



SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.: 0000133653

Company Name: ASIAN TERMINALS INC.

Industry Classification: I63200

Company Type: Stock Corporation

Document Information

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COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

ATTY. RODOLFO G. CORVITE,JR.

Contact Person

85286000

Company Telephone Number

0	8
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Month

1	3
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Day

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FORM TYPE

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Month Day
2026 Annual
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Secondary License Type, If Applicable

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Amended Articles Number/Section

8	1	9		
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As of July 31, 2026
Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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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)

June 30, 2026

Period Ended Date

(Secondary License Type and File Number)

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 : **June 30, 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

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

Yes [] No [X]

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

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 []

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
 - 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 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 six months ended June 30, 2026

Revenues for the first six months of 2026 of P11,276.4 million increased by 17.3% from P9,612.0 million in the same period last year. Revenues from South Harbor (SH) international containerized cargo and Batangas Container Terminal (BCT) increased by 17.0% and 32.2%, respectively, compared to last year. International container volume grew by 2.9% versus last year. Moreover, revenues from ATI Batangas were higher than the previous year by 18.2% on account of higher domestic container volume and higher number of passengers.

The government's share of revenues for the first six months of 2026 was P2,185.5 million, 20.2% higher from P1,818.3 million last year due to increased revenues subject to the port authorities' share.

Cost and expenses in the first six months of 2026 amounted to P4,400.6 million, 12.6% higher than P3,907.8 million in the same period last year. Depreciation and amortization in 2026 increased by 13.8% to P1,188.1 million from P1,044.1 million in 2025. Labor costs of P1,282.5 million this year went up by 11.1% compared to P1,154.7 million last year due to a salary rate increase and additional headcount related to higher volume. Equipment running costs went up by 18.6% to 552.2 million this year from P465.5 million last year due to higher fuel costs related to higher fuel prices and higher electricity costs resulting from higher consumption and an increase in rates. Security, health, environment and safety increased by 21.3% to P134.5 million in 2026 from P110.8 million in 2025 due to higher security costs related to higher volume and rate increase. Facilities-related expenses in 2026 increased by 16.3% to P249.5 million from P214.5 million in 2025. Taxes and licenses of P356.7 million in 2026 went up by 26.1% from P282.8 million in 2025. Professional fees increased by 105.5% to P29.6 million in 2026 from P14.4 million in 2025. Management fees of P184.2 million in 2026 went up by 7.6% from P171.2 million in 2025, following higher earnings before tax. Other expenses in 2026 amounted to P135.6 million, 89.1% higher compared to P71.7 million last year due to higher training expenses and IT expenses. Rentals of P6.0 million in 2026 increased by 44.4% compared to P4.1 million in the same period last year due to higher equipment rental.

Meanwhile, general transport costs of P141.6 million in 2026 went down by 35.8% from P220.6 million in 2025 on account of lower trucking costs from lower trucking volume. Insurance in 2026 of P134.9 million went down by 7.8% compared to P146.3 million in the same period last year due to lower premiums. Entertainment, amusement and recreation in 2026 of P5.3 million went down by 23.4% from P6.9 million last year.

Finance income in 2026 of P43.9 million was lower by 52.0% than P91.4 million last year due to lower cash balance. Finance costs in 2026 of P254.6 million were higher by 12.5% against P226.2

million last year. Others-net was negative P322.8 million in 2026 from P122.3 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 six months of 2026 of P4,156.9 million increased by 7.3% from P3,873.4 million in the same period last year. Provision for income tax increased by 7.0% to P1,033.8 million in 2026 from P966.2 million in the same period last year due to higher results.

Net income of P3,123.0 million for the six months of 2026 was 7.4% higher than P2,907.2 million for the same period last year. Earnings per share this year were P1.68, and last year were P1.46.

