

COVER SHEET

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S.E.C. Registration Number

A S I A N T E R M I N A L S I N C .

(Company's Full Name)

A T I H E A D O F F I C E A . B O N I F A C I O

D R I V E P O R T A R E A M A N I L A 1 0 1 8

(Business Address : No. Street Company / Town / Province)

ATTY. RODOLFO G. CORVITE, JR.

Contact Person

(02) 8528-6000

Company Telephone Number

0 5 2 9

Month Day

SEC FORM 20-IS

Preliminary
Information
Statement

0 4 2 4

Month Day
2025 Annual
Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

7 4 4

As of April 30, 2026
Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SEC No. 0000133653
File Number: ____

ASIAN TERMINALS, INC..
(Company's Full Name)

ATI Head Office, A. Bonifacio Drive, Port Area, Manila
(Company's Address)

632-85286000
(Telephone Number)

December 31
Calendar Year Ending
(Month & Day)

SEC Form 20-IS
Preliminary Information Statement
Form Type

Not applicable
Amendment Designation (if applicable)

May 29, 2026
Period Ended Date

(Secondary License Type and File Number)

ASIAN TERMINALS, INC.
ATI Head Office, A. Bonifacio Drive, Port Area, Manila
Tel. No. 8528-6000

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To the Stockholders of Asian Terminals, Inc.:

The Board of Directors, on May 8, 2026, resolved to move the Annual Stockholders' Meeting of Asian Terminals, Inc. (ATI or the Company) to July 3, 2026¹, in accordance with SEC regulations. The meeting will be held online at 2:00 p.m. via MS Teams and may be accessed through https://bit.ly/ATI_2026ASM, where the following matters will be discussed and acted upon:

1. **Call to Order.** *This officially commences the meeting.*
2. **Proof of Notice and Quorum.** The Corporate Secretary will certify that the notice of meeting has been sent to stockholders as of record date and that there is a quorum present to transact business.
3. **Approval of the Minutes of the 2025 Annual Stockholders' Meeting held on April 24, 2025 and the Special Stockholders' Meeting held on January 30, 2026.** The Minutes recorded the proceedings of the 2025 Annual Meeting and the Special Meeting. The minutes were included in the Information Statement and may be accessed in the Company Website https://www.asianterminals.com.ph/ati_disclosures_minutesofmeeting.aspx
4. **Chairman's Address**
The Chairman will address the stockholders and present the highlights of the business operation and performance of the Company in 2025.
5. **Election of Directors.**
The nominees are named in Item 5 of the Information Statement, together with their qualifications and profiles for the election of the stockholders. Pursuant to the by-laws, the directors (including the independent directors) shall be elected annually and shall hold office until the next annual meeting and until his successor has been elected and qualified.
6. **Approval of the Audited Financial Statements for the Year Ended December 31, 2025**
The stockholders are asked to approve the 2025 Audited Financial Statements, a copy of which is attached to the Information Statement.
7. **Appointment of Independent Auditor**
The stockholders are asked to approve the re-appointment of R.G. Manabat & Co. as the independent auditors for 2026.

¹ On March 17, 2026, the Board resolved to postpone the 2026 Annual Stockholders' meeting. On April 7, 2026, the Board resolved to move the meeting from April 23, 2026 to June 16, 2026. On May 8, 2026, the Board resolved to further postpone the annual meeting to July 3, 2026.

8. **Amendments to the Seventh Article of the Articles of Incorporation to Reflect the Increase in Par Value of Common Shares from PHP1.00 to PHP204,827.00**

The stockholders are asked to approve the Amendment of the Seventh Article of the Articles of Incorporation, to reflect the increase in par value of common shares from PHP1.00 to PHP204,827.00, as part of the privatization of ATI.

9. **Approval and Ratification of the Acts of the Board and the Management during the year 2025**

The acts of the Board and Management in 2025 were summarized in Item 15 of the *Information Statement*. Approval and ratification of the stockholders is sought.

10. **Other Matters**

The Chairman will take up agenda items received from the stockholders in accordance with existing rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines.

11. **Adjournment.** This is to officially end the meeting.

All stockholders of record at the close of business on **June 8, 2026**, are entitled to notice and to vote at the annual meeting and at any adjournment thereof. The stock and transfer books of the Company will be closed from **June 8, 2026 to July 3, 2026**.

If unable to attend the meeting, stockholders may appoint either the Chairman of the ATI Board or the President as proxy with voting instructions and submitted via the Registration Portal. Proxies should be submitted **on or before 7pm of June 19, 2026**. (*Please refer to Annex "A" for the procedure*). Proxies will be validated at **2pm on Friday June 26, 2026** at the Office of the Corporate Secretary, ATI Head Office, A. Bonifacio Drive, Port Area, Manila, 1018.

The Information Statement and its attachments may be accessed at a) ATI Website at <https://www.asianterminals.com.ph> b) QR Code (*please refer to Annex "A"*). A hard copy of the Information Statement may be provided to a stockholder for free, upon written request sent by:

a) mail to: **Office of the Corporate Secretary**
ATI Head Office Building
A. Bonifacio Drive
Port Area, Manila, 1018

b) email to: ATISHMeeting@asianterminals.com.ph
(**subject heading:** Annual Stockholders' Meeting Information Statement)

The detailed procedure of the registration and voting process are stated in **Appendix "A"** hereof.

Manila, Philippines, May 29, 2026.


RODOLFO G. CORVITE, JR.
Corporate Secretary

APPENDIX "A"

Procedure for the Registration, Participation and Voting in the 2026 Annual Stockholders' Meeting

The Board of Directors on May 8, 2026, resolved to hold the Annual Meeting by remote communication and voting will be in absentia, pursuant to applicable SEC regulations.

All stockholders of record at the close of business on **June 8, 2026**, are entitled to notice and to vote at the annual meeting and at any adjournment thereof.

A) REGISTRATION: Stockholders may register to participate in the virtual meeting at the Registration Portal ("Registration Portal") at: <https://bit.ly/34INgR7>

Registration will be from **9:00 am of June 9, 2026, until 7:00 pm of June 19, 2026**. Stockholders are advised to register as early as possible. To proceed with the registration, personal information will be required. For identification, the Company shall only accept a scanned back-to-back copy of one valid government-issued ID bearing photo and signature which will be uploaded in the Registration Portal. Consent to process personal information is included in the Registration Portal.

1. *Individual stockholder with shares recorded in their name:* name, valid email address², active contact number and upload a valid government-issued ID.

For stockholders with joint accounts, only the authorized stockholder will register and in addition to the above, shall upload scanned copy of a notarized authorization letter signed by the other stockholders, indicating who among them would be authorized to participate and/or vote and upload their valid government-issued IDs.

Individual Stockholder under a broker/ PCD: in addition to the name, valid email address, active contact number and valid government-issued ID, the stockholder needs to coordinate with his broker and secure a duly signed Broker's Certification stating the full account name, number of shares, and account or reference number which shall be uploaded in the Registration Portal.

2. *Corporate stockholder:* the duly authorized representative of the corporate stockholder shall register and provide his name, valid email address, active contact number, valid government-issued ID and the scanned copy of the notarized Secretary's Certificate and signed proxy appointing either the ATI Chairman or President.

A proxy given by a broker in respect of shares of stock held by such broker for the account of the beneficial owner must be accompanied by a certification under oath stating the number of shareholdings and that the broker has obtained the written consent or authorization of the account holder.

The Company reserves the right to require additional documents as may be necessary or relevant.

B) VALIDATION: A notification by email from ATISHMeeting@asianterminals.com.ph shall be received by the stockholder together with a unique passcode which shall be used to access the ATI

² Only the email used for registration may be admitted to the actual online meeting.

Voting Portal or other instructions. For queries, assistance or any technical difficulties, the stockholders may communicate with the Company through the above-mentioned email address or call 8528-6000.

Stockholders may appoint either the ATI Chairman of the Board or the President as proxy. Proxies should be submitted **on or before 7pm of June 23, 2026**. The duly accomplished scanned copy of the proxy (and other attachments, as applicable) may be uploaded by the stockholder upon registration or hard copies may be sent to the address below. Proxies will be validated at the Office of the Corporate Secretary ATI Head Office, A. Bonifacio Drive Port Area, Manila, 1018 **on June 26, 2026 at 2pm**.

C) VOTING: All the agenda items indicated in the Notice will be set out in the ATI Voting Portal ("Voting Portal"). Voting shall be online and may be accessed using the unique passcode sent to the registered email. The Voting Portal shall be open from **9:00 am of June 16, 2026 up to 7:00 pm of July 1, 2026**, in the link below:

<https://bit.ly/3q69lcl>

1. Individual stockholder with shares recorded in their name: they may access the Voting Portal by providing the valid email address they used in the registration and the sent unique passcode.

For stockholders with joint accounts, only the stockholder who registered and was authorized by the joint stockholders shall vote by providing the valid email address they used in the registration and the unique passcode.

Individual Stockholder under a broker/ PCD: they may access the Voting Portal by providing the valid email address they used in the registration and the unique passcode.

2. Corporate stockholder or broker. Either the ATI Chairman of the Board or the President may vote, as may be provided in the proxy.

The Office of the Corporate Secretary assisted by its stock and transfer agent or Professional Stock Transfer Inc. (PSTI), shall tabulate all votes received and the results shall be validated by R.G. Manabat and Co.

Access to the Registration and Voting Portals shall be limited to the Office of Corporate Secretary, ATI IT Support Team, authorized representative of the stock and transfer agent and R.G. Manabat and Co.

D. QUORUM: The following stockholders shall be deemed present for purposes of quorum:

- a) whose registrations are validated.
- b) who sent their accomplished proxies and validated
- c) who voted from **9:00 am of June 16, 2026 up to 7:00 pm of July 1, 2026**.

E. PROCEEDINGS: The meeting will be held virtually on **July 3, 2026 at 2pm**, at the link **https://bit.ly/ATI_2026ASM**. Only stockholders whose registration were validated may access the meeting. Every item in the agenda for approval of the stockholders will be shown on the screen during the meeting as the same is taken up. During the meeting, the Secretary shall report the votes received and inform the stockholders if the particular item is carried out or disapproved. The total number of votes cast for each item for approval under the agenda will be shown on the screen. The meeting shall be recorded and the recording will be made available to the stockholders upon request

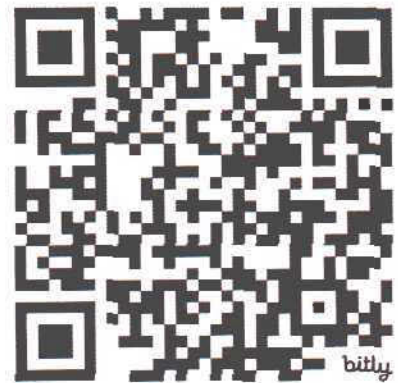
sent to ATISHMeeting@asianterminals.com.ph. For queries, assistance or any technical difficulties, the stockholders may communicate with the Company through the above-mentioned email address or call at 8528-6000.

F. QUESTIONS: Relevant questions on the items in the Agenda may be sent by stockholders during the meeting (in the Q&A chatbox) or in advance by email to ATISHMeeting@asianterminals.com.ph on or before 7pm of July 1, 2026 with the subject heading "ASM 2026 Question" and the identity of the sender must be stated after the question. Replies may be given during the meeting and any unanswered will be replied to by email.



**QR CODE FOR THE
INFORMATION STATEMENT**

(Scan the QR Code using any capable device with internet connection. Open to view the file linked to the QR.)



**QR CODE FOR LINK TO THE
MEETING**

(Scan the QR Code using any capable device with internet connection. Open link and join the meeting. You will be admitted to the meeting after verification of your email).

ASIAN TERMINALS, INC.
Securities and Exchange Commission Form 20-IS

Information Statement Pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as Specified in its Charter : ASIAN TERMINALS, INC.
3. Province, Country or other jurisdiction of Incorporation or organization : Manila, Philippines
4. SEC Identification Number : 133653
5. BIR Tax Identification Code : 000-132-413
6. Address of Principal Office : A. Bonifacio Drive
Port Area, Manila 1018
7. Registrant's telephone number : (632) 8528-6000
8. Date, time and place of the meeting of security holders : July 3, 2026,
at 2:00 p.m.
via Remote Communication
9. Approximate date on which the Information Statement is first to be sent or given to security holders : June 10, 2026
10. Securities registered pursuant to Section 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding as of April 30, 2026
Common	1,861,727,891
Treasury	138,272,109

11. Are any or all of registrant's securities listed on a stock exchange¹?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

ATI IS NOT SOLICITING PROXIES FOR THIS MEETING.

¹ The company was delisted from the Philippine Stock Exchange (PSE) effective April 3, 2026.

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

- | | |
|------------------------------|--|
| a) Date of Meeting | July 3, 2026 |
| Time of Meeting | 2:00 p.m. |
| Place of Meeting | Online (MS Teams) |
| Registrant's Mailing Address | ATI Head Office
A. Bonifacio Drive, Port Area
Manila, Philippines 1018 |
- b) Approximate date on which the Information Statement is first to be sent or given to the stockholders. June 10, 2026

Item 2. Dissenter's Right of Appraisal

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Revised Corporation Code.²

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

- a) The incumbent Directors, the nominees for Directors and Executive Officers and their associates have no substantial interest in any matter to be acted upon other than election to the office.
- b) No Director has informed Asian Terminals, Inc. (**ATI** or the **Company**) in writing that he intends to oppose any action to be taken by the registrant at the annual meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- a) As of April 30, 2026, the Company has the following shares:

Issued	2,000,000,000
Outstanding	1,861,727,891
Treasury	138,272,109

² The right of appraisal means the right of a dissenting stockholder to demand payment of the fair market value of his shares, in the instances provided under the Corporation Code. In such instances, the right may be exercised by any stockholder who shall have voted against the proposed action by making a written demand to the Corporation within 30 days after the date on which the vote was taken for payment of the fair market value of his shares. Failure to make the demand shall be deemed a waiver of such right.

Out of the outstanding shares, 1,218,839,076 shares or 65.47% are locally owned and 642,888,815 shares or 34.53% are foreign-owned.

- b) Only stockholders of record at the close of business on June 8, 2026 are entitled to notice and to vote at the Annual Stockholders' Meeting.
- c) Cumulative voting is allowed for election of members of the board in a stock corporation. Every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name on the stock transfer books of the Company. Each stockholder may vote such number of shares for as many persons as there are directors to be elected; or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal; or he may distribute these shares on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected.

d) Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

As of April 30, 2026, the Company knows of no one who owns in excess of 5% of its common stock except as set forth in the table below:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Amount of Record Ownership	% of Class (based on 1,861,727,109 outstanding shares as of March 31, 2026)
Common	DP World Australia (POAL) PTY. LTD Level 21 400 George St., Sydney NSW 2000, GPO Box 4084, Sydney NSW 2001 Australia <i>(stockholder)</i>	DP World Australia (POAL) PTY. LTD	Australian	346,466,600	18.61%
Common	ATI Holdings, Inc. 3 rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City <i>(stockholder)</i>	ATI Holdings, Inc.	Australian	291,371,229	15.65%
Common	Maharlika Investment Corporation	Maharlika Investment Corporation	Filipino	222,368,274	11.94%

ASIAN TERMINALS, INC.**Securities and Exchange Commission Form 20-IS**

	29F Ore Central Tower, 31st St., Cor. 9th Ave. BGC., Fort Bonifacio, Taguig City <i>(stockholder)</i>				
Common	Pecard Group Holdings, Inc. 3 rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City <i>(stockholder)</i>	Pecard Group Holdings, Inc.	Filipino	198,203,968	10.65%
Common	Philippine Seaport Inc. 3 rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City <i>(stockholder)</i>	Philippine Seaport Inc.	Filipino	196,911,524	10.58%
Common	Daven Holdings, Inc. 7 th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City <i>(stockholder)</i>	Daven Holdings, Inc.	Filipino	155,906,071	8.38%
Common	SG Holdings Inc. 7 th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City <i>(stockholder)</i>	SG Holdings Inc.	Filipino	130,000,000	6.98%
Common	Morray Holdings Inc. 7 th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City <i>(stockholder)</i>	Morray Holdings Inc.	Filipino	100,000,000	5.37%

The Board of Directors generally has the power to vote on behalf of their respective corporations. A proxy is usually designated to cast the vote for each corporation.³ The corporate proxies are executed in accordance with the Corporation Code and accompanied by secretary's certificate.

2. Security Ownership of Management

Owners of record of ATI shares among Management as of April 30, 2026, are as follows:

Title of Class	Name of Beneficial/Record Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Class*
Common	Felino A. Palafox, Jr.	15,300/direct 395,115,492/indirect	Filipino	21.22%
Common	Monico V. Jacob	1/direct	Filipino	0.00%
Common	William Wassaf Khoury Abreu	1/direct	Dominican	0.00%
Common	Glen C. Hilton	1/direct	Australian	0.00%
Common	Zissis Jason Varsamidis	1/direct	Australian	0.00%
Common	Eusebio H. Tanco	16,507,463/direct 576,057,540/indirect	Filipino	31.83%
Common	Artemio V. Panganiban (independent director)	1/direct	Filipino	0.00%
Common	Teodoro L. Locsin, Jr. (independent director)	1/direct	Filipino	0.00%
Common	Rafael D. Consing, Jr.	1/direct	Filipino	0.00%
	TOTAL	987,695,802		53.05%

*based on 1,861,727,891 outstanding shares as of April 30, 2026

To the best knowledge of the Company, the above list of share ownership includes the shares beneficially owned by the foregoing officers and directors.

3. There are no voting trusts or similar agreements with respect to any portion of the outstanding shares, nor any agreement which may result in a change in control of the Company.

There was no change in control of the registrant since the beginning of the last fiscal year.

Item 5. Directors and Executive Officers

1. The following persons are the incumbent Directors⁴, Executive Officers and key personnel of the Company (brief description of their respective business experience for the past five (5) years included):

Glen Christopher Hilton, 56, was a former director of ATI from 2008 to 2013 and was elected again in August 2019. He is the Chairman of the Board since November 2020 and the current CEO and Managing Director of DP World, Asia Pacific. He was the former CEO of Port of Tanjung Pelepas, Malaysia (2013 to 2016) and VP and Managing Director of DP World South East Asia (2008- 2013), Executive Director of DP World Caucedo (2006-2008) and the General Manager of DP World Adelaide (2001 to 2006).

Eusebio H. Tanco, 76, Filipino, is the President of the Company from 1995 to 2001 and 2007 to present. He is the Chairman of STI Education Systems Holdings, Inc. (formerly JTH Davies Holdings, Inc., since 2010), DigiPlus Interactive Corp. (formerly Leisure Resorts World Corporation, since 2019 and as director since 2011), Fibertex (since 2012) Mactan Electric Company (since 1988), - Eximious Holdings, Inc. (formerly Capital

³ As of the filing of the Preliminary Information Statement, the Company has no knowledge on who will represent the corporations.

⁴ The Directors are elected annually, and each Director holds office until the next annual meeting held after his election and until his successor has been elected and has qualified, or until his death or until he resigns or has been removed. (Sec. 2, Article IV, By-laws)

Managers and Advisors, Inc., since 1995), GROW Vite (since 2014), Venture Securities, Inc.(since 1980), Philippines First Insurance Co. (since 1973), and the chairman emeritus of STI Education Services Group, Inc. (since 2022) and director (since 2003). He is Chairman and President of Prime Power Holdings (since 1999), Prudent Resources, Inc. (since 1999), First Optima Realty Corporation (since 1980); and CEO of Classic Finance, Inc. (since 2004) and director (since 1978). He is also the President of Bloom with Looms Logistics, Inc. (formerly STMI Logistics, Inc., since 1988), Total Consolidated Asset Management Inc. (TCAMI) (since 2006), Eujo Philippines, Inc. (since 1986), Tantivy Holdings, Inc (formerly Insurance Builders Inc.,since 1979) Mar-Bay Homes Inc. (since 1980) , Cement Center, Inc. (since 1983), Biolim Holdings and Management Corp. (formerly Rescom Developers, Inc ,since 1979). In addition, he is a Director of iACADEMY (since 2002), PSBA (since 2024), Philhealthcare Inc. (since 2009), Philplans First, Inc. (since 2017), Philippine Life Financial Assurance (formerly Asian Life Financial Assurance, since 2000), STI West Negros University (since 2013), United Coconut Chemicals, Inc. (since 1995), M.B. Paseo (since 1980, Maestro Holdings, Inc. (formerly STI Investments, since 2007), Philippine Racing Club (since 2011). His professional associations include the Philippines-Thailand Business Council, Philippines-UAE Business Council, and the Philippine Chamber of Commerce and Industry. He obtained his Master of Science in Economics from the London School of Economics and Political Science. He has been a member of the ATI Board since 1993.

William Wassaf Khoury Abreu, 47, a national of Dominican Republic. Mr. Khoury was elected by the Board in the regular Board Meeting in November 2021. He is currently the Vice President for Ports & Terminals, Southeast Asia, APAC for DP World. He was the Executive Vice President of ATI from March 2018 up to November 2021, the former Director of PT Terminal Petikemas Surabaya (TPS) Indonesia (from 2014 to 2018), the CEO of DP World-Saigon Premier Container Terminal from 2010 to 2014, the Operations Director of DP World Korea from 2009 to 2010 and held various management positions at DP World Caucedo, Dominican Republic from 2003 to 2009 and CSX World Terminals (Caucedo) from 2001 to 2003. William holds an Industrial Engineering degree from Pedro Henriquez Ureña University Santo Domingo, Dominican Republic, a Post Graduate Diploma in Port and Transport Management from IMTA-STC in Rotterdam, The Netherlands and has undertaken executive management programs at Michigan Ross School of Business, London Business School, and Case Western Reserve University.

Monico Jacob, 81, Filipino, is currently the President of STI Education Systems Holdings, Inc. (2011), Chairman of STI West Negros University (since 2019) and the CEO and Vice-Chairman of the STI Education Services Group (since 2016). He is the Chairman of Rosehills Memorial Management, Inc. (since 2014), Philippine Life Financial Assurance, Inc. (PhilLife, since 2016), Global Resource for Outsourced Workers, Inc. (GROW, Inc., since 2000), Total Consolidated Asset Management Inc. (since 2006), GROW-Vite (since 2014), and TechZone Philippines, Inc. (since 2021). He is currently a director of iACADEMY, (since 2010) and PhilCare, (since 2012). Prior to his current engagements, he was the General Manager of the National Housing Authority (NHA) (from 1989 to 1991); Chairman and CEO of Petron Corporation from 1991 to 1998 and Philippine National Oil Company (PNOC) and all of its subsidiaries from 1991 to 1994; and CEO of the Home Development Mutual Fund (PAG-IBIG Fund) from 1988 to 1989. Mr. Jacob also served as an Associate Commissioner for the Securities and Exchange Commission in 1986. He is a member of the Integrated Bar of the Philippines and the Management Association of the Philippines (MAP) and served as its President in 1998. Mr. Jacob finished his Bachelor of Arts degree with a Major in Liberal Arts from the Ateneo de Naga University in 1966 and his Bachelor of Laws degree from the Ateneo de Manila University in 1971. He joined the Board in 2009.

Felino A. Palafox, Jr., 76, is a distinguished Filipino architect and urban planner with over 50 years of experience in both architecture and planning. He is the Founder and Principal Architect-Urban Planner of Palafox Associates and Palafox Architecture Group, Inc., established in 1989. Under his leadership, the firms have successfully planned over 60

billion square meters of land area and designed more than 30 million square meters of building floor area across 40 countries over the past 36 years. In 2015, he served as President of FIABCI (International Real Estate Federation) Philippines. He is an International Associate of the American Institute of Architects, the Country Leader and Regional Representative for the Council on Tall Buildings and Urban Habitat, and a member of several esteemed organizations, including the U.S. Green Building Council, Urban Land Institute, Congress for the New Urbanism, American Planning Association, and the International Council of Shopping Centers. Previously, he held key leadership positions as Chairman of the National Real Estate Association (NREA) and President of both the Philippine Institute of Environmental Planners and the Management Association of the Philippines. He is also a Fellow of the United Architects of the Philippines (UAP). Architect Palafox earned his Bachelor of Science in Architecture from the University of Santo Tomas, Manila, in 1972, and his Master's Degree in Environmental Planning from the University of the Philippines in 1974 as a United Nations Development Program (UNDP) scholar. Further enhancing his expertise, he completed the Advanced Management Development Program for Real Estate at Harvard University in 2003, along with seven other executive education courses. A registered APEC Architect, he has been recognized with numerous local and international awards for his contributions to the industry. He has been a member of the Board since 2009.

Artemio V. Panganiban, 89, Filipino. He served as Chief Justice of the Philippines from 2005 to 2006 and as Associate Justice from 1995 to 2005. Prior to his appointment to the Supreme Court, he was a senior partner at Panganiban Parlade Benitez Africa and Barinaga Law Office from 1963 to 1995. He is a recipient of over 250 prestigious awards and recognitions from various associations and groups for his role as a jurist, lawyer, civic leader, Catholic lay worker, entrepreneur and youth leader. Among such awards is the "Renaissance Jurist of the 21st Century" given by the Supreme Court of the Philippines upon his retirement in 2006. Last September 18, 2024, he was conferred the "Pro Ecclesia et Pontifice" award granted by Pope Francis and handed by Jose F. Cardinal Advincula in the Manila Cathedral. Chief Justice Panganiban holds a Bachelor's Degree in Law from the Far Eastern University where he graduated cum laude. He was a 6th placer in the 1960 Bar Examinations. He was also conferred Doctor of Laws (Honoris Causa) by several universities. At present, he writes a column for the Philippine Daily Inquirer. He sits as an independent director in the following companies aside from Asian Terminals, Inc.; GMA Network, Inc. (2007-present), Manila Electric Company (2008-present), GMA Holdings, Inc. (2009-present), Petron Corporation (2010-present), Philippine Long Distance Telephone Company (2013-present), JG Summit Holdings Inc. (2021-present), RL Commercial REIT, Inc. (2021-present). He is also a non-executive Director at Jollibee Foods Corporation (2012-present), Senior Adviser, Metrobank (2007 to present), and Adviser, DoubleDragon Properties Corp. (2014-present), MerryMart Consumer Corp. (2020-present). He is the Chairman of Corporate Governance Committee and a member of the Company's Compensation Committee and Nomination Committee. He has been an independent director of Asian Terminals, Inc. since April 22, 2010.

Teodoro L. Locsin, Jr., 77, Filipino, was the former independent director of ATI from 2010 to 2018 when he stepped down to assume a position in the government as the Secretary of Foreign Affairs. He is currently the Philippine Ambassador to the United Kingdom of Great Britain and Northern Ireland. Prior to this, in 2017, he was appointed and took his oath as Philippine Representative to the United Nations based in New York, USA. He also served as member of the House of Representatives from 2001 to 2010. Atty. Locsin Jr. obtained his Bachelor of Law from the Ateneo de Manila University and Master of Laws from Harvard University. He is the Chairman of Audit Committee and a member of the Corporate Governance Committee and Executive Committee.

Zissis Jason Varsamidis, 50, Australian, is the Chief Financial Officer (CFO) of DP World Asia Pacific & Australasia. Prior to this, Mr. Varsamidis was the CFO of DP World Australia from 2013 to March 2021 and held various positions in the company prior to that appointment. He has a degree in Commerce from the University of Wollongong, holds a Diploma in Terminals Operations Management from US Merchant Marine Academy and

Masters in Applied Finance & Investment from the Securities Institute of Australia. He is also a Certified Public Accountant (CPA). Mr. Varsamidis joined the Board in 2021.

Rafael D. Consing, Jr.⁵, 57, Filipino was appointed President and Chief Executive Officer of Maharlika Investment Corporation (**MIC**) in November 2023, following 11 months serving as Executive Director at the Office of the Presidential Adviser on Investment and Economic Affairs (OPAIEA) a government sector pivot following a multi-awarded three decade career in global capital markets, and as corporate CFO. Prior to working for the Philippine government, Mr. Consing was the SVP and CFO, and Head of Compliance at International Container Terminal Services, Inc. (**ICTSI**) (2007-2023). He also worked for HSBC Hong Kong, Singapore, and the Philippines (1999 to 2007) as well as Bankers Trust Company in Singapore (1995 to 1999) and various companies in Manila. He was also a board member and executive committee member of Manila Water, Prime Infrastructure Capital, and various other public and private companies within the Razon Group in Asia, EMEA and the Americas. He has a strong background in investment banking and capital markets, having worked with HSBC, Bankers Trust, ING Barings, and Multinational Bancorporation in the Philippines, Singapore, and Hong Kong. He holds a degree in AB Political Science from De La Salle University and completed the Emerging CFO: Strategic Financial Leadership Program at Stanford University Graduate School of Business. Mr. Consing became a director following election during the Special Stockholders' Meeting held on 30 January 2026 and approval by the SEC of the amended Articles of Incorporation of ATI increasing the number of directors from 8 to 9.

Sean James L. Perez, 60, Filipino, is the Senior Vice-President for Commercial and Outports since November 2017. He was the Vice-President for Marketing and Commercial from October 2008 to October 2017, Vice President for Domestic and Outports from January 2007 to September 2008, Vice-President for Domestic/Marketing and Commercial Services (2004-2006). He has held various positions in the Company from the position of being the Terminal Manager of Batangas, Container Division and General Stevedoring Division for South Harbor to Vice-President for Operations, Marketing and Outports. He obtained his degree in Bachelor of Arts, Major in Economics from the University of Santo Tomas. He has been with the Company since 1996.

Jose Tristan P. Carpio, 58, Filipino, is the Vice-President for Finance and Chief Financial Officer (CFO) of the Company since July 2012. He joined ATI in 2000 as Assistant Vice President for Treasury and Special Projects. Prior to joining ATI, he was the Assistant Vice President for Capital Markets of All Asia Capital & Trust Corporation from 1997 to 2000. Mr. Carpio obtained his degree in B.S. Management Engineering from Ateneo de Manila University.

Rodolfo G. Corvite, Jr., 66, Filipino, is the Corporate Secretary and Compliance Officer since 1997, the current Vice President Chief Governance and Data Protection Officer (since 2017). He has held various positions in the Company handling Business Support Services, Administration, Legal, Human Resources, Procurement, Industrial Relations, HSES, Insurance and Claims, Risk Management and Corporate Communications. He was a Law Partner of Diaz, Corvite and Associates. He is a member of the Integrated Bar of the Philippines. He obtained his Bachelor of Laws from the Ateneo de Manila University. He has been with the Company since 1989.

Note: The Securities Regulation Code and Section 22 of the Revised Corporation Code of the Philippines require any corporation with securities registered with the SEC, with shares listed⁶ in an Exchange, or has assets of at least ₱50 million and at least 200 shareholders, each holding at least 100 shares, to have at least two (2) independent directors. ATI, as a public company is required to have independent directors pursuant to the above and

⁵ Following the relevant GCG Memorandum Circulars (No. 2012-04 Sixth Issue and No. 2012-07), attached as Annex "1" is the Certification by the Compliance Officer, on the MIC board resolution approving the nomination of Mr. Rafael D. Consing, Jr. as director of Asian Terminals, Inc.

⁶ ATI voluntarily delisted from the Philippine Stock Exchange effective April 3, 2026.

ensures that independent directors comprise at least the minimum proportion of the Board required by law and that such directors remain independent of management and controlling shareholders.

The nomination, pre-screening and election of the Independent Directors were made in accordance with SRC Rule 38 (as amended), Article IV, Section 3 of the By-laws of the Corporation, the Nomination Committee Charter and the Company's Revised Nominating Committee Guidelines.⁷ The Independent Directors⁸ were nominated by a stockholder and the nominees have signified their acceptance of the nominations. The Company's Nomination Committee passes upon the qualifications of the nominees and ascertains that they do not possess any of the disqualifications.

The Company's Nomination Committee resolved that the following are the qualified nominees for election to the Board of Directors⁹ at the forthcoming Annual Stockholders' Meeting:

Name	Age	Citizenship
Glen C. Hilton	56	Australian
Eusebio H. Tanco	76	Filipino
William Wassaf Khoury Abreu	47	Dominican
Monico V. Jacob	81	Filipino
Roberto C. O. Lim	68	Filipino
Felino A. Palafox, Jr.	74	Filipino
Robert G. Vergara	65	Filipino
Rafael D. Consing Jr.	57	Filipino
Zissis Jason Varsamidis	49	Australian

Roberto C.O. Lim, 68, Filipino has previously served as an independent director of ATI from December 2018 to August 2022. He stepped down from his position as independent director in 2022, upon his appointment as Undersecretary of the Department of Transportation. He was the former Undersecretary for Aviation and Airports at the Department of Transportation up to 2017. Prior to this, he was the Chairman of Global Legal Advisory Council of International Air Transport Association (IATA), the Vice President for Legal Affairs and Corporate Compliance Officer of Philippine Airlines, Inc., Director of Abacus Holdings and Abacus International Pte, Ltd, a global distribution company based in Singapore. Atty. Lim was a member of the Philippine Negotiating Panel on Air Treaties, Chairman of the IATA Legal Advisory Council and member of the Aero Political Committee of the Association of Asia Pacific Airlines. He also teaches Transportation Law and Administrative Law at De La Salle University and Far Eastern University. Atty. Lim's degrees include: a BA in History and Political Science and a BSc in Commerce from De La Salle University; a law degree (LL.B) from the University of the Philippines; and, a Master of Laws (LLM) from Kings' College, University of London.

Robert G. Vergara, 65, Filipino currently sits as an Independent Director of Metro Pacific Hospital Holdings, Inc., SM Investments Corporation, STI Education Systems Holdings, Inc. and AIG Insurance Philippines, Inc. He is also Chairman and Director of Cabanatuan Electric Corporation. He is the President of Vergara Advisory Management, Inc. founded in May 2018. From September 2010 to October 2016, he served as the President and General Manager and Vice-Chairman of the Board of Trustees of the Government Service Insurance System (GSIS).

⁷ The composition of the current Nomination Committee is as follows: Eusebio H. Tanco (Chairman), Glen C. Hilton, Felino A. Palafox, Jr., William Wassaf Khoury Abreu and Artemio V. Panganiban (Members).

⁸ Stockholder Nimfa Ayala nominated Atty. Roberto C.O. Lim and Mr. Robert G. Vergara as independent directors. Both are not related to the stockholder who nominated them.

⁹ The first seven (7) nominees for regular director receiving the highest number of votes and the first two (2) nominees for independent director receiving the highest number of votes shall be deemed elected.

As President and General Manager of GSIS, Mr. Vergara also served as Vice Chairman and Director of National Reinsurance Corporation of the Philippines, Manila Hotel Corporation, and Member of the Board of Directors of Philippine Stock Exchange, Philippine Health Insurance Corporation, Philippine National Construction Corporation and Housing and Urban Development Coordinating Council. Before that, he was the Managing Director and Founding Partner of Cannizaro (Hong Kong) Limited from October 2006 to September 2010. From 2002 to 2006, he was a Director of Lionhart (Hong Kong) Ltd. He was a Principal in Morgan Stanley Asia Ltd. from 1997-2001 and served as the Managing Director of IFM Asia Ltd. from 1990 to 1997. He obtained his Master in Business Administration from Harvard Graduate School of Business Administration. He graduated magna cum laude from Ateneo De Manila University with Bachelor of Science degrees in Management Engineering and Mathematics.

Attached as **Annex "1"** is the Certification executed by the Compliance Officer regarding directors, nominees, or officers connected with the government. **Annexes "2" and "3"** are the respective Certifications of Independent Director executed by Atty. Roberto C. O. Lim and Mr. Robert G. Vergara.

