manila South Harbor's General Stevedoring Terminal (GST) showcases the versatility and adaptability of ATI as a comprehensive and responsive ports and logistics trailblazer. Anchored on unmatched industry experience and expertise, the terminal is a trusted partner for handling non-containerized cargoes and project cargoes for major industries like power generation and distribution, mineral extraction, production, construction, and mass transportation. Located in Pier 15 of MSH, the terminal also plays an equally important role in fostering strong international relations between the Philippines and the community of nations. From welcoming global citizens aboard giant cruise ships to hosting international navy fleets on goodwill visit, the terminal not only promotes tourism and professional development between navies, but it also extends humanitarian aid to communities through its logistics capabilities.



25

CRUISE SHIPS

32,000

FOREIGN TOURISTS

RESILIENCY & FLEXIBILITY

GST sustained its operational resilience and flexibility in 2024 as it handled important industrial shipment for both public and private sectors as they sustained various development projects in line with the Build Better More infrastructure push of government.

GST extended its comprehensive expertise and industry experience in handling specialized customer shipment, including the toughest of lifts such as steel, gigantic equipment, and other project cargoes. Throughout the year, GST provided support for the influx of materials for building more roads, railways, airports, powerplants, technology and other various finished products. It also continued to serve as a preferred gateway for fire prevention and emergency response equipment by authorities, mass transportation fleet, and logistics mobility assets for last-mile deliveries.

Apart from its technically adept staff, the terminal continued to use modern equipment and industry-compliant gears to support its robust operations while stringently following local and international safety guidelines. As permanent fixtures, bespoke metal platforms and fall arrest systems are utilized in loading steel coils, iron sheets, and other loose cargo for the safety of dockworkers, truckers, and their helpers. The terminal is backed by Cargoes GC+ platform, an IT-powered terminal operating system which further expedites shipment handling

and processing. The proprietary system features paperless functionalities for real-time cargo updates, cargo tracking, report generation, and secure e-payment options.

COMMUNITY & HUMANITY

Apart from serving core industries, GST also maintained its vital role in supporting important social causes. Last year, GST welcomed MV Doulos Hope to its shores, a ship operated by German non-profit organization GBA Ships which fosters goodwill, literacy, and diversity. This marked the return of the NPO to MSH following the last visit of its flagship MV Logos Hope in 2015. The bespoke floating bookstore and library gave Filipinos, especially the youth, a unique opportunity to access affordable and quality books, experience dynamic educational programs, and immerse in intercultural exchange with its crew from over 50 nationalities.

Consistently, GST continued to stand ready as government's conduit in community response during exigencies and calamities. Optimizing MSH's comprehensive facilities and logistics accessibility, GST served as a strategic staging zone for the rapid mobilization of government's social welfare kits for island communities impacted by typhoons. Extending its facilities, expertise, and resources, ATI stands shoulder-to-shoulder with uniformed personnel and disaster responders to facilitate the expedient dispatch of relief aid from Metro Manila to Visayas and Mindanao through government's road and floating assets.

CRUISE INDUSTRY

GST also continued strengthening the Philippines' multimillion cruise tourism industry. In 2024, Manila South Harbor welcomed 25 cruise ships and over 32,000 foreign tourists, conveniently and directly connecting them to the capital city's major cultural and heritage sites such as the Rizal Park, National Museum, Intramuros, and Binondo, the world's oldest Chinatown, and nearby entertainment, shopping centers, and recreational sites.

Batangas Container Terminal

Trade Solutions for a Progressive Region



ATI's Batangas Container Terminal (BCT) is one of the world's most advanced trade gateways. Backed by world-class assets, pioneering IT systems, and customer-focused services, BCT ensures cargo flows smarter and faster across the supply chain—especially in CALABARZON (Cavite, Laguna, Batangas, Rizal, Quezon) region, the Philippines' premier industrial corridor. Operating at best-in-class efficiency levels, BCT further boosts the progress of the region, supporting its growing industrial base with unparalleled trade solutions for greater competitiveness.

600,000 TEUs
APPROX. CURRENT CAPACITY

270,000 TEUs
INTERNATIONAL BOXES
HANDLED IN 2024

11 PER WEEK
SERVICES FROM MAJOR
CARRIERS OFFERED



TRADE EFFICIENCY

CALABARZON accounts for a significant share of the country's annual economic output as a central hub for foreign investment, generator of local employment, and impetus for local development. To keep this powerhouse region running and economic engines turning, BCT delivers seamless and reliable supply chain support to its industrial customers, moving raw materials with speed and precision from terminal floor to factory doors.

With over 600 meters of berthing space at 13-meter depth, BCT can handle multiple vessels simultaneously, including the larger ships being deployed by its shipping line partners in response to the market demand. Efficient operations are powered by four modern ship-to-shore cranes, eight rubber-tired gantry cranes, and a robust fleet of mobile cargo handling equipment. Annually, the terminal can handle a throughput of around 600,000 TEUs (twenty-foot equivalent units). In 2024, BCT handled over 270,000 TEUs of international boxes at a healthy yard utilization rate of around 50%, leaving ample room for growth. Synergy with stakeholders and port authorities have likewise ensured expedient flow of goods.

MARKET ACCESSIBILITY

Like a busy international airport, BCT offers 11 weekly services from major carriers, giving customers competitive and comprehensive shipping options that best fit their production cycles. Through BCT, importers and exports have direct connectivity to Asia's top cargo hubs like Hong Kong, Singapore, Taiwan, Japan, Thailand, China, Vietnam, Indonesia and other long-haul markets at quicker transit times.

Its proximity to industrial zones and connectivity to modern highways ensure faster, cheaper cargo movements. With no truck bans or gridlock, trucks can do multiple runs daily. Newly completed roadworks in Batangas City such as the STAR tollway flyover which leads directly to the port diversion road and a new bypass highway connecting to neighboring industrial corridors further boost transport efficiency. Currently, STAR tollway is being expanded by its concession holder, promising even greater mobility and trade connectivity into the future.

DIGITAL CONNECTIVITY

BCT continued to scale new heights in the realm of technology and innovation in 2024. Following the rollout of its AI-powered gate automation project – the first of its kind in the Philippines – BCT introduced its Vehicle Appointment System (VAS) to further fine-tune gate operations. VAS ensured the orderly flow of trucks in and out of the terminal, contributing to safer and more efficient operations. It also complemented BCT's security as this ensured that only third-party trucks duly registered in the system, are operated by their authorized drivers, and have valid credentials with authorities are allowed access into the terminal.

Meanwhile, BCT's upgraded Terminal Visualizer delivers a real-time 3D snapshot of terminal operations—covering equipment, yard space, and ship movements—empowering managers to make faster, smarter, and safer decisions every day.

With rising demand, expansion plans are underway in collaboration with port authorities—ensuring BCT continues to scale capacity, boost efficiency, and deliver smarter trade solutions for years to come.

Batangas Pax & Gen Cargo Terminal

Domestic Connectivity for Progressive Communities



Modern seaports are the lifeblood of archipelagic nations like the Philippines. More than just gateways, they are engines of growth, connecting people, goods, and opportunities across islands and beyond. Such significance is best exemplified by ATI's Integrated Batangas Port, the country's premier maritime infrastructure and a central linchpin in the Philippine nautical highway system, linking mainland Luzon to MIMAROPA (Mindoro, Marinduque, Romblon, Palawan), Visayas and Mindanao and the rest of the world.

Cognizant of its vital role and in fulfilment of its commitment with government, ATI rolled out a major investment program in the Batangas Port anchored on a vision to transform the critical infrastructure into a world-class interisland hub for tourism, commerce, and trade that benefits communities, local economies and the rest of the country.



200K+ APPROXIMATE
NUMBER OF
CBU IMPORTS
HANDLED

12M+ ANNUAL
PASSENGER
THROUGHPUT

BIGGEST, BUSIEST, MOST-MODERN PORT

After years of development, enduring even the Covid-19 pandemic, ATI's grand vision turned to full fruition in April 2024 with His Excellency Ferdinand R. Marcos Jr., President of the Republic of the Philippines, unveiling the revitalized Batangas Passenger Terminal (BPT) – the biggest, busiest, and most modern passenger facility in the country – in a highly celebrated event attended by major stakeholders, national and local officials, diplomats, and international partners from DP World.

Behind a Php1.5-billion private-sector investment, ATI transformed the domestic passenger terminal building into a modern transport complex which is now considered as the national benchmark for passenger safety, comfort, convenience, and connectivity.

BPT's transformation is distinctive from its humble beginnings with port users likening it to a world-class airport terminal bannered by high-ceiling and fully air-conditioned lounges, gigantic travel announcement boards, quick-service restaurants, coffeeshops, artisan spots, medical clinic, playroom, all-gender restrooms, and mobility infrastructure including e-transporters for passengers with special needs.

EXPANDED CAPACITY & SAFETY

Apart from its expansive lounges and impressive amenities, the most noticeable change in BPT was the transfer of shipping line ticketing counters inside the fully air-conditioned terminal. This made ticket dispensing more comfortable and safer for travelers regardless of weather conditions. The ticketing

counters were also clustered into three sections based on destination, ship type, and route operator, making passenger queues shorter, faster, and ticketing services more systematic.

BPT's 1.5-hectare expanded terminal footprint effectively increased its seating capacity from 2,000 to more than 8,000 passengers at any one time, significantly enhancing its passenger throughput from 4 million to over 12 million annually. To complement safety, the facility features advanced security systems, including x-ray machines, walkthrough metal detectors, and comprehensive coverage of CCTV cameras.

MARKET CONNECTIVITY

Apart from connecting passengers, Batangas Port also boosts economic activities in the region as an integrated facility for non-containerized shipment and rolling cargoes. It continued to support industrial customers who equally play an important role in the country's economic resilience, handling general and project cargoes for construction, transportation, and offshore energy production, among others.

Batangas Port, the biggest car carrier terminal in the Philippines, also continued to serve as the country's premier gateway port for imported completely built car units (CBUs). In 2024, it handled nearly 200,000 CBUs imported into the Philippines by leading Japanese, Korean, American, and Chinese car manufacturers. Batangas Port's at-grade and multilevel car storage facilities with its combined storage capacity of over 13,000 car units in any one time capably handled the car volume.

As the Batangas Port also hosts domestic roll-on/roll-off and containerized cargo freighters, making it an ideal direct transshipment hub for domestic-bound international cargoes. With this unique operational feature, importers have optimized Batangas Port to directly link international cargoes for domestic distribution without leaving the terminal at greater cost-benefit. It also serves as an important link to domestic markets, bringing agricultural products and crops from the countryside to the main island of Luzon and finished consumer products from Metro Manila to the island provinces.

Inland Logistics Terminals

Cargo Proximity & Progressive Opportunities



Aside from Manila South Harbor (MSH) and Batangas Container Terminal (BCT), ATI operates strategic container terminals in key markets which bring port facilities and efficient services more accessible to beneficial cargo owners (BCOs). Collectively called Inland Logistics Terminals (ILTs), these strategically located and operationally integrated facilities provide a direct link to the country's main gateway ports, making cargoes flow seamlessly from the port to factory doors especially in major industrial corridors.





TANZA CONTAINER BARGE TERMINAL

One such facility is the Tanza Container Barge Terminal which began its commercial operations in 2024 under the management of ATI

subsidiary Tanza Container Terminal Inc. Located right at the heart of Cavite's booming industrial district, the 10-hectare container facility offers bespoke cargo handling solutions bannered by direct shipment connectivity to Manila South Harbor via TCTI's own barge. By optimizing domestic sea lanes as economic superhighways, TCTI brings reliable and sustainable transport solutions for BCO cargoes bound for Cavite. TCTI's barge can move 102 forty-footer container units per sailing, instead of using conventional trucks. Collectively, TCTI saves around 150,000 truck trips per year resulting in significant reduction of carbon emission, metro road traffic and overall cost. Moreover, TCTI is located within a special economic zone and operationally aligned with border control authorities as a registered Customs Facility and Warehouse, making it a secure and ideal cargo hub for Cavite's major industrial locators. TCTI's operations is supported by two marine cranes, reach stackers, and a fleet of internal transfer vehicles for an annual throughput capacity of over 200,000 teus.



LAGUNA INLAND LOGISTICS TERMINAL

Located near Exit 47 of the South Luzon Expressway is ATI's 4.2-hectare Laguna Inland Logistics Terminal (LILT), traditionally known as

Inland Clearance Depot. ATI's strategic dry port serves as a perfect supply-chain partner for the major industries based in Cavite, Laguna, and Batangas. As an authorized extension of MSH and BCT, shipment arriving via Manila or Batangas can be transferred immediately to LILT upon the behest of Customs-accredited shippers. While stored in the secure facility, cargo clearances can be simultaneously processed through online systems linked to the Bureau of Customs.

Aside from container storage, LILT offers comprehensive end-to-end services from the terminal floor to the factory doors. As a compelling

value proposition, the terminal can provide container handling, trucking, brokerage, customs-clearing, and other ancillary services at the customer's preference, making it a one-stop-shop for shippers, especially for just-in-time production cycles. LILT can deploy BOC-cleared containers to the customers' factory anytime 24/7 using franchise trucks safeguarded by GPS systems.



BATANGAS INLAND LOGISTICS TERMINAL

A similar facility is available in Batangas adjacent to BCT to support the container cycles of nearby customers. BILT is seamlessly linked to

BCT enabling the smooth flow of import and export containers into Calabarzon. Ancillary services are available via BILT for the convenience of region-based customers.



MANILA INLAND LOGISTICS TERMINAL

ATI also operates an ILT in Manila which enhances efficiencies for users of the country's main port gateway. Located near MSH, MILT allows a more

methodical rotation for trucks, letting them drop-off empty containers in the said facility before proceeding to MSH for quicker pick-up of laden boxes. This procedure sustains high yard and berth productivity for overall terminal efficiency.



SOUTH COTABATO INTEGRATED PORT

ATI also extends its presence in southernmost Philippines through the South Cotabato Integrated Port, a pivotal maritime infrastructure supporting

local trade and bridging Mindanao into the growing Southeast Asian market. The port, managed and operated by the South Cotabato Integrated Port Services Inc. (SCIPSI) where ATI is a strategic investor, handles international and domestic containerized and non-containerized cargoes in support of major industries and agro-commercial companies in the region.

Corporate Sustainability



We enable smarter trade driven by our goal of changing what's possible for everyone. By focusing on “Our World, Our Future” – our dynamic Corporate Sustainability Strategy – we create a healthier and safer port environment, accelerate trade, generate job opportunities, advance people's skills, and help build self-reliant communities for a more inclusive and a sustainable future.

HEALTH, SAFETY, ENVIRONMENT, AND SECURITY



Our inclusive safety culture is deeply rooted in our history. It is the DNA that runs across the veins of our entire company. Our grassroots programs, innovations, and industry best practices reinforce safer, healthier, and more secure port environments for our customers, partners, and stakeholders.

HUMAN RESOURCES



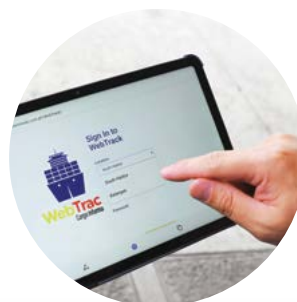
Our people are our most valuable assets. Utilizing world-class equipment and processes, our highly skilled employees work safe together to keep supply-chains flowing. Through agility, adaptability, and learning opportunities, we sustain a diverse and inclusive workplace which empowers people as trade enablers.

SOCIAL RESPONSIBILITY



Our vision for a better future is carried out through strategic social investment, employee involvement, and community engagement. By focusing on three legacy areas, namely Education, Women, and Water alongside the UN Global Goals, we uplift communities and bring positive change to societies.

INFORMATION TECHNOLOGY



Our technologies are gamechangers. Our comprehensive IT infrastructure, digital processes, and pioneering systems enhance port efficiency, productivity, and market connectivity, creating smarter trade ecosystems for industries and economies.

Health, Safety, Environment & Security

Ensuring Safe, Secure, and Healthy port environments



51

SAFETY AND SECURITY DRILLS CONDUCTED

8.3M

SAFE MANHOURS

0.87

REPORTABLE INJURY FREQUENCY RATE (RIFR)

Effective port management goes beyond the smooth handling of cargo, passengers, and logistics. Equally critical is ensuring safety all throughout the organization towards an inclusive philosophy of safeguarding people, the environment, stakeholders, and vital port infrastructure as interconnected and valuable assets of the supply chain.

With nearly four decades of industry experience, ATI has consistently embedded safety into its very DNA. It is not merely a slogan, but a deeply ingrained value shared across the organization, distinguishing ATI as a reliable, responsible, and sustainable trade enabler.



SAFETY LEADERSHIP

ATI's safety culture starts at the top and cascades through the organization. From the boardroom to the quayside, senior leaders consistently set the example by walking the safety talk. Executives and line managers regularly join terminal walkthroughs or Gemba walks which offer insightful opportunities to observe operations, engage directly with dockworkers, and identify improvements that strengthen workplace conditions and enhance safety performance on a real-time basis.