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 six 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 June 30, 2026 increased by 1.6% to P41,416.4 million from P40,754.4 million as of December 31, 2025. Current assets went up by 0.9% to P11,119.0 million as of June 30, 2026 from P11,014.5 million as of December 31, 2025. Cash and cash equivalents of P3,411.7 million as of June 30, 2026 decreased by 17.9% compared to P4,156.8 million as of December 31, 2025. Trade and other receivables-net of P2,209.1 million as of June 30, 2026 increased by 28.5% from P1,719.6 million as of December 31, 2025. Spare parts and supplies as of June 30, 2026, rose by 0.8% to P1,101.7 million from P1,092.8 million as of December 31, 2025. Prepaid expenses as of June 30, 2026 of P4,396.6 million were higher by 8.7% 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 P30,297.4 million as of June 30, 2026 were higher by 1.9% compared to P29,739.9 million as of December 31, 2025. Investment in an associate increased by 19.6% to P61.0 million as of June 30, 2026 from P51.0 million as of December 31, 2025. Property and equipment - net amounted to P2,816.7 million, up by 5.3% from P2,675.8 million as of December 31, 2025. Intangible assets - net of P25,596.5 million were higher by 1.1% than P25,317.5 million as of December 31, 2025. The acquisitions of property and equipment and intangible assets, which amounted to P280.4 million and P1,229.2 million, respectively, were partially offset by the increase

in depreciation and amortization. Right-of-use assets - net of P573.5 million as of June 30, 2026 were higher by 8.8% compared to P526.9 million as of December 31, 2025. Deferred tax assets – net amounted to P1,160.9 million as of June 31 2026, was higher by 6.9% compared to P1,086.1 million as of December 31, 2025. Other noncurrent assets of P88.8 million as of June 30, 2026 were higher by 7.3% compared to P82.8 million as of December 31. 2025.

Total liabilities increased by 24.6% to P17,095.6 million as of June 26, 2026 from P13,723.6 million as of December 31, 2025. Trade and other payables increased by 77.7% to P7,546.8 million as of June 30, 2026 from P4,247.6 million as of December 31, 2025 mainly due to declaration of cash dividends payable on July 2026. Trade and other payables are covered by agreed payment schedules. Provisions for claims of P66.8 million as of June 30, 2026 increased by 5.8% compared to P63.1 million as of December 31, 2025. Concession rights payable (current and noncurrent) as of June 30, 2026 of P8,152.9 million increased by 0.3% from P8,132.2 million as of December 31, 2025. Income and other taxes payable of P483.5 million as of June 30, 2026 were higher by 5.1% compared to P460.1 million as of December 31, 2025 due to income tax for the six months of 2026 net of 4th quarter and 1st quarter payments. Pension liability of P160.5 million was down by 21.2% as of June 30, 2026 from P203.6 million as of December 31, 2025. Lease liabilities (current and noncurrent) of P685.2 million as of June 30, 2026 increased by 11.1% from P617.0 million as of December 31, 2025 due to additional leases for the first six months of 2026.

Consolidated Cash Flows

Net cash provided by operating activities in the first six months of 2026 was P7,101.4 million, 99.6% higher than P3,557.1 million in the same period last year due to higher operating income and higher payables.

Net cash used in investing activities in the first six months of 2026 of P1,516.7 million was lower by 6.0% versus the P1,611.7 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 six months of 2026 was P6,343.4 million, 79.6% higher than P3,531.3 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 June 2026:

- ATIB's total assets were only 12.2% of the consolidated total assets
- Income before other income and expense for ATIB was only 3.9% of consolidated income before other income and expenses¹.

Consolidated KPI	Manner of Calculation	As of June 30		Discussion
		2026	2025	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	26.7%	22.7%	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	24.3%	22.4%	Increased due to higher net income growth.
Current ratio	Ratio of current assets over current liabilities	1.27 : 1.00	2.29 : 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	1.70 : 1.00	1.46 : 1.00	Increased due to decrease in equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.70 : 1.00	0.46 : 1.00	Increased due to lower equity
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	10 days	10 days	
Net Income Margin	Net income over revenues less government share in revenues	34.4%	37.3%	Decreased due to lower net income related to unrealized forex loss in Q2 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.	1.13	0.21	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

On May 25, 2026, the Board of Directors of ATI approved a cash dividend of P1.655 per share to stockholders on record as of June 22, 2026 payable on July 15, 2026. As of date of this report, the Company has both ordinary and treasury shares.