2. Significant Employees

All employees are expected to make reasonable contribution to the success of the business of the Company. There is no "significant employee" as defined in Part IV (A) (2) of Annex C to SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

3. Family Relationships

There are no family relationships within the fourth degree of consanguinity or affinity known to the Company, among the Directors, Executive Directors or nominees.

4. Pending Legal Proceedings

The Company has no other knowledge that the current members of its Board of Directors, nominees or its executive officers have been involved during the last five years up to the present in any legal case affecting/involving themselves and/or their properties before any court of law or administrative body in the Philippines or elsewhere, which are material to an evaluation of the ability or integrity of any of the said directors or executive officers. Also, during the last five years, the said persons have not been: a) involved in any bankruptcy petition, b) convicted by final judgment of any offense punishable by the laws of the Philippines or of the laws of any other country, c) subjected to any order, judgment or decree, and d) violated any securities or commodities law.

1. Material Pending Legal Proceedings

The Company is a party to legal proceedings which arose from normal business activities. However, Management believes that the ultimate liability, if any, resulting therefrom, has no material effect on the Company's financial position.

6. Certain Relationships and Related Transactions

a) 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.

Note 21 of the attached Audited Consolidated Financial Statements for the period ended 2025 and 2024 indicate related party transactions in the normal course of business.

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

ASIAN TERMINALS, INC.**Securities and Exchange Commission Form 20-IS**

Category/ Transaction	Note	Year	Amount of the Transaction	Outstanding Balance			Terms	Conditions
				Due from Related Parties	Due to Related Parties	Lease Liabilities		
Associate								
▪ Management income	20A	2025	P8,954	P1,037	P -	P -	Payable on demand	Unsecured; no impairment
		2024	8,455	745	-	-	Payable on demand	Unsecured; no impairment
▪ Dividend income	9	2025	51,943	-	-	-		
		2024	46,569	-	-	-		
Post-Employment Benefit Plan								
▪ Retirement fund	20B	2025	68,947	84,637	-	-	Payable on demand	Unsecured; no impairment
		2024	48,547	15,689	-	-	Payable on demand	Unsecured; no impairment
Others								
▪ Advances	20D	2025	653,584	605,943	6,924	-	Payable on demand	Unsecured; no impairment
		2024	340,819	249,626	9,210	-	Payable on demand	Unsecured; no impairment
▪ Management fees	20C	2025	352,935	-	41,018	-	Payable within ten (10) days of the following month	Unsecured
		2024	265,790	-	32,886	-	Payable within ten (10) days of the following month	Unsecured
▪ Lease	20E	2025	30,981	-	-	349,679	Monthly payments are due within five (5) days of each month	Unsecured
		2024	179,653	-	-	342,993	Monthly payments are due within five (5) days of each month	Unsecured
TOTAL		2025		P691,617	P47,942	P349,679		
TOTAL		2024		P266,060	P42,096	P342,993		

Item 6. Compensation of Directors and Executive Officers

1) The total annual compensation of the Company's President and the most 4 highly compensated officers amounted to P69 million in 2025 and P65 million in 2024. The projected annual compensation in 2026 is P70 million.

The total annual compensation of all other officers and directors in 2025 amounted to P171 million and in 2024 amounted to P144 million. The projected annual compensation in 2026 is P182 million.

ASIAN TERMINALS, INC.**Securities and Exchange Commission Form 20-IS**

		(in millions of pesos)		
Name and Principal Position	Year	Salary	Bonus	Total
Eusebio H. Tanco President and CEO				
Sean James L. Perez Senior Vice President for Marketing and Commercial				
Rodolfo G. Corvite, Jr. Vice President for Business Support Services				
Jose Tristan Carpio Vice President For Finance/CFO				
Adrian Edward A. Baking Vice President Business Development and Legal				
CEO and most 4 highly compensated officers	2026 (Projected)	57	13	70
All other officers and directors as a group unnamed	2026 (Projected)	143	39	182

		(in millions of pesos)		
Name and Principal Position	Year	Salary	Bonus	Total
Eusebio H. Tanco President and CEO				
Sean James L. Perez Senior Vice President for Marketing and Commercial				
Rodolfo G. Corvite, Jr. Vice President for Business Support Services				
Jose Tristan Carpio Vice President For Finance/CFO				
Adrian Edward A. Baking Vice President Business Development and Legal				
CEO and most 4 highly compensated officers	2025 (Actual)	55	14	69
All other officers and directors as a group unnamed	2025 (Actual)	131	40	171

		(in millions of pesos)		
Name and Principal Position	Year	Salary	Bonus	Total
Eusebio H. Tanco President and CEO				
Sean James L. Perez Senior Vice President for Marketing and Commercial				
Rodolfo G. Corvite, Jr. Vice President for Business Support Services				
Jose Tristan Carpio Vice President For Finance/CFO				
Adrian Edward A. Baking Vice President Business Development and Legal				
CEO and 4 most highly compensated officers	2024 (Actual)	52	13	65
All other officers and directors as a group unnamed	2024 (Actual)	108	36	144

- 2) The Directors do not receive compensation for services provided as a director other than reasonable per diems¹⁰ for attendance at meetings of the Board and the Board Committees. This is in accordance with Article IV, Section 14 of the Company's By-Laws which states that "Except for reasonable per diems, directors, as such shall be entitled to receive only such compensation as may be granted to them by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a regular or a special meeting of the stockholders. In no case shall the total yearly compensation of the directors, as such, exceed ten percent (10%) of the net income before income tax of the Company during the preceding year.

The Board of Directors specified the duties and responsibilities of the elected Company officers. Other officers, whose duties and responsibilities are set by the Management, are considered regular employees of the Company.

- 3) There is no bonus, profit sharing, stock options, warrants, rights or other compensation plans or arrangements with directors and officers that will result from their resignation, retirement, termination of employment, or change in the control of the Company.
- 4) The compensation and benefits of key management personnel are as follows:

	2025	2024
Short-term employee benefits	P 159,635	P143,361
Post-employment benefits	11,599	10,291
	P171,234	P153,652

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

No action will be taken with respect to:

- (a) any bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as a director, or executive officer of the registrant will participate;
- (b) any pension or retirement plan in which any such person will participate; or
- (c) the granting or extension to any such person of any option/s, warrant/s or right/s to purchase any securities, other than warrants or rights issued to security holders as such, on a pro rata basis. However, if the solicitation is made on behalf of persons other than the registrant, the information required need be furnished only the nominees of the persons making the solicitation and associates of such nominees.

Item 7. Independent Public Accountants

The accounting firm R.G. Manabat & Co. served as the Company's external auditors for the last fiscal year. There was no change in or disagreement with the external auditors on accounting and financial disclosures.

The Company's Manual on Corporate Governance and SRC Rule 68, provide that the Company's external auditor shall either be rotated or the handling partner be changed every five (5) years or earlier, subject to the provisions of SRC Rule 68 paragraph 3 (b) (ix) on the two-year cooling off period. In compliance with the abovementioned provisions, Mr. Vernilo Yu the current signing partner was appointed in November 2023.

¹⁰ Directors' per diem amounted to P3,505,000 (for 2025) and P2,140,000 (for 2024). The Chairman receives P75,000.00 per diem, for every board meeting attended, while members of the Board receive P65,000.00.

In accordance with the Company's Manual on Corporate Governance, the Audit Committee recommends the appointment of external auditors. The Audit Committee is composed of Amb. Teodoro L. Locsin Jr. (independent director) as Chairman, Atty. Monico V. Jacob and Mr. William Wassaf Khoury Abreu as members. The Board approved the Audit Committee's recommendation for the appointment of R.G. Manabat & Co. as external auditors and resolved to submit the approval of the appointment to the stockholders during the annual stockholders' meeting.

Representatives of R.G. Manabat & Co. will be present during the scheduled stockholders' meeting and will be given the opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

Item 8. Compensation Plans

No action will be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action will be presented for shareholders' approval at the annual stockholder's meeting which involves authorization or issuance of any securities.

Item 10. Modification or Exchange of Securities

The proposed amendment to the Seventh Article of the Articles of Incorporation of ATI increasing the par value of ATI's common shares from One Peso (P1.00) to Two Hundred Four Thousand Eight Hundred Twenty-Seven Pesos (P204,827.00) will be presented for approval during the meeting. The increase in par value will not have an effect on the total authorized capital stock of ATI.

Item 11. Financial and Other Information

The Management Report and the Audited Financial Statements for the period ended December 31, 2025, incorporating the Management's Discussion & Analysis, are incorporated herein by reference.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action will be presented to be voted upon which involves the following:

- (a) the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
- (b) the acquisition by the registrant or any of its security holders of securities of another person;
- (c) the acquisition by the registrant of any other going business or of the assets thereof;
- (d) the sale or other transfer of all or any substantial part of the assets of the registrant;
or
- (e) the liquidation or dissolution of the registrant.

Item 13. Acquisition or Disposition of Property

No action will be presented to be voted upon which involves the acquisition or disposition of any property.

Item 14. Restatement of Accounts

No action will be presented to be voted upon which involves the restatement of any of the Company's assets, capital or surplus account.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

A) The approval of the minutes of the annual stockholders' meeting held on April 24, 2025 and the Special Stockholders' Meeting held on January 30, 2026 will be taken up during the meeting. No matters arising from the said minutes of meetings will be taken up.

The matters taken up during the April 24, 2025, annual stockholders' meeting were as follows:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on April 25, 2024
4. Chairman's Address
5. Election of Directors
6. Approval of the Audited Financial Statements for the Year Ended December 31, 2024
7. Appointment of Independent Auditors
8. Approval and Ratification of the Acts of the Board and the Management during the year 2024
9. Other Matters
10. Adjournment

The matters taken up during the January 30, 2026 Special Stockholders' Meeting, were as follows:

1. Call to Order.
2. Certification of Notice and Quorum.
3. Report on the Tender Offer.
4. Approval of Voluntary Delisting from the Main Board of The Philippine Stock Exchange, Inc. (**PSE**).
5. Approval of the Amendment of the Sixth Article of the Articles of Incorporation to Increase the Number of Directors from Eight (8) to Nine (9) subject to the following conditions: (i) MIC acquiring more than nine percent (9%) of ATI's issued and outstanding shares and (ii) the effective date of delisting of ATI from the Philippine Stock Exchange has occurred.
6. Election of the Ninth Director, subject to the following conditions: (i) MIC acquiring more than nine percent (9%) of ATI's issued and outstanding shares, (ii) the effective date of delisting of ATI from the Philippine Stock Exchange has occurred, and (iii) approval by the Securities and Exchange Commission of the amended Articles of Incorporation.
7. Ratification of the Renewal of the ATI-POMS Management Contract for Five Years.
8. Other Matters.
9. Adjournment.

Copy of the minutes of the 2025 Stockholders' Meeting and January 30, 2026 Special Stockholders' Meeting may be accessed on ATI website at https://www.asianterminals.com.ph/ati_disclosures_minutesofmeeting.aspx

2025 Annual Stockholders' Meeting

SUMMARY OF THE MINUTES OF THE 30th ANNUAL STOCKHOLDERS' MEETING OF
ASIAN TERMINALS, INC.
(April 24, 2025, 2:00pm)
Online (MS Teams)

At the request of the Board, the Company President, Mr. Eusebio H. Tanco presided and called the meeting to order at 2:00 p.m. Mr. Tanco clarified that the meeting will be conducted via remote communication or online in compliance with guidelines issued by the SEC.

The Corporate Secretary certified that notices were sent to all stockholders of record as of March 26, 2025, through the mediums compliant with the regulations of the PSE and SEC, namely publication for two consecutive days in the Manila Standard and Business Mirror (both for print and online formats), posting in the company website and disclosure to the PSE and SEC.

The Corporate Secretary certified further that there was a quorum with stockholders representing 1,783,083,871 shares or 89.35% of the outstanding capital stock of the company having registered to participate and voted.

The procedure for the conduct of the meeting was briefly discussed by the Corporate Secretary. All the tabulation results for the meeting were subjected to validation by R.G. Manabat and Company. Stockholders were also informed to send their questions by email to ATISHMeeting@asianterminals.com.ph. The questions were collated and selected questions were answered in the latter part of the meeting while those unanswered would be replied to by email.

The stockholders approved the minutes of the 2024 Annual Stockholders' Meeting as presented.

Mr. William Wassaf Khoury Abreu, ATI Director delivered the Chairman's message on behalf of Mr. Glen C. Hilton, the Chairman of the Board, via livestream. Highlights were about the strong performance in 2024, demonstrating resilience and innovation despite global and local market challenges. ATI supported the Philippines' economic growth with 5.6% GDP growth, by enhancing supply chain efficiency through its strategic port and logistics assets.

Key milestones included the opening of two major developments which are the expanded Batangas Passenger Terminal which is the country's largest and most modern domestic terminal, and the Tanza Container Barge Terminal, designed to serve the Cavite growth corridor. ATI's ports in Manila and Batangas handled nearly 1.6 million TEUs, up 4.1% year-on-year, nearing pre-pandemic levels. Batangas Port also served 2.7 million travelers, 550,000 vehicles, and almost 200,000 car units.

Financially, ATI posted revenues of Php16.5 billion, up 7.1%, and a net income of Php4.5 billion. Backed by strong cash flows and a solid balance sheet, the Board approved total cash dividends of Php1.505 per share, or Php3.003 billion, to be released on June 17, 2025.

He also mentioned that ATI plans to invest at least Php4.2 billion in 2025 for terminal expansion, green technologies, and innovative supply chain solutions. The company reaffirmed its commitment to resilience, innovation, and excellence, while thanking stakeholders for making 2024 another banner year and expressing confidence in shaping a more sustainable and connected future for Philippine trade.

Mr. Khoury expressed appreciation and gratitude to the board of directors, the shareholders, government partners, customers, and every member of the team for the hard work, dedication, and unwavering commitment to excellence.

After the Chairman's Message, the meeting proceeded with the election of the eight (8) nominees to the Board. Those elected were Messrs. Glen C. Hilton, Eusebio H. Tanco, William Wassaf Khoury Abreu, Monico V. Jacob, Zissis Jason Varsamidis and Felino A. Palafox Jr.

Messrs. Teodoro L. Locsin, Jr. and Artemio V. Panganiban were elected as independent directors.

The following were also taken up during the meeting: a) approval of the audited financial statements for the year ended December 31, 2024; b) appointment of R.G. Manabat & Co. as the Company's independent auditors; c) approval and ratification of the acts of the Board and the Management for 2024.

The President answered queries received by email and through the chatbox.

Special Stockholders' Meeting (January 30, 2026)

SUMMARY OF THE MINUTES OF THE SPECIAL STOCKHOLDERS' MEETING OF ASIAN
TERMINALS, INC.
(January 30, 2026, 2:00pm)
Online (MS Teams)

Upon the authority of the Chairman of the Board, the Company President, Mr. Eusebio H. Tanco presided and called the meeting to order at 2:00 p.m. Mr. Tanco clarified that the meeting will be conducted via remote communication or online in compliance with guidelines issued by the SEC.

The Corporate Secretary certified full compliance with SEC regulations for the Special Stockholders' Meeting. The meeting notice, agenda, Definitive Information Statement, and participation and voting procedures were disclosed via PSE EDGE, published on the Company's website starting January 8, 2026, and published for two consecutive days in the Manila Standard and Manila Times (print and online). Required disclosures were also made to the PSE and SEC.

A quorum was confirmed, with stockholders representing 93.61% of the Company's outstanding capital stock (1,814,342,070 shares) duly registered to participate online or by proxy. Of these, over 1.814 billion shares cast votes through the ATI Voting Portal. Registration and voting results were jointly tabulated by the Office of the Corporate Secretary and Professional Stock Transfer Inc. and independently validated by third-party tabulator R.G. Manabat and Company.

The Corporate Secretary reported on the proposed tender offer and voluntary delisting of ATI following Maharlika Investment Corporation's (MIC) notification of its intent to acquire shares. On December 15, 2025, ATI's Board, by at least a two-thirds vote including all independent directors, approved key actions related to the tender offer, including expanding the share buyback program, ATI's participation as a co-bidder, voluntary trading suspension, and the planned voluntary delisting, subject to regulatory and stockholder approvals.

The voluntary delisting is conditional on the completion of the tender offer, the acquisition of at least 95% of ATI's outstanding shares (or such threshold as allowed by the PSE), and approval by at least two-thirds of outstanding and listed shares, with dissenting votes not exceeding 10%.

MIC and ATI, as co-bidders, offered to acquire up to 191.44 million shares at Php36.00 per share. The offer price is supported by a fairness opinion from MIB Capital Corporation, is based on accepted valuation methods, represents a 49% premium over ATI's one-year volume weighted average price as of December 12, 2025, and is the highest price offered in the tender. Stockholders were informed that the fairness opinion would be made available upon request ahead of the tender offer period.

The following matters were approved by the stockholders:

1. Voluntary Delisting of Asian Terminals, Inc. from the Main Board of the PSE.
2. Increase the number of directors from eight (8) to nine (9) and the corresponding amendment to the Sixth Article of the Articles of Incorporation, subject to the following

conditions: (i) MIC acquiring more than nine percent (9%) of ATI's issued and outstanding shares and (ii) the effective date of delisting of ATI from the PSE has occurred.

3. Election of Mr. Rafael D. Consing, Jr., subject to the following conditions: (i) MIC acquiring more than nine percent (9%) of ATI's issued and outstanding shares, (ii) the effective date of delisting of ATI from the PSE has occurred, and (iii) approval by the SEC of the amended Articles of Incorporation.

4. Ratification of the renewal of management contract between ATI and POMS for five years or until 31 August 2030

The President answered queries received by email.

B) The approval of the Audited Financial Statements and supplementary schedules to such financial statements will also be taken up during the meeting.

C) The Management seeks the approval and ratification by the stockholders of all the acts of the Board and the Management during the year 2025. These are reflected in the minutes of the meetings of the Board of Directors, in the reports to the Philippines Stock Exchange and the Securities and Exchange Commission. The affirmative vote of a majority of the stockholders is necessary for the ratification of all acts of the Board and the Management, which are as follows:

February 20, 2025

Approval of the minutes of the previous regular and special meetings; Approval of 2024 Audited Financial Statements; Re-appointment of R.G.Manabat & Co. as independent auditors for 2025; to hold the 2025 Annual Stockholders' Meeting virtually through MS Teams and the registration, participation and voting shall also be done online in accordance with the guidelines or procedures set forth by Management setting of the date, time, venue and agenda of the 2025 Annual Stockholders' Meeting and record date, closing of stock and transfer book and last day of validation of proxies; Approval of capital expenditures; audit committee updates; approval to retain Chief Justice Artemio Panganiban and Amb. Teodoro L. Locsin Jr., to serve as an independent directors subject to the election of shareholders in the 2025 annual meeting considering their probity, integrity as well as in recognition of their independent insights and expert opinions particularly on good governance; authority to enter into lease agreement with Manila Golf Club and designation of officers to represent the company in such transaction.

April 24, 2025

Approval of the minutes of the previous meeting; Approval of capital expenditures; Approval cash dividend declaration, record date and payment date.

September 9, 2025

Approval of the minutes of the previous meeting; Audit Committee Meeting Updates; Approval of capital expenditures; Authority given to the Company to transact with the Philippine Ports Authority (PPA) and the Office for Transportation Security (OTS) on any matter necessary, relevant, and beneficial to the interests of the Company and its subsidiaries and designating the officers to represent the Company.

October 2, 2025

Approval of the renewal of ATI-POMS Management Contract for a term of 5 years or until August 31, 2030.

December 15, 2025

Approval of the minutes of the previous regular and special meetings; Audit Committee Meeting updates; Approval of the recommendation of the Compensation Committee; Approval of capital expenditures; approval of the reclassification of a portion of ATI's retained earnings from restricted to unrestricted retained earnings, in an amount sufficient to support the increase of the existing Share Buyback Program; approval of the increase of the existing Share Buyback Program by up to Five Billion Pesos worth of common shares of ATI, which shall be funded from such unrestricted retained earnings, and the participation of ATI as a co-bidder in the Tender Offer for up to 191,438,064 common shares of ATI; Approval of the authority of the Company to determine and fix other terms of the Tender Offer including the tender offer price, and to appoint such advisers, consultants, and agents, under such terms and conditions as its authorized signatory deems to be in the best interest of ATI; Authority given to Mr. Eusebio H. Tanco, Company President, as its duly authorized representative and signatory, with full authority to sign, execute, and deliver on behalf of ATI, the Tender Offer Report with the Securities and Exchange Commission and all other related or implementing documents; approval of the buy back of the shares of stock of Eujo Philippines, Inc., Eximious Holdings, Inc., and Biolim Holdings and Management Corporation (related party transaction) and appointed and designated Mr. Jose Tristan D. Carpio (Chief Financial Officer & Vice President – Finance), the duly authorized representative and signatory, with full authority to sign, execute, and deliver on behalf of ATI, the share sale and purchase agreement in relation to the sale of the shares by the selling shareholders, and all other related or implementing documents, to acquire the shares through the Philippine Stock Exchange, and to perform any and all acts and deeds as may be required or necessary to carry out the foregoing resolutions; approval of the voluntary delisting of the ATI shares in the Main Board of PSE, subject to regulatory requirements, and endorses the same for shareholder approval in accordance with the requirements of the PSE for voluntary delisting; Approval of the amendment the Sixth Article of the Articles of Incorporation to increase the number of directors from eight (8) to nine (9) subject to the approval of the stockholders subject to the condition that its implementation and the corresponding filing with the Securities and Exchange Commission shall be effected only upon (i) the date on which the delisting of the Corporation takes effect, as stated in the order of delisting issued by the Philippine Stock Exchange, and (ii) MIC acquiring more than nine percent (9%) of ATI's outstanding shares; to amend Article IV, Section 2 of the By-laws to reflect the increase of the number of directors from eight (8) to nine (9); Approval to include the election of MIC's nominee in the agenda of the next stockholders' meeting; setting a special stockholders' meeting on January 30, 2026, agenda, record date and closing of stock and transfer book; the Board approved the voluntary suspension of trading of shares in the PSE effective 16 December 2025; Authority given to officers of ATI to represent the Company in transacting with MERALCO in connection with the installation of electrical facilities at South Harbor, Manila; Authority given to officers to represent, file, submit or negotiate, for and on behalf of the corporation, the Application for Renewal of the Contract for the Management, Development, Maintenance and Operation of Manila South Harbor with the Philippine Ports Authority on such reasonable terms and conditions as to them may seem best.

December 29, 2025

Review and approval of the 2026 Budget and appropriation of retained earnings; Designation of officers acting singly or jointly, (i) to represent ATI in relation to the application for business permits, clearances and other related permits, for the operation of its business in Batangas (ii) to execute the necessary special powers of attorney to authorize, designate and/or appoint persons to sign, transact, submit and file application forms and other documents as may be required in the application for business permit (iii) to do and cause to be done all other acts and things necessary, proper, and convenient to give effect to the resolution.

Requirements under Section 49 of the Revised Corporation Code of the Philippines

- a) During the Annual Meeting held on April 24, 2025 via https://bit.ly/ATI_2025ASM only stockholders of record were entitled to notice and to vote at the meeting. Registration was made by registering in the ATI Registration Portal at <https://bit.ly/34INgR7> from 9am of April 4, 2025 until 7:00 pm of April 14, 2025. After validation, a notification was sent to the stockholder by email from ATISHMeeting@asianterminals.com.ph together with a unique passcode which they used to access the ATI Voting Portal at <https://bit.ly/3q69lcl> and cast their votes from 9am of April 15, 2025 until 7:00 pm of April 22, 2025.

Stockholders also voted by sending their proxies and appointing the Chairman of the Board or the President. Proxies were validated on April 15, 2025 by the Office of the Corporate Secretary and assisted by Professional Stock Transfer Inc. (PSTI), the company's stock transfer agent. Items in the agenda were decided by the majority vote of the stockholders who registered and voted in the Voting Portal or by proxy.

Each stockholder shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Company. The votes were tabulated by the Office of the Corporate Secretary and validated R.G. Manabat and Co.

- b) The stockholders were given the opportunity to ask questions. To maintain order, attendees and stockholders were instructed to send in advance their questions to ATISHMeeting@asianterminals.com.ph. Prior to the adjournment of the meeting, the President answered 2 questions received by email and 1 in the Q & A Chatbox.

First (received by email): "What sustainability practices in the company are in place, that have significant impact or contribution to the community around its areas of operation? What role does sustainability play in guiding the company in its future plans, particularly in the expansion of its operations?"

Reply: The President replied that, "sustainability, environmental stewardship, and community resiliency are embedded in ATI's long-term corporate strategy. This commitment is reflected in the services that ATI delivers and the investments in partnership with government. This includes transitioning the port assets towards electric and hybrid-powered equipment to contribute to carbon reduction targets. ATI terminals run on renewable energy. In 2024, ATI launched the Tanza Container Barge Terminal, reducing trucks along metro roads and lowers carbon footprints. Also, the modern Batangas Passenger Terminal have water refilling stations which discourage passengers from using single-use plastics. ATI's strong community engagement helps protect seashores, marine habitats, and watersheds, and deliver other CSR activities. In all, ATI's business proudly contributes to country's sustainability goals.

Second (received by email): "The Philippines is part of ASEAN which is widely recognized as a significant growth center of the world. What steps is ATI taking to capture the opportunities ahead?"

Reply: The President replied that, "ATI is a forward-looking company, and always invest for the future. ATI is growing its assets and developing smart trade solutions to support current and future market demands. This includes the continuous expansion of the terminals leveraged on its industry experience and expertise. By operating and continuously investing in modern port infrastructure, ATI is helping position the Philippines as a trade enabler and economic powerhouse in the ASEAN region".

Third (received in the Q & A Chatbox): "The US government has recently announced revised tariffs imposed on its trading partners like the Philippines. Will this impact Philippine trade and how can this affect ATI, if any?"

Reply: The President replied that, "the Philippine economy is strong, agile and is among the fastest growing in the world and is primarily a consumption-driven economy. Foreign remittances have remained solid. The population is young and highly skilled and productive. These factors and the solid macroeconomic fundamentals make the

ASIAN TERMINALS, INC.
Securities and Exchange Commission Form 20-IS

country resilient versus headwinds and global trade uncertainties. Consistently, ATI ports have been driven by the robustness of the country’s consumption and economic activities. Prudently as always, ATI remains cautiously optimistic. ATI continuously invests for the future, ahead of market growth, in support of customers, industries and communities”

c) The matters discussed and resolutions reached during the 2025 Annual Stockholders’ Meeting:

1. Approval of the Minutes of the 2024 Annual Stockholders’ Meeting held on April 25, 2024
2. Approval of the re-appointment of R.G. Manabat and Co. as Independent Auditors for 2025
3. Approval of the Audited Financial Statements for the year ended December 31, 2024
4. Approval and ratification of the acts of the Board and Management in 2024

d) The voting results for each agenda item were:

<u>Agenda Item</u>	<u>Voting Results</u>		
	<u>Approving/ For</u>	<u>Dissenting/ Against</u>	<u>Abstaining</u>
Approval of the Minutes of the 2024 Annual Stockholders’ Meeting Held on April 25, 2024	1,783,081,205	0	2,666
Approval of the re-appointment of R. G. Manabat and Co. as independent auditors for 2025	1,783,083,871	0	0
Approval of the Audited Financial Statements for the year ended December 31, 2024	1,783,081,205	0	2,666
Approval and ratification of the acts of the Board and Management in 2024	1,783,083,871	0	0

e) Stockholders holding 1,783,083,871 shares are present in person or by proxy for the Annual Stockholders’ Meeting on conducted virtually via https://bit.ly/ATI_2025ASM

Directors and Key Officers who attended were:

- | | |
|-----------------------------|--|
| Glen C. Hilton | - Chairman |
| Eusebio H. Tanco | - Director/President |
| Monico V. Jacob | - Director |
| Felino A. Palafox, Jr. | - Director |
| Zissis Jason Varsamidis | - Director |
| William Wassaf Khoury Abreu | - Director |
| Artemio V. Panganiban | - Independent Director |
| Teodoro L. Locsin Jr. | - Independent Director |
| Sean James L. Perez | - Senior Vice President for Commercial And Outports |
| Rodolfo G. Corvite, Jr. | - Vice President for Business Support Services/ Corporate Secretary and Compliance Officer |
| Jose Tristan P. Carpio | - Vice President for Finance, CFO and Treasurer |

Attending Stockholders were:

- | | |
|---|-----------------------------------|
| 1. Aberlour Holding Company Inc. | 25. Jason Varsamidis |
| 2. Alfonso E. Talag Jr. | 26. Joselito M.Mabilangan |
| 3. Amabel N. Sangalang | 27. Joseph Augustin Luym Tanco |
| 4. Armando Sison | 28. Joseph Luym Tanco |
| 5. Artemio V. Panganiban | 29. Jude C. Jawod |
| 6. ATI Holdings Inc. | 30. Marissa R. Pinca |
| 7. Biolim Holdings and Management Corp | 31. Martin Khu Tanco |
| 8. Citibank N.A.Various Accts (PCD) | 32. Mitos R. Lara |
| 9. Daven Holdings Inc. | 33. Monico V Jacob |
| 10. Demie S. Bulalas | 34. Morray Holdings Inc. |
| 11. Deutsche Bank (PCD) | 35. Nimfa Ayala |
| 12. DP World Australia (POAL) Pty Limited | 36. Patrick Tanco |
| 13. Enrique Gomez Jr | 37. Pecard Group Holdings Inc. |
| 14. Eujo Phils Incorporated | 38. Philippine Seaport Inc. |
| 15. Eusebio Hao Tanco | 39. Ramon C. Ricalde Jr. |
| 16. Eximious Holdings Inc. | 40. Rescom Developers Inc. |
| 17. Felino A. Palafox Jr. | 41. Rodolfo G. Corvite Jr. |
| 18. Geraldine Barte Gimena | 42. Ronald Khu Tanco |
| 19. Geraldine Khu Tanco | 43. SG Holdings Inc. |
| 20. Glen Christopher Hilton | 44. Standard Chartered Bank (PCD) |
| 21. Grace Ayo Garde | 45. Teodoro L. Locsin Jr |
| 22. Granite Realty Corp | 46. Venture Securities Inc. |
| 23. Harbourside Holdings Corporation | 47. William Wassaf Khoury Abreu |
| 24. HSBC OBO Mla Acct. (PCD) | |

- f) Material information on the current stockholders and their rights were provided during the meeting. The Corporate Secretary reported during the meeting that notices were sent to all stockholders of record as of March 26, 2025, through the mediums compliant with the regulations of the PSE and SEC, namely publication for two consecutive days in the Manila Standard and Business Mirror (both for print and online formats), posting in the company website and disclosure to the PSE. The Corporate Secretary further reported that there was a quorum with stockholders representing shares 1,783,083,871 or 89.35% of the outstanding capital stock of the company having registered to participate and voted.
- g) Appraisals and performance report for the board and the criteria and procedure for assessment. The Board, individual directors, Corporate Governance Committee, Audit Committee, Nomination Committee, Compensation Committee and the key officers have undergone self-assessment through a third party facilitator , Risks, Opportunities, Assessment and Management Inc. (or ROAM Inc). The highest assessment score for each question is 5 (Strongly Agree) and lowest 1 (Strongly Disagree). Each questionnaire also included a portion where the respondents may provide their comments and/ or suggestions. The overall results for all the assessments for 2025 yielded "excellent" scores and the Corporate Governance Committee took note of the same in its meeting on May 25, 2026. The Board took note of the results and approved the same in the board meeting on May 25, 2026: Summary of the assessment is in the table:

Assessment	Respondents and Scope	Categories/Criteria
1. Board of Directors	Board of Directors (Scope: <i>Collective performance of the Board</i>)	Board Profile, Disclosure and Transparency, Internal Control System and Enterprise Risk Management Framework, Cultivating a Synergistic Relationship with Stockholders, Duties to Stakeholders; Sustainability and Corporate Social Responsibility Knowledge About the Company. <i>No..of Questions : 20</i>

2. Board Committees a) Nomination, Compensation and Corporate Governance	Members of the Board committees <i>(Scope: Collective performance of the different Board committees)</i>	Structure, Function and Reportorial Duty to the Board. <i>No. of Questions: 4</i>
b) Audit*		Audit and Compliance, Risk Oversight and Related Party Transactions. <i>No. of Questions : 20</i>
3. Directors	Members of the Board committees <i>(Scope: individual performance of the Directors)</i>	Attendance, Expectation as a director, Familiarity with the business of the Company, Confidentiality, Commitment to corporate governance principles, Reporting of share dealings or Potential conflict of interest. <i>No. of Questions: 10</i>
4. Key Officers	Individual Performance of Key Officers <i>(Scope: President, Senior Vice President, Corporate Secretary, Corporate Treasurer)</i>	Board and Management's efficient interaction and timely communication and Risk management. No. of Questions: 4

*The Audit Committee also separately conducted its self-assessment last August 13, 2025, pursuant to SEC Memorandum Circular No. 4 series of 2012 and the ATI Audit Committee Charter

- h) Directors' disclosures on self-dealing and related party transactions. In accordance with the ATI Board Charter, A director is required to report to the Board within three (3) business days any dealings in the shares of stock of ATI and such matter is disclosed to the SEC and PSE in accordance with the disclosure rules of the PSE and the Securities and Regulation Code. Related party transactions are discussed in pages 10-11 of the Preliminary Information Statement and in Note 20 of the Audited Financial Statements.

Item 16. Matters Not Required to be Submitted

All corporate actions to be voted upon will be submitted to the stockholders of ATI for their approval in accordance with the requirements of the Revised Corporation Code.

Item 17. Amendment of Charter, Bylaws or Other Documents

Amendments to Articles of Incorporation

During the meeting, the proposed amendments to the Seventh Article of the Articles of Incorporation will be presented to the shareholders for approval to reflect the following:

1. Increase in the par value of the common shares from P1.00 to P204,827.00 per share; and
2. Authority for ATI to purchase any fractional share resulting from any increase or decrease in par value or any corporate action, including the forfeiture in favor of ATI of any amount that remains unclaimed after ten (10) years.