Leaders also take part in continuous trainings and tabletop exercises to sharpen emergency preparedness and response. These initiatives ensure that ATI remains proactive, resilient, and ready to address risks and exigencies as they arise. Overall, 51 safety and security drills were conducted during the year.

Through disciplined and collaborative safety practices companywide, ATI logged over 8.3 million safe manhours in 2024, while its Reportable Injury Frequency Rate (RIFR), an international standard measurement of safety performance, improved to 0.87 through extensive and sustained safety campaigns.

GLOBAL SAFETY DAY

ATI's safety culture reached new heights in 2024 as the Company actively joined its strategic global partner, DP World, in celebrating the inaugural Global Safety Day anchored on the theme "Know the Meaning of Safety for Your Loved Ones." The initiative underscored that staying safe at work protects not only employees but also the families who depend on them.

In Manila, dockworkers engaged in interactive safety learning booths, while food kiosks, game stands, and 3D photo stations added a festive yet purposeful atmosphere. Life-size standees of ATI officers and union leaders shared encouraging safety messages, creatively reinforcing the culture of care.

Meanwhile, in Batangas, Laguna, and Cavite, employees joined team-based safety games, while heartfelt messages from dockworkers' family members were delivered -- reminding everyone why safety must remain paramount. Following the successful launch, September has since been designated as Global Safety Month across all DP World sites worldwide.

Employees' children likewise took part in the celebration, joining a poster-making contest and

interactive port tours. Wearing personal protective equipment during the visit, they served as powerful reminders for their parents to always work carefully and follow safety practices.

SECURITY INITIATIVES

Security also goes together with safety. In an era of rapidly evolving business landscapes, protecting people and port assets are critical to ensuring seamless operations. To remain ahead of risks, ATI continuously invests in training, capability-building, and security upgrades.

In line with this, ATI inaugurated a One Gate Access facility in Manila South Harbor which further enhanced terminal security through a centralized ingress and egress for dockworkers, suppliers, and third-party providers. Its facial recognition systems, passthrough metal detectors, pass control office, and safety briefing digital boards, ensure that only authorized parties are allowed access into the facility. In addition, ATI started deploying electric patrol vehicles marking its transition to more sustainable security assets as part of the broader goal of reducing the terminal's carbon footprint.

ATI also had the honor to host its regional colleagues in Manila for DP World Southeast Asia's Security Conference. The event brought together security professionals across the region for sharing of best practices, discussions of emerging threats, and strengthening collaboration on terminal security and risk management. It also highlighted the importance of coordination with national and local authorities as important security stakeholders, following ATI's experience.

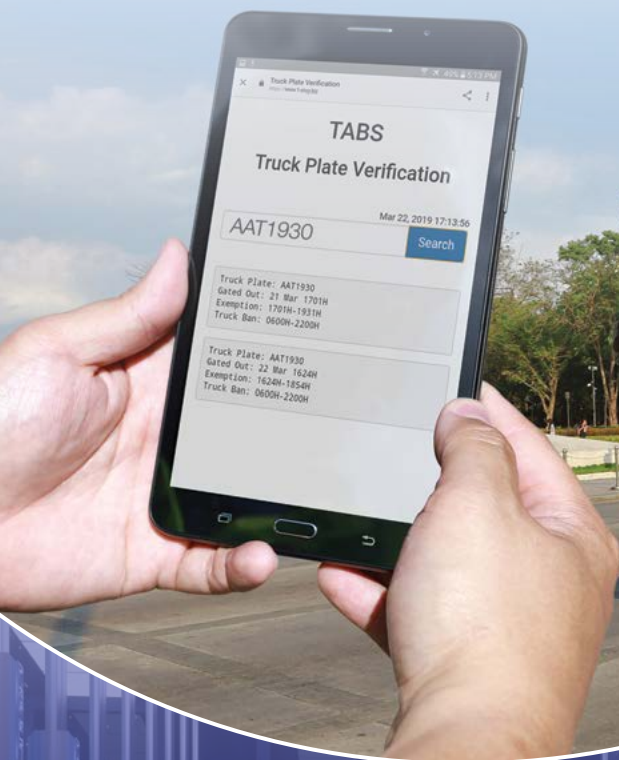
INTERNATIONAL CERTIFICATIONS

Consistently, ATI adheres to the highest standards on safety, security and environment. The Company is certified for ISO 9001:2015 Quality Management System (QMS), ISO 14001:2015 Environmental Management System (EMS), ISO 45001:2018 Occupational Health and Safety Management System (OHSMS) and ISO 28000:2022 Security and Resilience Management System, apart from being an ISPS Code compliant port operator.

For ATI, health, safety, and security are not just compliance requirements. They are fundamental commitments to people, communities, and economies that keep the country's premier port gateways safe and resilient trade hubs for the future.

Information Technology

Progressive Ports for the Future



**AROUND
650,000**

**TRUCK TRIPS
MANAGED**



ATI continued to strengthen its leadership in technology and digitalization in 2024, accelerating the transformation of its major ports and terminals into faster and smarter economic gateways in line with government's thrust to establish resilient and efficient trade infrastructure for the future.

Cognizant of this and building on its pioneering technology tradition, ATI continuously introduced innovations and proprietary applications to enhance operational agility, transactional transparency, data security, and platform scalability of its ports and terminals assets in support of a robust Philippine supply chain.



PLATFORM INTEGRATION

Recognizing the growing importance of data integration alongside safe and secure digital infrastructure, ATI continuously reinforced

its programs on data interconnection with relevant government authorities and stakeholders while at the same time bolstering its digital security and business continuity frameworks. This included periodic systems updates and upgrades in partnership with trusted vendors, in-house developers, industry experts, and trade partners to ensure that systems are adequately running and up to speed with market demand.

Among these initiatives was the successful integration of electronic official receipts for wharfage fees with the platforms of authorities. This transition from manual to fully online processes enhanced the speed, transparency, and accuracy of service delivery while offering port users seamless transactions for settlement of related fees.

INFRASTRUCTURE & TRADE FACILITATION

Cargo movement through ATI's facilities remained highly interfaced with government's mandated container tracking and truck flow management systems. This included the eTracc of the Bureau of Customs which monitored the movement of containers from the port to warehouses and vice versa. Its coverage was subsequently expanded with geotagged zones along the seaways between Manila and Cavite to ably integrate the sailing points to ATI's bespoke barge terminal facility.

Meanwhile, the Terminal Appointment Booking System or TABS has sustained the orderly movement of trucks and cargoes flows in the terminal. Around 650,000 truck trips were managed in an orderly manner last year without causing heavy congestion along metro roads.

In Manila South Harbor's main yard, ATI expanded its Remote Reefer Monitoring System, covering a larger storage footprint for temperature-controlled containerized cargo. This ensured a more reliable supervision of temperature-sensitive commodities on a real-time basis.

Apart from these, additional fiber optics cables, Wi-Fi infrastructure, radio data terminals, and tablet devices were deployed for faster and more reliable data exchange between systems and operations personnel.

ATI also successfully implemented other major enterprise systems, including a globally acclaimed integrated financial and accounting management platform. This migration delivered improved accuracy, compliance, and efficiency across financial reporting and operations.

INNOVATION & DIGITAL TRANSFORMATION

Following the successful rollout of gate automation in Batangas Container Terminal in 2023, ATI followed through with its Vehicle Appointment System component in 2024, which has since further enhanced truck flows in and out of the terminal. This innovative feature is integrated in BCT's Auto Gate System – the first fully AI-powered gate infrastructure in the country – for quicker and safer truck and cargo turnaround.

Still in Batangas, ATI expanded the capabilities of its Terminal Internet of Things (TIOT), highlighted by its enhanced Container Terminal Visualizer. This real-time digital platform presents a comprehensive view of terminal operations, including the real-time location and status of equipment. With seamless connectivity between cargo-handling assets and ATI's operations platform, this system enables efficient supervision and resource optimization.

Meanwhile in Manila, ATI rolled out the Manila South Harbor One Gate Access System for dockworkers, service providers, and guests. Powered by biometrics and facial recognition features, the system bolstered the physical security of the terminal, granting access exclusively to employees and third parties with legitimate transactions at the port.

By integrating smart port infrastructure with next-generation systems, ATI reinforced its position as a technology trailblazer in the Philippine logistics sector. With innovations spanning cybersecurity, automation, IoT, and digital applications, ATI continues to raise the standards of efficiency, transparency, and safety—reshaping the future of Philippine ports and advancing its role as a vital trade enabler.

Human Resources

Progressive Ports powered by Diversity & Inclusivity



6,749

TOTAL OF
EMPLOYEES
WHO
ATTENDED
SPECIALIZED
TRAINING

27,000

CUMULATIVE
TRAINING
HOURS



People are at the core of ATI's mission of making trade flow and changing what's possible for everyone. Cognizant of their important role, ATI constantly endeavors to maintain a highly dynamic, inclusive, and conducive work environment, ensuring that its workforce can prosper and thrive as partners in moving economies, connecting industries, and building communities.

As its most valued assets, ATI actively pursues its people development strategies, leveraging local and global resources, and utilizing traditional and emerging platforms to ensure that its talent pool remain highly competent, agile, and attuned to market requirements.



DIVERSITY AND INCLUSION

As an industry trailblazer, ATI has long championed inclusion and gender equality in the workplace. Through institutional programs on women

empowerment, gender-neutral talent recruitment, mentorship, and skills development, ATI has successfully broken gender barriers, bridged opportunity gaps, and recalibrated traditional perceptions of ports as a male-dominated industry. In 2024, ATI achieved new milestones in this area as it welcomed more women into its dynamic workforce, most especially in frontline positions once occupied by male dockworkers.

Promoting cultural diversity, ATI regularly hosts meaningful social events commemorating the Company anniversary, corporate milestones, and international celebrations like the International Women's Day and Mother's Day, to name a few. These give employees an ideal venue to get acquainted with colleagues, especially with the rapid growth of the organization.

The Company's homegrown Women Trade Enablers Network (WTEN) likewise continued to complement ATI's diversity and inclusion initiatives, offering support and career enrichment opportunities for women employees through forums, cross-functional engagements, career growth sessions, and valued-added port appreciation tours for office-based colleagues.

On a global stage, female employees actively participated in the MentorHer global program of ATI's strategic foreign partner DP World. MentorHer reinforces women empowerment and professional advancement by pairing female colleagues with senior mentors across local, regional, and global networks. This provides participants with a more expansive view of the end-to-end ports and logistics business, alongside its opportunities and career possibilities.

TALENT AND PEOPLE DEVELOPMENT

In line with its growth trajectory, ATI further strengthened its learning and development initiatives in 2024 to ensure that its people are up

to speed in terms of competence and skills amid a rapidly evolving trade environment. A total of 6,749 employees attended specialized training programs covering operations, engineering, safety, and support services, accounting for over 27,000 in cumulative training hours. Sessions were facilitated by both local experts and foreign partner institutions, underscoring ATI's commitment to cutting-edge and world-class talent development programs.

ATI's talent depth also resonated beyond Philippine shores in 2024. Recognized as a Center for Excellence in Asia Pacific, ATI extended its experience and technical expertise, sending its operations, engineering, safety, and IT personnel to help enhance standards in emerging terminals within the Southeast Asian network of DP World.

Relatedly, ATI's personnel also received various citations from its global partner for solutions and innovations contributed under its LEAN Management program, especially in improving processes, optimizing terminal resources, and enhancing safety performance.



EMPLOYEE RELATIONS

Highlighting one of its corporate principles, ATI continued to promote collaboration across the organization. Industry wellness, sporting events, and team-building

activities complemented this core value.

Equally important, ATI sustained its productive and harmonious industrial relations with its workforce marked by the successful completion of collective bargaining agreements with its unions. These milestones underscore the collaborative partnership between management and dockworkers in pursuing programs that advance both company and employee interests.

Furthermore, as validation of its accomplishments for the year, ATI received its Great Place to Work seal in 2024, in recognition of ATI's continuing success in embedding inclusion, diversity, and growth into the workplace, as reflected in its expanding headcount, career growth, and increasing representation of women in its workforce.

Community Resiliency

Sustainability Initiatives for Progressive Communities



4,200

EMERGENCY FAMILY
FOOD PACKS
DISTRIBUTED

2,000

STUDENTS
WELCOMED IN PORT
FAMILIARIZATION TOURS

40

HECTARES OF
LA MESA WATERSHED
PROTECTED



As a responsible port organization, ATI actively pursues its sustainability aspirations alongside its business goals. ATI's initiatives are anchored on women, education, and water, alongside other legacy sectors, strategically aligned with DP World's sustainability framework and the UN Sustainable Development Goals (SDGs) for greater overall impact. In 2024, ATI continuously contributed to building more resilient and self-reliant communities through the following efforts.

**SDG 3:****GOOD HEALTH AND WELL-BEING**

The health, safety, and well-being of port stakeholders are integral to ATI's sustainability priorities. This was again highlighted last year as it responded to various exigencies – from providing warm meals to stranded passengers during weather-related trip cancellations to helping communities recover in the aftermath of severe weather disruptions. In line with the later, ATI in partnership with DP World Foundation mobilized emergency relief packs for communities affected by Tropical Storm Kristine (Trami). Leveraging its port assets and DP World Philippines' logistics capabilities, ATI with the help of employee volunteers prepared and distributed over 4,200 emergency family food packs, benefitting over 21,000 individuals in Batangas and nearby provinces.

**SDG 4:****QUALITY EDUCATION**

Education continues to receive the largest share of ATI's community investment. Its Scholarship Program has produced graduates now with thriving careers in accounting, business, management, marketing, and IT. More scholars have been accepted into the program in 2024, including deserving students from among marginalized port communities. Moreover, ATI continued its Brigada Eskwela partnership with the Department of Education, with employee-volunteers dedicating weekends to improve school facilities.

Ports also served as classrooms in action under the Global Education Program. Last year, ATI welcomed over 2,000 students in port familiarization tours which offered practical glimpses on trade and economic activities. Employees also visited neighboring schools to deliver interactive lectures on ports and trade where ATI also advocated for plastic-free seas.

**SDG 5:****GENDER EQUALITY AND INCLUSION**

ATI remained a gamechanger in breaking gender barriers within the port industry. In 2024, more women joined frontline units as technicians, mechanics, and equipment operators. The Women Trade Enabler Network (WTEN) grew stronger, championing programs on women's health, personality development, and career advancement.

As an annual activity, ATI again hosted its port community fun run, drawing more than 600 participants from employees, customers, and stakeholders. Runners logged a cumulative distance of 2,500 kilometers which served as an effective platform for raising greater awareness of health, diversity, and inclusion in the Philippine port sector.

**SDG 6:****CLEAN WATER AND SANITATION**

ATI sustained its advocacy for clean water through reforestation and mangrove plantation projects with

dockworkers partnering with local authorities and community volunteers. As a partner of Bantay Kalikasan, ATI has protected over 40 hectares of the La Mesa Watershed, a vital water source for Metro Manila. In 2024, ATI extended its watershed protection and mangrove plantation efforts across Metro Manila and Batangas, reinforcing its long-term commitment to water security and coastal protection and preservation.

**SDG 7:****AFFORDABLE AND CLEAN ENERGY**

Recognized as a green port operator, ATI continued to lead the industry in renewable energy adoption. In 2024, Batangas Port operated fully on renewable energy, while Manila South Harbor is nearing 100% renewable energy utilization. Hybrid equipment has been deployed in its terminals with more electrified mobile assets scheduled to arrive in 2025, as part of ATI's net-zero carbon reduction goals.

**SDG 14:****LIFE BELOW WATER**

Through its Ocean Protection Program, ATI actively raised awareness on plastic pollution and sustainable port operations. The Company continued to discourage single-use plastics across all terminals, with reusable flasks and bottles becoming standard among employees and stakeholders. ATI also joined coastal cleanup drives and maximized stakeholder events—from fun runs to trade fairs—to advocate for plastic-free seas and oceans.

Board of Directors



GLEN C. HILTON
Chairman of the Board



EUSEBIO H. TANCO
President / Director



**WILLIAM WASSAF
KHOURY ABREU**
Director



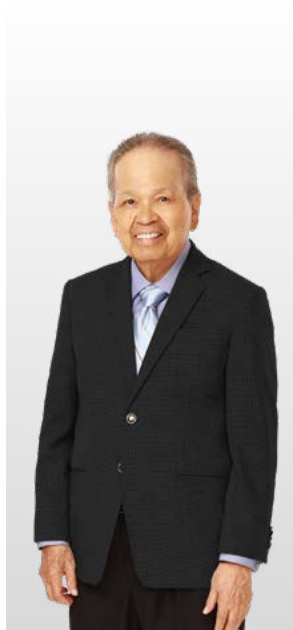
MONICO V. JACOB
Director



FELINO A. PALAFOX, JR.
Director



**ZISSIS JASON
VARSAMIDIS**
Director



**ARTEMIO V.
PANGANIBAN**
Independent Director



TEODORO L. LOCSIN, JR.
Independent Director

Board of Directors' Profiles

GLEN C. HILTON

Previous Leadership

Posts

- CEO Port of Tanjung Pelepas, Malaysia
- VP and Managing Director of DP World Southeast Asia
- Executive Director of DP World Caucedo
- General Manager of DP World Adelaide

EUSEBIO H. TANCO

Chairman

- STI Education Systems Holdings, Inc.
- DigiPlus Interactive Corp.
- Fibertex
- Mactan Electric Company
- Eximious Holdings, Inc.
- Venture Securities, Inc.
- Philippines First Insurance Co.