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
April 24, 2026		SEC Approval of the Amendments to the Articles of Incorporation
April 30, 2026		SEC Approval of the Amendments to the By-Laws
May 8, 2026		Postponement of the Annual Stockholders' Meeting to July 3, 2026
May 26, 2026		Board Approval of the following: 1)ATI's accession to the Shareholders' Agreement and Post Delisting Implementing Agreement (PDIA) 2)Amendment of the Articles of Incorporation 3) Amendment of the By-Laws 4) Sale of treasury shares to Philippine Seaport or a third party in accordance with the PDIA 5) Authority to file with the SEC the Notice of Termination of Public Company Status and the Petition for the Revocation of Order of Registration and Permit to Sell Securities to the Public 6) Declaration of Cash Dividends, record and payment dates
June 9, 2026		Board approval on decrease in the Company's authorized capital stock corresponding amendments to Seventh Article of the Articles of Incorporation to reflect such decrease and

		its inclusion in the agenda for 2026 Annual Meeting for approval of stockholders.
June 16, 2026		Annual list of stockholders
July 3, 2026		Results of the Annual Stockholders' Meeting and Organizational Meeting

ASIAN TERMINALS, INCORPORATED
Securities and Exchange Commission Form 17-Q

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: August 13, 2026

Principal Financial/Accounting Officer:

MARISSA R. PINCA
Assistant Vice President for Accounting and Financial Planning

Date: August 13, 2026

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P3,411,669	P4,156,790
Trade and other receivables - net	2,209,082	1,719,646
Spare parts and supplies	1,101,679	1,092,775
Prepaid expenses	4,396,558	4,045,253
Total Current Assets	11,118,988	11,014,464
Noncurrent Assets		
Investment in an associate	60,964	50,955
Property and equipment - net	2,816,747	2,675,765
Intangible assets - net	25,596,475	25,317,452
Right-of-use assets - net	573,457	526,903
Deferred tax assets - net	1,160,917	1,086,093
Other noncurrent assets	88,847	82,774
Total Noncurrent Assets	30,297,407	29,739,942
TOTAL ASSETS	P41,416,395	P40,754,406
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P7,546,764	P4,247,584
Provisions for claims	66,764	63,096
Port concession rights payable - current portion	513,448	494,042
Income and other taxes payable	483,475	460,112
Lease liabilities - current portion	119,484	50,497
Total Current Liabilities	8,729,935	5,315,331
Noncurrent Liabilities		
Port concession rights payable - net of current portion	7,639,481	7,638,183
Pension liability - net	160,461	203,642
Lease liabilities - net of current portion	565,715	566,490
Total Noncurrent Liabilities	8,365,657	8,408,315
Total Liabilities	17,095,592	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	26,843,301	26,802,261
Fair value reserve	(5,820)	(5,820)
	24,301,707	27,011,888
Non-controlling Interest	19,096	18,872
Total Equity	24,320,803	27,030,760
TOTAL LIABILITIES AND EQUITY	P41,416,395	P40,754,406

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

	For the second quarter ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
REVENUES FROM OPERATIONS	P5,803,744	P4,873,562	P11,276,400	P9,611,981
GOVERNMENT SHARE IN REVENUES	(1,121,069)	(909,969)	(2,185,532)	(1,818,308)
	4,682,675	3,963,593	9,090,868	7,793,673
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(2,261,721)	(1,970,375)	(4,400,569)	(3,907,811)
OTHER INCOME AND EXPENSES				
Finance income	15,824	45,784	43,886	91,401
Finance cost	(126,863)	(112,233)	(254,569)	(226,243)
Others - net	(75,316)	75,226	(322,763)	122,331
	(186,355)	8,777	(533,446)	(12,511)
CONSTRUCTION REVENUES	945,219	1,091,721	1,229,184	1,544,077
CONSTRUCTION COSTS	(945,219)	(1,091,721)	(1,229,184)	(1,544,077)
	-	-	-	-
INCOME BEFORE INCOME TAX	2,234,599	2,001,995	4,156,853	3,873,351
INCOME TAX EXPENSE				
Current	589,814	472,010	1,150,442	898,399
Deferred	(29,044)	27,010	(116,593)	67,751
	560,770	499,020	1,033,849	966,150
NET INCOME	P1,673,829	P1,502,975	P3,123,004	P2,907,201
Income Attributable to				
Equity Holders of the Parent Company	P1,673,476	P1,502,544	P3,122,200	P2,906,293
Non - controlling interest	353	431	804	908
	P1,673,829	P1,502,975	P3,123,004	P2,907,201
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	P0.84	P0.75	P1.68	P1.46