The amended Seventh Article of the Articles of Incorporation is proposed to read as follows:

Current	Proposed
<p>SEVENTH: That the Capital Stock of the said corporation is FOUR BILLION PESOS (P4,000,000,000), Philippine Currency, and said capital stock is divided into FOUR BILLION (P4,000,000,000) SHARES of the par value of ONE PESO (P1) per share.</p> <p>Unless otherwise determined by the Board of Directors no stockholder shall be entitled, as a matter of right, to purchase, subscribe or receive any right or rights to subscribe for:</p> <p>(1.) Any stocks of any class that the corporation may issue or sell or sells, whether or not exchangeable for any stock of the corporation of any class or classes, and whether or not of unissued shares authorized by the Articles of Incorporation or originally filed for or by any amendments thereof, or out of shares of stock of the corporation acquired by it after the issuance of such shares, and whether issued for cash or property; or</p> <p>(2.) Any obligation that the corporation may issue or sell that is convertible into or exchangeable for any stock of the corporation of any class or classes, or to which is attached any warrant or other instruments conferring on the holder the right to subscribe for or purchase from the corporation any shares of its stock of any class or classes.</p> <p>That no transfer of shares of stock which will reduce the ownership of the Filipino citizens to less than the required percentage of capital stock shall be allowed or permitted to be recorded in the proper books and this restriction shall be printed in all stock certificates to be issued by the corporation.</p>	<p>SEVENTH: That the Capital Stock of the said corporation is FOUR BILLION PESOS (P4,000,000,000), Philippine Currency, and said capital stock is divided into <u>NINETEEN THOUSAND FIVE HUNDRED TWENTY-EIGHT (19,528) SHARES with a</u> par value of <u>TWO HUNDRED FOUR THOUSAND EIGHT HUNDRED TWENTY-SEVEN PESOS (P204,827.00)</u> per share.</p> <p>Unless otherwise determined by the Board of Directors no stockholder shall be entitled, as a matter of right, to purchase, subscribe or receive any right or rights to subscribe for:</p> <p>(1.) Any stocks of any class that the corporation may issue or sell or sells, whether or not exchangeable for any stock of the corporation of any class or classes, and whether or not of unissued shares authorized by the Articles of Incorporation or originally filed for or by any amendments thereof, or out of shares of stock of the corporation acquired by it after the issuance of such shares, and whether issued for cash or property; or</p> <p>(2.) Any obligation that the corporation may issue or sell that is convertible into or exchangeable for any stock of the corporation of any class or classes, or to which is attached any warrant or other instruments conferring on the holder the right to subscribe for or purchase from the corporation any shares of its stock of any class or classes.</p> <p><u>The corporation shall not issue fractional shares and shall not have any outstanding fractional share. Any fractional share of the corporation resulting from any increase or decrease in par value shall automatically revert to and be purchased by the corporation, subject to availability of unrestricted retained earnings of the corporation. The fractional shares purchased shall be paid for in cash by the corporation based on an amount determined or to be determined by the Board of Directors, less any taxes and lawful charges applicable.</u></p> <p><u>Any amount standing to the credit of any person for the purchase of a fractional share by the corporation that remains</u></p>

	<p><u>unclaimed ten (10) years after either the corporation is deemed to have purchased such fractional share or has announced the availability of the payment for the fractional shares (whichever is later) may, at the sole option of the corporation, be forfeited in favor of the corporation. Upon such forfeiture, the corporation shall no longer be required to recognize the amount as a liability or to make a provision for such liability.</u></p> <p>That no transfer of shares of stock which will reduce the ownership of the Filipino citizens to less than the required percentage of capital stock shall be allowed or permitted to be recorded in the proper books and this restriction shall be printed in all stock certificates to be issued by the corporation.</p>
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The amendments are being proposed as part of the privatization of the Company.

Amendments to By-laws

For the information of stockholders, the Board of Directors also approved amendments to the Company's By-laws, as disclosed. The amendments are being proposed as part of the privatization of ATI and to effect certain corporate governance related matters. Pursuant to prior stockholder approval, the authority to amend the By-laws has been delegated to the Board.

The amendments are as follows:

- a) Addition of Section 7 to Article II of the By-Laws, to Add a Provision for a Restriction on Fractional Shares and the Authority of the Company to Purchase the Same, as approved by the Board of Directors.
- b) Amendment to Article II, Section 5 and Article III, Sections 1, 2, 3, 4, 5, 7, and 8 of the By-laws on the Formal Requirements for Stockholders' Meetings and Shareholder Reserved Matters, as approved by the Board of Directors.
- c) Deletion of Article IV, Section 3, to Remove the Requirement for Independent Directors, and the Amendment to Article IV, Sections 2, and Sections 3, 4, 5, 6, 8, 9, 11, and 13 (as renumbered) of the By-laws, to Provide for the Board/Officer Nomination Rights of the Respective Shareholder Groups, as approved by the Board of Directors.

For the avoidance of doubt, references to Article IV, Sections 3, 4, 5, 6, 8, 9, 11, and 13 refer to their renumbered section numbers following the deletion of previous Section 3.

- d) Amendment to Article IV, Sections 3, 5, 8, 9, and 13 (as renumbered), and Article V, Section 2 of the By-laws on the Formal Requirements for Board Meetings, Board Reserved Matters, and Directors' Compensation, as approved by the Board of Directors.

For the avoidance of doubt, references to Article IV, Sections 3, 5, 8, 9, and 13 refer to their renumbered section numbers following the deletion of previous Section 3.

- e) Amendment to Article VI, Section 6 of the By-Laws on the Qualifications and Roles of the Chairman, as approved by the Board of Directors.

Item 18. Other Proposed Action

No other proposed action will be presented to be voted upon by the stockholders, other than those discussed above.

Item 19. Voting Procedures

- a) Voting requirement for approval or election

Article III Section 7 of the By-Laws of the Company provides that, at all elections and all questions shall be decided by the majority vote of the stockholders voting in absentia through the ATI Voting Portal, in their name or by proxy, and entitled to vote thereat, a quorum being present, except in cases where other provisions is made by statute.

Each stockholder shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Company.

The Board unanimously approved on April 7, 2026 , the holding of the Annual Stockholders' Meeting online and the procedure for online registration and voting through the use of a voting portal. Please refer to **Appendix "A"** of the Notice of Meeting for the 2026 Annual Stockholders' Meeting on the requirements and procedure for the registration, participation and voting online.

- b) The method by which the votes will be counted.


The Board unanimously approved on April 7, 2026, the holding of the Annual Stockholders' Meeting online, including the registration and voting through respective portals. Votes shall be counted in accordance with the procedure for online voting. Stockholders would need to register and have their registration and identification validated before they will be given an access code to the voting portal. Please refer to **Appendix "A"** of the Notice of Meeting for the Special Stockholders' Meeting on the requirements and procedure for registration, participation and voting.

The auditors from R.G. Manabat & Co. will assist in the counting of votes. Only authorized persons from ATI, R.G. Manabat & Co. and the stock and transfer agent (Professional Stock Transfer Inc.) shall have access to the registration and voting portals.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information statement set forth in this report is true, complete and correct. This report is signed in the City of Manila on May 29, 2026.



RODOLFO G. CORVITE, JR.
Corporate Secretary and Compliance Officer 



Asian Terminals, Inc. (ATI) Head Office Bldg.
A. Bonifacio Drive, Port Area, 1018 Manila, Philippines
(L) +632 85286000 | (F) +632 85272467

CERTIFICATION

I, **RODOLFO G. CORVITE, JR.**, Filipino, of legal age, with office address at ATI Head Office, A. Bonifacio Drive, Port Area, Manila, after being sworn in accordance with law, hereby depose and state that:

1. I am the Compliance Officer and Corporate Secretary of **ASIAN TERMINALS, INC. (ATI or the Corporation)**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at ATI Head Office, A. Bonifacio Drive, Port Area, Manila;

2. Based on corporate records and as of this date, none of the directors, independent directors and officers of the Corporation named in the Information Statement (SEC Form 20-IS) have been elected or appointed to and is presently occupying a position in any government agency, bureau, department, or office, except for Mr. Rafael D. Consing Jr.;

3. **MR. RAFAEL D. CONSING, JR.** is the President and Chief Executive Officer of the Maharlika Investment Corporation (**MIC**), a government-owned and controlled corporation. In order to qualify him as a director and to represent the interests of MIC in ATI, Mr. Consing was assigned one nominee share. Attached as Annex "1" is a copy of the Certification.

4. I am issuing this Certificate in compliance with the requirement of the Securities and Exchange Commission for the Corporation's SEC Form 20-IS in relation to the Corporation's annual shareholders' meeting.

5. Nothing further.

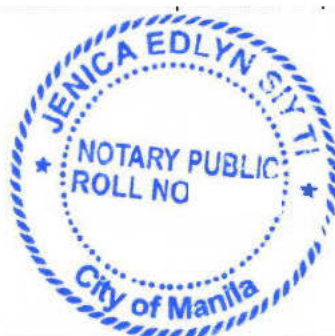
IN WITNESS WHEREOF, I have hereunto affixed my signature on this 26 MAY 2026 at Manila City.

RODOLFO G. CORVITE, JR.
*Compliance Officer/
Corporate Secretary*

SUBSCRIBED AND SWORN to before me this 26 MAY 2026 day of May 2026, affiant exhibiting his
=A Manila.

NOTARY PUBLIC

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Page No. 81
Book No. I
Series of 2026



Commission No. J2025-161 Valid Until December 2026
City of Manila
Asian Terminals, Inc., A. Bonifacio Drive, Port Area, Manila 1018, Philippines
Roll No. 00667
IBP No. INV50017/06kati
MCLE Compliance No. VII-0604122/1004/2023
PTR No. NIKT10784780091-28/2026/Makati



CERTIFICATION

I, **SUZETTE L. LEGISLADOR-LOPEZ**, of legal age, Filipino, with office address at the _____
City, Philippines, certify that:

1. I am a duly appointed Government Corporate Attorney of the **OFFICE OF THE GOVERNMENT CORPORATE COUNSEL (OGCC)**, the *Interim* Corporate Secretary of the **MAHARLIKA INVESTMENT CORPORATION (MIC)**, a government-owned and controlled corporation organized in accordance with Republic Act (RA) 11954, with principal office and place of business at the 29th Floor, ORE Central, 31st Street corner 9th Avenue, Bonifacio Global City, Taguig, Philippines 1634.
2. The OGCC, as the *Interim* Corporate Secretary of MIC, is the custodian of the corporate books and records of MIC, including the transcription and recording of the meetings, the Minutes of the Meetings, and the Resolutions of its Board of Directors.
3. Based on the corporate records of MIC, I certify that the MIC Board of Directors, in its 15 January 2026 Regular Board Meeting, passed upon this matter:

"RESOLVED, that the Board of Directors of the Maharlika Investment Corporation ("MIC") approves the designation of Rafael D. Consing, Jr., President and CEO of MIC, as MIC's nominee to the Board of Directors of Asian Terminals, Inc. ("ATI");

"RESOLVED, FURTHER, the Board of Directors of MIC approves the assignment of one (1) nominee share in ATI to PCEO Consing to qualify him as a director in ATI;

"RESOLVED, FURTHER, that PCEO Consing is authorized to represent MIC and execute any and all agreements or ancillary documents necessary for the appointment to the ATI Board of Directors;

"RESOLVED, FURTHER, that the Board of Directors of MIC authorizes PCEO Consing as MIC's representative with

authority to attend, vote, represent, and/or appoint a proxy in behalf of MIC, for the shares held by and registered under the name of the MIC in ATI, in all meetings of ATI in the year 2026, whether the meeting is regular or special, or any postponement or adjournment thereof;

"RESOLVED FURTHER, that PCEO Consing is authorized to execute, sign and deliver, for and on behalf of the Corporation, the proxy form and any other document or instrument necessary or desirable to implement the foregoing resolution;

"RESOLVED, FINALLY, that PCEO Consing is authorized to take all necessary and appropriate actions to implement the intent of the foregoing resolutions."

4. This Certification is issued subject to the signing and issuance of the corresponding Board Resolution.

The Certification is signed on 19th day of January 2026, in Quezon City, Philippines.

For the Office of the Government Corporate Counsel:

SUZETTE L. LEGISLADOR-LOPEZ
Government Corporate Attorney
Officer-in-Charge for the MIC Team

SUBSCRIBED AND SWORN to before me this 19th day of January 2026 in Quezon City, Philippines. affiant presenting her (

attached as competent evidence of her identity.

Doc. No. 190
Page No. 39
Book No. 2
Series of 2026.

ATY. ROD BALDOZANTUA
Notary Public for QUEZON CITY until 31 December 2026
J.P. Santos Administrative Building Katipunan Avenue, Quezon City
R.S. of Attorneys No. 8094
ICP OR No. INV 259824, 21 December 2025, Quezon City
PTR No. 872298103 January 2025, Quezon City
MCTF Compliance No. 178-2025-07

CERTIFICATION OF INDEPENDENT DIRECTOR

I, _____, Filipino, of legal age, and a resident of _____ Philippines, after having been duly sworn to in accordance with law do hereby declare that:

- 1. I have been nominated as an independent director of Asian Terminals, Inc. (ATI).
- 2. I am not currently affiliated with any public corporation or entity.
- 3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ATI, as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
- 4. I am not related to any director, officer or substantial shareholder of ATI.
- 5. I disclose that I am not a subject of any pending criminal/administrative investigation or proceeding.
- 6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities and Regulation Code, its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
- 7. I shall inform the Corporate Secretary of ATI of any changes in the above-mentioned information within five (5) days from its occurrence.

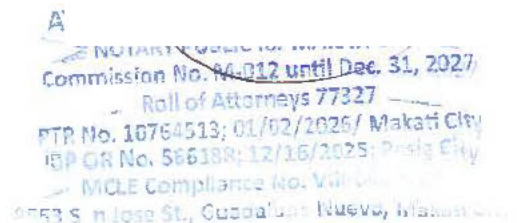
Done this MAY 22 2026 day of May 2026 at the City of Manila.

 **ROBERTO C.O. LIM**
Affiant

MAY 22 2026

SUBSCRIBED AND SWORN to before me this ___ day of May 2026, affiant exhibiting to me his

NOTARY PUBLIC


NOTARY PUBLIC
Commission No. MA-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 16764513; 01/02/2025/ Makati City
ISP OR No. 566188; 12/16/2025; Pasig City
MCLE Compliance No. VIII
953 S. n Jose St., Guadalupe Nuevo, Makati City

Doc. No. 404 ;
Page No. 82 ;
Book No. 99 ;
Series of 2026.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, _____ Filipino, of legal age, and a resident of _____ after having been duly sworn to in accordance with law do hereby declare that:

1. I have been nominated as an independent director of Asian Terminals, Inc. (ATI).
2. I am affiliated with the following listed companies or organizations:

Company/ Organization	Position	Period
Philplans First, Inc.	Independent Director	August 5, 2025 - Present
AIG Insurance Philippines, Inc.	Independent Director	January 2, 2024 - Present
Cabanatuan Electric Corporation	Chairman/Director	August 2022 – Present June 26, 2010 - Present
Metro Pacific Hospital Holdings, Inc.	Independent Director	December 9, 2019 - Present
SM Investments Corporation	Independent Director	April 24, 2019 - Present
Vergara Advisory Management, Inc.	President & Director	June 1, 2018 - Present
STI Education Services Group, Inc.	Independent Director	July 27, 2017 - Present
STI Education Systems Holdings, Inc.	Independent Director	July 27, 2017 - Present
SEA Crest Fund	Director	March 30, 2009 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ATI, as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer or substantial shareholder of ATI.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities and Regulation Code, its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of ATI of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 7th day of May 2026, at the City of Manila.

^

ROBERT G. VERGARA
Affiant

MAY 2 0 2026

SUBSCRIBED AND SWORN to before me this ___ day of May 2026, affiant exhibiting to me his _____).

NOTARY PUBLIC

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Book No. _____
Series of 2026.

AT NOTARY PUBLIC
Name: JOEL T. ANG
Roll No. 12731/2026
City: Manila

PT. ANG
ROLL NO. 68731
2026 (Jan 2026)

**MANAGEMENT REPORT
(UNDER RULE 20.4, AMENDED IRR OF THE SRC)**

Management's Discussion and Analysis of Results of Operations and Financial Condition

Consolidated Results of Operations for the three months ended March 31, 2026

Revenues for the first three months of 2026 of P5,472.7 million increased by 15.5% from P4,738.4 million in the same period last year. Revenues from South Harbor (SH) international containerized cargo and Batangas Container Terminal (BCT) increased by 17.1% and 12.3%, respectively, compared to last year. International container volume grew by 4.9% versus last year. Moreover, revenues from ATI Batangas were higher than the previous year by 23.6% on account of higher volumes for international Roro cargo and higher number of passengers.

The government's share of revenues for the first three months of 2026 was P1,064.5 million, 17.2% higher from P908.3 million last year due to increased revenues subject to the port authorities' share.

Cost and expenses in the first three months of 2026 amounted to P2,138.8 million, 10.4% higher than P1,937.4 million in the same period last year. Depreciation and amortization in 2026 increased by 12.3% to P590.2 million from P525.6 million in 2025. Labor costs of P621.2 million this year went up by 10.0% compared to P564.7 million last year due to a salary rate increase and additional headcount related to higher volume. Equipment running costs went up by 8.9% to 262.5 million this year from P241.1 million last year due to higher fuel costs related to higher fuel prices and higher electricity resulting from higher consumption and an increase in rates. Security, health, environment and safety increased by 13.8% to P69.1 million in 2026 from P60.7 million in 2025 due to higher security costs related to higher volume and rate increase. Facilities-related expenses in 2026 increased by 19.5% to P120.0 million from P100.4 million in 2025. Taxes and licenses of P187.0 million in 2026 went up by 31% from P142.7 million in 2025. Professional fees increased by 169.7% to P21.3 million in 2026 from P7.9 million in 2025. Management fees of P85.0 million in 2026 went up by 2.9% from P82.6 million in 2025, following higher earnings before tax. Other expenses in 2026 amounted to P50.3 million, 80.6% higher compared to P27.8 million last year due to higher training expenses and IT expenses.

Meanwhile, general transport of P66.1 million in 2026 went down by 38.1% from P106.8 million in 2025 on account of lower trucking costs from lower trucking volume. Insurance in 2026 of P61.2 million went down by 13.2% compared to P70.5 million in the same period last year due to lower premiums. Entertainment, amusement and recreation in 2026 of P2.7 million went down by 37.3% from P4.3 million last year. Rentals of P2.1 million in 2026 decreased by 6.9% compared to P2.2 million in the same period last year due to lower equipment rental.

Finance income in 2026 of P28.1 million was lower by 38.5% than P45.6 million last year due to lower cash balance. Finance costs in 2026 of P127.7 million were higher by 12.0% against P114.0 million last year. Others-net was negative P247.4 million in 2026 from P47.1 million in 2025 mainly due to higher unrealized forex loss on revaluation of USD-denominated concession liability following the depreciation of Peso vs. US Dollar.

Income before income tax in the three months of 2026 of P1,922.3 million increased by 2.7% from P1,871.4 million in the same period last year. Provision for income tax increased by 1.3% to P473.1 million in 2026 from P467.1 million in the same period last year due to higher results.

Net income of P1,449.2 million for the three months of 2026 was 3.2% higher than P1,404.2 million for the same period last year. Earnings per share this year were P0.78, and last year were P0.70.

The Company's businesses are affected by the local and global trade environment. Factors that could cause actual results of the Company to differ materially include, but are not limited to:

- material adverse change in the Philippine and the global economic and industry conditions;
- natural events (earthquake, typhoons and other major calamities);
- material changes in foreign exchange rates

In the first three months of 2026:

- There had been no known trend, demand, commitment, event or uncertainty that had or are reasonably expected to have a material favorable or unfavorable impact on the Company's liquidity or revenues from continuing operations, other than those discussed in this report.
- There had been no significant element of income that did not arise from the Company's continuing operations.
- There had been no seasonal factor that had a material effect on the financial condition and results of operations.
- 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.
- There had been no material off-balance sheet transaction, arrangement, obligation (including contingent obligation), and other relationship of the Company with unconsolidated entity or other person created during the period that would address the past and would have a material impact on future operations.

Consolidated Financial Condition

Total assets as of March 31, 2026 decreased by 1.9% to P39,994.9 million from P40,754.4 million as of December 31, 2025. Current assets went down by 6.0% to P10,348.7 million as of March 31, 2026 from P11,014.5 million as of December 31, 2025. Cash and cash equivalents of P2,988.3 million as of March 31, 2026 decreased by 28.1% compared to P4,156.8 million as of December 31, 2025. Trade and other receivables-net of P1,803.1 million as of March 31, 2026 increased by 4.9% from P1,719.6 million as of December 31, 2025. Spare parts and supplies as of March 31, 2026, rose by 1.1% to P1,104.8 million from P1,092.8 million as of December 31, 2025. Prepaid expenses as of March 31, 2026 of P4,452.5 million were higher by 10.1% than P4,045.3 million as of December 31, 2025 on account of the unamortized portion of prepaid real property, business taxes and higher input taxes on PPA fees and capital expenditures.

Total noncurrent assets of P29,646.3 million as of March 31, 2026 were lower by 0.3% compared to P29,739.9 million as of December 31, 2025. Investment in an associate increased by 13.8% to P58.0 million as of March 31, 2026 from P51.0 million as of December 31, 2025. Property and equipment - net amounted to P2,626.9 million, down by 1.8% from P2,675.8 million as of December 31, 2025. Intangible assets - net of P25,130.6 million were lower by 0.7% than P25,317.5 million as of December 31, 2025. The acquisitions of property and equipment and intangible assets, which amounted to P19.7 million and P284.0 million, respectively, were partially offset by the increase in depreciation and amortization. Right-of-use assets - net of P616.0 million as of March 31, 2026 were higher by 16.9% compared to P526.9 million as of December 31, 2025. Deferred tax assets – net amounted to P1,131.9 million as of March 31, 2026, was higher by 4.2% compared to P1,086.1 million as of December 31, 2025. Other noncurrent assets of P82.9 million as of March 31, 2026 were higher by 0.11% compared to P82.8 million as of December 31, 2025.

Total liabilities increased by 4.0% to P14,266.2 million as of March 31, 2026 from P13,723.6 million as of December 31, 2025. Trade and other payables decreased by 0.5% to P4,224.5 million as of March 31, 2026 from P4,247.6 million as of December 31, 2025. Trade and other payables are covered by agreed payment schedules. Provisions for claims of P67.8 million as of March 31, 2026 increased by 7.4% compared to P63.1 million as of December 31, 2025. Concession rights payable (current and noncurrent) as of March 31, 2026 of P8,161.8 million increased by 0.4% from P8,132.2 million as of December 31, 2025. Income and other taxes payable of P871.1 million as of March 31, 2026 were higher by 89.3% compared to P460.1 million as of December 31, 2025 due to income tax for the three months of 2026. Pension liability of P219.7 million was up by 7.9% as of March 31, 2026 from P203.6 million as of December 31, 2025. Lease liabilities (current and noncurrent) of P721.4 million as of March 31, 2026 increased by 16.9% from P617.0 million as of December 31, 2025 due to additional leases for the first three months of 2026.

Consolidated Cash Flows

Net cash provided by operating activities in the first three months of 2026 was P2,146.1 million, 24.8% higher than P1,720.0 million in the same period last year due to higher operating income, decrease in trade receivables and prepaid expenses.

Net cash used in investing activities in the first three months of 2026 of P303.7 million was lower by 38.2% versus the P491.5 million in the same period last year due to lower acquisition of property and equipment and intangible assets.

Net cash used in financing activities in the first three months of 2026 was P3,016 million, 1008.0% higher than P272.2 million in the same period last year mainly due to purchase of treasury shares.

Key Performance Indicators (KPI)

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 March 2026:

- ATIB's total assets were only 12.2% of the consolidated total assets
- Income before other income and expense for ATIB was only 4.3% of consolidated income before other income and expenses¹.

Consolidated KPI	Manner of Calculation	As of March 31		Discussion
		2026	2025	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	24.3%	18.7%	Increased due to higher income before interest and taxes during the period.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	22.0%	21.0%	Increased due to higher net income growth.
Current ratio	Ratio of current assets over current liabilities	1.79 : 1.00	2.41 : 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	1.56 : 1.00	1.45 : 1.00	Increased due decrease in equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.55 : 1.00	0.45 : 1.00	Increased due to lower equity

Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	8 days	10 days	Decreased due to improved collection.
Net Income Margin	Net income over revenues less government share in revenues	32.9%	36.7%	Decreased due to lower net income related to unrealized forex loss in Q1 2026.
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.	1.52	0.45	Increased due to a higher number of injuries.

¹ Income before other income and expenses is defined as income before net financing costs, forex gains or losses and others.

² RIFR is the new 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 Medical Treatment Injuries (MTIs) and Fatalities incidents.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts In Thousands)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P2,988,295	P4,156,790
Trade and other receivables - net	1,803,104	1,719,646
Spare parts and supplies	1,104,767	1,092,775
Prepaid expenses	4,452,491	4,045,253
Total Current Assets	10,348,657	11,014,464
Noncurrent Assets		
Investment in an associate	58,000	50,955
Property and equipment - net	2,626,912	2,675,765
Intangible assets - net	25,130,617	25,317,452
Right-of-use assets - net	615,995	526,903
Deferred tax assets - net	1,131,873	1,086,093
Other noncurrent assets	82,869	82,774
Total Noncurrent Assets	29,646,266	29,739,942
TOTAL ASSETS	P39,994,923	P40,754,406
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P4,224,499	P4,247,584
Provisions for claims	67,752	63,096
Port concession rights payable - current portion	499,261	494,042
Income and other taxes payable	871,127	460,112
Lease liabilities - current portion	119,573	50,497
Total Current Liabilities	5,782,212	5,315,331
Noncurrent Liabilities		
Port concession rights payable - net of current portion	7,662,503	7,638,183
Pension liability - net	219,706	203,642
Lease liabilities - net of current portion	601,787	566,490
Total Noncurrent Liabilities	8,483,996	8,408,315
Total Liabilities	14,266,208	13,723,646
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	(4,800,074)	(2,048,853)
Retained earnings	28,250,986	26,802,261
Fair value reserve	(5,820)	(5,820)
	25,709,392	27,011,888
Non-controlling Interest	19,323	18,872
Total Equity	25,728,715	27,030,760
TOTAL LIABILITIES AND EQUITY	P39,994,923	P40,754,406

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

(Amounts In Thousands, Except Per Share Data)

	For the three months ended March 31	
	2026	2025
REVENUES FROM OPERATIONS	P5,472,656	P4,738,419
GOVERNMENT SHARE IN REVENUES	(1,064,463)	(908,339)
	4,408,193	3,830,080
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(2,138,848)	(1,937,436)
OTHER INCOME AND EXPENSES		
Finance income	28,062	45,617
Finance cost	(127,706)	(114,010)
Others - net	(247,447)	47,105
	(347,091)	(21,288)
CONSTRUCTION REVENUES	283,965	452,356
CONSTRUCTION COSTS	(283,965)	(452,356)
	-	-
INCOME BEFORE INCOME TAX	1,922,254	1,871,356
INCOME TAX EXPENSE		
Current	560,628	426,389
Deferred	(87,549)	40,741
	473,079	467,130
NET INCOME	P1,449,175	P1,404,226
Income Attributable to		
Equity Holders of the Parent Company	P1,448,724	P1,403,749
Non - controlling interest	451	477
	P1,449,175	P1,404,226
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	P0.78	P0.70

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands, Except Per Share Data)

	Attributable to Equity Holders of the Parent Company								Total Equity
	Common Stock	Additional Paid-in Capital	Treasury Shares	Retained Earnings		Fair Value Reserves	Non-controlling Total Interest	Total	
				Appropriated for Port Development	Unappropriated				
Balance at January 1, 2026	P2,000,000	P264,300	(P 2,048,853)	P22,751,147	P4,051,114	(P 5,820)	P27,011,888	P18,872	P27,030,760
Purchase of treasury shares	-	-	(2,751,221)	-	-	-	(2,751,221)	-	(2,751,221)
Net income for the period	-	-	-	-	1,448,724	-	1,448,724	451	1,449,175
Balance at March 30, 2026	P2,000,000	P264,300	(P 4,800,074)	P22,751,147	P5,499,838	(P 5,820)	P25,709,391	P19,323	P25,728,714
Balance at January 1, 2025	P2,000,000	P264,300	(34,771)	P20,300,000	P3,481,109	(P 5,820)	P26,004,818	P17,317	P26,022,135
Purchase of treasury shares	-	-	(39,544)	-	-	-	(39,544)	-	(39,544)
Net income for the period	-	-	-	-	1,403,749	-	1,403,749	477	1,404,226
Balance at March 30, 2025	P2,000,000	P264,300	(74,315)	P20,300,000	P4,884,858	(P 5,820)	P27,369,023	P17,794	P27,386,817

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts In Thousands)

	For the three months ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P1,922,254	P1,871,356
Adjustments for:		
Depreciation and amortization	590,249	525,624
Finance cost	138,493	123,001
Finance income	(28,062)	(42,139)
Net unrealized foreign exchange losses	172,907	(85,206)
Equity in net earnings of an associate	(7,044)	(9,260)
Operating income before working capital changes	2,788,797	2,383,376
Increase in:		
Trade and other receivables	(49,263)	(177,726)
Spare parts and supplies	(11,992)	(24,719)
Prepaid expenses	(407,238)	(514,994)
Increase (decrease) in:		
Trade and other payables	(55,947)	172,943
Provisions for claims	4,656	-
Income and other taxes payable	(107,845)	(92,394)
Cash generated from operations	2,161,168	1,746,486
Finance income received	(6,133)	44,216
Finance cost paid	(21,792)	(18,168)
Contribution to retirement funds	12,871	(52,509)
Net cash provided by operating activities	2,146,114	1,720,025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and Equipment	(19,688)	(38,790)
Intangible assets	(283,964)	(452,355)
Increase in:		
Deposits	(95)	(367)
Net cash used in investing activities	(303,747)	(491,512)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Lease liabilities	(35,627)	(34,418)
Purchase of treasury shares	(2,751,221)	(39,544)
Port concession rights payable	(229,716)	(198,286)
Net cash used in financing activities	(3,016,564)	(272,248)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,174,197)	956,265
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	5,702	(8,980)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	4,156,790	4,812,172
CASH & CASH EQUIVALENTS AT END OF YEAR	P2,988,295	P5,759,457

Segment Information

Information concerning the Company's Port business segment is presented below:

	For the three months ended March 31	
	2026	2025
Revenue	P5,472,656	P4,738,419
Intangible Assets (excluding goodwill)	25,130,617	22,608,538
Property and equipment - net	2,626,912	2,645,833
Total assets	39,994,923	39,654,625
Total liabilities	14,266,209	12,267,808
Capital expenditures		
Intangible Assets	283,964	452,355
Property and equipment	19,688	38,790
Depreciation and amortization	590,249	525,624

Trade and Other Receivables

	March 31, 2026	As of December 31, 2025 (Audited)
Trade receivables	P929,641	P879,646
Due from related parties	745,742	691,617
Receivable from insurance	29,524	29,524
Advances to officers and employees	22,483	28,150
Accrued other income	3,231	13,963
Interest receivable	1,793	7,230
Other receivables	74,885	73,711
	1,807,299	1,723,841
Allowance for impairment losses	(4,195)	(4,195)
	P1,803,104	P1,719,646

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

Property and Equipment

A summary of property and equipment follows:

	Port Facilities and Equipment	Leasehold improvements	Furniture Furnitures and Equipment	Transportation and other Equipment	Construction In-progress	March 31, 2026	December 31, 2025 (Audited)
Cost							
Balance at beginning of year	P243,105	P2,959,620	P1,204,226	P472,853	P90,796	P4,970,600	P4,757,767
Additions	-	134	10,780	10,734	(1,961)	19,687	174,699
Disposals	-	-	(59)	(2,800)	-	(2,859)	(20,538)
Reclassifications	-	-	-	-	-	-	58,672
Balance at end of year	243,105	2,959,754	1,214,947	480,787	88,835	4,987,428	4,970,600
Accumulated depreciation							
Balance at beginning of year	179,018	874,629	935,483	305,704	-	2,294,834	2,044,961
Depreciation	2,828	30,685	20,863	14,166	-	68,542	270,405
Disposals	-	-	(59)	(2,800)	-	(2,859)	(20,531)
Balance at end of year	181,846	905,314	956,287	317,070	-	2,360,517	2,294,835
Carrying Amount	P61,259	P2,054,440	P258,660	P163,718	P88,835	P2,626,912	P2,675,765

Intangible Assets

As of March 31, 2026

	Port Concession Rights				Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal		
Cost						
Balance at beginning of year	P882,000	P10,513,308	P33,318,974	P44,714,282	P42,060	P44,756,342
Additions	-	-	283,965	P283,965	-	283,965
Disposals	-	-	(911)	(911)	-	(911)
Balance at end of year	882,000	10,513,308	33,602,028	44,997,336	42,060	45,039,396
Accumulated amortization						
Balance at beginning of year	147,462	5,887,138	13,404,290	19,438,890	-	19,438,890
Amortization	2,820	112,793	355,187	P470,800	-	470,800
Disposals	-	-	(911)	(911)	-	(911)
Balance at end of year	150,282	5,999,931	13,758,566	19,908,779	-	19,908,779
Carrying Amount	P731,718	P4,513,377	P19,843,462	P25,088,557	P42,060	P25,130,617

As of December 31, 2025 (Audited)

	Port Concession Rights				Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal		
Cost						
Balance at beginning of year	P882,000	P9,279,694	P30,050,034	P40,211,728	P42,060	P40,253,788
Additions	-	1,233,614	3,327,612	4,561,226	-	4,561,226
Reclassifications	-	-	(58,672)	(58,672)	-	(58,672)
Balance at end of year	882,000	10,513,308	33,318,974	44,714,282	42,060	44,756,342
Accumulated amortization						
Balance at beginning of year	131,054	5,493,830	12,112,549	17,737,433	-	17,737,433
Additions	16,408	393,308	1,291,741	1,701,457	-	1,701,457
Balance at end of year	147,462	5,887,138	13,404,290	19,438,890	-	19,438,890
Carrying Amount	P 734,538	P 4,626,170	P 19,914,684	P 25,275,392	P 42,060	P25,317,452

Trade and Other Payables

	March 31, 2026	December 31, 2025 (Audited)
Accrued expenses:		
Marketing, commercial, promotion and business development	P831,571	P394,227
Personnel costs	139,068	129,710
Repairs and maintenance	120,371	103,162
Finance costs	89,294	120,358
IT expenses	80,208	54,182
Security expenses	46,960	52,751
Professional fees	36,042	37,842
Trucking Expenses	29,879	41,143
Utilities	25,656	26,736
Rental	19,399	20,692
Insurance	15,433	88,814
Corporate social responsibility	8,405	9,155
Safety and environment	3,114	9,161
Miscellaneous accrued expenses	275,100	140,912
Due to government agencies	1,325,030	1,266,460
Trade	486,957	744,182
Equipment acquisitions	278,859	424,402
Shippers' and brokers' deposits	263,401	243,279
Provisions	80,364	80,364
Management fee payable	19,524	41,018
Other Payables	49,865	219,034
	P4,224,500	P4,247,584

Other Income and Expenses

Finance cost is broken down as follows:

	For the three months ended March 31	
	2026	2025
Interest on port concession rights payable	P113,509	P100,578
Interest on lease liability	10,896	9,084
Interest component of pension expense	3,192	4,254
Interest on bank loans/credit facilities	109	94
	P127,706	P114,010

Finance income is broken down as follows:

	For the three months ended March 31	
	2026	2025
Interest on cash in banks and short-term investments	P28,062	P45,617
	P28,062	P45,617

Others consisted of the following:

	For the three months ended March 31	
	2026	2025
Foreign exchange gains - port concession rights payable	P139,581	P147,102
Equity in net earnings of an associate	7,044	9,260
Management income	1,825	1,986
Lease and other income - net	1,362	2,157
Gain on disposals of property and equipment and intangible assets	1,281	233
Foreign exchange (losses) - others	(398,540)	(113,633)
	(P247,447)	P 47,105

Foreign exchange (losses) – port concession rights payable resulted from revaluation of foreign currency denominated port concession rights payable.

Financial Risk and Capital Management Objectives and Policies

The Company 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 Company's capital expenditures and operations.

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

The interest rate profile of the Company's interest-bearing financial instrument is as follows:

	March 31, 2026	December 31, 2025 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	P2,981,819	P4,129,728

Excluding cash on hand amounting to P6.5 million and P23.5 million as at March 31, 2026 and 2025, respectively.