Chairman Emeritus &

Director

- STI Education Services Group, Inc.

Chairman and President

- Prime Power Holdings
- Prudent Resources, Inc.
- First Optima Realty Corporation

President

- Bloom with Looms Logistics, Inc.
- Total Consolidated Asset Management Inc.
- Eujo Philippines, Inc.
- Tantivy Holdings, Inc.
- Mar-Bay Homes Inc.
- Cement Center, Inc.
- Biolim Holdings and Management Corp.

Director

- iACADEMY
- Philippine School for Business Administration
- Philhealthcare Inc.
- Philplans First, Inc.
- Philippine Life Financial Assurance

- STI West Negros University

- United Coconut Chemicals, Inc.
- M.B. Paseo

- Philippine Racing Club

Professional Associations

- Philippines-Thailand Business Council
- Philippines-UAE Business Council
- Philippine Chamber of Commerce & Industry

WILLIAM WASSAF

KHOURY ABREU

Vice President

- DP World Ports & Terminals Southeast Asia

Previous Leadership

Posts

- Executive Vice President of Asian Terminals Inc.
- Director of PT Terminal Petikemas Surabaya (TPS) Indonesia
- CEO of DP World-Saigon Premier Container Terminal
- Operations Director of DP World Korea
- Various management positions at DP World Dominican Republic and CSX World Terminals (Caucedo)

MONICO V. JACOB

Chairman

- STI West Negros University
- Rosehills Memorial Management, Inc.
- Philippine Life Financial Assurance, Inc.
- Global Resource for Outsourced Workers, Inc.
- Total Consolidated Asset Management Inc.
- GROW-Vite
- TechZone Philippines, Inc.

President

- STI Education Systems Holdings, Inc.

CEO and Vice-Chairman

- STI Education Services Group

Director

- iACADEMY
- PhilCare

Member

- Integrated Bar of the Philippines

FELINO A. PALAFOX, JR.

Founder & Principal

Architect-Urban Planner

- Palafox Associates & Palafox Architecture Group, Inc.

Fellow

- United Architects of the Philippines
- Registered APEC Architect

International Associate

- American Institute of Architects, the Country Leader

Regional Representative

- Council on Tall Buildings and Urban Habitat

Member

- U.S. Green Building Council
- Urban Land Institute
- Congress for the New Urbanism
- American Planning Association
- International Council of Shopping Centers

ZISSIS JASON

VARSAMIDIS

Chief Financial Officer

- DP World Asia Pacific

Previous Leadership Post

- CFO of DP World Australia

ARTEMIO V.

PANGANIBAN

Supreme Court of the Philippines

- Chief Justice (2005 to 2006)
- Associate Justice (1995 to 2005)

Independent Director

- GMA Network, Inc.
- Manila Electric Company
- GMA Holdings, Inc.
- Petron Corporation
- Philippine Long Distance Telephone Company
- JG Summit Holdings Inc.
- RL Commercial REIT, Inc.

Non-executive Director

- Jollibee Foods Corporation

Senior Adviser

- Metropolitan Bank & Trust Company

Adviser

- DoubleDragon Properties Corp.
- MerryMart Consumer Corp. (2020-present).

TEODORO L. LOCSIN, JR.

Department of Foreign Affairs

- Philippine Ambassador to the United Kingdom and Northern Ireland
- Special Envoy for Special Concerns to the People's Republic of China

Previous Government

Posts

- Secretary of Foreign Affairs (2018-2022)
- Philippine Representative to the United Nations (2017)
- Member, House of Representatives (2001-2010)

Member

- Integrated Bar of the Philippines

Senior Officers



EUSEBIO H. TANCO
President

SEAN JAMES L. PEREZ
Senior Vice President

JOSE TRISTAN P. CARPIO
Vice President for Finance/CFO

RODOLFO G. CORVITE JR.
Vice President for Business Support Services

Management's Discussion and Analysis



Management's Discussion and Analysis

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amount In Thousands, Except Per Share Data)

	2024	Years Ended December 31		
		2023	Change	% Change
REVENUES FROM OPERATIONS	₱16,541,728	₱15,451,800	₱1,089,927	7.1%
GOVERNMENT SHARE IN REVENUES	(2,969,505)	(2,669,519)	(299,986)	11.2%
	13,572,223	12,782,281	789,941	6.2%
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(7,075,823)	(6,628,665)	(447,158)	6.7%
OTHER INCOME AND EXPENSES				
Finance income	175,368	189,142	(13,774)	-7.3%
Finance cost	(468,322)	(503,531)	35,209	-7.0%
Others - net	(212,554)	40,328	(252,881)	-627.1%
	(505,508)	(274,061)	(231,446)	84.5%
CONSTRUCTION REVENUES	2,400,314	1,920,973	449,350	23.4%
CONSTRUCTION COSTS	(2,400,314)	(1,920,973)	(449,350)	23.4%
	-	-	-	
INCOME BEFORE INCOME TAX	5,990,892	5,879,555	111,337	1.9%
INCOME TAX EXPENSE	1,464,810	1,441,737	23,072	1.6%
NET INCOME	₱4,526,082	₱4,437,818	₱88,265	2.0%
Income Attributable to				
Equity holders of the Parent Company	₱4,524,533	₱4,435,986	₱88,548	2.0%
Non-controlling interest	1,549	1,832	(283)	-15.4%
	₱4,526,082	₱4,437,818	₱88,265	2.0%
Basic/Diluted Earnings per Share Attributable to Equity Holders of the Parent Company	₱2.26	₱2.22	₱0.04	2.0%

Revenues of ₱16,541.7 million for the year ended December 31, 2024, increased by 7.1% from ₱15,451.8 million in 2023. Revenues from South Harbor (SH) international containerized cargo increased from last year by 13.7% on account of higher container volumes and the 6% tariff increase effective August 6, 2024. However, revenues from Batangas Container Terminal (BCT) and ATI Batangas were lower than last year by 19.1% and 10.0%, respectively, on account of lower international container volumes and lower international Roro volumes, respectively, which were partly offset by a higher number of passengers and domestic Roro volume.

Port authorities' share in revenues in 2024 of ₱2,969.5 million increased by 11.2% from ₱2,669.5 million in 2023 as a result of higher revenues subject to port authorities' share.

Cost and expenses in 2024 amounted to ₱7,075.8 million, 6.7% higher than ₱6,628.7 million in 2023. Depreciation and amortization in 2024 increased by 2.6% to ₱2,041.8 million from ₱1,989.1 million in 2023. Labor costs in 2024 of ₱1,914.5 million were higher by 8.8% compared to ₱1,759.7 million in 2023 due to salary rate increases and additional headcount. Taxes and licenses in 2024 increased by 3.6% to ₱521.8 million from ₱503.5 million in 2023 due to higher business taxes related to higher revenues. Insurance of ₱277.6 million in 2024 increased by 0.6% compared to ₱276.0 million last year due to higher insurance premiums on renewal of dollar-denominated insurance such as material damage and business interruption premiums. Facilities-related expenses in 2024 increased by 17.7% to ₱364.1 million from ₱309.3 million in 2023 due to higher repairs and maintenance costs for buildings and surface pavements as well as higher IT costs. General transport of ₱376.6 million in 2024 were higher by 76.9% than of ₱212.9 million in 2023 on account of higher trucking costs with corresponding revenues. Security, health, environment and safety in 2024 of ₱216.7 million were higher by

18.2% compared to ₱183.3 million due to higher security costs related to higher passenger volume and rate increase. Provision for claims increased to ₱11.3 million from ₱0.48 million in 2023 mainly due to higher cargo claims. Management fees in 2024 increased by 2.5% to ₱265.8 million from ₱259.2 million in 2023 following higher earnings before tax.

Meanwhile, equipment running costs in 2024 went down by 2.0% to ₱832.8 million from ₱850.1 million in 2023 mainly due to lower fuel prices. Marketing, commercial, and promotion in 2024 decreased by 2.0% to ₱22.3 million from ₱22.7 million in 2023 due to lower advertising and promotional expenses related to various clients. Rentals of ₱8.5 million in 2024 went down by 22.0% compared to ₱10.9 million in 2023. Professional fees in 2024 of ₱21.3 million went down by 2.4% from ₱21.8 million last year due to lower consultancy fees. Entertainment, amusement and recreation in 2024 of ₱5.9 million went down by 22.0% from ₱8.8 million last year. Other expenses in 2024 totaled ₱216.6 million, went down by 2.1% from ₱221.2 million in 2023 last year due to lower travel and accommodation, lower office supplies and miscellaneous expenses.

Finance income in 2024 of ₱175.4 million was lower by 7.3% than ₱189.1 million last year due to lower cash balance partly offset by higher interest rates on money market placements. Finance costs in 2024 of ₱468.3 million were lower by 7.0% against ₱503.5 million last year. Others-net was at negative ₱212.6 million in 2024 from positive ₱40.3 million in 2023 mainly due to higher unrealized foreign exchange loss on the fair value of concession liability and accrued interest following the depreciation of the Philippine Peso against the US Dollar.

Income before income tax in 2024 of ₱5,990.1 million was higher by 1.9% compared to ₱5,879.6 million in 2023. Provision for income tax increased by 1.6% to ₱1,464.8 million in 2024 from ₱1,441.7 million in the same period last year due to higher results.

Net income for the year ended December 31, 2024 increased by 2.0% to ₱4,526.1 million from ₱4,437.8 million last year. Earnings per share increased to ₱2.26 in 2024 from ₱2.22 in 2023.

Key Variable and Other Qualitative and Quantitative Factors

(i) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

- There had been no known trends, events or uncertainties that had or are reasonably expected to have a material favorable or unfavorable impact on the Company's, other than those discussed in this report.

(ii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

- There had been no event known to management that could trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period

- There had been no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the period that would address the past and would have a material impact on future operations.

(iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures

- This includes the completion of the Batangas Passenger Terminal Phase 2, expansion of existing port facilities, acquisition of additional modern equipment, implementation of smart IT systems as well as the construction of Cavite Barge Terminal which will be completed in 2024 using the Company's internal funds.

v) Any Known Trends, Events or Uncertainties (Material Impact on Sales)

- There had been no known trends, events or uncertainties that had or are reasonably expected to have a material favorable or unfavorable impact on the Company's revenues from continuing operations, other than those discussed in this report.

vi) *Any Significant Elements of Income or Loss (from continuing operations)*

- There had been no significant elements of income that did not arise from the Company's continuing operations.

(vii) *Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%) – refer to discussion on Results of Operations, Financial Condition and Cash Flows.*

(viii) *Seasonal Aspects that has Material Effect on the FS*

- There had been no seasonal factor that had a material effect on the financial condition and results of operations.

Plans for 2025

For nearly 40 years, ATI has constantly demonstrated its proficiency and capability in managing and operating world-class ports and logistics facilities that support the resilient growth of the Philippine economy.

Without letup and driven by its track-record and industry expertise, ATI is actively sustaining its important role as a major economic facilitator and trade enabler by investing, developing, and transforming ports and terminals infrastructure into dynamic, responsive, and innovative assets for smarter, faster, and more sustainable flow of cargoes and people.

Embodying its mission of providing competitive and comprehensive supply-chain solutions from the shores to customer doors, ATI builds on its trade and transportation infrastructure in Manila, Laguna, and Batangas, Laguna and Mindanao, upgrading their capacity, capability, and technology to support customer growth, prepare for future market demand, and contribute to the country's inclusive and resilient growth.

For 2025 alone, ATI is investing a minimum of Php4.2 billion aligned with its expansion strategy and in step with its investment commitment with port authorities. The capital investment will primarily support the expansion of seaside and landside facilities, acquisition of green equipment to boost its carbon reduction program, gate automation and IT systems, and expansion of integrated logistics solutions leveraged on its port infrastructure.

In line with long-term sustainability goals, ATI explores new business growth drivers, including developing smart cargo storage spaces within and outside port zones, offering ancillary services anchored on its core competencies and exploring new port operations locally or overseas, given the right opportunity.

In 2024, ATI invested a total of P3.0 billion. This fueled the full completion of the modern Batangas Passenger Terminal which is now the country's biggest, busiest, and smartest terminal facility. This also paved the way for the operationalization of the Tanza Container Barge Terminal project which optimizes domestic sea lanes as economic superhighways for the seamless flow of containers from Manila to Cavite. Apart from this, the capex supported the continuous upgrade of port facilities, additional container backup spaces, investment in more green equipment and technologies, and other IT-critical infrastructure, in response to market growth.

The increase in actual investment in 2024 of P3.0 billion versus plans for 2024 of Php2.7 billion is mainly due to carry over projects from 2023 on Pier 3 berth extension.

Key Performance Indicators (KPIs)

KPIs discussed below were based on consolidated amounts as portions pertaining to the Company's subsidiary, ATI Batangas, Inc. (ATIB) were not material. As of end 2024:

- ATIB's total assets were only 9.9% of the consolidated total assets.
- Income before other income and expense from ATIB was only 3.9% of consolidated income before other income and expense.¹

Consolidated KPI	Manner of Calculation	2024	2023	Discussion
Return on Capital Employed	Percentage of income before interest and tax over capital employed	19.4%	18.0%	Increased due to higher income before interest and taxes during the period.
Return on Equity attributable to equity holders of the parent	Percentage of net income over equity attributable to equity holders of the parent	17.9%	19.0%	Decreased due to lower net income growth.
Current ratio	Ratio of current assets over current liabilities	2.71 : 1.00	2.81 : 1.00	Decreased due to higher current liabilities
Asset to equity ratio	Ratio of total assets over equity attributable to equity holders of the parent	1.45 : 1.00	1.47 : 1.00	Decreased due to higher increase in equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.45 : 1.00	0.47 : 1.00	Improved due to increase in stockholders' equity
Day Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	12 days	10 days	Increased due to higher revenues
Net Income Margin	Net income over revenues less government share in revenues	33.3%	34.7%	Decreased due to lower net income growth rate.
Reportable Injury Frequency Rate (RIFR) ²	Number of reportable injuries within a given accounting period relative to the total number of hours worked in the same accounting period.	0.84	0.87	Improved as a result of extensive safety campaign and strict implementation of HSES policies

Summary of Selected Financial Data (in millions)

Description	Year ended December 31, 2024	Year ended December 31, 2023
Revenues	₱16,541.7	₱15,451.8
Net income	4,526.1	4,437.8
Total assets	37,757.6	36,072.9
Total liabilities	11,735.4	11,521.5

¹ Income before interest and tax excludes also net unrealized foreign exchange losses and others.

² RIFR is the KPI for injuries introduced in 2014 to replace LTIFR. RIFR is a more stringent KPI as it covers not only Lost Time Injuries (LTIs) but also Medically Treated Injuries (MTIs) and Fatalities incidents.

Management's Responsibility for Financial Statements

The Management of Asian Terminals, Inc. (the "Company") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at and for the years ended December 31, 2024 and 2023 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 misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

RG. Manabat & Co., the independent auditors 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.

GLEN CHRISTOPHER HILTON
Chairman of the Board

EUSEBIO H. TANCO
President

JOSE TRISTAN P. CARPIO
Chief Financial Officer

Report of Independent Auditors

The Board of Directors and Stockholders
Asian Terminals, Inc.
 A. Bonifacio Drive
 Port Area, Manila

Opinion

We have audited the consolidated financial statements of Asian Terminals, Inc. and its Subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, the 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 December 31, 2024, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 Auditors' Responsibilities for the Audit of the Consolidated 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 audits of the consolidated financial statements in the Philippines, and we have fulfilled our other 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 Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Revenue Recognition (P16,541,728 - amount in thousands)
 Refer to Notes 2 and 26 to the consolidated financial statements.

The risk

The Group's revenues are mainly generated from arrastre, stevedoring, storage, and special and other services. Market expectations and profit-based targets may put pressure on management to recognize revenues before all the revenue recognition criteria have been met. Risk of material misstatement may arise in order to improve business results and achieve capital and revenue growths in line with the objectives of the Group.

Our response

Our audit procedures included assessment of the Group's accounting policies in respect of revenue recognition to ensure that they appropriately reflected the requirements of PFRS Accounting Standards. Evaluation of relevant IT systems and the design and operating effectiveness of controls over the recording of revenue transactions and generated reports was also conducted. In doing so, we have involved our IT specialists to assist in the audit of automated controls across different IT applications. Our substantive procedures included testing of revenues earned, to confirm that all services had been performed at the point at which revenue is recognized. Among others, we performed examination of selected individual transactions' supporting documentation to test the existence and accuracy of revenue transactions and to verify whether the revenue recognition practices adopted complied with the stated accounting policies. A detailed movement analysis of revenues earned for each of the Group's revenue streams was also performed to determine any significant fluctuation on the account.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, 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.

Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' 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 auditors' 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 auditors' 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 matter. We describe these matters in our auditors' 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 auditors' report is Vernilo G. Yu.

R.G. MANABAT & CO.

VERNILO G. YU

Partner

CPA License No. 108798

Tax Identification No. 225-454-652 BIR Accreditation No. 08-001987-035-2024

Issued March 26, 2024; valid until March 26, 2027

PTR No. MKT 10467162

Issued January 2, 2025 at Makati City

March 12, 2025

Makati City, Metro Manila

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Consolidated Statements of Financial Position

(Amounts in Thousands)

		December 31	
	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	6, 24, 25	P4,812,172	P5,424,938
Trade and other receivables - net	7, 20, 24, 25	1,307,654	830,653
Spare parts and supplies	18	1,097,633	1,066,535
Prepaid expenses	8	3,412,316	2,776,433
Total Current Assets		10,629,775	10,098,559
Noncurrent Assets			
Investment in an associate	9	59,567	65,436
Property and equipment - net	10	2,712,806	2,511,749
Intangible assets - net	11	22,516,355	21,595,130
Right-of-use assets - net	23	659,303	726,211
Deferred tax assets - net	13	1,087,537	1,002,295
Other noncurrent assets	12	82,201	73,551
Total Noncurrent Assets		27,117,769	25,974,372
		P37,747,544	P36,072,931
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14, 20, 24, 25	P3,141,727	P2,934,416
Provisions for claims	15	67,188	58,873
Port concession rights payable - current portion	23, 24, 25	469,627	455,254
Income and other taxes payable		221,061	100,052
Lease liabilities - current portion	20, 23, 24	14,193	46,615
Total Current Liabilities		3,913,796	3,595,210
Noncurrent Liabilities			
Port concession rights payable - net of current portion	23, 24, 25	6,829,421	7,011,351
Pension liability - net	21	318,043	236,779
Lease liabilities - net of current portion	20, 23, 24	664,149	678,189
Total Noncurrent Liabilities		7,811,613	7,926,319
		11,725,409	11,521,529
Equity			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock		2,000,000	2,000,000
Additional paid-in capital		264,300	264,300
Treasury shares		(34,771)	-
Retained earnings		23,781,109	22,276,607
Fair value reserve		(5,820)	(5,820)
	16, 24	26,004,818	24,535,087
Non-controlling Interest		17,317	16,315
Total Equity		26,022,135	24,551,402
		P37,747,544	P36,072,931

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Consolidated Statements of Income

(Amounts in Thousands, Except Per Share Data)

	Note	Years Ended December 31		
		2024	2023	2022
REVENUES FROM OPERATIONS	26	₱16,541,728	₱15,451,800	₱13,622,704
GOVERNMENT SHARE IN REVENUES	17	(2,969,505)	(2,669,519)	(2,468,762)
		13,572,223	12,782,281	11,153,942
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	18, 20, 21	(7,075,823)	(6,628,665)	(6,176,412)
OTHER INCOME AND EXPENSES				
Finance income		175,368	189,142	45,496
Finance cost		(468,322)	(503,531)	(505,572)
Others - net		(212,554)	40,328	(529,694)
	19	(505,508)	(274,061)	(989,770)
CONSTRUCTION REVENUES	11	2,400,314	1,920,973	1,928,019
CONSTRUCTION COSTS	11	(2,400,314)	(1,920,973)	(1,928,019)
		-	-	-
INCOME BEFORE INCOME TAX		5,990,892	5,879,555	3,987,760
INCOME TAX EXPENSE	13	1,464,810	1,441,737	959,604
NET INCOME		₱4,526,082	₱4,437,818	₱3,028,156
Income Attributable to				
Equity holders of the Parent Company		₱4,524,533	₱4,435,986	₱3,024,811
Non-controlling interest		1,549	1,832	3,345
		₱4,526,082	₱4,437,818	₱3,028,156
Basic/Diluted Earnings per Share Attributable to Equity Holders of the Parent Company	22	₱2.26	₱2.22	₱1.51

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(Amounts in Thousands)

	Note	Years Ended December 31		
		2024	2023	2022
NET INCOME FOR THE YEAR		₱4,526,082	₱4,437,818	₱3,028,156
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item that will never be reclassified to profit or loss</i>				
Actuarial gains (losses) on pension liability	21	(26,664)	(62,687)	14,663
Tax on item taken directly to equity	13	6,666	15,672	(3,666)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR - Net of tax		(19,998)	(47,015)	10,997
TOTAL COMPREHENSIVE INCOME		₱4,506,084	₱4,390,803	₱3,039,153
Total Comprehensive Income Attributable to				
Equity holders of the Parent Company		₱4,504,502	₱4,388,988	₱3,035,751
Non-controlling interest		1,582	1,815	3,402
		₱4,506,084	₱4,390,803	₱3,039,153

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

(Amounts in Thousands, Except Per Share Data)

Years Ended December 31										
Attributable to Equity Holders of the Parent Company										
	Note	Capital Stock	Additional Paid-in Capital	Retained Earnings			Fair Value Reserve	Non-controlling		Total Equity
				Treasury Shares	Appropriated	Unappropriated		Total	Interest	
Balance at January 1, 2024	16	₱2,000,000	₱264,300	₱-	₱19,000,000	₱3,276,607	(₱5,820)	₱24,535,087	₱16,315	₱24,551,402
Cash dividends - ₱1.50 a share		-	-	-	-	(3,000,000)	-	(3,000,000)	(580)	(3,000,580)
Purchase of treasury shares		-	-	(34,771)	-	-	-	(34,771)	-	(34,771)
Reversal of appropriation of retained earnings	16	-	-	-	(3,000,000)	3,000,000	-	-	-	-
Appropriations during the year for port development	16	-	-	-	-	-	-	-	-	-
Appropriations for share buyback	16	-	-	-	2,300,000	(2,300,000)	-	-	-	-
Net income for the year	16	-	-	-	2,000,000	(2,000,000)	-	-	-	-
Other comprehensive income:		-	-	-	-	4,524,533	-	4,524,533	1,549	4,526,082
Actuarial loss - net of tax	21	-	-	-	-	(20,031)	-	(20,031)	33	(19,998)
Balance at December 31, 2024		₱2,000,000	₱264,300	(₱34,771)	₱20,300,000	₱3,481,109	(₱5,820)	₱26,004,818	₱17,317	₱26,022,135
Balance at January 1, 2023		₱2,000,000	₱264,300	₱-	₱16,400,000	₱3,487,619	(₱5,820)	₱22,146,099	₱15,080	₱22,161,179
Cash dividends - ₱1.00 a share	16	-	-	-	-	(2,000,000)	-	(2,000,000)	(580)	(2,000,580)
Reversal of appropriation of retained earnings	16	-	-	-	(2,400,000)	2,400,000	-	-	-	-
Appropriations during the year	16	-	-	-	5,000,000	(5,000,000)	-	-	-	-
Net income for the year		-	-	-	-	4,435,986	-	4,435,986	1,832	4,437,818
Other comprehensive income:		-	-	-	-	-	-	-	-	-
Actuarial loss - net of tax	21	-	-	-	-	(46,998)	-	(46,998)	(17)	(47,015)
Balance at December 31, 2023		₱2,000,000	₱264,300	₱-	₱19,000,000	₱3,276,607	(₱5,820)	₱24,535,087	₱16,315	₱24,551,402

Years Ended December 31										
Attributable to Equity Holders of the Parent Company										
	Note	Capital Stock	Additional Paid-in Capital	Retained Earnings			Fair Value Reserve	Non-controlling		Total Equity
				Treasury Shares	Appropriated	Unappropriated		Total	Interest	
Balance at January 1, 2022	16	₱2,000,000	₱264,300	₱-	₱15,100,000	₱3,367,868	(₱5,820)	₱20,726,348	₱12,258	₱20,738,606
Cash dividends - ₱0.808 a share		-	-	-	-	(1,616,000)	-	(1,616,000)	(580)	(1,616,580)
Reversal of appropriation of retained earnings	16	-	-	-	(2,000,000)	2,000,000	-	-	-	-
Appropriations during the year	16	-	-	-	3,300,000	(3,300,000)	-	-	-	-
Net income for the year		-	-	-	-	3,024,811	-	3,024,811	3,345	3,028,156
Other comprehensive income:		-	-	-	-	-	-	-	-	-
Actuarial gain - net of tax	21	-	-	-	-	10,940	-	10,940	57	10,997
Balance at December 31, 2022		₱2,000,000	₱264,300	₱-	₱16,400,000	₱3,487,619	(₱5,820)	₱22,146,099	₱15,080	₱22,161,179

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

(Amounts in Thousands)

	Note	2024	Years Ended December 31	
		2023	2022	
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱5,990,892	₱5,879,555	₱3,987,760
Adjustments for:				
Depreciation and amortization	10, 11, 18, 23	2,041,757	1,989,066	1,908,756
Finance cost	19, 21, 23	468,322	503,531	505,572
Net unrealized foreign exchange losses (gains)		174,105	(102,127)	411,159
Current service cost	21	46,504	39,193	45,664
Provision for spare parts and supplies obsolescence	18	-	10,000	-
Provision for claims	15	11,305	48	832
Finance income	19	(175,368)	(189,142)	(45,496)
Equity in net earnings of an associate	9, 19	(40,700)	(38,812)	(32,374)
Gain on disposals of:				
Property and equipment	19	(4,502)	(5,359)	(728)
Intangible assets	19	-	-	(5,688)
Operating income before working capital changes		8,512,315	8,085,953	6,775,457
Decrease (increase) in:				
Trade and other receivables		(479,729)	74,256	(96,756)
Spare parts and supplies		(31,098)	4,921	(145,978)
Prepaid expenses		(635,883)	(273,170)	(354,254)
Increase (decrease) in:				
Trade and other payables		45,474	(310,979)	827,752
Provisions for claims		(2,990)	(2,219)	(3,004)
Income and other taxes payable		(23,967)	(118,513)	6,376
Cash generated from operations		7,384,122	7,460,249	7,009,593
Finance income received		178,096	190,218	45,496
Income tax paid		(1,398,410)	(1,444,548)	(1,066,262)
Contributions to retirement funds	21	(4,314)	(84,505)	(74,978)
Finance cost paid		(38,681)	(54,208)	(27,013)
Net cash provided by operating activities		6,120,813	6,067,206	5,886,836
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Intangible assets	11	(₱2,365,287)	(₱1,939,908)	(₱1,986,879)
Property and equipment	10	(440,926)	(262,665)	(829,665)
Proceeds from disposals of:				
Intangible assets		-	-	6,260
Property and equipment		5,054	97,935	1,760
Dividends received	9, 20	46,569	28,658	35,465
Decrease (increase) in:				
Other noncurrent assets		-	-	26,083
Deposits		(8,650)	13,208	(10,805)
Net cash used in investing activities		(2,763,240)	(2,062,772)	(2,757,781)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Cash dividends	16	(3,000,000)	(2,000,000)	(1,616,000)
Cash dividends to non-controlling interest		(580)	(580)	(580)
Ports concession rights payable	23	(805,235)	(972,915)	(799,238)
Share buyback		(34,771)	-	-
Lease liabilities	23	(174,062)	(192,288)	(223,176)
Net cash used in financing activities		(4,014,648)	(3,165,783)	(2,638,994)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(657,075)	838,651	490,061
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		44,309	(13,980)	156,040
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6	5,424,938	4,600,267	3,954,166
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	₱4,812,172	₱5,424,938	₱4,600,267

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

(Amounts in Thousands, Except Per Share Data)

1. REPORTING ENTITY

Asian Terminals, Inc. (ATI or the "Parent Company") was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on July 9, 1986. The consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries, ATI Batangas, Inc. (ATIB) and Tanza Container Terminal, Inc. (TCTI), (collectively referred to as the "Group"). The Parent Company is a public company under Section 17.2 of the Securities Regulation Code and its shares are listed on the Philippine Stock Exchange, Inc. (PSE). DP World Australia (POAL) Pty. Ltd. directly owns 17.32% of the total outstanding capital stock of ATI.

The Group operates and manages the South Harbor Port of Manila and the Port of Batangas in Batangas City. The registered office address of the Parent Company is at A. Bonifacio Drive, Port Area, Manila.

2. OPERATING CONTRACTS

Following are the Group's operating contracts:

a. South Harbor, Port of Manila

ATI's exclusive right to manage, operate and develop South Harbor was renewed for a period of 25 years from May 19, 2013 to May 18, 2038 pursuant to the Third Supplement to the Contract for Cargo Handling and Related Services (the "Third Supplement") with the Philippine Ports Authority (PPA) dated October 19, 2007 (see Note 23).

b. Port of Batangas

On January 18, 2010, the PPA issued to ATI the Notice to Award the Contract for the Management, Operation, Maintenance, Development and Promotion of the Container Terminal "A-1," Phase II of the Port of Batangas for a period of 25 years. The Contract was signed on March 25, 2010. The Notice to Proceed dated June 16, 2010 allowed ATI to start and commence operations at the Terminal on July 1, 2010.

On October 2, 2015, ATI and ATIB signed a Contract with PPA for the Management, Operation, Maintenance and Development of Phase I, Port of Batangas with a term from October 1, 2015 until September 30, 2025.

In December 2019, ATI and ATIB signed a Contract with PPA for the extension of the term from 2025 to 2035 (see Note 23).

3. BASIS OF PREPARATION

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards Accounting Standards issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRS Accounting Standards, Philippine Accounting Standards (PASs), and Philippine Interpretations.

The consolidated financial statements were authorized for issue by the Board of Directors (BOD) on February 20, 2025.

Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

Items	Measurement Bases
Equity investments at Fair Value through Other Comprehensive Income (FVOCI)	Fair value
Pension liability	The present value of the defined benefit obligation less the fair value of plan assets.

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso, which is the Group's functional currency. All amounts have been rounded off to the nearest thousand pesos (P000), except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of ATI, ATIB, TCTI and the Group's interest in an associate accounted for under the equity method of accounting. ATIB is a 99.17% owned subsidiary as at December 31, 2024 and 2023. TCTI was incorporated on January 18, 2018, and a 100% owned subsidiary as at December 31, 2024 and 2023.

The financial statements of ATIB and TCTI are prepared for the same financial reporting year as ATI, using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses resulting from intra-group transactions are eliminated in full.

TCTI is fully consolidated from the date of incorporation. ATIB is fully consolidated from the date of acquisition, being the date when ATI obtained control, and continues to be consolidated until the date that such control ceases.

Non-controlling interest represents the portion of profit and loss and net assets in ATIB not held by ATI and are presented separately in the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity, and within equity in the consolidated statements of financial position.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except if mentioned otherwise.

Adoption of Amendments to a Standard

The Group has adopted the following amendments to a standard starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Group's consolidated financial statements.

- Classification of Liabilities as Current or Noncurrent - 2020 amendments and Non-Current Liabilities with Covenants - 2022 amendments (Amendments to PAS 1, Presentation of Financial Statements).** To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
 - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

- clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
- provided additional disclosure requirements for non-current liabilities subject to conditions within twelve months after the reporting period to enable the assessment of the risk that the liability could become repayable within twelve months; and
- clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

New Standards and Amendments to Standards Issued but Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2024. However, the Group has not early adopted the following new standards and amendments to standards in preparing these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective January 1, 2026

- Amendments to the Classification and Measurement of Financial Instruments** (*Amendments to PFRS 9, Financial Instruments and PFRS 7, Financial Instruments: Disclosures*). The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

Date of recognition and derecognition. The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis.

Classification of financial assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Contractually linked instruments and non-recourse features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of IFRS 9.

Disclosures on investments in equity instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

- Annual Improvements to PFRS Accounting Standards – Volume 11.** This cycle of improvements contains amendments to five standards, of which are applicable to the Group:
 - Gain or Loss on Derecognition** (*Amendments to PFRS 7, Financial Instruments: Disclosure*). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
 - Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures** (*Amendments to Guidance on implementing PFRS 7, Financial Instruments: Disclosure*). The amendments:
 - clarified that the Guidance on implementing PFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7;
 - made the wordings on the disclosure of deferred difference between fair value and transaction price in paragraph IG14 of PFRS 7 consistent with the requirements in paragraph 28 of PFRS 7 and with the concepts in PFRS 9, *Financial Instruments* and PFRS 13, *Fair Value Measurement*; and

- o simplified the wordings on credit risk disclosures in paragraph IG20B that the illustration does not include financial assets that are purchased or originated credit impaired.
- *Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9, Financial Instruments)*. The amendments:
 - o added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
 - o replaced the term 'their transaction price (as defined in IFRS 15)' with 'the amount determined by applying IFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.
- *Determination of 'De Facto Agent' (Amendments to PFRS 10, Consolidated Financial Statements)*. The amendments revised the wording on whether a party is a de facto agent when directed by 'those that direct the activities of the investor' to be non-conclusive given this may require judgement.
- *Cost Method (Amendments to PAS 7, Statement of Cash Flows)*. The amendments replaced the term 'cost method' with 'at cost' given the definition of 'cost method' has previously been removed from PFRS Accounting Standards.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

Effective January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements* will replace PAS 1, *Presentation of Financial Statements* and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.
 - *A more structured income statement*. PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories – operating, investing, and financing – based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement – either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.
 - *Management-defined performance measures*. PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.