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						Non-controlling Interest	Total Equity	
	Common Stock	Additional Paid-in Capital	Treasury Shares	Retained Earnings		Fair Value Reserves			
				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)	(580)	(2,751,801)
Cash dividends - P1.655 a share for ATI	-	-	-	-	(3,081,160)	-	(3,081,160)	-	(3,081,160)
Net income for the period	-	-	-	-	3,122,200	-	3,122,200	804	3,123,004
Balance at June 30, 2026	P2,000,000	P264,300	(P 4,800,074)	P22,751,147	P4,092,154	(P 5,820)	P24,301,707	P19,096	P24,320,803
Balance at January 1, 2025	P2,000,000	P264,300	(P 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)	(580)	(40,124)
Cash dividends - P1.502 a share for ATI	-	-	-	-	(3,003,478)	-	(3,003,478)	-	(3,003,478)
Net income for the period	-	-	-	-	2,906,294	-	2,906,294	908	2,907,202
Balance at June 30, 2025	P2,000,000	P264,300	(P 74,315)	P20,300,000	P3,383,925	(P 5,820)	P25,868,090	P17,645	P25,885,735

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

	For the second quarter ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	P 2,234,599	P2,001,995	P4,156,853	P3,873,351
Adjustments for:				
Depreciation and amortization	597,843	518,522	1,188,092	1,044,146
Finance cost	135,775	121,249	274,268	244,250
Finance income	(15,824)	(49,262)	(43,886)	(91,401)
Net unrealized foreign exchange gains (losses)	36,415	(108,793)	209,322	(193,999)
Equity in net earnings of an associate	(2,964)	(8,970)	(10,008)	(18,230)
Operating income before working capital changes	2,986,578	2,474,741	5,775,375	4,858,117
Increase in:				
Trade and other receivables	(464,639)	(58,521)	(513,902)	(236,247)
Spare parts and supplies	3,088	(5,695)	(8,904)	(30,414)
Prepaid expenses	55,933	45,946	(351,305)	(469,048)
Increase (decrease) in:				
Trade and other payables	3,383,505	(77,342)	3,327,558	95,601
Provisions for claims	(988)	(800)	3,668	(800)
Income and other taxes payable	122,180	315,181	14,335	222,787
Cash generated from operations	6,085,657	2,693,510	8,246,825	4,439,996
Finance income received	74,485	34,206	68,352	78,422
Finance cost paid	(18,040)	(18,202)	(39,832)	(36,370)
Income tax paid	(1,099,646)	(884,968)	(1,099,646)	(884,968)
Contribution to retirement funds	(87,189)	12,543	(74,318)	(39,966)
Net cash provided by operating activities	4,955,267	1,837,089	7,101,381	3,557,114
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and Equipment	(260,707)	(55,367)	(280,395)	(94,157)
Intangible assets	(945,219)	(1,091,721)	(1,229,183)	(1,544,076)
Dividends received	-	26,867	-	26,867
Increase in:				
Deposits	(5,978)	-	(6,073)	(367)
Net cash used in investing activities	(1,211,904)	(1,120,221)	(1,515,651)	(1,611,733)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Cash dividends	(3,081,160)	(3,003,478)	(3,081,160)	(3,003,478)
Cash dividend to non-controlling interest	(580)	(580)	(580)	(580)
Lease liabilities	(41,967)	(57,264)	(77,594)	(91,682)
Purchase of treasury shares	-	-	(2,751,221)	(39,544)
Port concession rights payable	(203,159)	(197,740)	(432,875)	(396,026)
Net cash used in financing activities	(3,326,866)	(3,259,062)	(6,343,430)	(3,531,310)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	416,497	(2,542,194)	(757,700)	(1,585,929)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	6,877	(11,416)	12,579	(20,396)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	2,988,295	5,759,457	4,156,790	4,812,172
CASH & CASH EQUIVALENTS AT END OF YEAR	P3,411,669	P 3,205,847	P3,411,669	P3,205,847

**SELECTED
EXPLANATORY NOTES
June 30, 2026
(Amounts in Thousands)**

1. Segment Information

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

	For the six months ended June 30	
	2026	2025
Revenue	P11,276,400	P9,611,981
Intangible Assets (excluding goodwill)	25,596,475	23,301,399
Property and equipment - net	2,816,747	2,633,903
Total assets	41,416,395	37,719,906
Total liabilities	17,095,592	11,834,172
Capital expenditures		
Intangible Assets	1,229,183	1,544,076
Property and equipment	280,395	94,157
Depreciation and amortization	1,188,092	1,044,146