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company 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 Company monitors its risk of shortage of funds using a liquidity planning tool. This tool considers the maturity of both the Company's financial investments and financial assets and projected cash flows from operations, among others. The Company'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 Company's financial liabilities based on contractual undiscounted payments:

As of March 31, 2026	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*	P2,899,470	P145,006	P757,404	P1,678,077	P 318,983	P -	P2,899,470
Port concession rights payable	8,161,764	-	156,721	470,162	4,155,065	4,346,576	9,128,524
Lease liabilities	721,360	-	39,661	85,918	134,165	461,616	721,360
Total	P 11,782,594	P 145,006	P 953,786	P 2,234,157	P 4,608,213	P 4,808,192	P 12,749,354

* excluding due to government agencies amounting to P1.3 billion as of March 31, 2026.

As of December 31, 2025 (Audited)	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*	P2,981,124	P160,076	P827,616	P1,696,254	P 297,178	P -	P 2,981,124
Port concession rights payable	8,132,225	-	261,103	783,308	4,223,071	6,578,321	11,845,803
Lease liabilities	616,987	-	12,132	30,593	151,893	855,840	1,050,458
Total	P 11,730,336	P 160,076	P 1,100,851	P 2,510,155	P 4,672,142	P 7,434,161	P 15,877,385

* excluding due to government agencies amounting to P1.3 billion as at December 31, 2025.

Credit Risk

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

The Company trades only with recognized and creditworthy third parties. It is the Company'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 Company'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 Company does not require collateral in respect of trade and other receivables. The Company 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 Company, which comprise cash in bank and cash equivalents, deposits and FVOCI - equity, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company 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 Company's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	March 31, 2026	As of December 31, 2025 (Audited)
Cash and cash equivalents*	P2,981,819	P4,129,728
Trade and other receivables - net	1,803,104	1,719,646
Deposits	80,217	80,122
Equity securities	2,652	2,652
	P4,867,792	P5,932,148

* Excluding cash on hand amounting to P6.5 million and P23.5 million as at March 31, 2026 and 2025, respectively.

There are no significant concentrations of credit risk within the Company.

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

	As at March 31, 2026			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P2,981,819	P -	P -	P2,981,819
Trade and other receivables - net	1,491,283	311,821	-	1,803,104
Deposits	80,217	-	-	80,217
Equity securities	2,652	-	-	2,652
	P4,555,971	P311,821	P -	P4,867,792

	As at December 31, 2025			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P4,129,728	P -	P -	P4,129,728
Trade and other receivables - net	1,313,614	406,032	-	1,719,646
Deposits	80,122	-	-	80,122
Equity securities	2,652	-	-	2,652
	P5,526,116	P406,032	P -	P5,932,148

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 Company. Those receivables which are collected consistently beyond their due dates and require persistent effort from the Company are included under Grade C.

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

Expected Credit Loss Assessment as at March 31, 2026

The Company 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 March 31, 2026:

	Gross Carrying Amount	Impairment Loss Allowance	Credit-impaired
Current (not past due)	P1,534,949	P -	No
1 - 30 days past due	74,727	-	No
31 - 60 days past due	99,911	-	No
61- 90 days past due	78,933	-	No
More than 90 days past due	18,779	4,195	Yes
Balance at March 31, 2026	P1,807,299	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 Company 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 Company does not have a material impact on the financial statements.

The maturity of the Company'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.

Cash in Banks and Cash Equivalents

The Company held cash in banks and cash equivalents of P2.9 billion and P4.1 billion as at March 31, 2026 and December 31, 2025, 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 Company 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 Company has foreign currency financial assets and liabilities arising from US dollar denominated revenues, lease payments, government share, and other foreign currency-denominated purchases by operating units.

The Company's policy is to manage its foreign currency risk by using a combination of natural hedges as well as buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Company's foreign currency-denominated accounts are as follows:

	As of March 31, 2026	December 31,2025 (Audited)
Assets		
Cash and cash equivalents	USD2,048	USD11,717
Liabilities		
Trade and other payables	2,228	8,061
Port concession rights payable	107,633	109,174
	109,861	117,235
Net foreign currency-denominated liabilities	(USD107,813)	(USD105,518)
Peso equivalent	(P6,549,424)	(P6,203,403)

	Increase (Decrease) in USD Exchange Rate	Effect on Income before Income Tax	Effect on Equity
March 31, 2026			
	+5%	(P327,471)	(P245,603)
	-5%	327,471	245,603
December 31, 2025			
	+5%	(P310,170)	(232,628)
	-5%	310,170	232,628

The exchange rates applicable for US dollar as at March 31, 2026 and December 31, 2025 are P60.75 and P58.79, respectively.

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

Capital Management

The primary objective of the Company'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 Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

		March 31, 2026	December 31, 2025 (Audited)
Capital stock		P2,000,000	P2,000,000
Additional paid-in capital		264,300	264,300
Treasury shares		(4,800,074)	(2,048,853)
Retained earnings		28,250,985	26,802,261
Fair value reserve		(5,820)	(5,820)
Total	16	P25,709,391	P27,011,888

Financial Instruments

	March 31, 2026		As of December 31, 2025 (Audited)	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Cash and cash equivalents	P2,988,295	P2,988,295	P4,156,790	P4,156,790
Trade and other receivables - net	1,803,104	1,803,104	1,719,646	1,719,646
Deposits	80,217	83,385	80,122	83,290
	4,871,616	4,874,784	5,956,558	5,959,726
Equity securities	2,652	2,652	2,652	2,652
	P4,874,268	P4,877,436	P5,959,210	P5,962,378
Financial Liabilities				
Other financial liabilities:				
Trade and other payables*	P2,899,470	P2,899,470	P2,981,124	P2,891,124
Port concession rights payable	8,161,764	7,508,914	8,132,225	8,723,234
	P11,061,234	P10,408,384	P11,113,349	P11,614,358

* excluding due to government agencies amounting to P1.3 billion and P1.3 billion as at March 31, 2026 and 2025, respectively.

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Company's financial instruments.

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 discounted using the prevailing market rate on interest for a similar instrument. The discount rates used are 5.6% in 2026 and 6.2% in 2025.

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 6.00% to 6.42% in 2026 and 6.75% to 7.01% in 2025.

Fair Value Hierarchy

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

As at March 31, 2026	Note	Level 1	Level 2	Level 3
Equity securities	12	P933	P -	P1,719
Port concession rights payable		-	7,508,914	-
		P933	P7,508,914	P1,719
<hr/>				
As at December 31, 2025	Note	Level 1	Level 2	Level 3
Equity securities	12	P933	P -	P1,719
Port concession rights payable		-	8,723,234	-
		P933	P8,723,234	P1,719

There have been no transfers from one level to another in 2026 and 2025.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31			
	2025	2024	Change	% Change
REVENUES FROM OPERATIONS	P20,079,890	P16,541,728	P3,538,162	21.4%
GOVERNMENT SHARE IN REVENUES	(3,756,636)	(2,969,505)	787,131.00	26.5%
	16,323,254	13,572,223	2,751,031	20.3%
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(7,951,329)	(7,075,823)	875,506	12.4%
OTHER INCOME AND EXPENSES				
Finance income	159,803	175,368	(15,565)	-8.9%
Finance cost	(537,006)	(468,322)	68,684	14.7%
Others - net	(18,732)	(212,554)	(193,822)	-91.2%
	(395,935)	(505,508)	(109,573)	-21.7%
CONSTRUCTION REVENUES	3,306,749	2,400,314	906,435	37.8%
CONSTRUCTION COSTS	(3,306,749)	(2,400,314)	906,435	37.8%
	-	-	-	0.0%
INCOME BEFORE INCOME TAX	7,975,990	5,990,892	1,985,098	33.1%
INCOME TAX EXPENSE	1,978,642	1,464,810	513,832	35.1%
NET INCOME	P5,997,348	P4,526,082	P1,471,266	32.5%
Income Attributable to				
Equity holders of the Parent Company	P5,995,236	P4,524,533	P1,470,703	32.5%
Non-controlling interest	2,112	1,549	563	36.3%
	P5,997,348	P4,526,082	P1,471,266	32.5%
Basic/Diluted Earnings per Share Attributable to Equity Holders of the Parent Company	P3.01	P2.26	P0.75	33.2%

Revenues of P20,079.9 million for the year ended December 31, 2025, increased by 21.4% from P16,541.7 million in 2024. Revenues from South Harbor (SH) international containerized cargo and Batangas Container Terminal (BCT) increased from last year by 23.1% and 16.1%, respectively, compared to last year, due to higher container volumes that grew by 12.8% and 13.7%, respectively. Moreover, revenues from ATI Batangas were higher than last year by 15.5% on account of higher international Roro volumes and higher number of passengers and domestic Roro volume.

Port authorities' share in revenues in 2025 of P3,756.6 million increased by 26.5% from P2,969.5 million in 2024 as a result of higher revenues subject to port authorities' share.

Cost and expenses in 2025 amounted to P7,951.3 million, 12.4% higher than P7,075.8 million in 2024. Depreciation and amortization in 2025 increased by 6.3% to P2,171.2 million from P2,041.8 million in 2024. Labor costs in 2025 of P2,227.6 million were higher by 16.4% compared to P1,914.5 million in 2024 due to salary rate increases and additional headcount. Equipment running costs in 2025 went up by 12.3% to P935.2 million from P832.8 million in 2024 mainly due to higher fuel prices. Taxes and licenses in 2025 increased by 14.5% to P597.6 million from P521.8 million in 2024 due to higher business taxes related to higher revenues. Insurance of P317.1 million in 2025 increased by 14.2% compared to P277.6 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 2025 increased by 11.4% to P405.7 million from P364.1 million in 2024 due to higher repairs and maintenance costs for buildings and surface pavements as well as higher IT costs. Security, health, environment and safety in 2025 of P246.5 million were higher by 13.7% compared to P216.7 million due to higher security costs related to higher passenger volume and rate increase. Management fees in 2025 increased by 32.8% to P352.9 million from P265.8 million in 2024 following higher earnings before tax. Rentals of P15.6 million in 2025 went up by 84.8% compared to P8.5 million in 2024. Professional fees in 2025 of P46.7 million went up by 119.2% from P21.3 million last year due to higher consultancy fees. Marketing, commercial, and promotion in 2025 increased by 31.9% to P29.4 million from P22.3 million in 2024 due to higher advertising and promotional expenses related to various clients. Entertainment, amusement and recreation in 2025 of P12.1 million went up by 103.8% from P5.9 million last year. Other

expenses in 2025 totaled P233.5 million, went up by 19.8% from P194.9 million in 2023 due to higher travel and accommodation and higher miscellaneous expenses.

Meanwhile, General transport of P356.0 million in 2025 were lower by 5.5% than of P376.6 million in 2024 on account of lower trucking costs with corresponding revenues. Provision for claims decreased to P4.2 million from P11.3 million in 2024 mainly due to lower cargo claims.

Finance income in 2025 of P159.8 million was lower by 8.9% than P175.4 million last year due to lower cash balance partly offset by higher interest rates on money market placements. Finance costs in 2025 of P537.0 million was higher by 14.7% against P468.3 million last year. Others-net was P18.7 million in 2025 was lower by 91.2% from P212.6 million in 2024 mainly due to higher unrealized foreign exchange gain 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 2025 of P7,976.0 million was higher by 33.1% compared to P5,990.9 million in 2024. Provision for income tax increased by 35.1% to P1,978.6 million in 2025 from P1,464.8 million in the same period last year due to higher results.

Net income for the year ended December 31, 2025 increased by 32.5% to P5,997.3 million from P4,526.1 million last year. Earnings per share increased to P3.01 in 2025 from P2.26 in 2024.

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 2026

Anchored on four decades of industry experience and expertise, ATI remains focused on expanding its capacity and enhancing its capabilities in managing, operating, and investing in world-class ports and logistics assets—supporting the growth of economies, industries, and communities.

As a premier trade enabler and economic driver, and backed by its strong track record, ATI continues to transform its ports and terminal infrastructure into dynamic, market-responsive, and integrated trade assets, enabling the smarter, faster, and more sustainable movement of cargoes and people.

Guided by its mission and fueled by its recent shareholder structure transformation, ATI will continue to advance its plans for efficiency, infrastructure modernization, and market development to deliver competitive, end-to-end supply chain solutions from shore to customer door. It will further strengthen its trade and transport infrastructure across Manila, Laguna, Batangas, and Mindanao to support customer growth, anticipate future demand, and contribute to inclusive and resilient national development.

For 2026, ATI is investing a minimum of Php 4.6 billion in line with its expansion strategy and commitments with port authorities. These investments will support the expansion of seaside and landside facilities, the acquisition of green equipment to advance its carbon reduction initiatives, the rollout of automation systems, and the further development of port-centric logistics solutions for faster, smarter, and more sustainable trade.

Aligned with its long-term sustainability agenda, ATI continues to explore new growth drivers, including the development of smart cargo storage solutions within and beyond port zones, the expansion of value-added facilities and services anchored on its core strengths, and the pursuit of opportunities locally and overseas, as aligned with its strategic direction.

In 2025, ATI invested a total of Php 3.5 billion which paved the way for the successful completion of Manila South Harbor's expanded berth and yard facilities, the commissioning of two of the biggest quay cranes in the country to date, the deployment 15 fully-electric internal transfer vehicles – the country's first complete fleet of e-powered lorries and trailers – and sustained the continuous upgrade of IT-infrastructure and ancillary port assets in response to current and future market growth.

Consolidated Financial Condition

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Amounts in Thousands)

	December 31			
	2025	2024	Change	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	P4,156,790	P4,812,172	(P655,382)	-13.6%
Trade and other receivables - net	1,719,646	1,307,654	411,992	31.5%
Spare parts and supplies	1,092,775	1,097,633	(4,858)	-0.4%
Prepayments and other current assets	4,045,253	3,412,316	632,937	18.5%
Total Current Assets	11,014,464	10,629,775	384,689	3.6%
Noncurrent Assets				
Investment in an associate	50,955	59,567	(8,612)	-14.5%
Property and equipment - net	2,675,765	2,712,806	(37,041)	-1.4%
Intangible assets - net	25,317,452	22,516,355	2,801,097	12.4%
Right-of-use assets - net	526,903	659,303	(132,400)	-20.1%
Deferred tax assets - net	1,086,093	1,087,537	(1,444)	-0.1%
Other noncurrent assets	82,774	82,201	573	0.7%
Total Noncurrent Assets	29,739,942	27,117,769	2,622,173	9.7%
	P40,754,406	P37,747,544	P3,006,862	8.0%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	P4,247,584	P3,141,727	P1,105,857	35.2%
Provisions for claims	63,096	67,188	(4,092)	-6.1%
Port concession rights payable - current portion	494,042	469,627	24,415	5.2%
Income and other taxes payable	460,112	221,061	239,051	108.1%
Lease liabilities - current portion	50,497	14,193	36,304	255.8%
Total Current Liabilities	5,315,331	3,913,796	1,401,535	35.8%
Noncurrent Liabilities				
Port concession rights payable - net of current portion	7,638,183	6,829,421	808,762	11.8%
Pension liability - net	203,642	318,043	(114,401)	-36.0%
Lease liabilities - net of current portion	566,490	664,149	(97,659)	-14.7%
Total Noncurrent Liabilities	8,408,315	7,811,613	596,702	7.6%
	13,723,646	11,725,409	1,998,237	17.0%
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	2,000,000	2,000,000	-	0.0%
Additional paid-in capital	264,300	264,300	-	0.0%
Treasury Shares	(2,048,853)	(34,771)	(2,014,082)	5792.4%
Retained earnings	26,802,261	23,781,109	3,021,152	12.7%
Fair value reserve	(5,820)	(5,820)	-	0.0%
	27,011,888	26,004,818	1,007,070	3.9%
Non-controlling Interest	18,872	17,317	1,555	9.0%
Total Equity	27,030,760	26,022,135	1,008,625	3.9%
	P40,754,406	P37,747,544	P3,006,862	8.0%

Total assets as of December 31, 2025 increased by 8.0% to P40,754.4 million from P37,747.5 million as of December 31, 2024. Total current assets as of December 31, 2025 rose by 3.6% to P11,014.5 million from P10,629.8 million as of December 31, 2024. Cash and cash equivalents as of December 31, 2025 was lower by 13.6% to P4,156.8 million from P4,812.2 million as of December 31, 2024. Trade and other receivables - net as of December 31, 2025 increased by 31.5% to P1,719.6 million from P1,307.7 million as of December 31, 2024. Spare parts and supplies as of December 31, 2025 of P1,092.8 million went down by 0.4% compared to P1,097.6 million as of December 31, 2024 due to lower purchases net of issuances. Prepayments and other current assets of P4,045.3 million as of December 31, 2025 went up by 18.5% from P3,412.3 million as of December 31, 2024 on account of higher input taxes on PPA fees, down payment on various projects and various purchases of capital expenditures.

Total noncurrent assets of P29,739.9 million as of December 31, 2025, were higher by 9.7% compared to P27,117.8 million as of December 31, 2024. Property and equipment - net

decreased by 1.4% to P2,675.8 million as of December 31, 2024 from P2,712.8 million as of December 31, 2024. Additions to property and equipment which were not subject to the service concession arrangement totaled P174.7 million in 2025. Intangible assets - net as of December 31, 2025 of P25,317.5 million was higher by 12.4% compared to P22,516.4 million as of December 31, 2024. Acquisitions of intangible assets which consisted of civil works and cargo handling equipment that were subject of the service concession arrangement amounted to P4,561.2 million in 2025. Right-of-use assets - net was at P526.9 million as of December 31, 2025, was lower by 20.1% compared to P659.3 million as of December 31, 2024. Deferred tax assets - net as of December 31, 2025 of P1,086.1 million went down by 0.1% from P1,087.5 million as of December 31, 2024, pertaining to adjustment on deferred tax on unrealized foreign exchange gain on fair value of concession liability and accrued interest. Other noncurrent assets as of December 31, 2025 increased by 0.7% to P82.8 million from P82.2 million as of December 31, 2024.

Total liabilities went up by 17.0% to P13,723.6 million as of December 31, 2025 from P11,725.4 million as of December 31, 2024. Trade and other payables as of December 31, 2025 of P4,247.6 million was higher by 35.2% than P3,141.7 million as of December 31, 2024. Trade and other payables are covered by agreed payment schedules. Provision for claims went down to P63.1 million as of December 31, 2025 from P67.2 million as of December 31, 2024. Income and other taxes payable increased by 108.1% to P460.1 million as of December 31, 2025 from P221.1 million as of December 31, 2024 due to higher income before tax. Port concession rights payable (current and noncurrent) as of December 31, 2025 totaled P8,132.2 million, 11.4% higher than P7,299.0 million as of December 31, 2024. Lease liabilities (current and noncurrent) was at P617.0 million as of December 31, 2025, decreased by 9.0% from P678.3 million as of December 31, 2024 due to amortization of lease contracts. Pension liability - net as of December 31, 2025 of P203.6 million was lower by 36.0% compared to P318.0 million as of December 31, 2024.

Consolidated Cash Flows

Net cash provided by operating activities increased by 44.8% to P8,729.5 million in 2025 from P6,113.7 million in 2024 due to higher operating income and increase in trade and other payables.

Net cash used in investing activities in 2025 of P3,215.0 million was 16.3% higher than P2,763.2 million in 2024 due to higher acquisitions of intangible assets and property and equipment.

Cash used in financing activities in 2025 of P6,171.6 million was higher by 54.0% than the P4,007.5 million in 2024 due to higher payment of cash dividends, higher payments of port concession rights payable and purchase of treasury shares.

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, 2025. However, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements. Except as otherwise indicated, 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 PFRS 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
 - 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:
 - 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
 - replaced the term 'their transaction price (as defined in PFRS 15)' with 'the amount determined by applying PFRS 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.

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 2025:

- ATIB's total assets were only 11.2% of the consolidated total assets.
- Income before other income and expense from ATIB was only 4.4% of consolidated income before other income and expense.¹

Consolidated KPI	Manner of Calculation	2025	2024	Discussion
Return on Capital Employed	Percentage of income before interest and tax over capital employed	23.6%	19.2%	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	22.2%	17.9%	Increased due to higher net income growth.
Current ratio	Ratio of current assets over current liabilities	2.07 : 1.00	2.72 : 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	1.51 : 1.00	1.45 : 1.00	Increased due to higher increase in equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.51 : 1.00	0.45 : 1.00	Increased due to higher liabilities.

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

Day Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	11 days	12 days	Decreased due to improved collections.
Net Income Margin	Net income over revenues less government share in revenues	36.7%	33.3%	Increased due to higher net income growth.
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.	0.62	0.84	Improved as a result of extensive safety campaign.

Summary of Selected Financial Data (in millions)

Description	Year ended December 31, 2025	Year ended December 31, 2024
Revenues	P20,079.9	P16,541.7
Net income	5,997.3	4,526.1
Total assets	40,754.4	37,747.5
Total liabilities	13,723.6	11,725.4

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Amounts In Thousands, Except Per Share Data)

	Year Ended December 31			
	2024	2023	Change	% Change
REVENUES FROM OPERATIONS	P16,541,728	P15,451,800	P1,089,928	7.1%
GOVERNMENT SHARE IN REVENUES	(2,969,505)	(2,669,519)	299,986	11.2%
	13,572,223	12,782,281	789,942	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	(252,882)	-627.1%
	(505,508)	(274,061)	231,447	84.5%
CONSTRUCTION REVENUES	2,400,314	1,920,973	479,341	25.0%
CONSTRUCTION COSTS	(2,400,314)	(1,920,973)	479,341	25.0%
	-	-	-	0.0%
INCOME BEFORE INCOME TAX	5,990,892	5,879,555	111,337	1.9%
INCOME TAX EXPENSE	1,464,810	1,441,737	23,073	1.6%
NET INCOME	P4,526,082	P4,437,818	P88,264	2.0%
Income Attributable to				
Equity holders of the Parent Company	P4,524,533	P4,435,986	P88,547	2.0%
Non-controlling interest	1,549	1,832	(283)	-15.4%
	P4,526,082	P4,437,818	P88,264	2.0%
Basic/Diluted Earnings Per Share				
Attributable to Equity Holders of the Parent Company	P2.26	P2.22	P0.04	2.0%

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.

Revenues of P16,541.7 million for the year ended December 31, 2024, increased by 7.1% from P15,451.8 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 10.0% 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 P2,969.5 million increased by 11.2% from P2,669.5 million in 2023 as a result of higher revenues subject to port authorities' share.

Cost and expenses in 2024 amounted to P7,075.8 million, 6.7% higher than P6,628.7 million in 2023. Depreciation and amortization in 2024 increased by 2.6% to P2,041.8 million from P1,989.1 million in 2023. Labor costs in 2024 of P1,914.5 million were higher by 8.8% compared to P1,759.7 million in 2023 due to salary rate increases and additional headcount. Taxes and licenses in 2024 increased by 3.6% to P521.8 million from P503.5 million in 2023 due to higher business taxes related to higher revenues. Insurance of P277.6 million in 2024 increased by 0.6% compared to P276.0 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 P364.1 million from P309.3 million in 2023 due to higher repairs and maintenance costs for buildings and surface pavements as well as higher IT costs. General transport of P376.6 million in 2024 were higher by 76.9% than of P212.9 million in 2023 on account of higher trucking costs with corresponding revenues. Security, health, environment and safety in 2024 of P216.7 million were higher by 18.2% compared to P183.3 million due to higher security costs related to higher passenger volume and rate increase. Provision for claims increased to P11.3 million from P0.05 million in 2023 mainly due to higher cargo claims. Management fees in 2024 increased by 2.5% to P265.8 million from P259.2 million in 2023 following higher earnings before tax.

Meanwhile, equipment running costs in 2024 went down by 2.0% to P832.8 million from P850.1 million in 2023 mainly due to lower fuel prices. Marketing, commercial, and promotion in 2024 decreased by 2.0% to P22.3 million from P22.7 million in 2023 due to lower advertising and promotional expenses related to various clients. Rentals of P8.5 million in 2024 went down by 22.0% compared to P10.9 million in 2023. Professional fees in 2024 of P21.3 million went down by 2.4% from P21.8 million last year due to lower consultancy fees. Entertainment, amusement and recreation in 2024 of P5.9 million went down by 33.1% from P8.8 million last year. Other expenses in 2024 totaled P194.9 million, went down by 11.9% from P221.2 million in 2023 due to lower travel and accommodation, lower office supplies and miscellaneous expenses.

Finance income in 2024 of P175.4 million was lower by 7.3% than P189.1 million last year due to lower cash balance partly offset by higher interest rates on money market placements. Finance costs in 2024 of P468.3 million was lower by 7.0% against P503.5 million last year. Others-net was at negative P212.6 million in 2024 from positive P40.3 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 P5,990.9 million was higher by 1.9% compared to P5,879.6 million in 2023. Provision for income tax increased by 1.6% to P1,464.8 million in 2024 from P1,441.7 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 P4,526.1 million from P4,437.8 million last year. Earnings per share increased to P2.26 in 2024 from P2.22 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.

Consolidated Financial Condition

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts In Thousands)

	December 31			
	2024	2023	Change	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	P4,812,172	P5,424,938	(P 612,766)	-11.3%
Trade and other receivables - net	1,307,654	830,653	477,001	57.4%
Spare parts and supplies	1,097,633	1,066,535	31,098	2.9%
Prepaid expenses	3,412,316	2,776,433	635,883	22.9%
Total Current Assets	10,629,775	10,098,559	531,216	5.3%
Noncurrent Assets				
Investment in an associate	59,567	65,436	(5,869)	-9.0%
Property and equipment - net	2,712,806	2,511,749	201,057	8.0%
Intangible assets - net	22,516,355	21,595,130	921,225	4.3%
Right of use asset - net	659,303	726,211	(66,908)	-9.2%
Deferred tax assets - net	1,087,537	1,002,295	85,242	8.5%
Other noncurrent assets	82,201	73,551	8,650	11.8%
Total Noncurrent Assets	27,117,769	25,974,372	1,143,397	4.4%
	P37,747,544	P36,072,931	P1,674,613	4.6%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	P3,141,727	P2,934,416	P207,311	7.1%
Provisions for claims	67,188	58,873	8,315	14.1%
Port concession rights payable - current portion	469,627	455,254	14,373	3.2%
Income and other taxes payable	221,061	100,052	121,009	120.9%
Lease liabilities - current portion	14,193	46,615	(32,422)	-69.6%
Total Current Liabilities	3,913,796	3,595,210	318,586	8.9%
Noncurrent Liabilities				
Port concession rights payable - net of current portion	6,829,421	7,011,351	(181,930)	-2.6%
Pension liability - net	318,043	236,779	81,264	34.3%
Lease liabilities - net of current portion	664,149	678,189	(14,040)	-2.1%
Total Noncurrent Liabilities	7,811,613	7,926,319	(114,706)	-1.4%
	11,725,409	11,521,529	203,880	1.8%

Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	2,000,000	2,000,000	-	0.0%
Additional paid-in capital	264,300	264,300	-	0.0%
Treasury Shares	(34,771)	-	34,771	100.0%
Retained earnings	23,781,109	22,276,607	1,504,502	6.8%
Fair value reserve	(5,820)	(5,820)	-	0.0%
	26,004,818	24,535,087	1,469,731	6.0%
Non-controlling Interest	17,317	16,315	1,002	6.1%
Total Equity	26,022,135	24,551,402	1,470,733	6.0%
	P37,747,544	P36,072,931	P1,674,613	4.6%

Total assets as of December 31, 2024 increased by 4.6% to P37,747.5 million from P36,072.9 million as of December 31, 2023. Total current assets as of December 31, 2024 rose by 5.3% to P10,629.8 million from P10,098.6 million as of December 31, 2023. Cash and cash equivalents as of December 31, 2024 was lower by 11.3% to P4,812.2 million from P5,424.9 million as of December 31, 2023. Trade and other receivables - net as of December 31, 2024 increased by 57.4% to P1,307.7 million from P830.7 million as of December 31, 2023. Spare parts and supplies as of December 31, 2024 of P1,097.6 million went up by 2.9% compared to P1,066.5 million as of December 31, 2023 due to higher purchases net of issuances. Prepaid expenses of P3,412.3 million as of December 31, 2024 went up by 22.9% from P2,776.4 million as of December 31, 2023 on account of higher input taxes on PPA fees, down payment on various projects and various purchases of capital expenditures.

Total noncurrent assets of P27,117.8 million as of December 31, 2024, were higher by 4.4% compared to P25,974.4 million as of December 31, 2023. Property and equipment - net increased by 8.0% to P2,712.8 million as of December 31, 2024 from P2,511.7 million as of December 31, 2023. Additions to property and equipment which were not subject to the service concession arrangement totaled P427.4 million in 2024. Intangible assets - net as of December 31, 2024 of P22,516.4 million was higher by 4.3% compared to P21,595.1 million as of December 31, 2023. Acquisitions of intangible assets which consisted of civil works and cargo handling equipment that were subject of the service concession arrangement amounted to P2,365.0 million in 2024. Right-of-use assets - net was at P659.3 million as of December 31, 2024, was lower by 9.2% compared to P726.2 million as of December 31, 2023. Deferred tax assets - net as of December 31, 2024 of P1,087.5 million went up by 8.5% from P1,002.3 million as of December 31, 2023, pertaining to adjustment on deferred tax on unrealized foreign exchange gain on fair value of concession liability and accrued interest. Other noncurrent assets as of December 31, 2024 increased by 11.8% to P82.2 million from P73.6 million as of December 31, 2023.

Total liabilities went up by 1.8% to P11,725.4 million as of December 31, 2024 from P11,521.5 million as of December 31, 2023. Trade and other payables as of December 31, 2024 of P3,141.7 million was higher by 7.1% than P2,934.4 million as of December 31, 2023. Trade and other payables are covered by agreed payment schedules. Provision for claims went up to P67.2 million as of December 31, 2024 from P58.9 million as of December 31, 2023. Income and other taxes payable increased by 120.9% to P221.1 million as of December 31, 2024 from P100.1 million as of December 31, 2023 due to higher income before tax. Port concession rights payable (current and noncurrent) as of December 31, 2024 totaled P7,299.0 million, 2.2% lower than P7,466.6 million as of December 31, 2023. Lease liabilities (current and noncurrent) was at P678.3 million as of December 31, 2024, decreased by 6.4% from P724.8 million as of December 31, 2023 due to amortization of lease contracts. Pension liability - net as of December 31, 2024 of P318.0 million was higher by 34.3% compared to P236.8 million as of December 31, 2023.

Consolidated Cash Flows

Net cash provided by operating activities increased by 0.9% to P6,120.8 million in 2024 from P6,067.2 million in 2023 due to higher operating income and increase in trade and other receivables as well as higher prepaid expenses.

Net cash used in investing activities in 2024 of P2,763.2 million were 34.0% higher than P2,062.8 million in 2023 due to higher acquisitions of intangible assets and property and equipment.

Cash used in financing activities in 2024 of P4,014.6 million was higher by 26.8% than the P3,165.8 million in 2023 due to higher payment of cash dividends.

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 the 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
 - 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:
 - 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
 - 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.

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.³

Consolidated KPI	Manner of Calculation	2024	2023	Discussion
Return on Capital Employed	Percentage of income before interest and tax over capital employed	19.2%	18.9%	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	2.72 : 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	Decreased due to higher 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.
Reportable Injury Frequency Rate (RIFR) ⁴	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.

³ Income before interest and tax excludes also net unrealized foreign exchange losses and others.

⁴ 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.

Summary of Selected Financial Data (in millions)

Description	Year ended December 31, 2024	Year ended December 31, 2023
Revenues	P16,541.7	P15,451.8
Net income	4,526.1	4,437.8
Total assets	37,747.5	36,072.9
Total liabilities	11,725.4	11,521.5

Years ended December 31, 2023 and 2022

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31			
	2023	2022	Change	% Change
REVENUES FROM OPERATIONS	P15,451,800	P13,622,704	P1,829,096	13.4%
GOVERNMENT SHARE IN REVENUES	(2,669,519)	(2,468,762)	200,757	8.1%
	12,782,281	11,153,942	1,628,339	14.6%
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(6,628,665)	(6,176,412)	452,253	7.3%
OTHER INCOME AND EXPENSES				
Finance income	189,142	45,496	143,646	315.7%
Finance cost	(503,531)	(505,572)	(2,041)	-0.4%
Others - net	40,328	(529,694)	(570,022)	-107.6%
	(274,061)	(989,770)	(715,709)	-72.3%
CONSTRUCTION REVENUES	1,920,973	1,928,019	(7,046)	-0.4%
CONSTRUCTION COSTS	(1,920,973)	(1,928,019)	(7,046)	-0.4%
	-	-	-	
INCOME BEFORE INCOME TAX	5,879,555	3,987,760	1,891,795	47.4%
INCOME TAX EXPENSE	1,441,737	959,604	482,133	50.2%
NET INCOME	P4,437,818	P3,028,156	P1,409,662	46.6%
Income Attributable to				
Equity holders of the Parent Company	P4,435,986	P3,024,811	P1,411,175	46.7%
Non-controlling interest	1,832	3,345	(1,513)	-45.2%
	P4,437,818	P3,028,156	P1,409,662	46.6%
Basic/Diluted Earnings per Share Attributable to Equity Holders of the Parent Company	P2.22	P1.51	P0.71	47.0%

Revenues for the year ended December 31, 2023, of P15,451.8 million went up by 13.4% from P13,622.7 million in 2022. Revenues from South Harbor (SH) international containerized cargo and Batangas Container Terminal (BCT) increased from last year by 12.0% and 38.1%, respectively, on account of higher container volume while revenues from ATI Batangas were lower than last year by 3.8% on account of lower RoRo volumes partly offset by higher number of passengers.

Port authorities' share in revenues in 2023 of P2,669.5 million increased by 8.1% from P2,468.8 million in 2022 as a result of higher revenues subject to port authorities' share.

Cost and expenses in 2023 amounted to P6,628.7 million, 7.3% higher than P6,176.4 million in 2022. Depreciation and amortization in 2023 increased by 4.2% to P1,989.1 million from P1,908.8 million in 2022. Labor costs in 2023 of P1,759.7 million were higher by 7.8% compared to P1,633.1 million in 2022 due to salary rate increases and higher volumes. Equipment running in 2023 went up by 3.1% to P850.1 million from P824.5 million in 2022 due to the following: i) higher usage of equipment spare parts and consumables; and ii) higher electricity related to higher reefer volume and higher container volume. Facilities-related expenses in 2023 went up by 14.4% to P309.3 million from P270.3 million in 2022 due to higher repairs and maintenance costs for buildings and surface pavements as well as higher IT costs. Insurance of P276.0 million in 2023 increased by 29.4% compared to P213.4 million last year due to higher insurance premiums. General transport of P212.9 million in 2023 were higher by 18.7% than of P179.3 million in 2022 on account of higher trucking costs. Security, health, environment and safety in 2023 of P183.3 million were higher by 9.5% compared to P167.5 million due to higher security costs related to higher passenger volume. Marketing, commercial, and promotion in 2023 increased by 118.5% to P22.7 million from P10.4 million in 2022 due to higher advertising cost to various clients. Other expenses in 2023 totaled P221.2 million, went up by 25.4% from P176.4 million in 2022 due to higher general operations with corresponding revenues. Management fees in 2023 increased by 49.5% to P259.2 million from P173.4 million in 2022 following higher earnings before tax.

Meanwhile, taxes and licenses in 2023 decreased by 8.3% to P503.5 million from P549.2 million in 2022 due to lower permits and licenses. Rentals of P10.9 million in 2023 went down by 67.8% compared to P33.7 million in 2022 as last year included rental of generator set for the new Passenger Terminal Building. Professional fees in 2023 of P21.8 million went down by 14.1% from P25.4 million last year due to lower consultancy fees. Entertainment, amusement and recreation in 2023 of P8.8 million went down by 12.1% from P10.1 million last year.