- *Greater disaggregation of information*. PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to PAS 7, *Statement of Cash Flows* requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures)*. The amendments address an inconsistency between the requirements in PFRS 10 and 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.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. However, on January 13, 2016, the Financial Reporting Standards Council decided to postpone the effective date of these amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Financial Instruments

Non-derivative Financial Instruments. Non-derivative financial instruments consist of cash and cash equivalents, trade and other receivables, deposits, equity securities, trade and other payables (except for statutory payables), port concession rights payable and lease liabilities.

Recognition and Initial Measurement. Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group's financial assets at amortized cost include cash and cash equivalents, trade and other receivables, and deposits.

A financial asset is measured at amortized cost using the effective interest method if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Cash includes cash on hand and in banks which are stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and are subject to an insignificant risk of changes in value.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The accumulated fair value reserves are never reclassified to profit or loss. Dividends are recognized as income in profit or loss unless it clearly represents a recovery of the cost of investment.

Included in this category is the Group's equity instruments (included under other noncurrent assets).

Business Model Assessment. The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- a. the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- b. how the performance of the portfolio is evaluated and reported to the Group's management;
- c. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- d. how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- e. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Solely Payments of Principal and Interest Assessment. Principal is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the

contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial Liabilities

Classification, Subsequent Measurement and Gains and Losses. Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Included under other financial liabilities are the Group's trade and other payables (except for due to government agencies) port concession rights payable and lease liabilities.

Impairment of Financial Assets

IFRS 9, *Financial Instruments* introduced the 'expected credit loss' (ECL) impairment model which is applicable to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECL is the probability-weighted estimate of credit losses over the expected life of the financial instrument, representing the present value of expected cash shortfalls. The Group applies either a 12-month ECL or a lifetime ECL. Lifetime ECL applies to the financial assets that have experienced a significant increase in credit risk or are already credit-impaired. The Group's approach to ECL measurement is described in Note 24.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Internal credit rating;
- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor and changes in the operating results of the debtor.

Regardless of the analysis above, a significant risk in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 75 days of when they fall due. A financial asset is credit-impaired when an event that has a detrimental impact on the estimated future cash flows have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than 75 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or either financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Financial assets are written off when there is no reasonable expectation of recovery. The Group categorizes a loan or receivable for write off when a debtor fails to make payments or when it is no longer probable that the receivable will be collected. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements 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 consolidated statements of financial position.

Derecognition of Financial Instruments

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- 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 under a "pass-through" arrangement; or
- 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 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, 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 the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes, when necessary, based on the market values, being the estimated amount for which assets could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The different levels of fair value of financial instruments carried at fair value, by valuation method have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement.

Fair values of the financial instruments are discussed in Note 25 to the consolidated financial statements.

Spare Parts and Supplies

Spare parts and supplies are stated at the lower of cost and current replacement cost. Cost is determined using the weighted average method and includes all expenditures incurred in acquiring and bringing them to their existing location and condition.

Investment in Subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling Interest

NCI is measured at its proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investment in an Associate

The Group's 35.71% investment in its associate, South Cotabato Integrated Port Services, Inc. (SCIPSI), is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence but not control or joint control, over the financial and operating policies.

Under the equity method, the investment in the associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. The Group's share in the profit or loss and other comprehensive income of the associate is recognized in the Group's consolidated statements of income. Dividends received from the associate reduce the carrying amount of the investment. Adjustment to the carrying amount, may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's other comprehensive income.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized.

The financial statements of the associate are prepared for the same reporting period as the Group. The accounting policies of the associate conform to those used by the Group for like transactions and events in similar circumstances.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment. Such cost includes the cost of replacing part of such property and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes interest incurred during the construction period on funds borrowed to finance the construction of the projects. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Port facilities and equipment include spare parts that the Group expects to use for more than one year. These are not depreciated until ready for its intended use. However, these are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the spare parts may not be recoverable.

Construction in progress represents structures under construction and is stated at cost. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of property and equipment are capitalized during the construction period. Construction in progress is not depreciated until such time that the relevant assets are substantially completed and ready for its intended use. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Port facilities and equipment	2 - 25 years or life of the operating contract, whichever is shorter
Leasehold improvements	2 - 40 years or term of the lease, whichever is shorter
Furniture, fixtures and equipment	2 - 5 years
Transportation and other equipment	2 - 5 years

The remaining useful lives, residual values, depreciation and amortization method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in profit or loss.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement or disposal.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized using the straight-line method over the period covered by the contract or useful life, whichever is shorter. The amortization period and the amortization method are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in accounting estimates. The amortization expense is recognized in profit or loss in the expense category consistent with the function of the intangible asset. Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss and measured as the difference between the net disposal proceeds and the carrying amount of the asset.

Port Concession Rights

The Group recognizes port concession rights as intangible assets arising from a service concession arrangements in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interests in the infrastructure at the end of the term of the arrangement, such as property and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangements.

Port concession rights consist of:

- Upfront fees payments on the concession contracts;
- The cost of port infrastructures constructed and port equipment purchased, which are not recognized as property and equipment of the Group but as intangible asset received as consideration for such cost; and
- Future fixed government share considerations in exchange for license or right. Fixed government share is recognized at present value using the discount rate at the inception date with a corresponding liability recognized. Interest on the unwinding of discount of the liability and foreign exchange differences arising from translations are recognized in profit or loss.

Port concession rights are determined as intangible assets with finite useful lives and are amortized using the straight-line method over the concession period or useful life, whichever is shorter. The amortization period and the amortization method are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in accounting estimates. The amortization expense is recognized in profit or loss in the expense category consistent with the function of the intangible asset. Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss and measured as the difference between the net disposal proceeds and the carrying amount of the asset.

Port concession rights are amortized using the straight-line method over the term of contract asset or useful life ranging from 2 to 25 years whichever is shorter.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

Impairment is determined by assessing the recoverable amount of the investment to which the goodwill relates. Where the recoverable amount is less than the carrying amount of the investment, an impairment loss is recognized. An impairment loss in respect of goodwill is not reversed. Where part of the operation within the investment is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of Non-financial Assets

The carrying amounts of investment in an associate, property and equipment, intangible assets other than goodwill and right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Provisions

Provisions are recognized when the Group has: (a) a present obligation (legal or constructive) as a result of past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and those risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Share Capital

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Additional Paid-in Capital

The amount of contribution in excess of par value is accounted for as "Additional paid-in capital." Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefit.

Retained Earnings and Dividend Distribution

Retained earnings include current and prior years' results, net of dividends declared, if any, and other capital adjustments.

Dividend distribution to the Group's shareholders is recognized as a liability, and deducted from equity in the Group's consolidated statements of financial position in the period in which the dividends are approved and declared by the Group's BOD.

Retained earnings may also include prior year adjustments and the effect of changes in accounting policies as may be required by the standards' transitional provisions.

Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Group's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue, Cost and Expense Recognition

Revenue from Contracts with Customers

The Group recognizes revenue when it transfers control over a service to a customer. Revenue is measured based on the consideration specified in a contract and PPA Tariff regulations, which are all fixed amounts, for each type of services rendered net of variable consideration, if any. The PPA established all relevant port regulations, basic port services and service level requirements, liability on cargo, security, and safety. The Group's revenue is well defined in PPA Operations Memorandum Circular No. 008-2024 and revised schedule of Cargo Handling Tariff implemented on August 6, 2024.

The following is a description of principal activities from which the Group generates its revenue. Revenue is disaggregated by the following service lines:

- **Stevedoring**
The Group generates stevedoring revenue from all works performed on board vessel. The activity includes movement of cargoes from ship-to-shore, shore-to-ship lifting for inbound and outbound and transshipment including the related stevedoring transportation and liftings from shore to yard and yard to shore. The activity generally finishes in a short period of time (i.e. 24 to 48 hours from the time ship arrives at the port). The Group recognizes revenue at a point in time upon completion of service and the average credit term is 15 to 30 days.
- **Arrastre**
The Group generates arrastre revenue from portside cargo handling operations. The activity includes receiving, handling, custody, security and delivery of cargo passing over piers, quays, warehouses and open storages within the jurisdictional area of responsibility of the Group. The Group recognizes revenue upon completion of service (i.e. at a point in time). The customer pays arrastre charges before the release of cargoes.
- **Logistics**
Logistics operation includes trucking and handlings services. The Group recognizes revenue upon completion of service (i.e. at a point in time) and the average credit term is 15 to 30 days.

▪ *Special and Others Services*

Special and other services include storage, reefer monitoring, container freight servicing, and equipment or manpower rental. Majority of these service lines pertain to storage revenues. Storage revenues are charges from the use of warehouses and/or open storages within the jurisdictional area of responsibility of the Group beyond the free storage period. Customers are billed upon withdrawal of cargoes from the terminal (for Import) or upon loading of cargoes to vessel (for export). The Group recognizes revenues over a period of time (number of days the container stayed in the jurisdictional area) and the average credit term is 15 to 30 days.

Other Income

Other income is recognized at the point in time when the service has been rendered.

Finance Income

Finance income is recognized on a time proportion basis that reflects the effective yield on the investment.

Construction Revenues and Costs

The Group recognizes revenue related to construction and upgrade of services under service concession arrangement in accordance with PFRS 15, *Revenue from Contracts with Customers*. When the construction or upgrade services are provided or delivered under concession arrangement accounted within the scope of Philippine Interpretation IFRIC 12, *Service Concession Arrangements* the consideration is measured at the estimated selling price of the construction services provided. No margin has been recognized since the estimated selling price of the consideration services provided approximates the construction costs. The nature of the consideration determines the subsequent accounting. The consideration is classified as a contract asset under Intangible assets during the construction or upgrade period in accordance with PFRS 15.

Cost and Expense Recognition

Costs and expenses are recognized upon receipt of goods, utilization of services or at the date they are incurred.

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. The capitalization of borrowing costs: (a) commences when the activities to prepare the assets are in progress and expenditures and borrowing costs are being incurred; (b) is suspended during extended periods in which active development, improvement and construction of the assets are interrupted; and (c) ceases when substantially all the activities necessary to prepare the assets are complete. These costs are amortized using the straight-line method over the estimated useful life of the related property, plant and equipment to which it is capitalized.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss in the period in which these are incurred using the effective interest method.

Leases

At the inception of the contract, the Group assesses whether the 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, *Leases*.

Group as 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 price.

However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated 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 or 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, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financial sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments 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 value 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 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, or if the Group's 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 the carrying amount of the right-of-use asset has been reduced to zero.

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

The Group has classified:

- cash payments for the principal portion of lease payments as financing activities;
- cash payments for the interest portion as operating activities consistent with the presentation of interest payments chosen by the Group; and
- short-term lease and payments for leases of low value assets as operating activities.

Employee Benefits

a. Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Pensions

ATI and ATIB have funded, defined benefit pension plans, administered by a common pension trustee, covering their permanent employees. The cost of providing benefits under the defined benefit pension plans is determined separately for each plan using the projected unit credit method.

The defined benefit pension asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligation is to be settled directly. The value of any plan asset recognized is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Remeasurements of the net defined benefit pension liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit pension liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit pension liability (asset), taking into account any changes in the net defined pension liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit pension plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit pension plan when the settlement occurs.

Foreign Currency Transactions

The consolidated financial statements are presented in Philippine peso, which is the Group's functional currency. Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All differences are taken to the profit or loss. Foreign currency gains and losses are reported on a net basis.

Taxes

Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates (tax laws) enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred Tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax liabilities are not provided on non-taxable temporary difference associated with investment in associate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (tax laws) that have been enacted or substantively enacted by the end of the reporting period.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statements of financial position.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to any stock dividends declared during the year.

The Group does not have potential common shares or other instruments that may entitle the holder to common shares. Hence, diluted EPS is the same as basic EPS.

Operating Segments

The Group's operating businesses are organized and managed separately according to the lines of business: port and non-port, with each segment representing a strategic business unit that serves different markets. The BOD reviews segment reports on a regular basis.

The Group has a single reportable operating segment, as its business has been mainly on port operations and the non-port operation is insignificant to the Group's total business.

The Group operates only in the Philippines which is treated as a single geographical segment.

Segment capital expenditure is the total cost incurred during the year to acquire property and equipment and intangible assets other than goodwill.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's consolidated financial position at the reporting date (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.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future periods affected.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Parent Company and its subsidiaries has been determined to be the Philippine peso. It is the currency that mainly influences the price and cost of providing services.

Service Concession Arrangements. The Group has determined that the operating contracts are within the scope of IFRIC 12, accounted for under the intangible asset model.

The intangible assets pertaining to concession rights as at December 31, 2024 and 2023 are presented in Note 11 to the consolidated financial statements.

Port Concession Rights and Port Concession Rights Payable. Estimates and assumptions are required on the determination of the cost of port concession rights on service concession arrangements to determine the extent to which the Group receives a right or license to charge users of public service. Port concession rights includes future fixed government share considerations in exchange for license or right. Fixed government share is recognized at present value using the discount rate at the inception date with a corresponding liability (port concession rights payable) recognized. In making those estimates, the management is required to determine a suitable discount rate to calculate the present value of port concessions rights and port concession rights payable. The Group believes that, while the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the consolidated financial statements.

Estimates and Assumptions

The key estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Provisions for Claims. The Group records provisions for claims for property, equipment and cargo damage and for pending civil and labor cases when it is determined that an unfavorable outcome is probable and the amount of the claim can be reasonably estimated. The determination of the amount of reserves required, if any, is based on management's analysis of each individual issue, often with assistance of outside legal counsel.

Provisions for claims amounted to ₱67.2 million and ₱58.9 million as at December 31, 2024 and 2023, respectively (see Note 15).

Lease Extension Option. Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Lease liabilities on property leases on which extension options were exercised amounted to ₱55.0 million and ₱48.7 million as at December 31, 2024 and 2023.

6. CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash on hand and in banks		₱795,820	₱520,599
Short-term investments		4,016,352	4,904,339
	24, 25	₱4,812,172	₱5,424,938

Cash in banks earn interest at floating rates based on daily bank deposit rates. Majority of short-term investments are on 90-day term subject to roll-over requirements of the Group and earn interest at the prevailing short-term deposit rates amounting to ₱175.4 million, ₱189.1 million and ₱45.5 million in 2024, 2023 and 2022, respectively (see Note 19).

7. TRADE AND OTHER RECEIVABLES

	Note	2024	2023
Trade receivables		₱900,312	₱609,257
Due from related parties	20	266,060	107,024
Advances to officers and employees		40,865	22,786
Receivable from insurance		29,718	52,757
Accrued other income		9,015	-
Interest receivable		8,403	11,131
Other receivables		57,476	31,893
		1,311,849	834,848
Allowance for impairment losses		(4,195)	(4,195)
	24, 25	₱1,307,654	₱830,653

Trade and other receivables are noninterest-bearing and generally have credit term of thirty (30) days.

There was no movement in allowance for impairment losses on trade and other receivables in 2024 and 2023 (see Note 24).

8. PREPAID EXPENSES

	2024	2023
Taxes	₱3,098,115	₱2,729,206
Advances to contractors	251,980	2,520
Insurance	15,509	11,025
Rental	3,927	3,927
Advances to government agencies	101	101
Others	42,684	29,654
	₱3,412,316	₱2,776,433

Taxes pertain to the Group's input VAT credits, net of output VAT.

Rentals pertain to prepayments on short-term leases entered during the period. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

9. INVESTMENT IN AN ASSOCIATE

ATI has a 35.71% interest in SCIPSI, which is engaged in arrastre, stevedoring and other related cargo handling services, except portorage, in Makar Wharf, General Santos City, Philippines. SCIPSI is not listed in any public exchange. The carrying amount of investment in an associate as at December 31 follows:

	Note	2024	2023
Acquisition cost		P11,222	P11,222
Accumulated equity in net earnings:			
Balance at beginning of year		54,214	44,060
Equity in net earnings for the year	19	40,700	38,812
Dividends received during the year		(46,569)	(28,658)
		48,345	54,214
		P59,567	P65,436

The information presented in the table includes the result of SCIPSI's operations for the years ended December 31, 2024 and 2023. The following table also reconciles the summarized financial information to the carrying amount of the Group's interest in SCIPSI.