2. Trade and Other Receivables

	June 30, 2026	As of December 31, 2025 (Audited)
Trade receivables	P1,198,797	P879,646
Due from related parties	873,165	691,617
Receivable from insurance	28,614	29,524
Advances to officers and employees	18,321	28,150
Accrued other income	9,223	13,963
Interest receivable	3,435	7,230
Other receivables	81,722	73,711
	2,213,277	1,723,841
Allowance for impairment losses	(4,195)	(4,195)
	P2,209,082	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 Furnitures and Equipment	Transportation and other Equipment	Construction In-progress	June 30, 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	-	1,027	31,616	28,665	219,087	280,395	174,699
Disposals	-	-	(117)	(3,990)	-	(4,107)	(20,538)
Reclassifications	-	-	-	-	-	-	58,672
Balance at end of year	243,105	2,960,647	1,235,725	497,528	309,883	5,246,888	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	5,657	61,379	42,595	29,051	-	138,682	270,405
Disposals	-	-	(117)	(3,256)	-	(3,373)	(20,531)
Balance at end of year	184,675	936,008	977,961	331,499	-	2,430,143	2,294,835
Carrying Amount	P58,430	P2,024,639	P257,764	P166,030	P309,883	P2,816,746	P2,675,765

4. Intangible Assets

As of June 30, 2026

	Port Concession Rights					
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal	Goodwill	Total
Cost						
Balance at beginning of year	P882,000	P10,513,308	P33,318,974	P44,714,282	P42,060	P44,756,342
Additions	-	-	1,229,184	P1,229,184	-	1,229,184
Disposals	-	-	(911)	(911)	-	(911)
Balance at end of year	882,000	10,513,308	34,547,247	45,942,555	42,060	45,984,615
Accumulated amortization						
Balance at beginning of year	147,462	5,887,138	13,404,290	19,438,890	-	19,438,890
Amortization	8,204	225,585	716,371	P950,161	-	950,161
Disposals	-	-	(911)	(911)	-	(911)
Balance at end of year	155,666	6,112,723	14,119,750	20,388,140	-	20,388,140
Carrying Amount	P726,334	P4,400,585	P20,427,496	P25,554,415	P42,060	P25,596,475

As of December 31, 2025 (Audited)

	Port Concession Rights					
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal	Goodwill	Total
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

	June 30, 2026	December 31, 2025 (Audited)
Accrued expenses:		
Marketing, commercial, promotion and business development	P732,301	P394,227
Personnel costs	180,433	129,710
Finance costs	147,955	120,358
Repairs and maintenance	101,754	103,162
Security expenses	72,166	52,751
IT expenses	63,412	54,182
Utilities	27,974	26,736
Professional fees	27,898	37,842
Trucking Expenses	21,322	41,143
Rental	20,024	20,692
Insurance	18,660	88,814
Corporate social responsibility	8,430	9,155
Safety and environment	4,193	9,161
Miscellaneous accrued expenses	384,092	140,912
Dividends Payable	3,081,160	32,173
Due to government agencies	1,413,674	1,266,460
Trade	395,596	744,182
Equipment acquisitions	417,821	424,402
Shippers' and brokers' deposits	297,149	243,279
Provisions	80,364	80,364
Management fee payable	38,918	41,018
Other Payables	11,468	186,861
	P7,546,764	P4,247,584

6. Other Income and Expenses

Finance cost is broken down as follows:

	For the six months ended June 30	
	2026	2025
Interest on port concession rights payable	P229,043	P199,368
Interest on lease liability	19,916	18,185
Interest component of pension expense	5,393	8,507
Interest on bank loans/credit facilities	217	183
	P254,569	P226,243

Finance income is broken down as follows:

	For the six months ended June 30	
	2026	2025
Interest on cash in banks and short-term investments	P43,886	P91,401
	P43,886	P91,401

Others consisted of the following:

	For the six months ended June 30	
	2026	2025
Foreign exchange gains - port concession rights payable	P190,870	P379,301
Equity in net earnings of an associate	10,008	18,230
Lease and other income - net	5,711	3,881
Management income	3,367	3,988
Gain on disposals of property and equipment and intangible assets	1,284	494
Foreign exchange (losses) - others	(534,003)	(283,563)
	(P322,763)	P 122,331