Finance income in 2023 of P189.1 million was higher by 315.7% than P45.5 million last year due to higher interest rates on money market placements and higher cash balance. Finance costs in 2023 of P503.5 million were lower by 0.4% against P505.6 million last year. Others-net was at positive P40.3 million in 2023 from negative P529.7 million in 2022 mainly due to higher unrealized foreign exchange gain on the fair value of concession liability and accrued interest following the appreciation of the Philippine Peso against the US Dollar.

Income before income tax in 2023 of P5,879.6 million was higher by 47.4% compared to P3,987.8 in 2022. Provision for income tax increased by 50.2% to P1,441.7 million in 2023 from P959.6 million in the same period last year due to higher results.

Net income for the year ended December 31, 2023 increased by 46.6% to P4,437.8 million from P3,028.2 million last year. Earnings per share increased to P2.22 in 2023 from P1.51 in 2022.

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.

Consolidated Financial Condition

ASIAN TERMINALS, INC. AND A SUBSIDIARY				
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION				
(Amounts In Thousands)				
	December 31			
	2023	2022	Change	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	P5,424,938	P4,600,267	P824,671	17.9%
Trade and other receivables - net	830,653	905,985	(75,332)	-8.3%
Spare parts and supplies	1,066,535	1,081,456	(14,921)	-1.4%
Prepaid expenses	2,776,433	2,503,263	273,170	10.9%
Total Current Assets	10,098,559	9,090,971	1,007,588	11.1%
Noncurrent Assets				
Investment in an associate	65,436	55,282	10,154	18.4%
Property and equipment - net	2,511,749	2,566,211	(54,462)	-2.1%
Intangible assets - net and goodwill	21,595,130	21,080,924	514,206	2.4%
Right of use asset - net	726,211	775,248	(49,037)	-6.3%
Deferred tax assets - net	1,002,295	975,876	26,419	2.7%
Other noncurrent assets	73,551	86,759	(13,208)	-15.2%
Total Noncurrent Assets	25,974,372	25,540,300	434,072	1.7%
TOTAL ASSETS	36,072,931	P34,631,271	P1,441,660	4.2%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	P2,934,416	P3,292,607	(358,191)	-10.9%
Provisions for claims	58,873	61,044	(2,171)	-3.6%
Port concession rights payable - current portion	455,254	423,028	32,226	7.6%
Income and other taxes payable	100,052	210,629	(110,577)	-52.5%
Lease Liabilities - Current	46,615	118,066	(71,451)	-60.5%
Total Current Liabilities	3,595,210	4,105,374	(510,164)	-12.4%
Noncurrent Liabilities				
Port concession rights payable - net of current portion	7,011,351	7,510,283	(498,932)	-6.6%
Pension liability	236,779	207,409	29,370	14.2%
Lease liabilities - Non current	678,189	647,026	31,163	4.8%
Total Noncurrent Liabilities	7,926,319	8,364,718	(438,399)	-5.2%
	11,521,529	12,470,092	(948,563)	-7.6%
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	2,000,000	2,000,000	-	0.0%
Additional paid in capital	264,300	264,300	-	0.0%
Retained earnings	22,276,607	19,887,619	2,388,988	12.0%
Fair value reserve	(5,820)	(5,820)	-	0.0%
	24,535,087	22,146,099	2,388,988	10.8%
Non-controlling Interest	16,315	15,080	1,235	8.2%
Total Equity	24,551,402	22,161,179	2,390,223	10.8%
TOTAL LIABILITIES AND EQUITY	P36,072,931	P34,631,271	P1,441,660	4.2%

Total assets as of December 31, 2023 increased by 4.2% to P36,073.0 million from P34,631.3 million as of December 31, 2022. Total current assets as of December 31, 2023 up by 11.1% to P10,098.6 million from P9,091.0 million as of December 31, 2022. Cash and cash equivalents as of December 31, 2023 were higher by 17.9% to P5,424.9 million from P4,600.3 million as of December 31, 2022. Trade and other receivables - net as of December 31, 2023 down by 8.3% to P830.7 million from P906.0 million as of December 31, 2022. Spare parts and supplies - net as of December 31, 2023 of P1,066.5 million were lower by 1.4% compared to P1,081.5 million as of December 31, 2022 due to management cost savings initiatives. Prepaid expenses of P2,776.4 million as of December 31, 2023 went up by 10.9% from P2,503.3 million as of December 31, 2022 on account of higher input taxes on PPA fees and various purchases of capital expenditures.

Total non-current assets of P25,974.4 million as of December 31, 2023, were higher by 1.7% compared to P25,540.3 million as of December 31, 2022. Property and equipment-net decreased by 2.1% to P2,511.7 million as of December 31, 2023 from P2,566.2 million as of December 31, 2022. Additions to property and equipment which were not subject to the service

concession arrangement totaled P262.7 million in 2023. Intangible assets - net as of December 31, 2023 of P21,595.1 million were higher by 2.4% compared to P21,080.9 million as of December 31, 2022. Acquisitions of intangible assets which consisted of civil works and cargo handling equipment that were subject of the service concession arrangement amounted to P1,939.9 million in 2023. Right-of-use assets – net was at P726.2 million as of December 31, 2023, was lower by 6.3% compared to P775.2 million as of December 31, 2022. Deferred tax assets - net as of December 31, 2023 of P1,002.3 million went up by 2.7% to P975.9 million as of December 31, 2022, pertaining to adjustment on deferred tax on unrealized foreign exchange gain on fair value of concession liability and accrued interest. Other noncurrent assets as of December 31, 2023 decreased by 15.2% to P73.6 million from P86.8 million as of December 31, 2022.

Total liabilities went down by 7.6% to P11,521.5 million as of December 31, 2023 from P12,470.1 million as of December 31, 2022. Trade and other payables as of December 31, 2023 of P2,934.4 million were lower by 10.9% than P3,292.6 million as of December 31, 2022. Trade and other payables are covered by agreed payment schedules. Provision for claims went down to P58.9 million as of December 31, 2023 from P61.0 million as of December 31, 2022. Income and other taxes payable decreased by 52.5% to P100.1 million as of December 31, 2023 from P210.6 million as of December 31, 2022 due to higher income before tax. Port concession rights payable (current and noncurrent) as of December 31, 2023 totaled P7,466.6 million, 5.9% lower than P7,933.3 million as of December 31, 2022. Lease liabilities (current and noncurrent) were at P724.8 million as of December 31, 2023, decreased by 5.3% from P765.1 million as of December 31, 2022 due to amortization of lease contracts. Pension liability as of December 31, 2023, of P236.8 million was higher by 14.2% compared to P207.4 million as of December 31, 2022.

Consolidated Cash Flows

Net cash provided by operating activities increased by 3.1% to P6,067.2 million in 2023 from P5,886.8 million in 2022 due to higher operating income and increase in trade and other receivables.

Net cash used in investing activities in 2023 of P2,062.8 million were 25.2% lower than P2,757.8 million in 2022 due to lower acquisitions of intangible assets and property and equipment.

Cash used in financing activities in 2023 of P3,165.8 million was higher by 20.0% than the P2,639.0 million in 2022 due to higher payments of cash dividends and higher payments of concession liabilities.

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards starting January 1, 2023 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.

- *Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)*. To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments also provide examples on the application of the new definition.

The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- *Disclosure of Accounting Policies (Amendments to PAS 1, Presentation of Financial Statements and PFRS Practice Statement 2, Making Materiality Judgements)*. The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures, assisting companies to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Group reviewed the accounting policies and although the amendments did not result in any changes to the accounting policies themselves, updates were made to the accounting policy information disclosed in Note 4 Material Accounting Policies in certain instances in line with the amendments.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes)*. The amendments clarify that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations.

For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Amendments to Standards Issued but Not Yet Adopted

A number of amendments to standards are effective for annual periods beginning after January 1, 2023. However, the Group has not early adopted the following amended standards in preparing the 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, 2024

- *Classification of Liabilities as Current or Noncurrent - 2020 amendments and Noncurrent Liabilities with Covenants - 2022 amendments (Amendments to PAS 1)*. 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.

The amendments will apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Entities that have early applied the 2020 amendments may retain application until the 2022 amendments are applied. Entities that will early apply the 2020 amendments after issue of the 2022 amendments must apply both amendments at the same time.

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 2023:

- ATIB's total assets were only 9.7% of the consolidated total assets.
- Income before other income and expense from ATIB was only 5.2% of consolidated income before other income and expense.⁵

Consolidated KPI	Manner of Calculation	2023	2022	Discussion
Return on Capital Employed	Percentage of income before interest and tax over capital employed	18.9%	16.3%	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	19.0%	14.1%	Improved due to higher net income.
Current ratio	Ratio of current assets over current liabilities	2.81 : 1.00	2.21 : 1.00	Increased due to higher current assets.
Asset to equity ratio	Ratio of total assets over equity attributable to equity holders of the parent	1.47 : 1.00	1.56 : 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	0.47 : 1.00	0.56 : 1.00	Decreased due to lower liabilities and higher equity.
Day Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	10 days	11 days	Decreased due to improved collections.

⁵ Income before interest and tax excludes also net unrealized foreign exchange losses and others.

Net Income Margin	Net income over revenues less government share in revenues	34.7%	27.1%	Increased due to higher net income growth.
Reportable Injury Frequency Rate (RIFR) ⁶	Number of reportable injuries within a given accounting period relative to the total number of hours worked in the same accounting period.	0.87	0.56	Increased due to a higher number of injuries.

Summary of Selected Financial Data (in millions)

Description	Year ended December 31, 2023	Year ended December 31, 2022
Revenues	P15,451.8	P13,622.7
Net income	4,437.8	3,028.2
Total assets	36,072.9	34,631.3
Total liabilities	11,521.5	12,470.1

Information on Independent Accountant and External Audit Fees

The appointment of R.G. Manabat & Co. as the external auditors of Asian Terminals, Inc. for 2025 was approved by the stockholders during the annual meeting held on April 24, 2025. The same external auditors are being recommended for re-election at the scheduled annual meeting of the Stockholders.

The Company's Manual on Corporate Governance and SRC Rule 68, provide that the Company's external auditor shall either be rotated or the handling partner be changed every five (5) years or earlier, subject to the provisions of SRC Rule 68 paragraph 3 (b) (ix) on the two-year cooling off period. Mr. Vernilo Yu R. G. Manabat & Co. was appointed as signing partner in November 2023.

The aggregate fees for audit services rendered were as follows:

	2025 (P'000)	2024 (P'000)
Audit Fees	4,503.0	3,980.0

Audit Fees are for professional services rendered in connection with the audit of our annual financial statements and services provided by the external auditors in connection with statutory and regulatory filings or engagements.

There was no engagement for tax or other services with R.G. Manabat & Co. in 2025 and 2024.

⁶ 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.

Audit Committee Pre-Approval Policy

The Audit Committee pre-approves and recommends to the Board of Directors all audit and non-audit services to be rendered by the external auditors as well as the engagement fees and other compensation to be paid. When deciding whether to approve these items, the Audit Committee takes into account whether the provision of any non-audit service is compatible with the independence standards under the guidelines of the SEC. To assist in this undertaking, the Audit Committee actively engages in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take appropriate action to ensure their independence.

Financial Statements

The audited consolidated financial statements are herein attached as Exhibit 1.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

There was no change in or disagreement with external auditors on accounting and financial disclosures.

Description of the General Nature and Scope of the Business

Asian Terminals, Inc. (ATI), formerly known as Marina Port Services, Inc. (MPSI), was incorporated on July 9, 1986 to provide general services with respect to the operation and management of port terminals in the Philippines. In August 1990, a consortium of local and foreign companies acquired all the issued and outstanding capital stock of ATI.

South Harbor

ATI manages and operates the South Harbor pursuant to the Third Supplement to the Contract for Cargo Handling Services and Related Services granted by the Philippine Ports Authority (PPA) extending ATI's South Harbor concession for twenty-five (25) years or until May 2038.

The Container Terminal Division handles stevedoring, arrastre, warehousing, storage, crantage, container freight station (CFS) and other port-related services for international cargoes. ATI's 5-year lease contract commencing in 2011 over two parcels of land located in Sta. Mesa, City of Manila continued and is extended until January 2027. This land is being used exclusively as an off-dock container depot.

General Stevedoring operations provides arrastre, stevedoring and storage services to international shipping lines.

The ATI South Harbor Eva Macapagal Terminal handles international cruise ships for homeporting and transit calls.

The ATI South Harbor facility is certified compliant with the International Ship and Port Facility Security (ISPS) Code issued by the Office for Transportation Security (OTS), DOTC. The ISPS Code Certificate or SoCPF (Statement of Compliance of a Port Facility) is valid until March 2030.

The ATI South Harbor facility is certified with ISO 14001:2015 (Environment), ISO 45001:2018 (Occupational Health and Safety), ISO 9001: 2015 (Quality) and ISO 28000: 2022 (Security and Resilience). The certificates are valid until April 2028 and February 2028.

Inland Clearance Depot and Empty Container Depot (Laguna)

The Inland Clearance Depot (ICD) was established pursuant to Customs Memorandum Order No. 11-97 which designated ICD as an extension of the Port of Manila and as a customs bonded facility. This permits the immediate transfer of cargoes to the facility while still being cleared by customs in Manila. This provides savings on storage charges and efficient just-in-time delivery for clients in the CALABARZON area. The facility provides storage, trucking, just-in-time delivery and maintenance and repair services for its clients, which includes carriers and Beneficial Cargo Owners (BCOs). Customs Memorandum Order No. 23-2003 expanded the operations of the ATI-Calamba ICD to include servicing the Port of Batangas, in addition to the Port of Manila.

The facility is equipped with CCTV cameras for security monitoring.

The Inland Clearance Depot is certified with ISO 14001:2015 (Environment), ISO 45001:2015 (Health and Safety), ISO 9001: 2015 (Quality) and ISO 28000: 2022 (Security and Resilience). The certificates are valid until April 2028 and February 2028.

Port of Batangas

ATI Batangas, Inc. (ATIB), a 99.17%-owned subsidiary of ATI, is the sole cargo handling contractor operating at the Port of Batangas. ATI provides management services to ATIB relating to operations, marketing, training and administration.

ATIB had a 10-year Cargo Handling Contract in Phase 1 of the Port of Batangas effective until October 2015, under which it provides arrastre, stevedoring, storage and related cargo handling services. By virtue of the same contract, ATIB was also given the right to manage and operate the Fastcraft Passenger Terminal and to provide specific services and amenities to all passengers, both for fastcraft and RO-RO vessels.

A Lease Agreement for the management and operation of additional assets and facilities in Phase 1 was signed by ATIB effective August 1, 2009 and co-terminous with the above-mentioned 10-year agreement. Pursuant to this Lease Agreement, the Passenger Terminal Building 2 was turned over to ATIB in May 2010. On January 18, 2010, the PPA issued to ATI the Notice to Proceed 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 and is effective for a term of 25 years. 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, ATIB and ATI signed a Contract for the Management, Operation, Maintenance and Development of Phase I, Port of Batangas for a term commencing October 1, 2015 until September 30, 2025. This contract effectively consolidates the above-mentioned contracts of ATIB in Phase 1, Port of Batangas, and included the contract to lease the Main Passenger Terminal Building mentioned in the narrative below. On December 20, 2019, Asian Terminals, Inc., its subsidiary ATI Batangas, Inc., and the Philippine Ports Authority have signed the First Amendment to said contract extending the term for an additional 10 years from September 30, 2025 up to June 30, 2035.

The container terminal handles stevedoring, arrastre, storage, container freight station (CFS) and other port related activities for domestic and international shipping lines. Other special services include ship's husbanding, maintenance and repair services, and trucking.

ATI's 5-year lease agreement with PPA effective April 3, 2012 covering a land adjacent to the CFS area of the Container Terminal "A-1" has been extended until April 2, 2022. ATI's occupancy continues under the same terms until the end of this reporting period and to date. This area is being utilized as storage for completely built units (CBU) of vehicles.

On February 1, 2021, PPA issued to ATI a Permit to Occupy over an 80,000 square meter area in Phase II of the Port of Batangas, effective for the period February 1, 2021 to January 31, 2022 and the same was renewed for another period from February 2022 to January 2023. ATI continues under the same terms to date. PPA likewise issued to ATI a Permit to Occupy for a 20,000 square meter area in Phase II of the Port of Batangas effective for the period June 1, 2022 to December 31, 2022.

ATI's occupancy continues under the same terms to date. The above-mentioned areas are used as storage area of cargoes being handled by ATI as port operator of Phases I and II of Port of Batangas.

ATIB and Batangas Container Terminal is certified with ISO 14001:2015 (Environment), ISO 45001:2018 (Occupational Health and Safety), ISO 9001: 2015 (Quality) and ISO 28000: 2022 (Security and Resilience). The certificates are valid until April 2028 and February 2028.

ATIB and Batangas Container Terminal are certified compliant with the International Ship and Port Facility Security (ISPS) Code issued by the Office for Transportation Security, DOTC. The certificates are valid until April 2028 for ATI Batangas and October 2027 for Batangas Container Terminal.

Batangas Supply Base

On May 1, 2000, ATIB entered into a contract to lease the Main Passenger Terminal Building for the purpose of operating a supply base for companies engaged in oil and gas exploration. This contract was extended and renewed several times, the latest one being until February 2027. Integrated to this contract is the operation and management of the Batangas Supply Base within the Port of Batangas under contract with Prime Energy Resources Development BV, with a term of until February 2027.

The Supply Base provides logistics support to the Malampaya Gas-to-Power-Project which includes cargo-handling, crane and equipment hire, transport, labor and waste management. The life of the Malampaya Gas field is approximately 20 years.

Batangas Supply Base is certified with ISO 14001:2015 (Environment), ISO 45001:2018 (Occupational Health and Safety), ISO 9001: 2015 (Quality) and ISO 28000: 2022 (Security and Resilience). The certificates are valid until April 2028 and February 2028.

Tanza Barge Terminal

The Tanza Container Terminal, Inc. (TCTI) operates with an annual handling capacity of 110,000 TEUs, behind a 4-hectare concrete container yard, docking facilities with harbor cranes and comprehensive yard and safety equipment. This project is a game-changer in the transportation and logistics industry in the region. It optimizes domestic sea lanes as an alternative to roads, transporting containerized cargoes via barge to and from Manila South Harbor and Tanza, thereby bringing cargoes faster and closer to consignees in Cavite and nearby environs. The facility eliminates an estimated 150,000 truck trips annually, effectively contributing to decongesting Metro Manila's overcrowded roads, reducing logistical bottlenecks for business at greater cost-benefit, and promoting growth and development in rural regions.

TCTI is located within the MetroCas Industrial Estates-Special Economic Zone. As operator, ATI is registered as an Ecozone Facilities Enterprise with the Philippine Economic Zone Authority. Within TBT is a Customs Facility and Warehouse which is operated under Tanza Container Terminal, Inc., a wholly-owned subsidiary of ATI.

Tanza Container Terminal Inc. is certified with ISO 14001:2015 (Environment), ISO 45001:2018 (Occupational Health and Safety), ISO 9001: 2015 (Quality) and ISO 28000: 2022 (Security and Resilience). The certificates are valid until April 2028 and February 2028.

South Cotabato Integrated Port Services, Inc.

ATI owns 35.71% of the issued and outstanding capital stock of South Cotabato Integrated Port Services, Inc. (SCIPSI).

SCIPSI is the existing cargo handling operator at the Makar Wharf in the Port of General Santos, General Santos City. It is located near the business center of the city and caters to the needs of local businesses (which are engaged mainly in agriculture, fisheries, livestock and poultry) as well as importers and exporters.

The services provided by SCIPSI include container terminal handling, arrastre, stevedoring, bagging, domestic cargo handling and equipment services.

SCIPSI is certified with ISO 14001:2015(Environment): ISO 45001:2018 (Occupational Health and Safety) and ISO 9001:2015 (Quality). It is Investors in People (IIP) certified beginning June 16, 2009. In November 2021, SCIPSI won the IIP Gold Employer of the Year (International) Award in June 2016, the IIP Excellence in Social Responsibility Award in November 2018, the IIP Reward and Recognition Award in November 2019, and the Community Employee of the Year in 2021 and 2023 in London, UK. Also in 2023, SCIPSI was a finalist for HR Person of the Year Award.

SCIPSI also won the People Investor of the Year Award during the first IIP Philippines Awards in July 2023. In addition, SCIPSI was a National Finalist for Outstanding LMC and received a Special Award during the National Conciliation and Mediation Board (NCMB) and the Philippine League of Labor-Management Cooperation Practitioners' (PHILAMCOP) 2023 Twin Search for Outstanding Labor-Management Cooperation (LMC).

The International Ship and Port Facility Security Code compliance certificate for the Port of General Santos issued by the Office of Transport Security (OTS) is valid until September 11, 2027.

Breakdown of Consolidated Revenues

Based on accounting records, the following is the breakdown of consolidated revenues (in '000 PHP) by service type for the year ended December 31, 2025:

Service	2025		2024		2023	
	Amount	% to Total	Amount	% to Total	Amount	% to Total
Stevedoring	9,117,199	45%	7,577,996	46%	6,587,928	43%
Arrastre	7,374,431	37%	6,041,196	37%	5,960,647	39%
Storage	2,038,194	10%	1,517,015	9%	1,448,548	9%
Logistics	197,097	1%	246,844	1%	160,055	1%
Special and Other Services	1,352,969	7%	1,158,677	7%	1,294,622	8%
TOTAL	20,079,890	100%	16,541,728	100%	15,451,800	100%

Source	2025		2024		2023	
	Amount	% to Total	Amount	% to Total	Amount	% to Total
Domestic	1,003,995	5%	785,124	5%	815,833	5%
Foreign	19,075,895	95%	15,756,604	95%	14,635,967	95%
TOTAL	20,079,890	100%	16,541,728	100%	15,451,800	100%

Competition

ATI manages the South Harbor at the Port of Manila. Its major competitor is International Container Terminal Services, Inc., which operates the Manila International Container Terminal, and Manila Multipurpose Terminal (formerly Harbour Centre) which operates a private commercial port at the northern end of the Manila North Harbor handling international non-containerized shipment.

At the Port of Batangas, ATIB competes with two (2) major private commercial ports on breakbulk cargoes -- Philippine National Oil Corporation Energy Base and Bauan International Port Inc. The Batangas Container Terminal has no direct competitor.

ATI's Inland Clearance Depot (ICD), which is also known as the Laguna Inland Logistics Terminal (LILT) competes with ICTSI's Laguna Gateway Inland Container Terminal (LGICT) located in Calamba, Laguna. ICD is a duly accredited Customs-facility and serves as an extension of the seaport operations of ATI Manila's South Harbor and Batangas Port, while LGICT is an extension of the seaport operations of ICTSI's MICT.

ATI manages the South Harbor at the Port of Manila. Its major competitor is International Container Terminal Services, Inc., which operates the Manila International Container Terminal, and Manila Multipurpose Terminal (formerly Harbour Centre) which operates a private commercial port at the northern end of the Manila North Harbor handling international non-containerized shipment.

Effect of Existing or Probable Governmental Regulations on the Business

Various laws, orders, rules and regulations govern ATI's business and operations. ATI's commitments and authority to manage, operate, maintain, develop and promote its business are based on the terms provided in its various contracts with and the administrative rules issued by the Philippine Ports Authority (PPA). The regulatory powers of government agencies namely the Department of Labor and Employment (DOLE), Department of Environment and Natural Resources (DENR), Securities and Exchange Commission (SEC), Bureau of Customs (BOC), Philippine Competition Commission, Philippine Economic Zone Authority, as well as the concerned Local Government Units (LGU) over various aspects of its business and intended projects, facilitate and ensure observance of existing laws.

Employees

ATI has a total manpower complement of 1,992 as of December 31, 2025. Of the total, 1,594 are in Operations, 237 are in Maintenance and 161 are in Management and Administration. The projected headcount for next 12 months is 2,091.

About 75% of the existing manpower is covered by collective bargaining agreement with the following unions:

TYPE OF WORKER	UNION
Equipment operators and dockworkers	Associated Workers Union (AWU)
Stevedores	Samahan ng Trabahador at Empleyado sa Pantalan (STEP)
Field Supervisors	Associated Skilled and Technical Employees Union (ASTEU)
Checkers	South Harbor Independent Port Checkers Union (SHIPCU)
Stevedores and dockworkers	Batangas Pier Stevedores and Labor Union (BPSLU)

There were no labor strikes for the past thirty (30) years.

Costs and Effects of Compliance with Environmental Laws

In 2025 ATI incurred approximately P187 million for various environmental activities and other environment related projects. The Company also participated in Corporate Social Responsibility activities benefiting nearby communities.

ATI business units maintain its current certifications to ISO 14001:2015 Environmental Management System.

Business Risks

The Company regularly undertakes a Business Risk Profile review where risks are identified by priority based on a systematic assessment of probability and impact. Control strategies are identified and action points established with the designated accountable persons. Results and developments are monitored during quarterly reviews through an innovative risk system, Workiva, which highlights the key priority risks and presents the Company's current risk landscape.

Adequate bonds and insurance coverage with business interruption clauses and global umbrella scope, structural testing and improvement of facilities and equipment, compliance with government regulations, asset management systems, business continuity plans, disaster recovery procedures, safety and health management systems, emergency response procedures and security management systems are in place, reviewed and updated to meet operational contingencies and business developments brought by rapidly changing market conditions.

Process controls, intensified collection efforts, rationalization of capital and operational spending, close monitoring of economic indicators and financial planning and budget controls are practiced to address financial and strategic contingencies. Regular monitoring and updating of system, assets and policies are ensured to maintain order and implement improvements in response to the growing market.

Aggressive marketing approach and customer relations, regular dialogue with and active participation in the initiatives of concerned government entities and port users, productivity and efficiency improvements are initiated as far as commercial and legal contingencies are concerned.

PROPERTIES

The Company has outstanding leases and subleases covering land, buildings, and offshore areas in Manila (Sta. Mesa), Laguna (Calamba), Batangas (Sta. Clara) and Cavite (Tanza). Rental expenses on these properties in 2025 totaled P203.8 million. The current lease agreements have various expiration dates with the longest term expiring in April 2046. The leases are renewable upon mutual agreement with the lessor. There is no intention to purchase any of the real property currently being leased.

Main Facilities

South Harbor

The Container Terminal operates a facility with 6 container berths. It has 1,185 meters of quay line equipped with twin-lift capable ship-to-shore gantry cranes. Capacity was 1.03m prior to 2013 and has now been brought up to 1.4m through developments since 2013. The facility has now 11,400 TGS twenty-footer ground slots with yard capacity of 1.8M TEUS. South Harbor provides optimal service through modern equipment comprising of 11 ship-to-shore cranes, 28 rubber-tired gantry cranes, 5 container stackers, 13 empty handlers, and 77 internal transfer vehicles and 13 forklifts. The Truck Holding Area can accommodate up to 100 trucks. South Harbor has a Container Freight Station (CFS) and a Designated Examination Area (DEA) with two pass-through container x-ray portals and backup mobile x-ray machines operated by the Bureau of Customs. The South Harbor facility offers efficient gate access through five corridors connecting to main roadways. The Terminal Operating System (TOS) is powered by Zodiac, an innovative system developed inhouse by DP World in partnership with ATI which has more advanced features to boost terminal efficiency and productivity.

The General Stevedoring Division (GSD) occupies a single pier at the Manila South Harbor with a total of 5 berths. It is equipped with annually certified lifting gears and 18 heavy forklifts rated up to 30 tons. GSD resumed services to international cruise vessels in 2023.

Inland Clearance Depot (Laguna)

Inland Clearance Depot (ICD) is a 4.2-hectare container yard facility. It has a maximum capacity of 2,500 TEUs. It is equipped with two (2) reachstackers and one (1) unit of 3-tonner forklift to service the logistics requirement of clients. The core activities of ICD, among others, include the "Just-in-Time-Deliveries" for CALABARZON based consignees using the Ports of Batangas and Manila.

Port of Batangas (Phase 1) (ATIB)

The domestic terminal has 230-meter and 185-meter berths and three general cargo berths with lengths ranging from 130 meters to 180 meters. It has a storage area totaling 62,500 square meters (sqm) and a transit shed measuring 3,000 square meters. Additional services, through partnerships, include operating an offshore supply base.

ATIB operates an integrated passenger terminal for high-speed inter-island ferries and RORO vessels. It has seven fast craft berths with a total length of 540 meters and a draft of five meters. It has a 124 meters-long ferry berth with five meters draft and six RORO berths with a total length of 680 meters. The passenger terminal facility includes a 25,000 sqm. marshalling area for RORO vehicles.

In 2018, ATI unveiled a modern Multilevel Car Storage Facility in ATIB, which has since increased the port's capacity to handle around 13,000 completely-built imported car units at any one time.

In line with government's port modernization program, ATIB unveiled a bigger, better, and smarter Batangas Passenger Terminal (BPT) in April 2024 with a floor area of 15,000 sqm. The upgraded terminal can now accommodate 8,000 passengers from previous capacity of 2,500. BPT is equipped with world-class facilities such as an expansive and fully-airconditioned passenger lounge, orderly ticketing offices, clean and gender-neutral restrooms, provisions for free wi-fi and clean drinking water, and mobility features for the elderly and differently-abled, among others. It also has huge overhead digital boards advising passengers on the schedule of departing vessels, their designated boarding gates, and other relevant announcements. The

terminal connects Luzon via Batangas to nearby islands like Mindoro, Masbate, Iloilo, Boracay, and other Visayas locations through fast-crafts and domestic roll-on/roll-off vessels calling the port.

Batangas Container Terminal (Container Terminal “A-1”, Phase II of the Port of Batangas)

The Batangas Container Terminal (“A-1”, Phase 2) is the preferred international gateway terminal for South Luzon and Calabarzon (Cavite, Laguna, Batangas, Rizal and Quezon).

ATI in 2019 expanded BCT in response to growing market demand. BCT has a quay length spanning 670 meters with a draft of 13 meters. BCT’s approximate area of 180,000 sqm. include the container yard, working apron, maintenance and control buildings, gates and roadways. The terminal has a total ground slot for 2,870 twenty-foot equivalent container units. Efficient operations are complemented by four ship-to-shore cranes, 8 rubber-tired gantry cranes and other container handling equipment. The terminal is also equipped with 10 reefer platforms with 352 plugs, with back-up generator sets and covered by a network of CCTV cameras. The Terminal Operating System is powered by Zodiac OPS7. In 2022, BCT implemented CARGOES AVA+ Auto Gate System. This is the first AI-powered automated gate system.

Tanza Container Terminal

The Tanza Container Terminal Inc. (TCTI) facility features a 4.1-hectare landside facility supported by 2 fixed container cranes, 2 reach-stackers, 4 internal transfer vehicles, fire truck among other operations-critical equipment, and a 3.3-hectare seaside area with 150-meter jetty head/ docking facilities with harbor cranes and a 350-meter trestle that connects the jetty head to the land area.

Batangas Supply Base

ATI operates and manages the Batangas Supply Base within the Port of Batangas under a contract with Shell Philippines Exploration B.V. (SPEX) (succeeded by Prime Energy Resources Development BV in 2023). The contract has been extended until February 2026.

South Cotabato Integrated Port Services Inc.

South Cotabato Integrated Port Services, Inc. (SCIPSI) operates the Makar Wharf in General Santos City. Cargoes are loaded or unloaded using ships gears. It has a total berth length of 850 meters. SCIPSI receives and handles cargoes through the use of their various lifting equipment with capacities ranging from 3 tons to 40 tons.

Legal Proceedings

Please refer to the write-up under Item 5 (5) of the Information Statement.

Directors and Executive Officers

Please refer to the write-ups under Item 5 of the Information Statement.

Market Price and Dividends

Stock Prices

The Company's common equity was traded at the Philippine Stock Exchange until the effective date of its voluntary delisting on April 3, 2026. Following are the high and low sales prices for each quarter within the last two fiscal years:

2024	High	Low
First Quarter (Jan. – Mar.)	18.46	15.26
Second Quarter (Apr. – June)	21.40	17.76
Third Quarter (July – Sept.)	19.20	18.56
Fourth Quarter (Oct. - Dec.)	19.20	17.00
2025	High	Low
First Quarter (Jan. – Mar.)	19.20	16.30
Second Quarter (Apr. – June)	24.95	18.24
Third Quarter (July – Sept.)	33.40	24.25
Fourth Quarter (Oct. - Dec.)	35.15	30.70

The latest practicable date when ATI shares were traded at the PSE was on March 12, 2026, and shares were traded at its highest for Php 29.00 lowest for Php 27.00 and closed at Php29.00. Market capitalization is Php 53.99B (based on outstanding shares of 1,861,727,891 as of April 30, 2026)

Cash Dividends

The Company declared cash dividends for the last two fiscal years, as follows:

Date	Dividend Per Share (PhP)	Record Date
April 25, 2024	1.50	May 23, 2024
April 24, 2025	1.505	May 23, 2025

Dividends declared by subsidiaries for the last two fiscal years are as follows:

Date	Dividend Per Share (PhP)	Record Date
<i>ATI Batangas Inc (ATIB)</i>		
May 2, 2024	350.00	May 24, 2024
May 8, 2025	350.00	May 30, 2025
<i>South Cotabato Integrated Port Services Inc.(SCIPSI)</i>		
September 5, 2024	11,334.90	August 30, 2024
March 20, 2025	85.98	March 20, 2025
October 9, 2025	80.24	October 9, 2025

There is no dividend declaration in Tanza Container Terminal for the last two (2) fiscal years.

Except for the availability of sufficient retained earnings, there is no restriction on the payment of dividends on common shares. Majority of the Board must approve any dividend declaration.

Holders

The following are the Top 20 Stockholders of ATI as of April 30, 2026:

	Name	No. of Shares	% to Total*
1	DP World Australia (POAL) Pty. Ltd	346,466,600	18.61%
2	ATI Holdings, Inc.	291,371,229	15.65%
3	Maharlika Investment Corporation	222,368,674	11.94%
4	Pecard Group Holdings, Inc.	198,203,968	10.65%
5	Philippine Seaport Inc.	196,911,524	10.58%
6	Daven Holdings, Inc.	155,906,071	8.37%
7	SG Holdings, Inc.	130,000,000	6.98%
8	Morray Holdings, Inc.	100,000,000	5.37%
9	Harbourside Holding Corp.	80,000,000	4.30%
10	Aberlour Holding Company, Inc.	71,517,463	3.84%
11	PCD Filipino	43,110,378	2.32%
12	Tanco, Eusebio H.	16,507,463	0.89%
13	PCD Foreign	4,865,842	0.26%
14	Victor K. Choa	161,000	0.01%
15	Thomas B. Padernal	139,999	0.01%
16	Vital Ventures Management Corp.	133,333	0.01%
17	R.V. Marzan International Brokerage, Inc.	131,999	0.01%
18	Victor Gan Sy	129,999	0.01%
19	Manuelito P. Jugueta	123,000	0.01%
20	Lucio Soso	100,999	0.01%

*Based on 1,861,727,891 outstanding shares as of April 30, 2026

Recent Sale of Unregistered Securities

No unregistered or exempt securities including recent issuance of securities constituting an exempt transaction were sold in 2025, 2024 and 2023.

Compliance on Corporate Governance

The Company has substantially complied with the provisions of its Manual on Corporate Governance which was adopted on August 30, 2002. In 2017, the Board in its regular meeting amended the Manual on Corporate Governance in substantial compliance to the provisions of the Memorandum Circular No. 19 series of 2016 or the Code of Corporate Governance for Publicly Listed Companies.