	2024	2023
Current assets	P148,200	P165,483
Noncurrent assets	43,172	49,226
Total assets	P191,372	P214,709
Current liabilities	P38,694	P44,448
Noncurrent liabilities	2,897	1,636
Total liabilities	P41,591	P46,084
Net assets	P149,781	P168,625
Share in net assets	P53,487	P60,216
Excess of cost over the interest	6,080	5,220
Carrying amount of interest	P59,567	P65,436
Revenues	P315,833	P297,047
Expenses	(201,859)	(188,360)
Net income	P113,974	P108,687

Based on unaudited financial statements

10. PROPERTY AND EQUIPMENT - NET

The movements in this account are as follows:

2024

	Port Facilities and Equipment	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation and Other Equipment	Construction in-progress	Total
Cost						
Balance at beginning of year	P226,611	P2,482,747	P1,005,394	P418,837	P184,880	P4,318,469
Additions	327	200,541	141,096	55,249	88,101	485,314
Disposals	-	-	(9,079)	(24,411)	-	(33,490)
Reclassifications	12,331	229,341	(72,547)	7,250	(188,901)	(12,526)
Balance at end of year	239,269	2,912,629	1,064,864	456,925	84,080	4,757,767
Accumulated Depreciation						
Balance at beginning of year	144,577	619,629	794,883	247,631	-	1,806,720
Depreciation	13,356	133,886	74,238	51,881	-	273,361
Disposals	-	-	(9,079)	(23,859)	-	(32,938)
Reclassifications	10,178	206	(6,782)	(5,784)	-	(2,182)
Balance at end of year	168,111	753,721	853,260	269,869	-	2,044,961
Carrying Amount	P71,158	P2,158,908	P211,604	P187,056	P84,080	P2,712,806

2023

	Port Facilities and Equipment	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation and Other Equipment	Construction in-progress	Total
Cost						
Balance at beginning of year	₱225,268	₱707,135	₱935,940	₱330,305	₱1,960,215	₱4,158,863
Additions	1,343	84,200	50,799	64,445	77,959	278,746
Disposals	-	(91,253)	(6,259)	(21,628)	-	(119,140)
Reclassifications	-	1,782,665	24,914	45,715	(1,853,294)	-
Balance at end of year	226,611	2,482,747	1,005,394	418,837	184,880	4,318,469
Accumulated Depreciation						
Balance at beginning of year	131,137	527,318	713,372	220,825	-	1,592,652
Depreciation	13,440	92,311	87,770	47,111	-	240,632
Disposals	-	-	(6,259)	(20,305)	-	(26,564)
Balance at end of year	144,577	619,629	794,883	247,631	-	1,806,720
Carrying Amount	₱82,034	₱1,863,118	₱210,511	₱171,206	₱184,880	₱2,511,749

No borrowing costs were capitalized in 2024 and 2023.

The Group has non-cash additions for the years ended December 31, 2024 and 2023 which amounted to ₱44.4 million and ₱16.1 million, respectively.

Depreciation is charged under "Depreciation and amortization" account included in "Costs and expenses excluding government share in revenues" in the consolidated statements of income (see Note 18).

Cost of fully depreciated property and equipment which are still being used by the Group amounted to ₱1.1 billion and ₱712.0 million as at December 31, 2024 and 2023, respectively.

11. Intangible Assets - net

The movements in this account are as follows:

2024

	Port Concession Rights				Goodwill	Total
	Upfront Fees (Note 23)	Fixed Government Share	Port Infrastructure	Subtotal		
Cost						
Balance at beginning of year	₱882,000	₱9,279,694	₱27,554,563	₱37,716,257	₱42,060	₱37,758,317
Additions	-	-	2,498,548	2,498,548	-	2,498,548
Disposals	-	-	(1,824)	(1,824)	-	(1,824)
Reclassifications	-	-	(1,253)	(1,253)	-	(1,253)
Balance at end of year	882,000	9,279,694	30,050,034	40,211,728	42,060	40,253,788
Accumulated Amortization						
Balance at beginning of year	119,774	5,107,234	10,936,179	16,163,187	-	16,163,187
Amortization	11,280	386,596	1,176,012	1,573,888	-	1,573,888
Disposals	-	-	(1,824)	(1,824)	-	(1,824)
Reclassifications	-	-	2,182	2,182	-	2,182
Balance at end of year	131,054	5,493,830	12,112,549	17,737,433	-	17,737,433
Carrying Amount	₱750,946	₱3,785,864	₱17,937,485	₱22,474,295	₱42,060	₱22,516,355

2023

	Port Concession Rights				Goodwill	Total
	Upfront Fees (Note 23)	Fixed Government Share	Port Infrastructure	Subtotal		
Cost						
Balance at beginning of year	₱882,000	₱9,279,694	₱25,508,613	₱35,670,307	₱42,060	₱35,712,367
Additions	-	-	2,061,603	2,061,603	-	2,061,603
Disposals	-	-	(15,653)	(15,653)	-	(15,653)
Balance at end of year	882,000	9,279,694	27,554,563	37,716,257	42,060	37,758,317
Accumulated Amortization						
Balance at beginning of year	108,494	4,628,828	9,894,121	14,631,443	-	14,631,443
Amortization	11,280	478,406	1,057,711	1,547,397	-	1,547,397
Disposals	-	-	(15,653)	(15,653)	-	(15,653)
Balance at end of year	119,774	5,107,234	10,936,179	16,163,187	-	16,163,187
Carrying Amount	₱762,226	₱4,172,460	₱16,618,384	₱21,553,070	₱42,060	₱21,595,130

The unamortized capitalized borrowing costs as at December 31, 2024 and 2023 amounted to ₱45.4 million and ₱50.0 million, respectively. No borrowing costs were capitalized in 2024 and 2023.

Amortization is charged under "Depreciation and amortization" account included in "Costs and expenses excluding government share in revenues" in the consolidated statements of income (see Note 18).

The Group has non-cash additions for the years ended December 31, 2024 and 2023 which amounted to ₱133.3 million and ₱121.7 million, respectively.

Contract asset under Port Infrastructure represents ongoing construction of port facilities and eventual putting into service in accordance with the Investment Plan. The movements in contract asset are as follows:

	2024	2023
Balance at beginning of year	₱3,348,319	₱2,734,320
Additions during the year	2,400,314	1,920,973
Reclassification during the year	(1,109,037)	(1,306,974)
Balance at end of year	₱4,639,596	₱3,348,319

Goodwill

Key Assumptions

In testing impairment of goodwill, the recoverable amount of ATIB is the value in use, which has been determined by calculating the present value of cash flow projections from the operations of ATIB. The average revenue growth rate assumption used was 5.0%. The discount rate applied to cash flow projections is 9.5% in 2024 and 9.0% in 2023 based on the industry's weighted average cost of capital (WACC).

Sensitivity to Changes in Assumptions

The estimated recoverable amount of ATIB exceeds its carrying amount by approximately ₱2.3 billion and ₱3.0 billion in 2024 and 2023, respectively. Management has identified that earnings before interest and tax and discount rates are the key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount.

12. Other Noncurrent Assets

	Note	2024	2023
Deposits	24, 25	₱79,549	₱70,899
Equity securities	24, 25	2,652	2,652
		₱82,201	₱73,551

Deposits mainly represent payments related to refundable security deposits on property leases and utilities. This account includes noninterest-bearing refundable security deposits on a lease agreement that was carried at fair value as of initial recognition determined based on the present value of future cash flows discounted using effective interest rate of 6.2% in 2024 and 5.8% in 2023. The carrying amounts of these refundable security deposits at amortized cost amounted to ₱14.0 million and ₱15.0 million as at December 31, 2024 and 2023, respectively.

Equity securities consist of investments in quoted and unquoted shares.

13. Income Tax

The components of taxes are as follows:

	2024	2023	2022
Current tax	₱1,543,386	₱1,452,484	₱1,137,822
Deferred tax	(78,576)	(10,747)	(178,218)
	₱1,464,810	₱1,441,737	₱959,604

A reconciliation between the statutory tax rate and the effective tax rate on income before income tax follows:

	2024	2023	2022
Statutory income tax rate	25.00%	25.00%	25.0%
Changes in income tax rate resulting from:			
Income subjected to final tax	(0.73)	(0.80)	(0.23)
Others	0.18	0.32	(0.71)
Effective income tax rate	24.45%	24.52%	24.06%

The movements in deferred tax balances are as follows:

2024	Note	Net Balance at January 1	Recognized in Profit or Loss	Recognized in OCI	December 31		Net
					Deferred Tax Assets	Deferred Tax Liabilities	
Port concession rights payable related to fixed government share		P460,630	(P395)	P-	P460,235	P-	P460,235
Unrealized foreign exchange loss - net		398,214	54,950	-	453,164	-	453,164
Pension liability	21	74,128	(3,498)	6,666	77,296	-	77,296
Accrued expenses		38,114	10,685	-	48,799	-	48,799
Excess of cost over net realizable value of spare parts and supplies		22,307	-	-	22,307	-	22,307
Provisions for claims		14,717	22,162	-	36,879	-	36,879
Right-of-use and lease liability		4,800	(6,639)	-	-	(1,839)	(1,839)
Impairment losses on receivables		2,254	-	-	2,254	-	2,254
Unamortized capitalized borrowing costs and custom duties		(12,869)	1,311	-	-	(11,558)	(11,558)
Net tax assets (liabilities)		P1,002,295	P78,576	P6,666	P1,100,934	(P13,397)	P1,087,537

2023	Note	Net Balance at January 1	Recognized in Profit or Loss	Recognized in OCI	December 31		Net
					Deferred Tax Assets	Deferred Tax Liabilities	
Port concession rights payable related to fixed government share		P453,586	P7,044	P-	P460,630	P-	P460,630
Unrealized foreign exchange loss - net		384,736	13,478	-	398,214	-	398,214
Pension liability	21	60,868	(2,412)	15,672	74,128	-	74,128
Accrued expenses		46,716	(8,602)	-	38,114	-	38,114
Excess of cost over net realizable value of spare parts and supplies		19,807	2,500	-	22,307	-	22,307
Provisions for claims		15,260	(543)	-	14,717	-	14,717
Right-of-use and lease liability		6,828	(2,028)	-	4,800	-	4,800
Impairment losses on receivables		2,254	-	-	2,254	-	2,254
Unamortized capitalized borrowing costs and custom duties		(14,179)	1,310	-	-	(12,869)	(12,869)
Net tax assets (liabilities)		P975,876	P10,747	P15,672	P1,015,164	(P12,869)	P1,002,295

Deferred tax assets have been recognized because management believes that the Group will earn sufficient future taxable profits against which it can utilize the benefits therefrom.

14. Trade and Other Payables

	Note	2024	2023
Accrued expenses:			
Marketing, commercial, promotion and business development		P460,651	P529,847
Personnel costs		128,093	85,815
Finance costs		126,894	129,096
Repairs and maintenance		102,786	86,296
Insurance		65,856	58,460
IT expenses		45,595	21,805
Security expenses		40,274	38,677
Trucking expense		39,795	24,600
Professional fees		36,128	49,405
Utilities		24,298	14,090
Rentals	23	21,317	21,651
Corporate social responsibility		12,959	14,156
Safety and environment		5,531	3,799
Miscellaneous accrued expenses		122,802	98,876
Due to government agencies	23	1,059,557	967,569
Equipment acquisitions		200,806	255,405
Trade		290,350	244,925
Shippers' and brokers' deposits		185,629	97,555
Provisions		80,364	-
Management fee payable	20	32,886	17,266
Other payables	20	59,156	175,123
	24, 25	P3,141,727	P2,934,416

Following are the terms and conditions of the above liabilities:

- Trade payables are non-interest-bearing and are normally settled on 30 to 60-day terms.
- Accrued finance costs are normally settled quarterly and semi-annually throughout the financial year.
- Other payables are non-interest bearing and are normally settled within twelve months from inception date. This account includes dividends and other non-trade payables.

Rentals pertain to short-term leases entered during the period.

Provisions arise from a claim of a third party. Additional information has not been disclosed because management believes that it can be expected to seriously prejudice the position of the Group relating to such claim of the other party on the subject matter of the provision.

15. Provisions for Claims

The movements and balances of this account are as follows:

	Note	2024	2023
Balance at beginning of year		₱58,873	₱61,044
Provisions during the year	18	11,305	48
Payments during the year		(2,990)	(2,219)
Balance at end of year		₱67,188	₱58,873

Provisions relate to property and equipment, and cargo damage and other claims. It is expected that most of these provisions will be settled within the next financial year or on demand.

16. Equity

Pursuant to the registration statement rendered effective by the SEC and permit to sell issued by the SEC both dated April 7, 1995, 1 billion common shares of the Parent Company were registered and may be offered for sale at an offer price of ₱5.10 per common share. On March 26, 1999, another registration statement was rendered effective by the SEC and permit to sell issued by the SEC for 1 billion common shares of the Parent Company and may be offered for sale at an offer price of ₱1.00 per common share. As at December 31, 2024 and 2023, the Parent Company has a total of 2 billion issued and outstanding common shares with 822 and 821 stockholders, respectively.

Capital Stock - ₱1 Par Value

The Parent Company has 2.0 billion issued and fully paid capital stock, from its 4.0 billion authorized common shares, as at December 31, 2024 and 2023.

Treasury Shares

Treasury shares came from the acquisition of the Parent Company's common shares. On December 13, 2024, the Parent Company acquired 1,986,900 of its common shares from the market amounting to ₱34.8 million.

Retained Earnings

The Group's unappropriated retained earnings includes the subsidiaries' unappropriated net earnings of ₱25.0 million and ₱11.9 million and the Group's accumulated equity in the net earnings of an associate amounting to ₱48.3 million and ₱54.2 million as at December 31, 2024 and 2023, respectively, which are available for distribution only upon declaration of dividends by such subsidiaries to the Parent Company and the associate to the Group. Cash dividends are distributed yearly since 2000.

Cash Dividends

On April 25, 2024, the BOD approved the declaration of cash dividends of ₱1.50 per share payable on June 18, 2024 to common shareholders of record as at May 23, 2024.

On April 27, 2023, the BOD approved the declaration of cash dividends of ₱1.00 per share payable on June 20, 2023 to common shareholders of record as at May 26, 2023.

On April 28, 2022, the BOD approved the declaration of cash dividends of ₱0.808 per share payable on June 17, 2022 to common shareholders of record as at May 25, 2022.

Appropriation and Reversal of Appropriation of Retained Earnings

On December 27, 2024, the Group's BOD approved the reversal of the appropriated retained earnings amounting to ₱3.0 billion out of the already approved appropriation of ₱19.0 billion, for capital expenditures for 2024 and 2023. Furthermore, the Group's BOD approved an appropriation of the retained earnings amounting to ₱2.3 billion for capital expenditures for the next 5 years. The Group's BOD also approved on the same date a budget amounting to ₱16.0 billion for capital expenditures which include yard and berth development as well as construction of new facilities and equipment acquisition for 2025 to 2029. The capital expenditures will strengthen the Group's operations and capability to handle growth. Moreover, the Board confirmed the appropriation of ₱2.0 billion for the share buyback program approved on December 9, 2024.

On December 29, 2023, the Group's BOD approved the reversal of the appropriated retained earnings amounting to ₱2.4 billion out of the already approved appropriation of ₱16.4 billion, for capital expenditures for 2023 and 2022. Furthermore, the Group's BOD approved an appropriation of the retained earnings amounting to ₱5.0 billion for capital expenditures for the next 5 years. The Group's BOD also approved on the same date a budget amounting to ₱16.0 billion for capital expenditures which include yard and berth development as well as construction of new facilities and equipment acquisition for 2024 to 2028. The capital expenditures will strengthen the Group's operations and capability to handle growth.

On December 29, 2022, the Group's BOD approved the reversal of the appropriated retained earnings amounting to P2.0 billion out of the already approved appropriation of P15.1 billion, for capital expenditures for 2022 and 2021. Furthermore, the Group's BOD approved an appropriation of the retained earnings amounting to P3.3 billion for capital expenditures for the next 4 years. The Group's BOD also approved on the same date a budget amounting to P16.0 billion for capital expenditures which include yard and berth development as well as construction of new facilities and equipment acquisition for 2023 to 2026. The capital expenditures will strengthen the Group's operations and capability to handle growth.

Fair Value Reserve

Fair value reserve amounting to P5.8 million as at December 31, 2024 and 2023 represents unrealized loss on equity securities.

17. Government Share in Revenues

This account consists of the PPA's share in revenues of the Group as stipulated in the agreements discussed in Notes 2 and 23. The PPA's share in gross revenues includes variable government share amounting to P3.0 billion, P2.7 billion and P2.5 billion in 2024, 2023 and 2022, respectively (see Note 23).