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:

	June 30, 2026	December 31, 2025 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	P3,386,914	P4,129,728

Excluding cash on hand amounting to P24.8 million and P27.1 million as at June 30, 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 June 30, 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*	P6,133,090	P152,641	P695,647	P4,922,641	P 362,161	P -	P6,133,090
Port concession rights payable	8,152,929	-	109,156	327,467	4,155,065	4,346,577	8,938,265
Lease liabilities	685,199	-	32,834	49,178	143,050	460,137	685,199
Total	P 14,971,218	P 152,641	P 837,637	P 5,299,286	P 4,660,276	P 4,806,714	P 15,756,554

* excluding due to government agencies amounting to P1.4 billion as of June 30, 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.

	June 30, 2026	As of December 31, 2025 (Audited)
Cash and cash equivalents*	P3,386,914	P4,129,728
Trade and other receivables - net	2,209,082	1,719,646
Deposits	86,195	80,122
Equity securities	2,652	2,652
	P5,684,843	P5,932,148

Excluding cash on hand amounting to P24.8 million and P27.1 million as at June 30, 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 June 30, 2026			
	Grade A	Grade B	Grade C	Total
Cash in banks and cash equivalents	P3,386,914	P -	P -	P3,386,914
Trade and other receivables - net	1,799,049	410,033	-	2,209,082
Deposits	86,195	-	-	86,195
Equity securities	2,652	-	-	2,652
	P5,274,810	P410,033	P -	P5,684,843

	As at December 31, 2025			
	Grade A	Grade B	Grade C	Total
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 June 30, 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 June 30, 2026:

	Gross Carrying Amount	Impairment Loss Allowance	Credit- impaired
Current (not past due)	P1,856,080	P -	No
1 - 30 days past due	171,482	-	No
31 - 60 days past due	95,028	-	No
61- 90 days past due	75,881	-	No
More than 90 days past due	14,806	4,195	Yes
Balance at June 30, 2026	P2,213,277	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 P3.4 billion and P4.1 billion as at June 30, 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 June 30, 2026	December 31, 2025 (Audited)
Assets		
Cash and cash equivalents	USD2,133	USD11,717
Liabilities		
Trade and other payables	7,251	8,061
Port concession rights payable	106,062	109,174
	113,313	117,235
Net foreign currency-denominated liabilities	(USD111,180)	(USD105,518)
Peso equivalent	(P6,822,005)	(P6,203,403)

	Increase (Decrease) in USD Exchange Rate	Effect on Income before Income Tax	Effect on Equity
June 30, 2026			
	+5%	(P341,100)	(P255,825)
	-5%	327,471	255,825
December 31, 2025			
	+5%	(P310,170)	(232,628)
	-5%	310,170	232,628

The exchange rates applicable for US dollar as at June 30, 2026 and December 31, 2025 are P61.36 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.

	June 30, 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	26,843,301	26,802,261
Fair value reserve	(5,820)	(5,820)
Total	16 P24,301,707	P27,011,888

8. Financial Instruments

	June 30, 2026		As of December 31, 2025 (Audited)	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Cash and cash equivalents	P3,411,669	P3,411,669	P4,156,790	P4,156,790
Trade and other receivables - net	2,209,082	2,209,082	1,719,646	1,719,646
Deposits	86,195	89,363	80,122	83,290
	5,706,946	5,710,114	5,956,558	5,959,726
Equity securities	2,652	2,652	2,652	2,652
	P5,709,598	P5,712,766	P5,959,210	P5,962,378
Financial Liabilities				
Other financial liabilities:				
Trade and other payables*	P6,133,090	P6,133,090	P2,981,124	P2,891,124
Port concession rights payable	8,152,929	8,354,518	8,132,225	8,723,234
	P14,286,019	P14,487,608	P11,113,349	P11,614,358

* excluding due to government agencies amounting to P1.4 billion and P1.3 billion as at June 30, 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 6.5% 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 6.89% to 6.98% 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 June 30, 2026	Note	Level 1	Level 2	Level 3
Equity securities	12	P933	P -	P1,719
Port concession rights payable		-	8,354,518	-
		P933	P8,354,518	P1,719
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.