The Company commits to the principles and best practices of good corporate governance to attain its goals and objectives. Its principal officers and directors have attended Corporate Governance seminars and orientations in compliance with the provisions of its Manual of Corporate Governance and provisions of SEC Memorandum Circular No. 19 series of 2016. The seminars were facilitated by accredited providers: Risks, Opportunities, Assessment and Management (ROAM), SGV and Institute of Corporate Directors (ICD).

In May 2026, the Board, individual directors, different board committees and the key officers have undergone self-assessment for their 2025 performance, through a third-party facilitator, Risks, Opportunities, Assessment and Management Inc. (or ROAM Inc). The over-all results yielded "excellent" scores and were reported by the Corporate Governance Committee which convened last May 25, 2026 to discuss the results for reporting to the Board. The

Board took note of the results and approved the same in the board meeting on May 25, 2026. The Audit Committee also separately conducted its self-assessment last August 13, 2025.⁷

Summary of the directors' attendance to board meetings for 2025 is posted on the Company website⁸

Continuous monitoring and compliance with the Corporate Governance Manual and other corporate standards are ensured through the Board and the board committees, Compliance Officer, President, Chief Financial Officer and the Internal and External Auditors.

⁷ Pursuant to SEC Memorandum Circular No. 4 series of 2012 and the ATI Audit Committee Charter. The results are posted in the ATI Website https://www.asianterminals.com.ph/ati_sec_disclosures.aspx

⁸ ATI Website, https://www.asianterminals.com.ph/ati_sec_disclosures.aspx

UNDERTAKING

A printed copy of the Definitive Information Statement or the Company's annual report in SEC Form 17-A shall be provided free of charge to any stockholder upon his/her written request addressed to:

**Atty. Rodolfo G. Corvite, Jr.
Office of the Corporate Secretary,
Asian Terminals, Inc.
ATI Head Office Building ,
A. Bonifacio Drive, Port Area,
Manila**



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 T-Link Line No: 02-5222-7696 Email : www.sec.gov.ph / message-to@sec.gov.ph



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Industry Classification: I63200

Company Type: Stock Corporation

Document Information

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Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Consolidated

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Transaction Code: **AFS-0-7BCFH898076D59EG7MMVP2X220C5HEHB6H**

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Company TIN: **000-132-413**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025, 2024, and 2023

With Independent Auditors' Report



Asian Terminals, Inc. (ATI) Head Office Bldg.
A. Bonifacio Drive, Port Area, 1018 Manila, Philippines
(L) +632 85286000 | (F) +632 85272467

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The Management of Asian Terminals, Inc. and its Subsidiaries (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 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 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.

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

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

R.G. Manabat & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group 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.

WILLIAM WASSAF KHOURY ABREU
Director

President

JOSE TRISTAN P. CARPIO
Chief Financial Officer

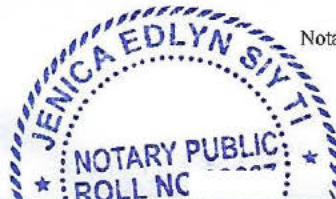
Signed this 14 APR 2026, 2026

SUBSCRIBED AND SWORN TO before me this 14 day of APR 2026, the signatories exhibiting to me their respective Passports/Driver's License Nos., as follows:

Table with 3 columns: Name, Passport Nos., Date/Place Issued. Rows include William Wassaf Khoury Abreu, Eusebio H. Tanco, and Jose Tristan P. Carpio.

Notary Public

Doc. No. 351;
Page No. 42;
Book No. I;
Series of 2026.



Commission No. 115-161 Valid Until December 2026
City of Manila
Asian Terminals, Inc., A. Bonifacio Drive, Port Area, Manila 1018, Philippines
Roll No. 00667
ISP No. 00VE0017/Makati
MCLE Compliance No. VII-0094122/100042022
PTR No. MCK1078070001-012026/Makati

R.G. Manabat & Co.



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025, 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), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities. We have also 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.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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 (P20,079,890 - amount in thousands)

Refer to Notes 2 and 27 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. In addition, given the high volume of revenue transactions processed throughout the period, there is an increased risk of error in recording revenue transactions. Further, a portion of the Group's revenue is determined through year-end accruals that are manually calculated and recorded, thus, 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, among others: (i) evaluating the Group's revenue recognition accounting policies and assessing their compliance with PFRS Accounting Standards; (ii) performing substantive procedures, including testing revenue transactions, on a statistical sampling basis, by inspecting underlying documentation and testing the reliability of relevant information used, to assess whether revenue was appropriately recognized; (iii) performing cut-off procedures by testing year-end revenue accruals and credits notes subsequent to period-end, on a statistical sampling basis, to assess whether revenue was recognized in the correct amount and in the appropriate period; and (iv) performing test of high-risk journal entries around revenue to identify any unusual or irregular items posted in the accounting records.

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, 2025, 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, 2025 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.

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.

R.G. Manabat & Co.



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.

SEC Accreditation No. 108798-SEC, Group A, valid for five (5) years
covering the audit of 2023 to 2027 financial statements

Tax Identification No. 2

BIR Accreditation No. 08-001987-035-2024

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

PTR No. MKT

Issued January 5, 2026 at Makati City

April 28, 2026

Makati City, Metro Manila

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

		December 31	
	<i>Note</i>	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	6, 25, 26	P4,156,790	P4,812,172
Trade and other receivables - net	7, 21, 25, 26	1,719,646	1,307,654
Spare parts and supplies	8, 19	1,092,775	1,097,633
Prepayments and other current assets	9, 24	4,045,253	3,412,316
Total Current Assets		11,014,464	10,629,775
Noncurrent Assets			
Investment in an associate	10	50,955	59,567
Property and equipment - net	11	2,675,765	2,712,806
Intangible assets - net	12	25,317,452	22,516,355
Right-of-use assets - net	24	526,903	659,303
Deferred tax assets - net	14	1,086,093	1,087,537
Other noncurrent assets	13, 25, 26	82,774	82,201
Total Noncurrent Assets		29,739,942	27,117,769
		P40,754,406	P37,747,544
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15, 21, 25, 26	P4,247,584	P3,141,727
Provisions for claims	16	63,096	67,188
Port concession rights payable - current portion	24, 25, 26	494,042	469,627
Income and other taxes payable		460,112	221,061
Lease liabilities - current portion	21, 24, 25	50,497	14,193
Total Current Liabilities		5,315,331	3,913,796
Noncurrent Liabilities			
Port concession rights payable - net of current portion	24, 25, 26	7,638,183	6,829,421
Pension liability - net	22	203,642	318,043
Lease liabilities - net of current portion	21, 24, 25	566,490	664,149
Total Noncurrent Liabilities		8,408,315	7,811,613
		13,723,646	11,725,409

Forward

		December 31	
	Note	2025	2024
Equity			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock		P2,000,000	P2,000,000
Additional paid-in capital		264,300	264,300
Treasury shares		(2,048,853)	(34,771)
Retained earnings		26,802,261	23,781,109
Fair value reserve		(5,820)	(5,820)
	17, 25	27,011,888	26,004,818
Non-controlling Interest		18,872	17,317
Total Equity		27,030,760	26,022,135
		P40,754,406	P37,747,544

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)

		Years Ended December 31		
	<i>Note</i>	2025	2024	2023
REVENUES FROM OPERATIONS	2, 27	P20,079,890	P16,541,728	P15,451,800
GOVERNMENT SHARE IN REVENUES	18	(3,756,636)	(2,969,505)	(2,669,519)
		16,323,254	13,572,223	12,782,281
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	19, 21, 22	(7,951,329)	(7,075,823)	(6,628,665)
OTHER INCOME AND EXPENSES				
Finance income		159,803	175,368	189,142
Finance cost		(537,006)	(468,322)	(503,531)
Others - net		(18,732)	(212,554)	40,328
	20	(395,935)	(505,508)	(274,061)
CONSTRUCTION REVENUES	12	3,306,749	2,400,314	1,920,973
CONSTRUCTION COSTS	12	(3,306,749)	(2,400,314)	(1,920,973)
		-	-	-
INCOME BEFORE INCOME TAX		7,975,990	5,990,892	5,879,555
INCOME TAX EXPENSE	14	1,978,642	1,464,810	1,441,737
NET INCOME		P5,997,348	P4,526,082	P4,437,818
Income Attributable to				
Equity holders of the Parent Company		P5,995,236	P4,524,533	P4,435,986
Non-controlling interest		2,112	1,549	1,832
		P5,997,348	P4,526,082	P4,437,818
Basic/Diluted Earnings per Share Attributable to Equity Holders of the Parent Company	23	P3.01	P2.26	P2.22

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

		Years Ended December 31		
	<i>Note</i>	2025	2024	2023
NET INCOME FOR THE YEAR		P5,997,348	P4,526,082	P4,437,818
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item that will never be reclassified to profit or loss</i>				
Actuarial gains (losses) on pension liability	22	39,223	(26,664)	(62,687)
Tax on item taken directly to equity	14	(9,806)	6,666	15,672
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR - Net of tax		29,417	(19,998)	(47,015)
TOTAL COMPREHENSIVE INCOME		P6,026,765	P4,506,084	P4,390,803
Total Comprehensive Income Attributable to				
Equity holders of the Parent Company		P6,024,630	P4,504,502	P4,388,988
Non-controlling interest		2,135	1,582	1,815
		P6,026,765	P4,506,084	P4,390,803

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands, Except Per Share Data)

	Note	Attributable to Equity Holders of the Parent Company							Non-controlling Interest	Total Equity
		Capital Stock	Additional Paid-in Capital	Treasury Shares	Retained Earnings		Fair Value Reserve	Total		
					Appropriated	Unappropriated				
Balance at January 1, 2025		P2,000,000	P264,300	(P34,771)	P20,300,000	P3,481,109	(P5,820)	P26,004,818	P17,317	P26,022,135
Cash dividends - P1.505 a share	17	-	-	-	-	(3,003,478)	-	(3,003,478)	(580)	(3,004,058)
Purchase of treasury shares	17	-	-	(2,014,082)	-	-	-	(2,014,082)	-	(2,014,082)
Reversal of appropriation of retained earnings	17	-	-	-	(3,500,000)	3,500,000	-	-	-	-
Appropriations during the year for port development	17	-	-	-	2,500,000	(2,500,000)	-	-	-	-
Appropriations for share buyback	17	-	-	-	2,951,147	(2,951,147)	-	-	-	-
Net income for the year		-	-	-	-	5,995,236	-	5,995,236	2,112	5,997,348
Other comprehensive income:										
Actuarial gains - net of tax	22	-	-	-	-	29,394	-	29,394	23	29,417
Balance at December 31, 2025		P2,000,000	P264,300	(P2,048,853)	P22,251,147	P4,551,114	(P5,820)	P27,011,888	P18,872	P27,030,760
Balance at January 1, 2024		P2,000,000	P264,300	P -	P19,000,000	P3,276,607	(P5,820)	P24,535,087	P16,315	P24,551,402
Cash dividends - P1.50 a share	17	-	-	-	-	(3,000,000)	-	(3,000,000)	(580)	(3,000,580)
Purchase of treasury shares	17	-	-	(34,771)	-	-	-	(34,771)	-	(34,771)
Reversal of appropriation of retained earnings	17	-	-	-	(3,000,000)	3,000,000	-	-	-	-
Appropriations during the year for port development	17	-	-	-	2,300,000	(2,300,000)	-	-	-	-
Appropriations for share buyback	17	-	-	-	2,000,000	(2,000,000)	-	-	-	-
Net income for the year		-	-	-	-	4,524,533	-	4,524,533	1,549	4,526,082
Other comprehensive income:										
Actuarial losses - net of tax	22	-	-	-	-	(20,031)	-	(20,031)	33	(19,998)
Balance at December 31, 2024		P2,000,000	P264,300	(P34,771)	P20,300,000	P3,481,109	(P5,820)	P26,004,818	P17,317	P26,022,135

Forward

	Attributable to Equity Holders of the Parent Company									
	Note	Capital Stock	Additional Paid-in Capital	Treasury Shares	Retained Earnings		Fair Value Reserve	Total	Non- controlling Interest	Total Equity
					Appropriated	Unappropriated				
Balance at January 1, 2023		P2,000,000	P264,300	P -	P16,400,000	P3,487,619	(P5,820)	P22,146,099	P15,080	P22,161,179
Cash dividends - P1.00 a share	17	-	-	-	-	(2,000,000)	-	(2,000,000)	(580)	(2,000,580)
Reversal of appropriation of retained earnings	17	-	-	-	(2,400,000)	2,400,000	-	-	-	-
Appropriations during the year	17	-	-	-	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 losses - net of tax	22	-	-	-	-	(46,998)	-	(46,998)	(17)	(47,015)
Balance at December 31, 2023		P2,000,000	P264,300	P -	P19,000,000	P3,276,607	(P5,820)	P24,535,087	P16,315	P24,551,402

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

		Years Ended December 31		
	<i>Note</i>	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		P7,975,990	P5,990,892	P5,879,555
Adjustments for:				
Depreciation and amortization	11, 12, 19, 24	2,171,163	2,041,757	1,989,066
Finance cost	20, 22, 24	537,006	468,322	503,531
Net unrealized foreign exchange losses (gains)		103,416	174,105	(102,127)
Current service cost	22	50,187	46,504	39,193
Loss on derecognition of right-of-use assets and lease liabilities	20, 24	17,482	-	-
Net provisions (reversals) during the year	16, 19	(3,190)	11,305	48
Finance income	6, 20	(159,803)	(175,368)	(189,142)
Equity in net earnings of an associate	10, 20	(43,331)	(40,700)	(38,812)
Gain on disposals of property and equipment	20	(4,248)	(4,502)	(5,359)
Provision for spare parts and supplies obsolescence	19	-	-	10,000
Operating income before working capital changes		10,644,672	8,512,315	8,085,953
Decrease (increase) in:				
Trade and other receivables		(413,165)	(479,729)	74,256
Spare parts and supplies		4,858	(31,098)	4,921
Prepayments and other current assets		(611,353)	(635,883)	(273,170)
Increase (decrease) in:				
Trade and other payables		871,579	38,368	(313,148)
Provisions for claims		(902)	(2,990)	(2,219)
Income and other taxes payable		128,792	(23,967)	(118,513)
Cash generated from operations		10,624,481	7,377,016	7,458,080
Finance income received		160,976	178,096	190,218
Income tax paid		(1,876,745)	(1,398,410)	(1,444,548)
Contributions to retirement funds	22	(142,380)	(4,314)	(84,505)
Finance cost paid		(36,816)	(38,681)	(54,208)
Net cash provided by operating activities		8,729,516	6,113,707	6,065,037

Forward

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	10, 21	P51,943	P46,569	P28,658
Proceeds from disposals of property and equipment		4,255	5,054	97,935
Acquisitions of:				
Intangible assets	12	(3,111,876)	(2,365,287)	(1,939,908)
Property and equipment	11	(158,705)	(440,926)	(262,665)
Decrease (increase) in deposits		(573)	(8,650)	13,208
Net cash used in investing activities		(3,214,956)	(2,763,240)	(2,062,772)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Cash dividends	17	(2,999,368)	(2,992,894)	(1,997,831)
Cash dividends to non-controlling interest	17	(580)	(580)	(580)
Port concession rights payable	24	(500,722)	(381,538)	(527,765)
Interest on port concession rights payable	24	(489,550)	(423,697)	(445,150)
Lease liabilities	24	(167,322)	(174,062)	(192,288)
Purchase of treasury shares	17	(2,014,082)	(34,771)	-
Net cash used in financing activities		(6,171,624)	(4,007,542)	(3,163,614)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(657,064)	(657,075)	838,651
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1,682	44,309	(13,980)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6	4,812,172	5,424,938	4,600,267
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	P4,156,790	P4,812,172	P5,424,938

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) as at December 31, 2025. As disclosed in Note 28, the Parent Company’s application for voluntary delisting was approved on March 25, 2026 and became effective on April 3, 2026. DP World Australia (POAL) Pty. Ltd. directly owns 17.88% 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 24).

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 24).

3. Basis of Preparation

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, which ensure a fair presentation in accordance with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRS, Philippine Accounting Standards (PASs), and Philippine Interpretations.

The consolidated financial statements were authorized for issue by the Board of Directors (BOD) on April 7, 2026.

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:

<u>Items</u>	<u>Measurement Bases</u>
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, 2025 and 2024. TCTI was incorporated on January 18, 2018, and a 100% owned subsidiary as at December 31, 2025 and 2024.

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.

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, 2025. However, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements. The Group is currently assessing the potential impact of these new standards and amendments on the consolidated financial statements. At this stage, the Group is not yet able to reasonably estimate the impact, if any, of adopting these standards and amendments. The Group will apply these standards and amendments in the period of initial application and will include the additional disclosures required upon adoption.

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 introduce an additional test to assess whether the sole 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 PFRS 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
 - 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:
 - 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
 - replaced the term 'their transaction price (as defined in PFRS 15)' with 'the amount determined by applying PFRS 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

PFRS 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 25.

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 forwarding-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, unless the Group has reasonable and supportable information to rebut this presumption.

A default on a financial asset is when the counterparty fails to make contractual payments within 75 days from the invoice due date. This is based on the Group's credit terms whereby (i) normal credit terms are 15 to 30 days; (ii) a penalty is imposed for amounts outstanding after 30 days up to 60 days; and (iii) a grace period of 15 days is provided thereafter, before the account is considered in default. This is earlier than the 90-day rebuttable presumption under PFRS 9 and is supported by historical experience indicating that receivables beyond this period have a significantly increased risk of non-collection. A financial asset is credit-impaired when one or more events that have 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 26 to the consolidated financial statements.

Spare Parts and Supplies

Spare parts and supplies are recognized as inventories when they are held for use in the ordinary course of business and are expected to be consumed within one year. These are measured at the lower of cost and net realizable value.

Cost is determined using the moving weighted average method and includes all expenditures incurred in acquiring and bringing them to their existing location and condition. Net realizable value is assessed by reference to replacement cost for spare parts and supplies, adjusted where applicable for obsolescence and slow-moving items, to the extent that such costs are not expected to be recoverable through use.

The Group provides an allowance for inventory obsolescence and decline in value based on a review of the condition of the inventories, including their age, usage, and technical obsolescence. Write-downs are recognized as an expense in profit or loss in the period in which they arise. Reversals of previously recognized write-downs are recognized when there is a subsequent increase in net realizable value.

Prepayments and Other Current Assets

Prepayments and other current assets represent expenses paid in advance and other short-term receivables expected to be realized or consumed within one year from the reporting date. These include, among others, prepayments, advances to contractors, and advances to government agencies, as well as other tax-related advances. Prepayments are initially recognized at cost and subsequently measured at the amount of cash paid less any amounts recognized as expense over the period to which the payments relate, while advances are carried at the amount advanced and applied against future billings, progress accomplishments, or tax obligations, as appropriate. These assets are classified as current unless they are expected to be realized beyond one year after the reporting date, in accordance with PAS 1.

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:

- a. Upfront fees payments on the concession contracts;
- b. 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
- c. 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 is recognized separately as accrued interest, with the related finance cost and foreign exchange differences arising from translations 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. In certain arrangements, the consideration may be subject to contractual price adjustments or other consideration payable to customers, which represent variable consideration under PFRS 15. Such amounts are estimated using appropriate methods and are included in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty is resolved. Accordingly, revenue is recognized net of variable consideration. Related accruals are presented as part of trade and other payables.

The Group's tariff-based revenues are based on the applicable tariff rates, including the updated tariff rates under PPA Operations Memorandum Circular No. 010-2025 and the 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.
- *Storage*
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 storage 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.

- *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 reefer monitoring, container freight servicing, and equipment or manpower rental. 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 upon completion of service (i.e at a point in time) 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. Capitalized borrowing costs form part of the cost of the asset and are depreciated over the asset's useful life.

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, 2025 and 2024 are presented in Note 12 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 P63.1 million and P67.2 million as at December 31, 2025 and 2024, respectively (see Note 16).

Pension. The measurement of the Group's pension liability (see Note 22) involves the use of estimates and assumptions. The Group engages an independent actuary to determine the present value of the pension obligations and the fair value of plan assets based on the actuarial valuation report. The pension liability presented in the consolidated statements of financial position represents the present value of the pension obligations less the fair value of plan assets. The pension liability is determined by using actuarial valuations that incorporate actuarial assumptions, including the discount rate, future salary increases, employee turnover, mortality rates and retirement age, which are applied by the actuary based on information provided by the Group and management's assessment. Changes in these assumptions may result in changes to the pension liability recognized in the consolidated statements of financial position, the pension expense recognized in profit or loss (including current service cost and net interest), and the actuarial gains or losses recognized in other comprehensive income.

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 reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. Extension options that are not considered reasonably certain are excluded from the measurement of lease liabilities and may give rise to future cash outflows that are not reflected in the lease liabilities as at reporting date.

Lease liabilities on property leases on which extension options were exercised amounted to P9.3 million and P55.0 million as at December 31, 2025 and 2024.

6. Cash and Cash Equivalents

	<i>Note</i>	2025	2024
Cash on hand and in banks		P1,281,416	P795,820
Short-term investments		2,875,374	4,016,352
	25, 26	P4,156,790	P4,812,172

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 P159.8 million, P175.4 million and P189.1 million in 2025, 2024 and 2023, respectively (see Note 20).

7. Trade and Other Receivables - net

	<i>Note</i>	2025	2024
Trade receivables		P879,646	P900,312
Due from related parties	21	691,617	266,060
Receivable from insurance		29,524	29,718
Advances to officers and employees		28,150	40,865
Accrued other income		13,963	9,015
Interest receivable		7,230	8,403
Other receivables		73,711	57,476
		1,723,841	1,311,849
Allowance for impairment losses		(4,195)	(4,195)
	25, 26	P1,719,646	P1,307,654

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 2025 and 2024 (see Note 25).

8. Spare Parts and Supplies

	2025	2024
Gross balance	P1,182,002	P1,186,860
Provision for spare parts and supplies obsolescence	(89,227)	(89,227)
Net balance	P1,092,775	P1,097,633

Spare parts and supplies consist of fuel inventory, consumables and spare parts, tyre inventory, and other supplies, net of a provision for obsolescence, amounting to P89.2 million in 2025 and 2024. These spare parts and supplies are primarily used in the maintenance and operation of the Group's port terminal facilities and equipment.

The amounts of spare parts and supplies used and recognized as expense during the year, including movements in the provision for obsolescence, are disclosed in Note 19. Movements in the provision for obsolescence were nil in 2025 and 2024 and amounted to P10.0 million in 2023, respectively.

There are no spare parts and supplies pledged as security for liabilities as at December 31, 2025 and 2024.

9. Prepayments and Other Current Assets

	<i>Note</i>	2025	2024
Taxes and licenses		P3,511,625	P3,098,115
Advances to contractors		442,390	251,980
Prepaid rent	24	25,511	3,927
Prepaid insurance		5,941	15,509
Advances to government agencies		101	101
Other prepayments		59,685	42,684
		P4,045,253	P3,412,316

Taxes and licenses mainly represent input VAT credits net of output VAT, and prepaid taxes and related licenses and registration.

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. In 2025, included in the balance is an advance payment for the 10-year lease arrangement with a related party (see Note 24). The lease has not yet commenced, and no right-of-use asset or lease liability has been recognized in relation to this advance payment.

10. 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:

	<i>Note</i>	2025	2024
Acquisition cost		P11,222	P11,222
Accumulated equity in net earnings:			
Balance at beginning of year		48,345	54,214
Equity in net earnings for the year	20	43,331	40,700
Dividends received during the year		(51,943)	(46,569)
		39,733	48,345
		P50,955	P59,567

The information presented in the table includes the result of SCIPSI's operations for the years ended December 31, 2025 and 2024. The following table also reconciles the summarized financial information to the carrying amount of the Group's interest in SCIPSI.

	2025	2024
Current assets	P139,229	P148,200
Noncurrent assets	37,932	43,172
Total assets	P177,161	P191,372
Current liabilities	P47,104	P38,694
Noncurrent liabilities	3,289	2,897
Total liabilities	P50,393	P41,591
Net assets	P126,768	P149,781
Share in net assets	P45,269	P53,487
Excess of cost over the interest	5,686	6,080
Carrying amount of interest	P50,955	P59,567
Revenues	P334,973	P315,833
Expenses	(221,082)	(201,859)
Net income	P113,891	P113,974

Based on unaudited financial statements

11. Property and Equipment - net

The movements in this account are as follows:

2025

	Port Facilities and Equipment	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation and Other Equipment	Construction In-progress	Total
Cost						
Balance at beginning of year	P239,269	P2,912,629	P1,064,864	P456,925	P84,080	P4,757,767
Additions	788	31,866	16,600	22,970	102,475	174,699
Disposals	-	-	(1,188)	(19,350)	-	(20,538)
Reclassifications	3,048	15,125	123,950	12,307	(95,758)	58,672
Balance at end of year	243,105	2,959,620	1,204,226	472,852	90,797	4,970,600
Accumulated Depreciation						
Balance at beginning of year	168,111	753,721	853,260	269,869	-	2,044,961
Depreciation	13,027	120,908	83,405	53,065	-	270,405
Disposals	-	-	(1,181)	(19,350)	-	(20,531)
Balance at end of year	181,138	874,629	935,484	303,584	-	2,294,835
Carrying Amount	P61,967	P2,084,991	P268,742	P169,268	P90,797	P2,675,765

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

No borrowing costs were capitalized in 2025 and 2024.

The Group has non-cash additions for the years ended December 31, 2025 and 2024 which amounted to P16.0 million and P44.4 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 19).

Gain on disposal of property and equipment are presented under "Others - net" account included in "Other income and expenses" in the consolidated statements of income (see Note 20).

Cost of fully depreciated property and equipment which are still being used by the Group amounted to P4.2 billion and P1.1 billion as at December 31, 2025 and 2024, respectively.

The Group has no property and equipment pledged as security for liabilities as at December 31, 2025 and 2024.

12. Intangible Assets - net

The movements in this account are as follows:

2025

	Port Concession Rights				Goodwill	Total
	Upfront Fees (Note 24)	Fixed Government Share	Port Infrastructure	Subtotal		
Cost						
Balance at beginning of year	P882,000	P9,279,694	P30,050,034	P40,211,728	P42,060	P40,253,788
Additions	-	1,233,614	3,327,612	4,561,226	-	4,561,226
Reclassifications	-	-	(58,672)	(58,672)	-	(58,672)
Balance at end of year	882,000	10,513,308	33,318,974	44,714,282	42,060	44,756,342
Accumulated Amortization						
Balance at beginning of year	131,054	5,493,830	12,112,549	17,737,433	-	17,737,433
Amortization	16,408	393,308	1,291,741	1,701,457	-	1,701,457
Balance at end of year	147,462	5,887,138	13,404,290	19,438,890	-	19,438,890
Carrying Amount	P734,538	P4,626,170	P19,914,684	P25,275,392	P42,060	P25,317,452

2024

	Port Concession Rights				Goodwill	Total
	Upfront Fees (Note 24)	Fixed Government Share	Port Infrastructure	Subtotal		
Cost						
Balance at beginning of year	P882,000	P9,279,694	P27,554,563	P37,716,257	P42,060	P37,758,317
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	P750,946	P3,785,864	P17,937,485	P22,474,295	P42,060	P22,516,355

The unamortized capitalized borrowing costs as at December 31, 2025 and 2024 amounted to P40.7 million and P45.4 million, respectively. No borrowing costs were capitalized in 2025 and 2024.

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 19).

The Group has non-cash additions for the years ended December 31, 2025 and 2024 which amounted to P1.4 billion and P133.3 million, respectively.

The Group has no intangible assets pledged as security for liabilities as at December 31, 2025 and 2024

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:

	2025	2024
Balance at beginning of year	P4,639,596	P3,348,319
Additions during the year	3,306,749	2,400,314
Reclassification during the year	(6,321,099)	(1,109,037)
Balance at end of year	P1,625,246	P4,639,596

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 7.9% in 2025 and 9.5% in 2024 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 P1.1 billion and P2.3 billion in 2025 and 2024, 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.

13. Other Noncurrent Assets

	<i>Note</i>	2025	2024
Deposits	25, 26	P80,122	P79,549
Equity securities	25, 26	2,652	2,652
		P82,774	P82,201

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 were initially measured at fair value determined based on the present value of future cash flows discounted using the prevailing market rate of interest for a similar instrument. The discount rates used for fair value estimation were 5.4% in 2025 and 6.2% in 2024. The deposits are subsequently measured at amortized cost using the effective interest method. The carrying amounts of these refundable security deposits at amortized cost amounted to P15.0 million and P14.0 million as at December 31, 2025 and 2024, respectively.

Equity securities consist of investments in quoted and unquoted shares.

14. Income Tax

The components of taxes are as follows:

	2025	2024	2023
Current tax	P1,987,004	P1,543,386	P1,452,484
Deferred tax	(8,362)	(78,576)	(10,747)
	P1,978,642	P1,464,810	P1,441,737

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

	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Changes in income tax rate resulting from:			
Income subjected to final tax	(0.50)	(0.73)	(0.80)
Others	0.31	0.18	0.32
Effective income tax rate	24.81%	24.45%	24.52%

The movements in deferred tax balances are as follows:

2025	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		P460,235	P17,833	P -	P478,068	P -	P478,068
Unrealized foreign exchange loss - net		453,164	22,432	-	475,596	-	475,596
Pension liability	22	77,296	(5,511)	(9,806)	61,979	-	61,979
Provisions for claims		36,879	(1,023)	-	35,856	-	35,856
Excess of cost over net realizable value of spare parts and supplies		22,307	-	-	22,307	-	22,307
Accrued expenses		48,799	(27,524)	-	21,275	-	21,275
Impairment losses on receivables		2,254	-	-	2,254	-	2,254
Unamortized capitalized borrowing costs and custom duties		(11,558)	1,310	-	-	(10,248)	(10,248)
Right-of-use and lease liability		(1,839)	845	-	-	(994)	(994)
Net tax assets (liabilities)		P1,087,537	P8,362	(P9,806)	P1,097,335	(P11,242)	P1,086,093

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	22	74,128	(3,498)	6,666	77,296	-	77,296
Accrued expenses		38,114	10,685	-	48,799	-	48,799
Provisions for claims		14,717	22,162	-	36,879	-	36,879
Excess of cost over net realizable value of spare parts and supplies		22,307	-	-	22,307	-	22,307
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)
Right-of-use and lease liability		4,800	(6,639)	-	-	(1,839)	(1,839)
Net tax assets (liabilities)		P1,002,295	P78,576	P6,666	P1,100,934	(P13,397)	P1,087,537

Net 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.

There are no unrecognized deferred tax assets as of December 31, 2025 and 2024.

15. Trade and Other Payables

	<i>Note</i>	2025	2024
Due to government agencies	24	P1,266,460	P1,059,557
Accrued expenses:			
Marketing, commercial, promotion and business development		394,227	460,651
Personnel costs		129,710	128,093
Finance costs	24	120,358	126,894
Repairs and maintenance		103,162	102,786
Insurance		88,814	65,856
IT expenses		54,182	45,595
Security expenses		52,751	40,274
Trucking expense		41,143	39,795
Professional fees		37,842	36,128
Utilities		26,736	24,298
Rentals		20,692	21,317
Safety and environment		9,161	5,531
Corporate social responsibility		9,155	12,959
Miscellaneous accrued expenses		140,912	122,802
Trade		744,182	200,806
Equipment acquisitions		424,402	290,350
Shippers' and brokers' deposits		243,279	185,629
Provisions		80,364	80,364
Management fee payable	21	41,018	32,886
Other payables	21	219,034	59,156
	25, 26	P4,247,584	P3,141,727

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.

16. Provisions for Claims

The movements and balances of this account are as follows:

	<i>Note</i>	2025	2024
Balance at beginning of year		P67,188	P58,873
Net provisions (reversals) during the year	19	(3,190)	11,305
Payments during the year		(902)	(2,990)
Balance at end of year		P63,096	P67,188

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.

17. Equity

This note presents equity information in the consolidated financial statements, including equity attributable to equity holders of the Parent Company and non-controlling interests. Certain disclosures herein relate to transactions of the Parent Company with its shareholders, including disclosures on the Parent Company's capital stock, treasury shares and dividends declared.

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 P5.10 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 P1.00 per common share. As at December 31, 2025 and 2024, the Parent Company has a total of 2 billion issued and outstanding common shares with 808 and 822 stockholders, respectively.

Capital Stock - P1 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, 2025 and 2024.

Treasury Shares

Treasury shares came from the acquisition of the Parent Company's common shares. As at December 31, 2025 and 2024, the Parent Company acquired 59,862,406 and 1,986,900, respectively, of its common shares from the market amounting to P2.0 billion and P34.8 million, respectively.

Retained Earnings

Retained earnings represent the cumulative results of the Group's operations, net of distributions to owners and non-controlling interests and transfers to appropriated retained earnings. Retained earnings include results of subsidiaries that are consolidated by the Group and the Group's share in the results of associates accounted for using the equity method. Unappropriated retained earnings represent amounts available for distribution to the Parent Company's stockholders, subject to compliance with applicable laws and regulations, including the requirement that dividends be declared only out of unrestricted retained earnings. Cash dividends are distributed yearly since 2000.

Cash Dividends

On April 24, 2025, the BOD approved a cash dividend of P1.505 per share payable on June 17, 2025 to common stockholders of record as at May 23, 2025. Cash dividends declared during 2025 amounted to P3.0 billion.

On April 25, 2024, the BOD approved a cash dividend of P1.50 per share payable on June 18, 2024 to common shareholders of record as at May 23, 2024. Cash dividends declared during 2024 amounted to P3.0 billion.

On April 27, 2023, the BOD approved a cash dividend of P1.00 per share payable on June 20, 2023 to common shareholders of record as at May 26, 2023. Cash dividends declared during 2023 amounted to P2.0 billion.

Cash dividends declared during 2025, 2024 and 2023 pertain to dividends declared by the Parent Company to owners of the parent. Total cash dividends paid during 2025, 2024 and 2023 amounted to P2,999,948, P2,993,474 and P1,998,411, respectively (in thousands), which include cash dividends of P580 (in thousands) in each year paid to non-controlling interests as presented separately in the consolidated statement of cash flows.

Appropriation and Reversal of Appropriation of Retained Earnings

On December 29, 2025, the BOD approved a reversal of appropriated retained earnings amounting to P3.5 billion out of the previously approved appropriation of P20.3 billion for capital expenditures for 2025. On the same date, the BOD approved an appropriation of retained earnings amounting to P2.5 billion for port development over the next five years and the P3.0 billion appropriation for the share buyback program previously approved on December 15, 2025. The BOD also approved on the same date a capital expenditure budget amounting to P18.5 billion for 2026 to 2029, which includes pier rehabilitation, yard and berth development, as well as equipment replacement and acquisition. These capital expenditures are expected to strengthen the Group's operations and capability to handle growth.

On December 27, 2024, the BOD approved a reversal of the appropriated retained earnings amounting to P3.0 billion out of the previously approved appropriation of P19.0 billion for capital expenditures for 2024. On the same date, the BOD approved an appropriation of retained earnings amounting to P2.3 billion for port development over the next five years and the P2.0 billion appropriation for the share buyback program previously approved on December 9, 2024. The BOD also approved on the same date a capital expenditure budget amounting to P16.0 billion for 2025 to 2029, which includes yard and berth development as well as construction of new facilities and equipment acquisition. These capital expenditures are expected to strengthen the Group's operations and capability to handle growth.