18. Costs and Expenses Excluding Government Share in Revenues

	Note	2024	2023	2022
Depreciation and amortization	10, 11, 23	P2,041,757	P1,989,066	P1,908,756
Labor costs	21	1,914,509	1,759,712	1,633,131
Equipment running		832,752	850,123	824,520
Taxes and licenses		521,800	503,507	549,240
General transport		376,599	212,893	179,283
Insurance		277,630	276,031	213,391
Management fees	20	265,790	259,221	173,445
Security, health, environment and safety		216,733	183,346	167,477
Facilities-related expenses		364,057	309,287	270,297
Marketing, commercial and promotion		22,259	22,709	10,391
Professional fees		21,323	21,837	25,410
Provision for claims	15	11,305	48	832
Rental	23	8,464	10,851	33,745
Entertainment, amusement and recreation		5,922	8,847	10,066
Others		194,923	221,187	176,428
		P7,075,823	P6,628,665	P6,176,412

Labor costs include salaries, benefits and pension expense.

Spare parts and supplies used and included under equipment running amounted to P266.1 million, P272.6 million and P256.4 million in 2024, 2023 and 2022, respectively.

Provision for spare parts and supplies obsolescence included under other costs and expenses amounted to nil, P10.0 million and nil in 2024, 2023 and 2022, respectively.

Rental pertains to short-term leases incurred during the period.

19. Other Income and Expenses

Finance income includes interest on cash in banks and short-term investments amounting to P175.4 million, P189.1 million and P45.5 million in 2024, 2023 and 2022, respectively (see Note 6).

Finance cost is broken down as follows:

	Note	2024	2023	2022
Interest on port concession rights payable		P419,433	P445,150	P468,782
Interest on lease liability	23	36,160	43,627	26,737
Interest component of pension expense	21	12,410	11,995	9,777
Interest on bank loans/credit facilities		319	2,759	276
		P468,322	P503,531	P505,572

Interest on port concession rights payable pertains to the interest on the unwinding of discount of said liability (see related policy on port concession rights in Note 4).

Others consist of the following:

	Note	2024	2023	2022
Reversal of prior year provision and accruals		P90,516	P-	P-
Equity in net earnings of an associate	9	40,700	38,812	32,374
Foreign exchange gains (losses) - others		37,655	(8,461)	127,889
Management income	20	8,455	7,950	7,557
Gain on disposal of equipment and intangible assets		4,502	5,359	6,416
Foreign exchange losses - port concession rights payable		(417,201)	(66,418)	(728,712)
Other income - net		22,819	63,086	24,782
		(P212,554)	P40,328	(P529,694)

Foreign exchange losses - port concession rights payable resulted from revaluation of foreign currency denominated port concession rights payable.

Other income - net recognized in 2024 mostly pertains to the share of the Group on the garbage collection income of vessel waste disposal service providers permitted by PPA to operate in the port terminal while amount recognized in 2023 is mostly comprised of income from the reversal of long-outstanding deposits of dormant customers of the Parent Company.

20. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

The Group, in the normal course of business, has the following transactions with its related parties:

Category/ Transaction	Note	Year	Amount of the Transaction	Outstanding Balance			Terms	Conditions
				Due from Related Parties	Due to Related Parties	Lease Liability		
Associate								
▪ Management income	20A	2024	P8,455	P745	P-	P-	Payable on demand	Unsecured; no impairment
		2023	7,950	641	-	-	Payable on demand	Unsecured; no impairment
▪ Dividend income	9	2024	46,569	-	-	-	Payable on demand	Unsecured; no impairment
		2023	28,658	-	-	-	Payable on demand	Unsecured; no impairment
Post-Employment Benefit Plan								
▪ Retirement fund	20B	2024	48,547	15,689	-	-	Payable on demand	Unsecured; no impairment
		2023	55,682	24,939	-	-	Payable on demand	Unsecured; no impairment
Others								
▪ Advances	20D	2024	340,819	249,626	9,210	-	Payable on demand	Unsecured; no impairment
		2023	208,635	81,444	29,677	-	Payable on demand	Unsecured; no impairment
▪ Management fees	20C	2024	265,790	-	32,886	-	Payable within ten (10 days) of the following month	Unsecured
		2023	259,221	-	17,266	-	Payable within ten (10) days of the following month	Unsecured
▪ Lease	20E	2024	179,653	-	-	342,993	Payable within five (5 days) of the following month	Unsecured
		2023	45,413	-	-	375,639	Payable within five (5 days) of the following month	Unsecured
TOTAL		2024	P889,833	P266,060	P42,096	P342,993		
TOTAL		2023	P605,559	P107,024	P46,943	P375,639		

- A. Amount owed by SCIPSI pertains to management fees equivalent to 6% of gross revenue of SCIPSI.
- B. The Parent Company and ATIB have separate, noncontributory, defined benefit retirement plans covering all its regular employees, in the form of a trust being maintained by a trustee bank. Certain payments to retired employees were paid directly by the Group to be subsequently paid by the retirement fund.
- C. P & O Management Services Phils., Inc. (POMS) is a related party which is 40% owned by POAL. POMS engages in advisory services which it provides to the Parent Company by virtue of a 5-year contract. The Parent Company's contract with POMS expired in 2020 and was renewed on August 27, 2020 for another five years until August 31, 2025. The terms of the contract provide for the payment of a monthly fee equivalent to 5% of ATI's consolidated income before income tax of the immediately preceding month (see Note 18).
- D. Advances include amounts owed to or by DP World Asia Holdings Limited-Regional Operating Headquarters, DP World Philippines Logistics, Inc., and DP World Holdings Philippines, Inc., which are related parties under common control, pertaining to reimbursements for expenses paid by or for the Group. The balance also includes amounts owed to companies controlled by the Group's director for expenses incurred by the Group for manpower, healthcare and insurance services. As of December 31, 2024 and 2023, related amounts are recorded as Other Payables under Trade and other payables (see Note 14).
- E. The Parent Company has entered a 5-year lease contract with a company controlled by the Group's director commencing on May 1, 2019 for a parcel of land located at Barangay Lawa, Calamba, Laguna, with a monthly lease rental of P40 per square meter, subject to an escalation of 8% beginning May 1, 2021 and every 2 years thereafter. The contract terms are based on market rates for this type of arrangement and amounts are payable on a monthly basis for the duration of the contract. The leased premises shall be used for its off-dock container yard and cargo support requirements, including but not limited to warehousing and logistics (see Note 23).

The compensation and benefits of key management personnel are as follows:

	2024	2023
Short-term employee benefits	P143,361	P134,508
Post-employment benefits	11,599	11,187
	P154,960	P145,695

The outstanding related party balances are expected to be settled in cash.

21. Pensions

The Group's latest actuarial valuation reports are as at December 31, 2024. Valuations are obtained on a periodic basis. The following tables summarize the components of pension expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated statements of financial position for the plans of ATI and ATIB:

Pension Expense

	ATI			ATIB			TOTAL		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Current service cost	P42,762	P35,418	P40,643	P3,742	P3,775	P5,021	P46,504	P39,193	P45,664
Interest cost on defined benefit obligation	37,540	37,977	28,824	2,862	3,540	2,840	40,402	41,517	31,664
Interest income on plan assets	(25,483)	(26,370)	(19,928)	(2,509)	(3,152)	(1,959)	(27,992)	(29,522)	(21,887)
Net pension expense	P54,819	P47,025	P49,539	P4,095	P4,163	P5,902	P58,914	P51,188	P55,441

Current service cost is charged under "Labor cost" account included in "Costs and expenses excluding government share in revenues" in the consolidated statements of income (see Note 18). Interest cost on defined benefit obligation and interest income on plan assets are included in "Finance cost" account in the consolidated statements of income (see Note 19).

Pension Liability as of December 31

	ATI		ATIB		TOTAL	
	2024	2023	2024	2023	2024	2023
Present value of pension obligations	(P711,504)	(P666,550)	(P57,257)	(P50,376)	(P768,761)	(P716,926)
Fair value of plan assets	395,857	437,648	54,861	42,499	450,718	480,147
Pension liability	(P315,647)	(P228,902)	(P2,396)	(P7,877)	(P318,043)	(P236,779)

Changes in the Present Value of Pension Obligations

	ATI		ATIB		TOTAL	
	2024	2023	2024	2023	2024	2023
Present value of pension obligations at beginning of year	P666,550	P575,897	P50,376	P50,696	P716,926	P626,593
Current service cost	42,762	35,418	3,742	3,775	46,504	39,193
Interest cost	37,540	37,977	2,862	3,540	40,402	41,517
Benefits paid	(59,938)	(51,439)	(3,578)	(320)	(63,516)	(51,759)
Actuarial loss (gain)	24,590	68,697	3,855	(7,315)	28,445	61,382
Present value of pension obligations at end of year	P711,504	P666,550	P57,257	P50,376	P768,761	P716,926

Changes in the Fair Value of Plan Assets

	ATI		ATIB		TOTAL	
	2024	2023	2024	2023	2024	2023
Fair value of plan assets at beginning of year	P437,648	P378,155	P42,499	P41,029	P480,147	P419,184
Interest income	25,483	26,370	2,509	3,152	27,992	29,522
Actual contributions	3	75,743	4,311	8,762	4,314	84,505
Remeasurement gain on plan assets	(7,339)	8,819	9,120	(10,124)	1,781	(1,305)
Benefits paid	(59,938)	(51,439)	(3,578)	(320)	(63,516)	(51,759)
Fair value of plan assets at end of year	P395,857	P437,648	P54,861	P42,499	P450,718	P480,147

Benefits paid include certain payments to retired employees paid directly by the Group to be subsequently reimbursed by the retirement fund. Any amount paid by the Group not reimbursed by the retirement fund within the year is recorded under "Due from related parties" account included in "Trade and other receivables - net" in the consolidated statements of financial position. As at December 31, 2024 and 2023, the balance due from the retirement fund amounted to P15.7 million and P24.9 million, respectively (see Note 20).

The components of retirement benefits recognized in other comprehensive income are as follows:

	ATI			ATIB			TOTAL		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Actuarial gain (loss) due to:									
Changes in financial assumptions	P7,786	(P76,928)	P106,392	P1,089	P6,536	P15,051	P8,875	(P70,392)	P121,443
Changes in demographic assumptions	-	-	-	-	-	-	-	-	-
Experience adjustment	(32,376)	8,231	(73,210)	(4,944)	779	(3,295)	(37,320)	9,010	(76,505)
Remeasurement gain (loss) on plan assets	(7,339)	8,819	(27,787)	9,120	(10,124)	(2,488)	1,781	(1,305)	(30,275)
	(P31,929)	(P59,878)	P5,395	P5,265	(P2,809)	P9,268	(P26,664)	(P62,687)	P14,663

The cumulative amount of actuarial gain (loss) recognized in the consolidated statements of changes in equity included under "Retained earnings" account amounted to (P70.2) million and (P43.4) million as at December 31, 2024 and, 2023, respectively.

Plan Assets

The plans entitle a retired regular or full-time employee to receive a lump sum amount equivalent to one (1) month salary for every year of credited service. Period of service shall be reckoned from date hired to date of retirement, death, permanent disability, or severance.

The defined benefit pension plans expose the Group to actuarial risks, such as interest rate risk and market (investment) risk.

Contributions will be made at the start of each year based on the funding requirements and recommendations indicated in the latest actuarial valuation reports.

The Group's plan assets consist of the following:

	ATI		ATIB		TOTAL	
	2024	2023	2024	2023	2024	2023
Cash and cash equivalents	P20	P73	P4	P131	P24	P204
Investment in UITF	3,041	7,000	23,526	6,253	26,567	13,253
Equity instruments	59,230	59,531	6,980	5,995	66,210	65,526
Investment in government securities	331,321	342,929	24,068	27,590	355,389	370,519
Debt instruments	7,157	24,938	-	2,165	7,157	27,103
Other receivables	4,543	4,907	315	396	4,858	5,303
Liabilities	(9,455)	(1,730)	(32)	(31)	(9,487)	(1,761)
	P395,857	P437,648	P54,861	P42,499	P450,718	P480,147

All equity instruments and government securities have quoted prices in active markets.

All government securities are issued by the Philippine government and are rated Baa3 by Moody's or BBB by Standard & Poor's.

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

	ATI		ATIB	
	2024	2023	2024	2023
Discount rate at end of year	6.09%	6.14%	6.08%	6.16%
Salary increase rate	4.0%-6.0%	5.0%-6.0%	4.0%-6.0%	5.0%-6.0%

Assumptions for mortality rate are based on the 2017 Philippine Intercompany Mortality Table.

The weighted average duration of defined benefit obligation is as follows:

	ATI		ATIB	
	2024	2023	2024	2023
Average expected future service years	15	14	17	17

Maturity analysis of the benefit payments:

	2024	
	Expected Benefit Payments	
	ATI	ATIB
Within 1 year	₱134,352	₱1,874
Within 1 - 5 years	235,992	18,060
More than 5 years	3,553,659	482,197

	2023	
	Expected Benefit Payments	
	ATI	ATIB
Within 1 year	₱89,865	₱4,799
Within 1 - 5 years	260,163	14,780
More than 5 years	3,317,728	441,274

Sensitivity Analysis

As of December 31, the reasonably possible changes to the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation by the amounts below:

2024

	ATI		ATIB	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	(₱55,262)	₱65,178	(₱6,096)	₱7,413
Salary increase rate	67,972	(58,649)	7,630	(6,379)

2023

	ATI		ATIB	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	(₱51,060)	₱60,077	(₱5,022)	₱6,092
Salary increase rate	62,603	(54,142)	6,265	(5,249)

The Group expects to pay ₱77.3 million in contributions to defined benefit pension plans in 2025.

Asset Liability Matching (ALM)

The Group does not perform any ALM study. The overall investment policy and strategy of the retirement plan is based on the client suitability assessment, as provided by its trust bank, in compliance with the Bangko Sentral ng Pilipinas requirements.

22. Earnings Per Share (EPS) Attributable to Equity Holders of the Parent Company

Basic EPS is computed as follows:

	2024	2023	2022
(a) Net income attributable to Equity Holders of the Parent Company (in thousands)	₱4,524,533	₱4,435,986	₱3,024,811
Common shares at beginning of year	2,000,000	2,000,000	2,000,000
Weighted average treasury shares	(98)	-	-
(b) Weighted average number of common shares outstanding (in thousands) at December 31	1,999,902	2,000,000	2,000,000
Basic/diluted EPS attributable to Equity Holders of the Parent Company (a/b)	₱2.26	₱2.22	₱1.51

The Parent Company does not have potential common shares or other instruments that may entitle the holder to common shares. Hence, diluted EPS is the same as basic EPS.

23. Commitments and Contingencies

Agreements within the Scope of Philippine Interpretation IFRIC 12, Service Concession Arrangements

- a. The Parent Company is authorized by the PPA to render cargo handling services at the South Harbor until May 2013. On October 19, 2007, the cargo handling services contract was extended until May 2038 under the terms mutually agreed upon with the PPA (see Note 2).
- i. In accordance with the Investment Plan which was revised in December 2014 pursuant to the Third Supplement to the Cargo Handling Contract, the Parent Company has committed to invest USD385.7 million from 2010 to 2028, for the rehabilitation, development and expansion of the South Harbor facilities. The commitment is dependent on container volume. The Investment Plan is subject to joint review every two (2) years, or as often as necessary as mutually agreed, to ensure that the same conforms to actual growth levels, taking into account introduction of new technologies and allowing the Parent Company the opportunity of a fair return on investment.

In 2020, the reclamation of the Engineering Island Basin, which is part of the South Harbor, was subject to jurisdictional dispute between the PPA and the Philippine Reclamation Authority. As of date of this report, the opinion of the Department of Justice (DOJ) on the matter is still pending. It is the opinion of the Group that any opinion rendered by the DOJ will not have any material impact on the Group's ability to use the subject reclaimed land.

- ii. Government Share
 - For storage operations, the Parent Company shall pay an annual fixed government share of ₱55.0 million payable quarterly and a government share of 30% of its annual gross storage revenue in excess of ₱273.0 million.
 - For international containerized cargo operations, the Parent Company shall pay quarterly fixed government share of USD2.25 million plus a variable government share amounting to 20% of its total gross revenues.
 - For general cargo operations, the Parent Company shall remit government share amounting to 20% of its total gross revenues collected from arrastre services and 14% of its total gross revenues collected from stevedoring services for general cargoes.
 - For domestic terminal operations, the Parent Company shall remit government share amounting to 10% of its total gross revenues derived from its domestic cargo handling and passenger terminal operations.
- b. The Parent Company is authorized by the PPA to render cargo handling services at the Container Terminal "A-1," Phase 2 at the Port of Batangas for 25 years starting July 1, 2010. For arrastre operations, the Parent Company shall pay an annual fixed government share of USD2.26 million for the first 2 years, USD4.68 million for the 3rd year, USD5.08 million for the 4th-7th year, and USD5.33 million for the 8th-25th year. The Parent Company shall also remit annual variable government share based on committed yearly percentage share multiplied by whichever is higher of the projected gross income in the bid proposal or actual gross income.
- c. The Parent Company and ATIB are authorized by the PPA to render cargo handling and passenger services, supply base operations, portage services, berth management, parking services, passenger terminal retail outlets, weighbridge or weighing operations, water supply services, vehicle booking system, security services, and leasing/sub-leasing of areas and facilities in the Port of Batangas Phase 1 from October 1, 2015 until September 30, 2025. For these operations, Parent Company and ATIB shall

pay a fixed government share amount of ₱112.7 million for the first 3 years, which shall escalate by 5% and 4% on the 4th and 5th years and 3% for the remaining 5 years. In addition, Parent Company and ATIB shall remit annual volume-triggered government share of 10% and 20% for domestic cargoes and passenger terminal fees and for foreign cargoes, respectively, once defined threshold volumes are met. On December 18, 2019, the term of the contract was extended until June 30, 2035. The same percentage for the annual volume-triggered government share shall be remitted by Parent Company and ATIB for the extended term and the applicable escalation rate is still 3%. In consideration for the extension of the term from 2025 to 2035, Parent Company and ATIB paid to the PPA a lump-sum fee of ₱200 million in December 2019.