On December 29, 2023, the BOD approved a reversal of appropriated retained earnings amounting to P2.4 billion out of the previously approved appropriation of P16.4 billion for capital expenditures for 2023. On the same date, the BOD approved an appropriation of retained earnings amounting to P5.0 billion for capital expenditures over the next five years. The BOD also approved on the same date a capital expenditure budget amounting to P16.0 billion for 2024 to 2028, which includes yard and berth development as well as construction of new facilities and equipment acquisition. These capital expenditures are expected to strengthen the Group's operations and capability to handle growth.

The appropriated retained earnings as at January 1, 2023 amounted to P16.4 billion and mainly consisted of approved appropriation for capital expenditures, which include yard and berth development as well as construction of new facilities and equipment acquisition for 2023 to 2026.

The disclosures above are presented in accordance with PAS 1 which requires disclosure of the nature and purpose of reserves within equity, including amounts of retained earnings appropriated for specific purposes, and information on dividends declared to owners.

Fair Value Reserve

Fair value reserve amounting to P5.8 million as at December 31, 2025 and 2024 represents unrealized loss on equity securities.

18. 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 24. The PPA's share in gross revenues includes variable government share amounting to P3.8 billion, P3.0 billion and P2.7 billion in 2025, 2024 and 2023, respectively (see Note 24).

19. Costs and Expenses Excluding Government Share in Revenues

	<i>Note</i>	2025	2024	2023
Labor costs	22	P2,227,618	P1,914,509	P1,759,712
Depreciation and amortization	11, 12, 24	2,171,163	2,041,757	1,989,066
Equipment running		936,387	832,752	850,123
Taxes and licenses		597,615	521,800	503,507
Facilities-related expenses		405,718	364,057	309,287
General transport		355,998	376,599	212,893
Management fees	21	352,935	265,790	259,221
Insurance		317,102	277,630	276,031
Security, health, environment and safety		246,489	216,733	183,346
Professional fees		52,161	21,323	21,837
Marketing, commercial and promotion		29,358	22,259	22,709
Rental	24	15,737	8,464	10,851
Entertainment, amusement and recreation		12,070	5,922	8,847
Provision for claims	16	4,191	11,305	48
Others		226,787	194,923	221,187
		P7,951,329	P7,075,823	P6,628,665

Labor costs include salaries, benefits and pension expense.

Spare parts and supplies used and included under equipment running amounted to P299.8 million, P266.1 million and P272.6 million in 2025, 2024 and 2023, respectively.

Provision for spare parts and supplies obsolescence included under other costs and expenses amounted to nil in 2025 and 2024, and P10.0 million in 2023, respectively.

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

20. Other Income and Expenses

Finance income includes interest on cash in banks and short-term investments amounting to P159.8 million, P175.4 million and P189.1 million in 2025, 2024 and 2023, respectively (see Note 6).

Finance cost is broken down as follows:

	<i>Note</i>	2025	2024	2023
Interest on port concession rights payable	24	P483,175	P419,433	P445,150
Interest on lease liabilities	24	36,438	36,160	43,627
Interest component of pension expense - net	22	17,015	12,410	11,995
Interest on bank loans/credit facilities		378	319	2,759
		P537,006	P468,322	P503,531

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:

	<i>Note</i>	2025	2024	2023
Other income:				
Reversal of prior year provision and accrual		P44,978	P90,516	P -
Equity in net earnings of an associate	10	43,331	40,700	38,812
Management income	21	8,954	8,455	7,950
Gain on disposal of property and equipment		4,248	4,502	5,359
Miscellaneous income		23,440	22,819	63,086
Foreign exchange gains (losses):				
Net foreign exchange gains (losses) - others		3,310	37,655	(8,461)
Net foreign exchange losses - port concession rights payable		(129,511)	(417,201)	(66,418)
Other expense:				
Loss on derecognition of right-of-use assets and lease liabilities	24	(17,482)	-	-
		(P18,732)	(P212,554)	P40,328

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

Miscellaneous income recognized in 2025 and 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.

21. 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 Liabilities		
Associate								
▪ Management income	21A	2025	P8,954	P1,037	P -	P -	Payable on demand	Unsecured; no impairment
		2024	8,455	745	-	-	Payable on demand	Unsecured; no impairment
▪ Dividend income	10	2025	51,943	-	-	-		
		2024	46,569	-	-	-		
Post-Employment Benefit Plan								
▪ Retirement fund	21B	2025	68,947	84,637	-	-	Payable on demand	Unsecured; no impairment
		2024	48,547	15,689	-	-	Payable on demand	Unsecured; no impairment
Others								
▪ Advances	21D	2025	653,584	605,943	6,924	-	Payable on demand	Unsecured; no impairment
		2024	340,819	249,626	9,210	-	Payable on demand	Unsecured; no impairment
▪ Management fees	21C	2025	352,935	-	41,018	-	Payable within ten (10) days of the following month	Unsecured
		2024	265,790	-	32,886	-	Payable within ten (10) days of the following month	Unsecured
▪ Lease	21E	2025	30,981	-	-	349,679	Monthly payments are due within five (5) days of each month	Unsecured
		2024	179,653	-	-	342,993	Monthly payments are due within five (5) days of each month	Unsecured
TOTAL		2025		P691,617	P47,942	P349,679		
TOTAL		2024		P266,060	P42,096	P342,993		

- A. Amount owed by SCIPSI pertains to management fees equivalent to 6% of gross revenue of SCIPSI. Management fees earned are included under "Others - net" account in the consolidated statements of income (see Note 20).
- 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. The benefits are based on the employee's years of service and final plan salary. 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. (POMSPI) is a related party which is 40% owned by POAL. POMSPI engages in advisory services which it provides to the Parent Company by virtue of a 5-year contract. The Parent Company's contract with POMSPI expired in 2025 and was renewed on October 2, 2025 for another five years until August 31, 2030. 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 19).
- 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, 2025 and 2024, related amounts are recorded as Other payables under Trade and other payables (see Note 15).
- E. The Parent Company has entered into lease agreements with related parties under common control. These arrangements include: (i) a 5-year lease contract for a parcel of land located at Barangay Lawa, Calamba, Laguna, commencing May 1, 2019 and expired in 2024; (ii) a 25-year lease agreement, effective until April 2046, covering land in Calamba, Laguna, to be used exclusively as an Inland Container Depot; and (iii) a 10-year lease agreement for additional parcels of land in Calamba, Laguna, which will commence upon completion of clearing and site preparation activities by the lessor, expected to be completed within one year (see Note 24). The lease payments are subject to annual escalation of 3.5% to 8.0%. The related current and noncurrent portions form part of the total lease liabilities disclosed in Note 24.

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

	2025	2024
Short-term employee benefits	P159,635	P143,361
Post-employment benefits	11,599	10,291
	P171,234	P153,652

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

22. Pensions

The Group's latest actuarial valuation reports are as at December 31, 2025. 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		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Current service cost	P45,900	P42,762	P35,418	P4,287	P3,742	P3,775	P50,187	P46,504	P39,193
Interest cost on defined benefit obligation	38,806	37,540	37,977	3,399	2,862	3,540	42,205	40,402	41,517
Interest income on plan assets	(21,804)	(25,483)	(26,370)	(3,386)	(2,509)	(3,152)	(25,190)	(27,992)	(29,522)
Net pension expense	P62,902	P54,819	P47,025	P4,300	P4,095	P4,163	P67,202	P58,914	P51,188

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 19). 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 20).

Pension Liability as of December 31

	ATI		ATIB		TOTAL	
	2025	2024	2025	2024	2025	2024
Present value of pension obligations	(P740,724)	(P711,504)	(P59,559)	(P57,257)	(P800,283)	(P768,761)
Fair value of plan assets	535,526	395,857	61,115	54,861	596,641	450,718
Pension liability	(P205,198)	(P315,647)	P1,556	(P2,396)	(P203,642)	(P318,043)

Changes in the Present Value of Pension Obligations

	ATI		ATIB		TOTAL	
	2025	2024	2025	2024	2025	2024
Present value of pension obligations at beginning of year	(P711,504)	(P666,550)	(P57,257)	(P50,376)	(P768,761)	(P716,926)
Current service cost	(45,900)	(42,762)	(4,287)	(3,742)	(50,187)	(46,504)
Interest cost	(38,806)	(37,540)	(3,399)	(2,862)	(42,205)	(40,402)
Actuarial gains (losses)	31,603	(24,590)	4,552	(3,855)	36,155	(28,445)
Benefits paid	23,883	59,938	832	3,578	24,715	63,516
Present value of pension obligations at end of year	(P740,724)	(P711,504)	(P59,559)	(P57,257)	(P800,283)	(P768,761)

Changes in the Fair Value of Plan Assets

	ATI		ATIB		TOTAL	
	2025	2024	2025	2024	2025	2024
Fair value of plan assets at beginning of year	P395,857	P437,648	P54,861	P42,499	P450,718	P480,147
Actual contributions	138,016	3	4,364	4,311	142,380	4,314
Interest income	21,804	25,483	3,386	2,509	25,190	27,992
Remeasurement gains (losses) on plan assets	3,732	(7,339)	(664)	9,120	3,068	1,781
Benefits paid	(23,883)	(59,938)	(832)	(3,578)	(24,715)	(63,516)
Fair value of plan assets at end of year	P535,526	P395,857	P61,115	P54,861	P596,641	P450,718

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, 2025 and 2024, the balance due from the retirement fund amounted to P84.6 million and P15.7 million, respectively (see Note 21).

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

	ATI			ATIB			TOTAL		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Actuarial gains (losses) due to:									
Changes in financial assumptions	P24,812	P7,786	(P76,928)	P3,318	P1,089	P6,536	P28,130	P8,875	(P70,392)
Experience adjustment	6,791	(32,376)	8,231	1,234	(4,944)	779	8,025	(37,320)	9,010
Remeasurement gains (losses) on plan assets	3,732	(7,339)	8,819	(664)	9,120	(10,124)	3,068	1,781	(1,305)
	P35,335	(P31,929)	(P59,878)	P3,888	P5,265	(P2,809)	P39,223	(P26,664)	(P62,687)

The cumulative amount of actuarial losses net of tax recognized in the consolidated statements of changes in equity included under “Retained earnings” account amounted to P23.9 million, P53.3 million, and P33.1 million as at December 31, 2025, 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	
	2025	2024	2025	2024	2025	2024
Investment in government securities	P434,798	P331,321	P23,857	P24,068	P458,655	P355,389
Equity instruments	70,288	59,230	8,267	6,980	78,555	66,210
Investment in UITF	-	3,041	28,516	23,526	28,516	26,567
Cash and cash equivalents	17,660	20	226	4	17,886	24
Debt instruments	7,291	7,157	-	-	7,291	7,157
Other receivables	5,769	4,543	280	315	6,049	4,858
Liabilities	(280)	(9,455)	(31)	(32)	(311)	(9,487)
	P535,526	P395,857	P61,115	P54,861	P596,641	P450,718

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	
	2025	2024	2025	2024
Discount rate at end of year	6.48%	6.09%	6.52%	6.08%
Salary increase rate	4.0%-6.0%	4.0%-6.0%	4.0%-6.0%	4.0%-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	
	2025	2024	2025	2024
Average expected future service years	15	15	16	17

Maturity analysis of the benefit payments:

	2025	
	Expected Benefit Payments	
	ATI	ATIB
Within 1 year	P135,608	P4,149
Within 1 - 5 years	282,900	20,167
More than 5 years	4,167,404	482,777

	2024	
	Expected Benefit Payments	
	ATI	ATIB
Within 1 year	P134,352	P1,874
Within 1 - 5 years	235,992	18,060
More than 5 years	3,553,659	482,197

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:

2025

	ATI		ATIB	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	(P55,053)	P64,785	(P5,890)	P7,132
Salary increase rate	67,781	(58,571)	7,397	(6,207)

2024

	ATI		ATIB	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	(P55,262)	P65,178	(P6,096)	P7,413
Salary increase rate	67,972	(58,649)	7,630	(6,379)

The Group expects to pay P74.3 million in contributions to defined benefit pension plans in 2026.

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.

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

Basic EPS is computed as follows:

	2025	2024	2023
(a) Net income attributable to Equity Holders of the Parent Company (in thousands)	P5,995,236	P4,524,533	P4,435,986
Common shares at beginning of year	1,998,013	2,000,000	2,000,000
Weighted average treasury shares	(8,032)	(98)	-
(b) Weighted average number of common shares outstanding (in thousands) at December 31	1,989,981	1,999,902	2,000,000
Basic/diluted EPS attributable to Equity Holders of the Parent Company (a/b)	P3.01	P2.26	P2.22

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.

24. 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 P55.0 million payable quarterly and a government share of 30% of its annual gross storage revenue in excess of P273.0 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, portorage 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 P112.7 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 P200.0 million in December 2019.

In 2025, the Group recognized an addition to its intangible asset and port concession rights payable, amounting to P1.2 billion, in relation to the extension of its service concession arrangement. Recognition of the related intangible asset and liability was previously deferred as the extension was subject to the fulfillment of certain substantive contractual conditions, including the completion of certain port infrastructure upgrades and the satisfaction and acceptance of all defects and outstanding works, including completion of testing and commissioning activities.

These conditions were satisfied in 2025 and accordingly, recognition of the intangible asset and liability was made only upon confirmation that the Group had obtained an enforceable right to charge users of the public service in accordance with the requirements of IFRIC 12.

- d. A lump-sum fee of P400.0 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 and related accrued interest. The total port concession rights payable, including accrued interest, are included in the fair value measurement and sensitivity analysis presented in Note 26. The movements in the port concession rights payable and related accrued interest are as follows:

- i. Port Concession Rights payable

	2025	2024
Balance as at January 1	P7,299,048	P7,466,605
Additions	1,233,614	-
Effects of exchange rate changes	100,285	213,981
Payments during the year	(500,722)	(381,538)
Balance as at December 31	P8,132,225	P7,299,048

As at December 31, 2025 and 2024, the Group has current and noncurrent port concession rights payable included in the consolidated statements of financial position as follows:

	2025	2024
Current	P494,042	P469,627
Noncurrent	7,638,183	6,829,421
	P8,132,225	P7,299,048

- ii. Accrued Interest Payable

	Note	2025	2024
Balance as at January 1		P126,894	P129,096
Interest expense during the year	20	483,175	419,433
Effects of exchange rate changes		(161)	2,062
Payments during the year		(489,550)	(423,697)
Balance as at December 31		P120,358	P126,894

Change in Presentation of Cash Flow Statement Items

In 2025, the presentation of cash payments for port concession rights payable within financing activities was updated to present principal and interest separately. Comparative information for the years ended December 31, 2024 and 2023 has been re-presented to conform with the current year presentation. The change in presentation had no impact on the Group's total net cash flows for the periods presented.

The table below summarizes the change in presentation for the years ended December 31, 2024 and 2023:

December 31, 2024	As previously presented	Presentation adjustment	As re-presented
Net cash flows from financing activities			
Payments of:			
Port concession rights payable	(P805,235)	P423,697	(P381,538)
Interest on port concession rights payable	-	(423,697)	(423,697)
Total net cash flows	(P805,235)	P -	(P805,235)

December 31, 2024	As previously presented	Presentation adjustment	As re-presented
Net cash flows from financing activities			
Payments of:			
Port concession rights payable	(P972,915)	P445,150	(P527,765)
Interest on port concession rights payable	-	(445,150)	(445,150)
Total net cash flows	(P972,915)	P -	(P972,915)

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

- a. The Parent Company has entered a 25-year lease agreement, effective until April 2021, with a related party under common control 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 P0.1 million, subject to an escalation of 7% once every two years.

The contract was revised in 2004, changing the monthly rate to P0.5 million in January 1, 2002 to December 31, 2003 and P0.7 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 in April 2021 until April 2046, and continuing the monthly rental schedule and escalation (see Note 21). The monthly rates amounted to P1.5 million in 2025 and 2024, and P1.4 million in 2023.

- 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 P0.6 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 P35 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.
- d. The Parent Company has entered a 5-year lease contract with a related party under common control 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 were used for off-dock container yard and cargo support requirements, including but not limited to warehousing and logistics. The lease contract expired in 2024 (see Note 21).
- e. In 2025, the Group derecognized certain right-of-use assets and corresponding lease liabilities for properties no longer in use, resulting in a net loss of P17.5 million recognized under “Others - net” account included in “Other income and expenses” in the consolidated statements of income (see Note 20).
- f. The Group also entered into a 10-year lease agreement with a related party under common control for additional parcels of land in Calamba, Laguna (see Note 21). An advance payment equivalent to 12 monthly rental was made upon contract signing and lease commencement is contingent upon the completion of clearing and site preparation activities by the lessor, which is expected to be completed within one year, extendible for an additional six months. As the underlying asset is not yet available for use, no right-of-use asset and lease liability have been recognized. The advance payment amounting to P21.6 million, previously applied against lease liability in the prior year, has been reclassified and presented as Prepaid rent (see Note 9).

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.

	<i>Note</i>	2025	2024
Balance at January 1		P659,303	P726,211
Additions to right-of-use assets		150,066	127,600
Depreciation during the year	19	(199,301)	(194,508)
Derecognition		(83,165)	-
Balance at December 31		P526,903	P659,303

ii. Lease Liabilities

	<i>Note</i>	2025	2024
Balance at January 1		P678,342	P724,804
Additions to lease liabilities		150,066	127,600
Interest expense during the year	20	36,438	36,160
Payments made		(203,760)	(210,222)
Derecognition		(44,099)	-
Balance at December 31		P616,987	P678,342

As at December 31, 2025 and 2024, the Group has current and noncurrent lease liabilities included in the consolidated statements of financial position as follows:

	2025	2024
Current	P50,497	P14,193
Noncurrent	566,490	664,149
	P616,987	P678,342

Included in the above balances are lease liabilities due to related parties amounting to P349.7 million and P343.0 million as of December 31, 2025 and 2024, respectively (see Note 21).

The maturity analysis of undiscounted lease payments as of December 31, 2025 and 2024 is as follows:

	2025	2024
Within one year	P42,725	P36,611
More than one year to five years	151,893	212,361
More than five years	855,840	855,840
	P1,050,458	P1,104,812

iii. Amounts Recognized in Profit or Loss

	<i>Note</i>	2025	2024
Depreciation expense	19	P199,301	P194,508
Interest on lease liabilities	20	36,438	36,160
Loss on derecognition of right-of-use assets and lease liabilities	20	17,482	-
Expenses relating to short-term and/or low value leases	19	15,737	8,464
Total		P268,958	P239,132

iv. Amounts Recognized in Statements of Cash Flows

	2025	2024
Payments of lease liabilities	P167,322	P174,062
Interest paid	36,438	36,160
Cash outflow relating to short-term and/or low value leases	16,362	8,798
Total cash outflow for leases	P220,122	P219,020

- g. 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.

25. 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 exposure to interest rate risk arises from its cash in banks and cash equivalents, which consist primarily of short-term placements with reputable financial institutions and are generally subject to fixed interest rates with short maturities. The Group manages this risk by placing funds in instruments with appropriate maturities and interest rate profiles while maintaining sufficient liquidity. Accordingly, management considers the exposure to changes in market interest rates to be minimal, and no significant impact on profit or loss is expected at the reporting date.

As at December 31, 2025 and 2024, the interest rate profile of the Group's interest-bearing financial instrument is as follows:

	2025	2024
Fixed Rate Instruments		
Cash and cash equivalents*	P4,129,728	P4,808,127

*Excluding cash on hand amounting to P27.1 million and P4.0 million as at December 31, 2025 and 2024, 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.

For port concession rights payable, including accrued interest under trade and other payables, and sensitivity to discount rates, see Notes 24 and 26.

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, 2025	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*	P2,981,124	P160,076	P827,616	P1,696,254	P297,178	P -	P2,981,124
Port concession rights payable	8,132,225	-	261,103	783,308	4,223,071	6,578,321	11,845,803
Lease liabilities	616,987	-	12,132	30,593	151,893	855,840	1,050,458
	P11,730,336	P160,076	P1,100,851	P2,510,155	P4,672,142	P7,434,161	P15,877,385

*Excluding due to government agencies amounting to P1.3 billion as at December 31, 2025.

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.

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, 2025 and 2024, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	Note	2025	2024
Cash and cash equivalents*	6	P4,129,728	P4,808,127
Trade and other receivables - net	7	1,719,646	1,307,654
Deposits	13	80,122	79,549
Equity securities	13	2,652	2,652
		P5,932,148	P6,197,982

*Excluding cash on hand amounting to P27.1 million and P4.0 million as at December 31, 2025 and 2024, 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, 2025			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P4,129,728	P -	P -	P4,129,728
Trade and other receivables - net	1,313,614	406,032	-	1,719,646
Deposits	80,122	-	-	80,122
Equity securities	2,652	-	-	2,652
	P5,526,116	P406,032	P -	P5,932,148

	As at December 31, 2024			Total
	Grade A	Grade B	Grade C	
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	P -	P6,197,982

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	2025	2024
Shipping lines		P782,215	P759,837
Others		937,431	547,817
	7	P1,719,646	P1,307,654

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, 2025 and 2024:

	Gross Carrying Amount	Impairment Loss Allowance	Credit- Impaired
Current (not past due)	P1,448,802	P -	No
1 - 30 days past due	74,605	-	No
31 - 60 days past due	62,620	-	No
61 - 90 days past due	100,241	-	No
More than 90 days past due	37,573	4,195	Partially
Balance at December 31, 2025	P1,723,841	P4,195	

	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	Partially
Balance at December 31, 2024	P1,311,849	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, 2025 and 2024 is P4.2 million with individually and collectively impaired receivables amounting to P1.1 million and P3.1 million, respectively.

The Group's approach to measuring expected credit losses (including key assumptions and inputs) is discussed in the "Expected Credit Loss Assessment" section above.

Cash in Banks and Cash Equivalents

The Group held cash in banks and cash equivalents of P4.1 billion and P4.8 billion as at December 31, 2025 and 2024, 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:

	2025	2024
Assets		
Cash and cash equivalents	USD11,717	USD8,920
Liabilities		
Trade and other payables	8,061	12,244
Port concession rights payable	109,174	115,061
	117,235	127,305
Net foreign currency-denominated liabilities	(USD105,518)	(USD118,385)
Peso equivalent	(P6,203,403)	(P6,842,653)

The exchange rates applicable for USD as at December 31, 2025 and 2024 are P58.79 and P57.80, 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
2025	+5%	(P310,170)	(P232,628)
	-5%	310,170	232,628
2024	+5%	(342,133)	(256,600)
	-5%	342,133	256,600

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 24.

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

	<i>Note</i>	2025	2024
Capital stock		P2,000,000	P2,000,000
Additional paid-in capital		264,300	264,300
Treasury shares		(2,048,853)	(34,771)
Retained earnings		26,802,261	23,781,109
Fair value reserve		(5,820)	(5,820)
Total	<i>17</i>	P27,011,888	P26,004,818

26. 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, 2025 and 2024.

	Note	2025		2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	6	P4,156,790	P4,156,790	P4,812,172	P4,812,172
Trade and other receivables - net	7	1,719,646	1,719,646	1,307,654	1,307,654
Deposits	13	80,122	86,290	79,549	82,717
		5,956,558	5,962,726	6,199,375	6,202,543
Equity securities	13	2,652	2,652	2,652	2,652
		P5,959,210	P5,965,378	P6,202,027	P6,205,195
Financial Liabilities					
Other financial liabilities:					
Trade and other payables*	15	P2,981,124	P2,981,124	P2,082,170	P2,082,170
Port concession rights payable	24	8,132,225	8,723,234	7,299,048	7,886,080
		P11,113,349	P11,704,358	P9,381,218	P9,968,250

*Excluding due to government agencies amounting to P1.3 billion and P1.1 billion as at December 31, 2025 and 2024, 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.

The Group's accounting policy on fair value measurement, including the definitions of Levels 1 to 3 in the fair value hierarchy, is discussed in Note 4.

Nonderivative Financial Instruments

Quoted market prices (unadjusted) in active markets have been used to determine the fair values of listed equity securities (Level 1). For unquoted equity securities, fair value is estimated using valuation techniques with significant unobservable inputs (Level 3).

Unquoted equity securities (Level 3) are valued using appropriate valuation techniques. Significant unobservable inputs may include assumptions on future cash flows and discount rates, where applicable. The carrying amount of unquoted equity securities is not material and there were no significant changes in key assumptions and other unobservable inputs during 2025 and 2024.

Port concession rights payable is disclosed at fair value and classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs, primarily long-term contractual cash flows and discount rates. Changes in discount rates represent the most significant source of valuation uncertainty, as reflected in the sensitivity analysis.

For noninterest-bearing refundable security deposits, fair value at reporting dates is estimated as the present value of future cash flows discounted using the prevailing market rate of interest for a similar instrument (Level 2). The discount rates used for fair value estimation were 5.4% in 2025 and 6.2% in 2024 (see Note 13).

The fair value of port concession rights payable was estimated using a discounted cash flow approach, being the present value of expected future cash flows discounted using rates applicable for similar types of loans. The discount rates used range from 6.00% to 6.42% in 2025 and 6.07% to 6.17% in 2024.

Sensitivity Analysis

A 100 basis point increase in the discount rate, with all other variables held constant, would reduce the total port concession rights payable, while a 100 basis point decrease would increase the liability. In either case, the corresponding impact on profit or loss would be approximately P816.5 million. Refer to Note 24 for the reconciliation and maturity analysis of principal and accrued interest.

Fair Value Hierarchy

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

As at December 31, 2025	Note	Level 1	Level 2	Level 3
Equity securities	13	P933	P -	P1,719
Port concession rights payable		-	-	8,723,234
		P933	P -	P8,724,953

As at December 31, 2024	Note	Level 1	Level 2	Level 3
Equity securities	13	P933	P -	P1,719
Port concession rights payable		-	-	7,886,080
		P933	P -	P7,887,799

Comparative information as at December 31, 2024 has been reclassified to present port concession rights payable within Level 3 to conform with the current year's classification. The reclassification relates only to the fair value hierarchy classification and has no impact on the estimated fair value of port concession rights payable nor on the Group's consolidated financial position, results of operations, or cash flows.

There have been no transfers from one level to another in 2025 and 2024.

27. Revenues from Operations

The revenues from operations presented below are recognized in accordance with PFRS 15 and are shown net of contractual price adjustments and other consideration payable to customers, where applicable, which are accounted for as variable consideration.

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

	2025	2024	2023
Revenues from Operations			
Stevedoring	P9,117,199	P7,577,996	P6,587,928
Arrastre	7,374,431	6,041,196	5,960,647
Storage	2,038,194	1,517,015	1,448,548
Logistics	197,097	246,844	160,055
Special and other services	1,352,969	1,158,677	1,294,622
	P20,079,890	P16,541,728	P15,451,800

For the years ended December 31, 2025, 2024, and 2023, approximately 95% of the Group's revenue was derived from foreign-sourced transactions, with the remaining 5% attributable to domestic-sourced transactions.

Foreign-sourced revenue relates to services for international cargo movements, including import and export shipments and services to international shipping lines, while domestic-sourced revenue pertains to inter-island cargo and services to local customers engaged in local shipping and logistics activities. All revenues are generated from services performed within the Philippines.

28. Events After the Reporting Date

Voluntary Delisting

On December 15, 2025, the BOD approved the application for the voluntary delisting of the Parent Company's shares from the PSE. This was subsequently approved and ratified by the stockholders owning 90.34% of the Parent Company's outstanding common shares on January 30, 2026.

In connection with the application for the voluntary delisting, a tender offer was initiated and completed on March 17, 2026, to acquire 177,612,478 of the Parent Company's outstanding common shares at an offer price of P36.0 per share, for a total consideration of P6.4 billion.

The tender offer was undertaken jointly by the Parent Company and Maharlika Investment Corporation. The portion acquired by the Parent Company will result in the recognition of additional treasury shares upon settlement.

Following the completion of the tender offer, the Parent Company has applied for the voluntary delisting of its shares from the PSE. The application was approved by the Securities and Exchange Commission and PSE on March 25, 2026 and the shares were delisted effective on April 3, 2026.

As the tender offer and the voluntary delisting were completed after the reporting date, these have been treated as non-adjusting events. Accordingly, no adjustments have been made to the amounts recognized in the financial statements as of December 31, 2025.

Geopolitical Developments in the Middle East

Subsequent to December 31, 2025, geopolitical tensions and armed conflict in the Middle East escalated, including joint U.S. and Israeli strikes on Iran that began in February 2026, contributing to volatility in global energy prices and heightened risks to regional oil supply, including increased threats to commercial shipping routes and potentially higher logistics and insurance costs in exposed markets. In response, the Philippine government declared a national energy emergency under Executive Order 110 to address potential disruption in fuel supply and stabilize the energy sector.

The Group does not have direct operations in the affected territories; however, as a port terminal operator in the Philippines with substantially all revenues derived from foreign-sourced cargo and/or international counterparties (approximately 95% of consolidated revenues), it is exposed to international trade flows and foreign currency and customer concentration risks. Management has assessed the potential implications on the Group's operations and financial position, including cargo volumes, supply chain conditions, operating costs (including fuel and utilities), liquidity, and financial performance.

Based on information available as at the date of authorization for issue of these consolidated financial statements, management determined that these developments arose after the reporting date and do not provide evidence of conditions that existed as at December 31, 2025. Accordingly, consistent with PAS 10, *Events after the Reporting Period*, these matters represent non-adjusting events after the reporting period and no adjustments have been made to the amounts recognized in the consolidated financial statements for the year ended December 31, 2025. While the extent and duration of the situation remain uncertain and could affect future periods and any potential financial effects could not be reasonably estimated as at such date, management will continue to monitor developments and take appropriate actions, as necessary, to mitigate potential adverse effects on the Group's operations, financial position and performance.

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

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

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Asian Terminals Inc. (the "Company") and its Subsidiaries (collectively known as the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 28, 2026.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Group's management.

- Map of the Conglomerate
- Supplementary Schedules of Annex 68-J

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

VERNILO G. YU

Partner

CPA License No.

SEC Accreditation No. 108798-SEC, Group A, valid for five (5) years
covering the audit of 2023 to 2027 financial statements

Tax Identification No.

BIR Accreditation No. 08-001987-035-2024

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

PTR No. MKT

Issued January 5, 2026 at Makati City

April 28, 2026

Makati City, Metro Manila

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December 31, 2025

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B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
C. Amounts Receivable from (Payable to) Related Parties which are Eliminated during the Consolidation of Financial Statements	3
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E. Indebtedness to Related Parties	5
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Reconciliation of Retained Earnings for Cash Dividend Declaration

Report of Independent Public Accountants on Reconciliation of Retained Earnings for
Cash Dividend Declaration

Reconciliation of Retained Earnings for Cash Dividend Declaration for Asian Terminals
Inc.

Conglomerate Map

Schedule of Financial Soundness Indicators

Report of Independent Public Accountants on Schedule of Financial Soundness
Indicators

Schedule of Financial Soundness Indicators

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Financial Assets
December 31, 2025
(Amounts in Thousands)

Financial Assets	Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Valued Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Cash and cash equivalents	N/A	N/A	P4,156,790	P4,156,790	P159,803
Trade and other receivables - net	N/A	N/A	1,719,646	1,719,646	-
Deposits	N/A	N/A	80,122	83,290	-
Equity Securities:					
Quoted Equity Shares	N/A	N/A	933	933	-
Unquoted Equity Shares	N/A	N/A	1,719	1,719	-
			P5,959,210	P5,962,378	P159,803

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

**Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Related Parties)**

December 31, 2025

(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-current	Balance at End of Period
			Amounts Collected	Amounts Written-off			
Officers	P40,865	P34,816	(P47,531)	P -	P28,150	P -	P28,150
Related Parties	250,371	793,972	(436,914)	-	607,429	-	607,429
	P291,236	P828,788	(P484,445)	P -	P635,579	P -	P635,579

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
Amounts Receivable from (Payable to) Related Parties which are Eliminated during the
Consolidation of Financial Statements
December 31, 2025
(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-current	Balance at End of Period
			Amounts Paid	Amounts Written-off			
ATI Batangas, Inc.	P191,572	P456,259	(P656,821)	P -	(P8,990)	P -	(P8,990)
Tanza Container Terminal, Inc.	2,442,104	117,518	-	-	2,559,622	-	2,559,622
	P2,633,676	P573,777	(P656,821)	P -	P2,550,632	P -	P2,550,632

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

Long-term Debt
December 31, 2025
(Amounts in Thousands)

Title of Issue and type of obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long-term Debt" in Related Balance Sheet	Amount Shown under caption "Long-Term Debt" in Related Balance Sheet
Not Applicable			

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES**Indebtedness to Related Parties****December 31, 2025**

(Amounts in Thousands)

Name of Issuing Entity and Association of Each Issue	Amount Shown in the Balance Sheet	Valued Based on Market Quotation at End of Reporting Period
Not Applicable		

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES**Guarantees of Securities of Other Issuers****December 31, 2025**

(Amounts in Thousands)

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
Not Applicable				

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
**Capital Stock
December 31, 2025**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers, and Employees	Others
Common shares	4,000,000,000	2,000,000,000	61,849,306	727,295,629	987,967,785	222,887,280

R.G. Manabat & Co.



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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

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

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of Asian Terminals, Inc. (the "Company"), as at December 31, 2025 and 2024 and for the years then ended, and have issued our report thereon dated April 28, 2026.

Our audits were made for the purpose of forming an opinion on the basic separate financial statements of the Company taken as a whole. The supplementary information included in Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code (SRC) Rule 68, and is not a required part of the basic separate financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits of the basic separate financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

R.G. MANABAT & CO.

VERNILO G. YU

Partner

CPA License No.

SEC Accreditation No. 108798-SEC, Group A, valid for five (5) years
covering the audit of 2023 to 2027 financial statements

Tax Identification No.

BIR Accreditation No. 08-001987-035-2024

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

PTR No. MKT

Issued January 5, 2026 at Makati City

April 28, 2026

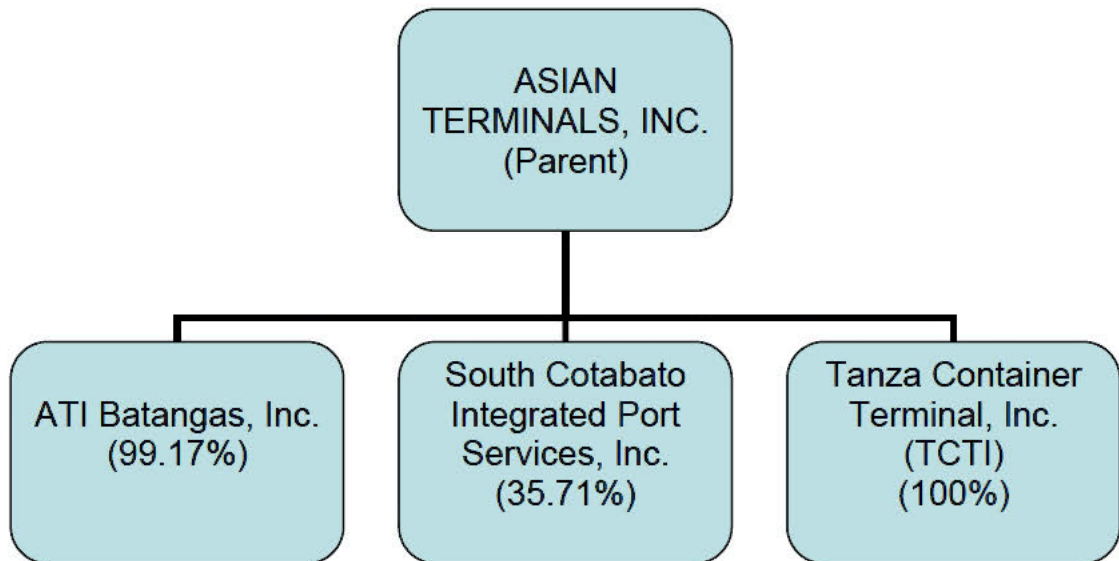
Makati City, Metro Manila

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**
(Amounts in Thousands)

ASIAN TERMINALS, INC.
A. Bonifacio Drive, Port Area, Manila

Unappropriated Retained Earnings, beginning of reporting period		P2,121,809
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriations	P3,500,000	3,500,000
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(3,003,478)	
Retained Earnings appropriated during the reporting period	(5,451,147)	(8,454,625)
Unappropriated Retained Earnings, as adjusted		(2,832,816)
Add: Net Income for the current year		5,980,436
Add/Less:		
Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		-
Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		-
Category C.3: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		-
Adjusted Net Income		5,980,436
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	(2,014,082)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	4,055	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(21,527)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)		
Others (actuarial valuation gain - net of tax)	(26,501)	
Subtotal		(2,058,055)
Total Retained Earnings, end of the reporting period available for dividend		P1,089,565

**ASIAN TERMINALS, INC.
SUBSIDIARIES AND AN ASSOCIATE
DECEMBER 31, 2025**



R.G. Manabat & Co.