- d. A lump-sum fee of P400 million was paid to the PPA in December 2019 as advance consideration in the event of renewal of the contracts for Port of Batangas Phase 1 and Container Terminal "A-1," Phase 2 beyond year 2035.

Upon recognition of the fair value of the fixed fees representing the government share under the concession agreements as discussed above, the Group also recognized the corresponding port concession rights payable. The movements in the port concession rights payable are as follows:

	2024	2023
Balance as at January 1	₱7,466,605	₱7,933,311
Accretion of port concession rights payable	419,264	622,316
Payments during the year	(805,235)	(972,915)
Effects of exchange rate changes	218,414	(116,107)
Balance as at December 31	₱7,299,048	₱7,466,605

Agreements outside the Scope of Philippine Interpretation IFRIC 12, Service Concession Arrangements

- a. The Parent Company has a 25-year lease agreement until April 2021 covering the land in Calamba, Laguna to be used exclusively as an Inland Container Depot for which the Parent Company pays an annual rental of ₱0.1 million, subject to an escalation of 7% once every two years.

The contract was revised in 2004, changing the monthly rate to ₱0.5 million in January 1, 2002 to December 31, 2003 and ₱0.7 million in January 1, 2004 to December 31, 2005, subject to an escalation of 8% every 2 years starting January 1, 2006.

In 2021, the lease agreement was renewed for another period of 25 years commencing on April 24, 2021, and continuing the monthly rental schedule and escalation. The monthly rates amounted to ₱1.4 million in 2024, 2023 and 2022.

- b. The Parent Company has a 5-year lease contract commencing on February 1, 2017 over two parcels of land located in Sta. Mesa, City of Manila with a monthly lease rental of ₱0.6 million, subject to an escalation of 7% once every two years. This land is being exclusively used as an off-dock container depot.

In 2022, the lease contract was renewed for another period of five (5) years commencing on February 1, 2022 until January 1, 2027 with the same terms and conditions as the original lease contract.

- c. The Parent Company has entered a 25-year lease contract commencing on February 15, 2018 for a parcel of land located at barangay Calibuyo, Tanza, Cavite, with a monthly lease rental of ₱35 per square meter, subject to an escalation of 5% beginning February 15, 2020 and every 2 years thereafter. The lease premises shall be used exclusively as a port terminal, inland clearance depot, warehouse, and for other activities related or ancillary thereto.

Majority of the Group's leased properties pertain to land. The leases typically run for a period of 1-25 years, with an option to renew the lease after that date.

Information about leases for which the Group is a lessee is presented below.

i. Right-of-Use Assets

Right-of-use assets related to leased properties whose lease terms are more than 12 months.

	Note	2024	2023
Balance at January 1		P726,211	P775,248
Additions to right-of-use assets		127,600	152,000
Amortization during the year	18	(194,508)	(201,037)
Balance at December 31		P659,303	P726,211

ii. Lease Liabilities

	Note	2024	2023
Balance at January 1		P724,804	P765,092
Additions to lease liabilities		127,600	152,000
Interest expense during the year	19	36,160	43,627
Payments made		(210,222)	(235,915)
Balance at December 31		P678,342	P724,804

As at December 31, 2024 and 2023, the Group has current and noncurrent lease liabilities included in the consolidated statements of financial position as follows:

	2024	2023
Current	P14,193	P46,615
Noncurrent	664,149	678,189
	P678,342	P724,804

The maturity analysis of undiscounted lease payments as of December 31, 2024 and 2023 is as follows:

	2024	2023
Within one year	P36,611	P74,038
More than one year to five years	212,361	256,610
More than five years	855,840	901,973
	P1,104,812	P1,232,621

iii. Amounts Recognized in Profit or Loss

	Note	2024	2023
Depreciation expense	18	P194,508	P201,037
Interest on lease liabilities	19	36,160	43,627
Expenses relating to short-term and/or low value leases	18	8,464	10,851
Total		P239,132	P255,515

iv. Amounts Recognized in Statements of Cash Flows

	2024	2023
Payments of lease liabilities	P174,062	P192,288
Interest paid	36,160	43,627
Cash outflow relating to short-term and/or low value leases	8,798	10,960
Total cash outflow for leases	P219,020	P246,875

- d. The Group has contingent liabilities for lawsuits and various other matters occurring in the ordinary course of business. On the basis of information furnished by its legal counsel, management believes that none of these contingencies will materially affect the Group's financial position and financial performance.

24. Financial Risk and Capital Management Objectives and Policies

The Group has various financial assets and liabilities such as cash and cash equivalents, trade and other receivables, deposits, equity securities, trade and other payables, port concession rights payable and lease liabilities which arise directly from its operations. The main purpose of these financial instruments is to raise financing for the Group's capital expenditures and operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The BOD reviews and agrees on policies for managing each of these risks.

Interest Rate Risk

The Group's interest rate risk management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's cash in banks and cash equivalents.

As at December 31, 2024 and 2023, the interest rate profile of the Group's interest-bearing financial instrument is as follows:

	2024	2023
Fixed Rate Instruments		
Cash and cash equivalents*	P4,808,127	P5,422,997

*Excluding cash on hand amounting to P4.0 million and P1.9 million as at December 31, 2024 and 2023, respectively.

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore, a change in interest rates at the reporting date would not affect profit or loss.

Liquidity Risk

The Group monitors its risk of shortage of funds using a liquidity planning tool. This tool considers the maturity of both the Group's financial investments and financial assets and projected cash flows from operations, among others. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at December 31, 2024	Carrying Amount	Contractual Cash Flows					Total
		On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	
Trade and other payables*	P2,082,170	P104,257	P519,193	P1,311,872	P146,848	P-	P2,082,170
Port concession rights payable	7,299,048	-	194,023	582,070	3,345,455	4,373,383	8,494,931
Lease liabilities	678,342	-	9,087	27,524	212,361	855,840	1,104,812
	P10,059,560	P104,257	P722,303	P1,921,466	P3,704,664	P5,229,223	P11,681,913

*Excluding due to government agencies amounting to P1.1 billion as at December 31, 2024.

As at December 31, 2023	Carrying Amount	Contractual Cash Flows					Total
		On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	
Trade and other payables*	P1,966,847	P274,952	P366,187	P1,325,708	P-	P-	P1,966,847
Port concession rights payable	7,466,605	-	200,127	600,380	2,783,366	6,258,786	9,842,659
Lease liabilities	724,804	-	27,841	46,197	256,610	901,973	1,232,621
	v10,158,256	P274,952	P594,155	P1,972,285	P3,039,976	P7,160,759	P13,042,127

*Excluding due to government agencies amounting to P967.6 million as at December 31, 2023.

Credit Risk

Credit risk on trade and other receivables represents the risk of loss the Group would incur if credit customers and counterparties fail to perform their contractual obligations.

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. A regular/annual review and evaluation of accounts is being implemented to assess the credit standing of customers.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade and other receivables for which no loss allowance is recognized because of collateral. The carrying amounts of trade and other receivables represent the maximum credit exposure.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash in bank and cash equivalents, deposits and FVOCI - equity, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group trades only with reputable banks and recognized third parties.

Exposure to credit risk is monitored on an ongoing basis. Credit checks are being performed on all clients requesting credit over certain amounts. Credit is not extended beyond authorized limits, established where appropriate through consultation with a professional credit vetting organization. Credit granted is subject to regular review, to ensure it remains consistent with the clients' current credit worthiness and appropriate to the anticipated volume of business.

Financial information on the Group's maximum exposure to credit risk as at December 31, 2024 and 2023, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	Note	2024	2023
Cash and cash equivalents*	6	P4,808,127	P5,422,997
Trade and other receivables - net	7	1,307,654	830,653
Deposits	12	79,549	70,899
Equity securities	12	2,652	2,652
		P6,197,982	P6,327,201

*Excluding cash on hand amounting to P4.0 million and P1.9 million as at December 31, 2024 and 2023, respectively.

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding debtor.

	As at December 31, 2024			
	Grade A	Grade B	Grade C	Total
Cash in banks and cash equivalents	P4,808,127	P-	P-	P4,808,127
Trade and other receivables - net	789,772	517,882	-	1,307,654
Deposits	79,549	-	-	79,549
Equity securities	2,652	-	-	2,652
	P5,680,100	P517,882	-	P6,197,982

	As at December 31, 2023			
	Grade A	Grade B	Grade C	Total
Cash in banks and cash equivalents	P5,422,997	P-	P-	P5,422,997
Trade and other receivables - net	514,775	315,878	-	830,653
Deposits	70,899	-	-	70,899
Equity securities	2,652	-	-	2,652
	P6,011,323	P315,878	P-	P6,327,201

Grade A receivables pertain to those receivables from customers that always pay on time or even before the maturity date. Grade B includes receivables that are collected on their due dates provided that they were reminded or followed up by the Group. Those receivables which are collected consistently beyond their due dates and require persistent effort from the Group are included under Grade C.

Cash in banks is considered good quality (Grade A) as this pertains to deposits in reputable banks.

Trade and Other Receivables

The exposure to credit risk for trade and other receivables by industry is as follows:

	Note	2024	2023
Shipping lines		P759,837	P364,899
Others		547,817	465,754
	7	P1,307,654	P830,653

Expected Credit Loss Assessment

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying expected credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by industry classification and an ECL rate is calculated for each segment based on delinquency and actual credit loss experience.

The following table provides information about the exposure to credit risk for trade and other receivables as at December 31, 2024 and 2023:

	Gross Carrying Amount	Impairment Loss Allowance	Credit-Impaired
Current (not past due)	P1,053,917	P-	No
1 - 30 days past due	93,746	-	No
31 - 60 days past due	69,195	-	No
61 - 90 days past due	77,639	-	No
More than 90 days past due	17,352	4,195	Yes
Balance at December 31, 2024	P1,311,849	P4,195	

	Gross Carrying Amount	Impairment Loss Allowance	Credit-Impaired
Current (not past due)	P714,489	P-	No
1 - 30 days past due	47,954	-	No
31 - 60 days past due	19,413	-	No
61 - 90 days past due	34,586	-	No
More than 90 days past due	18,406	4,195	Yes
Balance at December 31, 2023	P834,848	P4,195	

Loss rates are based on actual credit loss experience over three years considering circumstances at the reporting date. Any adjustment to the loss rates for forecasts of future economic conditions are not expected to be material. The Group applies the simplified approach in providing for expected credit losses prescribed by PFRS 9, which permits the use of the lifetime expected loss provision and applies a provision matrix. The application of the expected loss rates to the receivables of the Group does not have a material impact on the consolidated financial statements.

The maturity of the Group's trade and other receivables is less than one year so the lifetime expected credit losses and the 12-month expected credit losses are similar.

There are no significant concentrations of credit risk within the Group. Of the total trade and other receivables which are neither past due nor impaired, 100% are of high-grade quality instruments because there was no history of default on the agreed terms of the contract.

Movement in the Allowance for Impairment in Respect of Trade and Other Receivables

There was no movement in the allowance for impairment on trade and other receivables from 2020 as no reversals and write-offs were made since 2021. The allowance for impairment as at December 31, 2024 and 2023 is ₱4.2 million with individually and collectively impaired receivables amounting to ₱1.1 million and ₱3.1 million, respectively.

	2020	Individually Impaired	Collectively Impaired
Balance at January 1	₱6,979	₱1,173	₱5,806
Reversals during the year	(2,700)	-	(2,700)
Write-offs	(84)	(84)	-
Balance at December 31	₱4,195	₱1,089	₱3,106

Cash in Banks and Cash Equivalents

The Group held cash in banks and cash equivalents of ₱4.8 billion and ₱5.4 billion as at December 31, 2024 and 2023, respectively. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Grade A.

Impairment on cash in banks and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash in bank and cash equivalents have low credit risk based on the external credit ratings of the counterparties and any ECL is expected to be immaterial.

Foreign Currency Risk

The Group has foreign currency financial assets and liabilities arising from USD denominated revenues, government share, and other foreign currency-denominated purchases by operating units.

The Group's foreign currency-denominated accounts as at December 31 are as follows:

	2024	2023
Assets		
Cash and cash equivalents	USD8,920	USD19,007
Liabilities		
Trade and other payables	10,092	2,378
Port concession rights payable	115,061	120,527
	125,153	122,905
Net foreign currency-denominated liabilities	(USD116,233)	(USD103,898)
Peso equivalent	(₱6,718,267)	(₱5,755,949)

The exchange rates applicable for USD as at December 31, 2024 and 2023 are ₱57.8 and ₱55.4, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's income before income tax and equity.

	Increase (Decrease) in USD Exchange Rate	Effect on Income before Income Tax	Effect on Equity
2024			
	+5%	(P335,913)	(251,935)
	-5%	335,913	251,935
2023			
	+5%	(P287,797)	(P215,848)
	-5%	287,797	215,848

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group considers capital to include capital stock, additional paid-in capital, retained earnings, and fair value reserve. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes from prior year.

The Group is not subject to externally imposed capital requirements, except for the investment it has committed in accordance with the investment plan discussed in Note 23.

The table below shows the capital structure of the Group as at December 31:

	Note	2024	2023
Capital stock		P2,000,000	P2,000,000
Additional paid-in capital		264,300	264,300
Treasury shares		(34,771)	-
Retained earnings		23,781,109	22,276,607
Fair value reserve		(5,820)	(5,820)
Total	16	P26,004,818	P24,535,087

25. Financial Instruments

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Group's financial instruments as at December 31, 2024 and 2023.

	Note	2024		2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	6	P4,812,172	P4,812,172	P5,424,938	P5,424,938
Trade and other receivables - net	7	1,307,654	1,307,654	830,653	830,653
Deposits	12	79,549	82,717	70,899	77,068
		6,199,375	6,202,543	6,326,490	6,332,659
Equity securities	12	2,652	2,652	2,652	2,652
		P6,202,027	P6,205,195	P6,329,142	P6,335,311
Financial Liabilities					
Other financial liabilities:					
Trade and other payables*	14	P2,082,170	P2,082,170	P1,966,847	P1,966,847
Port concession rights payable		7,299,048	7,886,080	7,466,605	8,187,761
		P9,381,218	P9,968,250	P9,433,452	P10,154,608

*Excluding due to government agencies amounting to P1.1 billion and P967.6 million as at December 31, 2024 and 2023, respectively.

Fair Value of Financial Instruments

The fair values of cash and cash equivalents, trade and other receivables and trade and other payables are approximately equal to their carrying amounts due to their relatively short-term nature.

Nonderivative Financial Instruments

Quoted market prices have been used to determine the fair values of listed equity securities. The fair values of unquoted equity securities are not reliably determinable.

For noninterest-bearing deposits, the fair value is estimated as the present value of all future cash flows discounted using the prevailing market rate on interest for a similar instrument. The discount rates used are 6.2% in 2024 and 5.8% in 2023 (see Note 12).

The fair value of port concession rights payable was estimated at the present value of all future cash flows discounted using the applicable rates for similar types of loans ranging from 6.07% to 6.17% in 2024 and 5.97% to 6.01% in 2023.

Fair Value Hierarchy

The table below presents the fair value hierarchy of the Group's financial instruments:

As at December 31, 2024	Note	Level 1	Level 2	Level 3
Equity securities	12	P933	P-	P1,719
Port concession rights payable			7,886,080	-
		P933	P7,886,080	P1,719

As at December 31, 2023	Note	Level 1	Level 2	Level 3
Equity securities	12	P933	P-	P1,719
Port concession rights payable		-	8,187,761	-
		P933	P8,187,761	P1,719

There have been no transfers from one level to another in 2024 and 2023.

26. Revenues from Operations

The Group derives revenue from the transfer of services in the following major service lines:

	2024	2023	2022
Revenues from Operations			
Stevedoring	P7,577,996	P6,587,928	P5,862,108
Arrastre	6,041,196	5,960,647	5,532,700
Logistics	246,844	160,055	188,913
Special and other services	2,675,692	2,743,170	2,038,983
	P16,541,728	P15,451,800	P13,622,704

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