R.G. Manabat & Co.
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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Asian Terminals, Inc. (the “Company”) and its Subsidiaries (collectively known as the “Group”) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 28, 2026.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company’s management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



This schedule is presented for the purpose of complying with the Revised Securities Regulation Code (SRC) Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

R.G. MANABAT & CO.

VERNILO G. YU

Partner

CPA License No.

SEC Accreditation No. 108798-SEC, Group A, valid for five (5) years
covering the audit of 2023 to 2027 financial statements

Tax Identification No.

BIR Accreditation No. 08-001987-035-2024

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

PTR No. MKT

Issued January 5, 2026 at Makati City

April 28, 2026

Makati City, Metro Manila

ASIAN TERMINALS INC. AND ITS SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2025, 2024 and 2023

Consolidated KPI	Manner of Calculation	2025	2024	2023	Discussion
Return on Capital Employed*	Percentage of income before interest and tax over capital employed	23.6%	19.2%	18.9%	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	22.2%	17.9%	19.0%	Increased due to higher net income growth.
Current ratio	Ratio of current assets over current liabilities	2.07 : 1:00	2.72 : 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	1.51 : 1:00	1.45 : 1:00	1.47 : 1.00	Increased due to higher increase in equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.51 : 1:00	0.45 : 1:00	0.47 : 1.00	Increased due to higher liabilities.
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	11 days	12 days	10 days	Decreased due to improved collections.
Net Income Margin	Net income over revenues less government share in revenues	36.7%	33.3%	34.7%	Increased due to higher net income growth.
Reportable Injury Frequency Rate (RIFR) ¹	Number of reportable injuries within a given accounting period relative to the total number of hours worked in the same accounting period.	0.62	0.84	0.87	Improved as a result of extensive safety campaign.

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

¹ RIFR is the new 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 Medical Treatment Injuries (MTIs) and Fatalities incidents.

**ASIAN TERMINALS, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION
DECEMBER 31, 2025**

	December 31	
	2025	2024
Total Audit Fees	P3,545,320	P3,110,000
Non-audit service fee:		
Word processing	20,000	20,000
Total Audit and Non-audit Fees	P3,565,320	P3,130,000

Audit and Non-audit fees of other related entities

	December 31	
	2025	2024
Total Audit Fees	P915,000	P830,000
Non-audit service fee:		
Word processing	20,000	20,000
Total Audit and Non-audit Fees	P935,000	P850,000



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 T-Link Line No: 02-5222-7696 Email : www.sec.gov.ph / message-no@sec.gov.ph



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: May 14, 2026 03:34:21 PM

Company Information

SEC Registration No.: 0000133653

Company Name: ASIAN TERMINALS INC.

Industry Classification: I63200

Company Type: Stock Corporation

Document Information

Document ID: OST105142026811375718

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: March 31, 2026

Submission Type: Original Filing

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

1 3 3 6 5 3

S.E.C. Registration Number

A S I A N T E R M I N A L S I N C .

(Company's Full Name)

A T I H E A D O F F I C E A . B O N I F A C I O

D R I V E , P O R T A R E A , M A N I L A 1 0 1 8

(Business Address : No. Street Company / Town / Province)

ATTY. RODOLFO G. CORVITE,JR.

Contact Person

85286000

Company Telephone Number

0 5 1 4

Month Day

1 7 - Q

FORM TYPE

0 4 2 4

Month Day
2025 Annual Meeting

Secondary License Type, If Applicable

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

7 4 4

As of April 30, 2026
Total No. of Stockholders

Total Amount of Borrowings

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SEC Number: 133653
File Number: _____

ASIAN TERMINALS, INC.
(Company's Full Name)

A. Bonifacio Drive, Port Area Manila, Philippines
(Company's Address)

(632) 528-6000
(Telephone Number)

December 31
Calendar Year Ending
(Month & Day)

SEC Form 17-Q
Form Type

Amendment Designation (if applicable)

March 31, 2026
Period Ended Date

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

ASIAN TERMINALS, INCORPORATED
Securities and Exchange Commission

SEC FORM 17-Q

Quarterly Report Pursuant to Section 17 of the Securities Regulation Code and SRC Rule 17-2(b) thereunder

1. For the quarter ended : **March 31, 2026**
2. Commission identification Number : **133653**
3. BIR Tax Identification No. : **330-000-132-413-V**
4. Exact name of issuer as specified in its charter : **ASIAN TERMINALS, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Manila, Philippines**
6. Industry Classification Code : _____ (SEC Use Only)
7. Address of issuer's principal office : **A. Bonifacio Drive South Harbor, Port Area, Manila**
8. Issuer's telephone number, including area code : **528-6000 (telephone number), 1018 (area code)**
9. Former name, former address and former fiscal year, if changed since last report: **A. Bonifacio Drive, South Harbor Port Area, Manila**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of shares of common stock outstanding and amount of debt outstanding
Capital stock – common	1,861,727,891 shares
Treasury	138,272,109

11. Are any or all of the securities listed on the Stock Exchange¹?

Yes [] No [X]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

NA

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No []

(b) has been subject to such filing requirements for the past 90 days

Yes [X] No []

¹ ATI was delisted from the Philippine Stock Exchange effective April 3, 2026

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

With reference to the attached interim financial statements:

- There were no common stock equivalents issued during the period. As such, basic and diluted earnings per share were the same. Earnings per share for the period is shown in the accompanying Consolidated Statements of Comprehensive Income.
- The Company applied Philippine Financial Reporting Standards (PFRS) in preparing the consolidated financial statements.
- The same accounting policies and methods of computations were followed in the interim financial statements as compared with the most recent annual financial statements.
- Information regarding the business segment is reported under item 1 of the attached Selected Explanatory Notes.
- There was no material event subsequent to the end of this interim that had not been reflected in the financial statements of this interim period.
- There had been no uncertainties known to management that would cause the financial information not to be indicative of future operating results and financial condition.

Amended Standards 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.

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 judgment.
- *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' had 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.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Consolidated Results of Operations for the three months ended March 31, 2026

Revenues for the first three months of 2026 of P5,472.7 million increased by 15.5% from P4,738.4 million in the same period last year. Revenues from South Harbor (SH) international containerized cargo and Batangas Container Terminal (BCT) increased by 17.1% and 12.3%, respectively, compared to last year. International container volume grew by 4.9% versus last year. Moreover, revenues from ATI Batangas were higher than the previous year by 23.6% on account of higher volumes for international Roro cargo and higher number of passengers.

The government's share of revenues for the first three months of 2026 was P1,064.5 million, 17.2% higher from P908.3 million last year due to increased revenues subject to the port authorities' share.

Cost and expenses in the first three months of 2026 amounted to P2,138.8 million, 10.4% higher than P1,937.4 million in the same period last year. Depreciation and amortization in 2026 increased by 12.3% to P590.2 million from P525.6 million in 2025. Labor costs of P621.2 million this year went up by 10.0% compared to P564.7 million last year due to a salary rate increase and additional headcount related to higher volume. Equipment running costs went up by 8.9% to 262.5 million this year from P241.1 million last year due to higher fuel costs related to higher fuel prices and higher electricity resulting from higher consumption and an increase in rates. Security, health, environment and safety increased by 13.8% to P69.1 million in 2026 from P60.7 million in 2025 due to higher security costs related to higher volume and rate increase. Facilities-related expenses in 2026 increased by 19.5% to P120.0 million from P100.4 million in 2025. Taxes and licenses of P187.0 million in 2026 went up by 31% from P142.7 million in 2025. Professional fees increased by 169.7% to P21.3 million in 2026 from P7.9 million in 2025. Management fees of P85.0 million in 2026 went up by 2.9% from P82.6 million in 2025, following higher earnings before tax. Other expenses in 2026 amounted to P50.3 million, 80.6% higher compared to P27.8 million last year due to higher training expenses and IT expenses.

Meanwhile, general transport of P66.1 million in 2026 went down by 38.1% from P106.8 million in 2025 on account of lower trucking costs from lower trucking volume. Insurance in 2026 of P61.2 million went down by 13.2% compared to P70.5 million in the same period last year due to lower premiums. Entertainment, amusement and recreation in 2026 of P2.7 million went down by 37.3% from P4.3 million last year. Rentals of P2.1 million in 2026 decreased by 6.9% compared to P2.2 million in the same period last year due to lower equipment rental.

Finance income in 2026 of P28.1 million was lower by 38.5% than P45.6 million last year due to lower cash balance. Finance costs in 2026 of P127.7 million were higher by 12.0% against P114.0 million last year. Others-net was negative P247.4 million in 2026 from P47.1 million in 2025 mainly due to higher unrealized forex loss on revaluation of USD-denominated concession liability following the depreciation of Peso vs. US Dollar.

Income before income tax in the three months of 2026 of P1,922.3 million increased by 2.7% from P1,871.4 million in the same period last year. Provision for income tax increased by 1.3% to P473.1 million in 2026 from P467.1 million in the same period last year due to higher results.

Net income of P1,449.2 million for the three months of 2026 was 3.2% higher than P1,404.2 million for the same period last year. Earnings per share this year were P0.78, and last year were P0.70.

The Company's businesses are affected by the local and global trade environment. Factors that could cause actual results of the Company to differ materially include, but are not limited to:

- material adverse change in the Philippine and the global economic and industry conditions;

- natural events (earthquake, typhoons and other major calamities);
- material changes in foreign exchange rates

In the first three months of 2026:

- There had been no known trend, demand, commitment, event or uncertainty that had or are reasonably expected to have a material favorable or unfavorable impact on the Company's liquidity or revenues from continuing operations, other than those discussed in this report.
- There had been no significant element of income that did not arise from the Company's continuing operations.
- There had been no seasonal factor that had a material effect on the financial condition and results of operations.
- 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.
- There had been no material off-balance sheet transaction, arrangement, obligation (including contingent obligation), and other relationship of the Company with unconsolidated entity or other person created during the period that would address the past and would have a material impact on future operations.

Consolidated Financial Condition

Total assets as of March 31, 2026 decreased by 1.9% to P39,994.9 million from P40,754.4 million as of December 31, 2025. Current assets went down by 6.0% to P10,348.7 million as of March 31, 2026 from P11,014.5 million as of December 31, 2025. Cash and cash equivalents of P2,988.3 million as of March 31, 2026 decreased by 28.1% compared to P4,156.8 million as of December 31, 2025. Trade and other receivables-net of P1,803.1 million as of March 31, 2026 increased by 4.9% from P1,719.6 million as of December 31, 2025. Spare parts and supplies as of March 31, 2026, rose by 1.1% to P1,104.8 million from P1,092.8 million as of December 31, 2025. Prepaid expenses as of March 31, 2026 of P4,452.5 million were higher by 10.1% than P4,045.3 million as of December 31, 2025 on account of the unamortized portion of prepaid real property, business taxes and higher input taxes on PPA fees and capital expenditures.

Total noncurrent assets of P29,646.3 million as of March 31, 2026 were lower by 0.3% compared to P29,739.9 million as of December 31, 2025. Investment in an associate increased by 13.8% to P58.0 million as of March 31, 2026 from P51.0 million as of December 31, 2025. Property and equipment - net amounted to P2,626.9 million, down by 1.8% from P2,675.8 million as of December 31, 2025. Intangible assets - net of P25,130.6 million were lower by 0.7% than P25,317.5 million as of December 31, 2025. The acquisitions of property and equipment and intangible assets, which amounted to P19.7 million and P284.0 million, respectively, were partially offset by the increase in depreciation and amortization. Right-of-use assets - net of P616.0 million as of March 31, 2026 were higher by 16.9% compared to P526.9 million as of December 31, 2025. Deferred tax assets – net amounted to P1,131.9 million as of March 31, 2026, was higher by 4.2% compared to P1,086.1 million as of December 31, 2025. Other noncurrent assets of P82.9 million as of March 31, 2026 were higher by 0.11% compared to P82.8 million as of December 31, 2025.

Total liabilities increased by 4.0% to P14,266.2 million as of March 31, 2026 from P13,723.6 million as of December 31, 2025. Trade and other payables decreased by 0.5% to P4,224.5 million as of March 31, 2026 from P4,247.6 million as of December 31, 2025. Trade and other payables are covered by agreed payment schedules. Provisions for claims of P67.8 million as of March 31, 2026 increased by 7.4% compared to P63.1 million as of December 31, 2025. Concession rights payable (current and noncurrent) as of March 31, 2026 of P8,161.8 million increased by 0.4% from P8,132.2 million as of December 31, 2025. Income and other taxes payable of P871.1 million as of March 31, 2026 were higher by 89.3% compared to P460.1 million as of December 31, 2025 due to income

tax for the three months of 2026. Pension liability of P219.7 million was up by 7.9% as of March 31, 2026 from P203.6 million as of December 31, 2025. Lease liabilities (current and noncurrent) of P721.4 million as of March 31, 2026 increased by 16.9% from P617.0 million as of December 31, 2025 due to additional leases for the first three months of 2026.

Consolidated Cash Flows

Net cash provided by operating activities in the first three months of 2026 was P2,146.1 million, 24.8% higher than P1,720.0 million in the same period last year due to higher operating income, decrease in trade receivables and prepaid expenses.

Net cash used in investing activities in the first three months of 2026 of P303.7 million was lower by 38.2% versus the P491.5 million in the same period last year due to lower acquisition of property and equipment and intangible assets.

Net cash used in financing activities in the first three months of 2026 was P3,016 million, 1008.0% higher than P272.2 million in the same period last year mainly due to purchase of treasury shares.

Key Performance Indicators (KPI)

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 March 2026:

- ATIB's total assets were only 12.2% of the consolidated total assets
- Income before other income and expense for ATIB was only 4.3% of consolidated income before other income and expenses¹.

Consolidated KPI	Manner of Calculation	As of March 31		Discussion
		2026	2025	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	24.3%	18.7%	Increased due to higher income before interest and taxes during the period.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	22.0%	21.0%	Increased due to higher net income growth.
Current ratio	Ratio of current assets over current liabilities	1.79 : 1.00	2.41 : 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	1.56 : 1.00	1.45 : 1.00	Increased due decrease in equity.

Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.55 : 1.00	0.45 : 1.00	Increased due to lower equity
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	8 days	10 days	Decreased due to improved collection.
Net Income Margin	Net income over revenues less government share in revenues	32.9%	36.7%	Decreased due to lower net income related to unrealized forex loss in Q1 2026.
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.	1.52	0.45	Increased due to a higher number of injuries.

¹ Income before other income and expenses is defined as income before net financing costs, forex gains or losses and others.

² RIFR is the new 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 Medical Treatment Injuries (MTIs) and Fatalities incidents.

PART II. OTHER INFORMATION

Submissions of SEC Form 17-C:

Date Filed	Reference	Particulars
January 6, 2026	SEC 17-C	Attendance of Directors in the 2025 Board Meetings
January 15, 2026	SEC 17-C	List of Stockholders as of record date (for the Special Stockholders' Meeting)
January 30, 2026	SEC 17-C	Results of the 2026 Special Stockholders Meeting
February 24, 2026	SEC 17-C	Payment of PSE penalty (for inaccurate public ownership)
March 4, 2026	SEC 17-C	Preliminary results of the Tender Offer
March 17, 2026	SEC 17-C	Postponement of the 2026 Annual Stockholders' Meeting
March 24, 2026	SEC 17-C	PSE approval of the Petition for Voluntary Delisting
April 8, 2026	SEC 17-C	Setting the date, time, agenda of the 2026 annual stockholders' meeting and for holding the same by remote communication, the record date and closing of stock and transfer book; approval of the audited financial statements; re-appointment of R.G.Manabat & Co. as independent auditors for 2026; Notice of Guidelines for Nominations

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASIAN TERMINALS, INCORPORATED
by:

JOSE TRISTAN P. CARPIO
Vice President and Chief Financial Officer

Date: May 14, 2026

Principal Financial/Accounting Officer:

MARISSA R. PINCA
Assistant Vice President for Accounting and Financial Planning

Date: May 14, 2026

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts In Thousands)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P2,988,295	P4,156,790
Trade and other receivables - net	1,803,104	1,719,646
Spare parts and supplies	1,104,767	1,092,775
Prepaid expenses	4,452,491	4,045,253
Total Current Assets	10,348,657	11,014,464
Noncurrent Assets		
Investment in an associate	58,000	50,955
Property and equipment - net	2,626,912	2,675,765
Intangible assets - net	25,130,617	25,317,452
Right-of-use assets - net	615,995	526,903
Deferred tax assets - net	1,131,873	1,086,093
Other noncurrent assets	82,869	82,774
Total Noncurrent Assets	29,646,266	29,739,942
TOTAL ASSETS	P39,994,923	P40,754,406
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P4,224,499	P4,247,584
Provisions for claims	67,752	63,096
Port concession rights payable - current portion	499,261	494,042
Income and other taxes payable	871,127	460,112
Lease liabilities - current portion	119,573	50,497
Total Current Liabilities	5,782,212	5,315,331
Noncurrent Liabilities		
Port concession rights payable - net of current portion	7,662,503	7,638,183
Pension liability - net	219,706	203,642
Lease liabilities - net of current portion	601,787	566,490
Total Noncurrent Liabilities	8,483,996	8,408,315
Total Liabilities	14,266,208	13,723,646
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	(4,800,074)	(2,048,853)
Retained earnings	28,250,986	26,802,261
Fair value reserve	(5,820)	(5,820)
	25,709,392	27,011,888
Non-controlling Interest	19,323	18,872
Total Equity	25,728,715	27,030,760
TOTAL LIABILITIES AND EQUITY	P39,994,923	P40,754,406

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts In Thousands, Except Per Share Data)

	For the three months ended March 31	
	2026	2025
REVENUES FROM OPERATIONS	P5,472,656	P4,738,419
GOVERNMENT SHARE IN REVENUES	(1,064,463)	(908,339)
	4,408,193	3,830,080
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(2,138,848)	(1,937,436)
OTHER INCOME AND EXPENSES		
Finance income	28,062	45,617
Finance cost	(127,706)	(114,010)
Others - net	(247,447)	47,105
	(347,091)	(21,288)
CONSTRUCTION REVENUES	283,965	452,356
CONSTRUCTION COSTS	(283,965)	(452,356)
	-	-
INCOME BEFORE INCOME TAX	1,922,254	1,871,356
INCOME TAX EXPENSE		
Current	560,628	426,389
Deferred	(87,549)	40,741
	473,079	467,130
NET INCOME	P1,449,175	P1,404,226
Income Attributable to		
Equity Holders of the Parent Company	P1,448,724	P1,403,749
Non - controlling interest	451	477
	P1,449,175	P1,404,226
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	P0.78	P0.70

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands, Except Per Share Data)

	Attributable to Equity Holders of the Parent Company								
	Common Stock	Additional Paid-in Capital	Treasury Shares	Retained Earnings		Fair Value Reserves	Non-controlling Total	Non-controlling Interest	Total Equity
				Appropriated for Port Development	Unappropriated				
Balance at January 1, 2026	P2,000,000	P264,300	(P 2,048,853)	P22,751,147	P4,051,114	(P 5,820)	P27,011,888	P18,872	P27,030,760
Purchase of treasury shares	-	-	(2,751,221)	-	-	-	(2,751,221)	-	(2,751,221)
Net income for the period	-	-	-	-	1,448,724	-	1,448,724	451	1,449,175
Balance at March 30, 2026	P2,000,000	P264,300	(P 4,800,074)	P22,751,147	P5,499,838	(P 5,820)	P25,709,391	P19,323	P25,728,714
Balance at January 1, 2025	P2,000,000	P264,300	(34,771)	P20,300,000	P3,481,109	(P 5,820)	P26,004,818	P17,317	P26,022,135
Purchase of treasury shares	-	-	(39,544)	-	-	-	(39,544)	-	(39,544)
Net income for the period	-	-	-	-	1,403,749	-	1,403,749	477	1,404,226
Balance at March 30, 2025	P2,000,000	P264,300	P (74,315)	P20,300,000	P4,884,858	(P 5,820)	P27,369,023	P17,794	P27,386,817

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts In Thousands)

	For the three months ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P1,922,254	P1,871,356
Adjustments for:		
Depreciation and amortization	590,249	525,624
Finance cost	138,493	123,001
Finance income	(28,062)	(42,139)
Net unrealized foreign exchange losses	172,907	(85,206)
Equity in net earnings of an associate	(7,044)	(9,260)
Operating income before working capital changes	2,788,797	2,383,376
Increase in:		
Trade and other receivables	(49,263)	(177,726)
Spare parts and supplies	(11,992)	(24,719)
Prepaid expenses	(407,238)	(514,994)
Increase (decrease) in:		
Trade and other payables	(55,947)	172,943
Provisions for claims	4,656	-
Income and other taxes payable	(107,845)	(92,394)
Cash generated from operations	2,161,168	1,746,486
Finance income received	(6,133)	44,216
Finance cost paid	(21,792)	(18,168)
Contribution to retirement funds	12,871	(52,509)
Net cash provided by operating activities	2,146,114	1,720,025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and Equipment	(19,688)	(38,790)
Intangible assets	(283,964)	(452,355)
Increase in:		
Deposits	(95)	(367)
Net cash used in investing activities	(303,747)	(491,512)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Lease liabilities	(35,627)	(34,418)
Purchase of treasury shares	(2,751,221)	(39,544)
Port concession rights payable	(229,716)	(198,286)
Net cash used in financing activities	(3,016,564)	(272,248)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,174,197)	956,265
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	5,702	(8,980)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	4,156,790	4,812,172
CASH & CASH EQUIVALENTS AT END OF YEAR	P2,988,295	P5,759,457

**SELECTED
EXPLANATORY NOTES
March 31, 2026
(Amounts in Thousands)**

1. Segment Information

Information concerning the Company's Port business segment is presented below:

	For the three months ended March 31	
	2026	2025
Revenue	P5,472,656	P4,738,419
Intangible Assets (excluding goodwill)	25,130,617	22,608,538
Property and equipment - net	2,626,912	2,645,833
Total assets	39,994,923	39,654,625
Total liabilities	14,266,209	12,267,808
Capital expenditures		
Intangible Assets	283,964	452,355
Property and equipment	19,688	38,790
Depreciation and amortization	590,249	525,624

2. Trade and Other Receivables

	March 31, 2026	As of December 31, 2025 (Audited)
Trade receivables	P929,641	P879,646
Due from related parties	745,742	691,617
Receivable from insurance	29,524	29,524
Advances to officers and employees	22,483	28,150
Accrued other income	3,231	13,963
Interest receivable	1,793	7,230
Other receivables	74,885	73,711
	1,807,299	1,723,841
Allowance for impairment losses	(4,195)	(4,195)
	P1,803,104	P1,719,646

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

3. Property and Equipment

A summary of property and equipment follows:

	Port Facilities and Equipment	Leasehold improvements	Furniture and Equipment	Transportation and other Equipment	Construction In-progress	March 31, 2026	December 31, 2025 (Audited)
Cost							
Balance at beginning of year	P243,105	P2,959,620	P1,204,226	P472,853	P90,796	P4,970,600	P4,757,767
Additions	-	134	10,780	10,734	(1,961)	19,687	174,699
Disposals	-	-	(59)	(2,800)	-	(2,859)	(20,538)
Reclassifications	-	-	-	-	-	-	58,672
Balance at end of year	243,105	2,959,754	1,214,947	480,787	88,835	4,987,428	4,970,600
Accumulated depreciation							
Balance at beginning of year	179,018	874,629	935,483	305,704	-	2,294,834	2,044,961
Depreciation	2,828	30,685	20,863	14,166	-	68,542	270,405
Disposals	-	-	(59)	(2,800)	-	(2,859)	(20,531)
Balance at end of year	181,846	905,314	956,287	317,070	-	2,360,517	2,294,835
Carrying Amount	P61,259	P2,054,440	P258,660	P163,718	P88,835	P2,626,912	P2,675,765

4. Intangible Assets

As of March 31, 2026

	Port Concession Rights				Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal		
Cost						
Balance at beginning of year	P882,000	P10,513,308	P33,318,974	P44,714,282	P42,060	P44,756,342
Additions	-	-	283,965	P283,965	-	283,965
Disposals	-	-	(911)	(911)	-	(911)
Balance at end of year	882,000	10,513,308	33,602,028	44,997,336	42,060	45,039,396
Accumulated amortization						
Balance at beginning of year	147,462	5,887,138	13,404,290	19,438,890	-	19,438,890
Amortization	2,820	112,793	355,187	P470,800	-	470,800
Disposals	-	-	(911)	(911)	-	(911)
Balance at end of year	150,282	5,999,931	13,758,566	19,908,779	-	19,908,779
Carrying Amount	P731,718	P4,513,377	P19,843,462	P25,088,557	P42,060	P25,130,617

As of December 31, 2025 (Audited)

	Port Concession Rights				Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal		
Cost						
Balance at beginning of year	P882,000	P9,279,694	P30,050,034	P40,211,728	P42,060	P40,253,788
Additions	-	1,233,614	3,327,612	4,561,226	-	4,561,226
Reclassifications	-	-	(58,672)	(58,672)	-	(58,672)
Balance at end of year	882,000	10,513,308	33,318,974	44,714,282	42,060	44,756,342
Accumulated amortization						
Balance at beginning of year	131,054	5,493,830	12,112,549	17,737,433	-	17,737,433
Additions	16,408	393,308	1,291,741	1,701,457	-	1,701,457
Balance at end of year	147,462	5,887,138	13,404,290	19,438,890	-	19,438,890
Carrying Amount	P 734,538	P 4,626,170	P 19,914,684	P 25,275,392	P 42,060	P25,317,452

5. Trade and Other Payables

	March 31, 2026	December 31, 2025 (Audited)
Accrued expenses:		
Marketing, commercial, promotion and business development	P831,571	P394,227
Personnel costs	139,068	129,710
Repairs and maintenance	120,371	103,162
Finance costs	89,294	120,358
IT expenses	80,208	54,182
Security expenses	46,960	52,751
Professional fees	36,042	37,842
Trucking Expenses	29,879	41,143
Utilities	25,656	26,736
Rental	19,399	20,692
Insurance	15,433	88,814
Corporate social responsibility	8,405	9,155
Safety and environment	3,114	9,161
Miscellaneous accrued expenses	275,100	140,912
Due to government agencies	1,325,030	1,266,460
Trade	486,957	744,182
Equipment acquisitions	278,859	424,402
Shippers' and brokers' deposits	263,401	243,279
Provisions	80,364	80,364
Management fee payable	19,524	41,018
Other Payables	49,865	219,034
	P4,224,500	P4,247,584

6. Other Income and Expenses

Finance cost is broken down as follows:

	For the three months ended March 31	
	2026	2025
Interest on port concession rights payable	P113,509	P100,578
Interest on lease liability	10,896	9,084
Interest component of pension expense	3,192	4,254
Interest on bank loans/credit facilities	109	94
	P127,706	P114,010

Finance income is broken down as follows:

	For the three months ended March 31	
	2026	2025
Interest on cash in banks and short-term investments	P28,062	P45,617
	P28,062	P45,617

Others consisted of the following:

	For the three months ended March 31	
	2026	2025
Foreign exchange gains - port concession rights payable	P139,581	P147,102
Equity in net earnings of an associate	7,044	9,260
Management income	1,825	1,986
Lease and other income - net	1,362	2,157
Gain on disposals of property and equipment and intangible assets	1,281	233
Foreign exchange (losses) - others	(398,540)	(113,633)
	(P247,447)	P 47,105

Foreign exchange (losses) – port concession rights payable resulted from revaluation of foreign currency denominated port concession rights payable.

7. Financial Risk and Capital Management Objectives and Policies

The Company 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 Company's capital expenditures and operations.

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

The interest rate profile of the Company's interest-bearing financial instrument is as follows:

	March 31, 2026	December 31, 2025 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	P2,981,819	P4,129,728

Excluding cash on hand amounting to P6.5 million and P23.5 million as at March 31, 2026 and 2025, respectively.

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company 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 Company monitors its risk of shortage of funds using a liquidity planning tool. This tool considers the maturity of both the Company's financial investments and financial assets and projected cash flows from operations, among others. The Company'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 Company's financial liabilities based on contractual undiscounted payments:

As of March 31, 2026	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*	P2,899,470	P145,006	P757,404	P1,678,077	P 318,983	P -	P2,899,470
Port concession rights payable	8,161,764	-	156,721	470,162	4,155,065	4,346,576	9,128,524
Lease liabilities	721,360	-	39,661	85,918	134,165	461,616	721,360
Total	P 11,782,594	P 145,006	P 953,786	P 2,234,157	P 4,608,213	P 4,808,192	P 12,749,354

* excluding due to government agencies amounting to P1.3 billion as of March 31, 2026.

As of December 31, 2025 (Audited)	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*	P2,981,124	P160,076	P827,616	P1,696,254	P 297,178	P -	P 2,981,124
Port concession rights payable	8,132,225	-	261,103	783,308	4,223,071	6,578,321	11,845,803
Lease liabilities	616,987	-	12,132	30,593	151,893	855,840	1,050,458
Total	P 11,730,336	P 160,076	P 1,100,851	P 2,510,155	P 4,672,142	P 7,434,161	P 15,877,385

* excluding due to government agencies amounting to P1.3 billion as at December 31, 2025.

Credit Risk

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

The Company trades only with recognized and creditworthy third parties. It is the Company'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 Company'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 Company does not require collateral in respect of trade and other receivables. The Company 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 Company, which comprise cash in bank and cash equivalents, deposits and FVOCI - equity, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company 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 Company's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	March 31, 2026	As of December 31, 2025 (Audited)
Cash and cash equivalents*	P2,981,819	P4,129,728
Trade and other receivables - net	1,803,104	1,719,646
Deposits	80,217	80,122
Equity securities	2,652	2,652
	P4,867,792	P5,932,148

* Excluding cash on hand amounting to P6.5 million and P23.5 million as at March 31, 2026 and 2025, respectively.

There are no significant concentrations of credit risk within the Company.

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

	As at March 31, 2026			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P2,981,819	P -	P -	P2,981,819
Trade and other receivables - net	1,491,283	311,821	-	1,803,104
Deposits	80,217	-	-	80,217
Equity securities	2,652	-	-	2,652
	P4,555,971	P311,821	P -	P4,867,792

	As at December 31, 2025			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P4,129,728	P -	P -	P4,129,728
Trade and other receivables - net	1,313,614	406,032	-	1,719,646
Deposits	80,122	-	-	80,122
Equity securities	2,652	-	-	2,652
	P5,526,116	P406,032	P -	P5,932,148

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 Company. Those receivables which are collected consistently beyond their due dates and require persistent effort from the Company are included under Grade C.

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

Expected Credit Loss Assessment as at March 31, 2026

The Company 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 March 31, 2026:

	Gross Carrying Amount	Impairment Loss Allowance	Credit-impaired
Current (not past due)	P1,534,949	P -	No
1 - 30 days past due	74,727	-	No
31 - 60 days past due	99,911	-	No
61- 90 days past due	78,933	-	No
More than 90 days past due	18,779	4,195	Yes
Balance at March 31, 2026	P1,807,299	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 Company 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 Company does not have a material impact on the financial statements.

The maturity of the Company'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.

Cash in Banks and Cash Equivalents

The Company held cash in banks and cash equivalents of P2.9 billion and P4.1 billion as at March 31, 2026 and December 31, 2025, 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 Company 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 Company has foreign currency financial assets and liabilities arising from US dollar denominated revenues, lease payments, government share, and other foreign currency-denominated purchases by operating units.

The Company's policy is to manage its foreign currency risk by using a combination of natural hedges as well as buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Company's foreign currency-denominated accounts are as follows:

	As of March 31, 2026	December 31, 2025 (Audited)
Assets		
Cash and cash equivalents	USD2,048	USD11,717
Liabilities		
Trade and other payables	2,228	8,061
Port concession rights payable	107,633	109,174
	109,861	117,235
Net foreign currency-denominated liabilities	(USD107,813)	(USD105,518)
Peso equivalent	(P6,549,424)	(P6,203,403)

	Increase (Decrease) in USD Exchange Rate	Effect on Income before Income Tax	Effect on Equity
March 31, 2026			
	+5%	(P327,471)	(P245,603)
	-5%	327,471	245,603
December 31, 2025			
	+5%	(P310,170)	(232,628)
	-5%	310,170	232,628

The exchange rates applicable for US dollar as at March 31, 2026 and December 31, 2025 are P60.75 and P58.79, respectively.

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

Capital Management

The primary objective of the Company'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 Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

	March 31, 2026	December 31, 2025 (Audited)
Capital stock	P2,000,000	P2,000,000
Additional paid-in capital	264,300	264,300
Treasury shares	(4,800,074)	(2,048,853)
Retained earnings	28,250,985	26,802,261
Fair value reserve	(5,820)	(5,820)
Total	16 P25,709,391	P27,011,888

8. Financial Instruments

	March 31, 2026		As of December 31, 2025 (Audited)	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Cash and cash equivalents	P2,988,295	P2,988,295	P4,156,790	P4,156,790
Trade and other receivables - net	1,803,104	1,803,104	1,719,646	1,719,646
Deposits	80,217	83,385	80,122	83,290
	4,871,616	4,874,784	5,956,558	5,959,726
Equity securities	2,652	2,652	2,652	2,652
	P4,874,268	P4,877,436	P5,959,210	P5,962,378
Financial Liabilities				
Other financial liabilities:				
Trade and other payables*	P2,899,470	P2,899,470	P2,981,124	P2,891,124
Port concession rights payable	8,161,764	7,508,914	8,132,225	8,723,234
	P11,061,234	P10,408,384	P11,113,349	P11,614,358

* excluding due to government agencies amounting to P1.3 billion and P1.3 billion as at March 31, 2026 and 2025, respectively.

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Company's financial instruments.

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 discounted using the prevailing market rate on interest for a similar instrument. The discount rates used are 5.6% in 2026 and 6.2% in 2025.

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 6.00% to 6.42% in 2026 and 6.75% to 7.01% in 2025.

Fair Value Hierarchy

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

As at March 31, 2026	Note	Level 1	Level 2	Level 3
Equity securities	12	P933	P -	P1,719
Port concession rights payable		-	7,508,914	-
		P933	P7,508,914	P1,719
<hr/>				
As at December 31, 2025	Note	Level 1	Level 2	Level 3
Equity securities	12	P933	P -	P1,719
Port concession rights payable		-	8,723,234	-
		P933	P8,723,234	P1,719

There have been no transfers from one level to another in 2026 and 2025.