

SEC Number: 133653
File Number: _____

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

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

8528-6000
(Telephone Number)

December 31
Calendar Year Ending
(Month & Day)

SEC Form 17-A
Form Type

NA
Amendment Designation (if applicable)

December 31, 2025
Period Ended Date

N/A
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC Form 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended : December 31, 2025
2. SEC Identification Number : 133653
3. BIR Tax Identification Code : 000-132-413
4. 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 Principal Office : A. Bonifacio Drive
Port Area, Manila 1018
8. Registrant's telephone number : (632) 8528-6000
9. Former name, address and fiscal year, if
changed since last report : N/A
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 March 31,2026)
Common	1,861,727,891 shares
Treasury	138,272,109

11. Are any or all of registrant's securities listed on a Stock Exchange?¹

Yes [] No [x]

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

12. Check whether the issuer

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder of Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

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

Yes

No

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

Yes

No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

Number of non-affiliate shares as of March 13, 2026	13,821,988
Closing price per share as of March 12, 2026 ²	P29.00
Market value of stocks held by non-affiliates as of March 13, 2026	P400.8M

² The last trading day before the trading suspension of the Philippine Stock Exchange (PSE) and prior to the PSE delisting.

PART I- BUSINESS AND GENERAL INFORMATION

Item 1. 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.

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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.

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.

Item 2. Properties**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) (BCT)

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.

Item 3. 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.

Item 4. Submission of Matters to a Vote of Security Holders

None.

PART II- OPERATIONAL AND FINANCIAL INFORMATION**Item 5. Market for Issuer's Common Equity and Related Stockholder Matters**

1. The Company's common equity is traded at the Philippine Stock Exchange.¹ 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

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

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The number of stockholders as of December 31, 2025, was 808. Of the 2,000,000,000 common shares, 1,938,150,694 are outstanding and 61,849,306 are treasury shares, as of December 31, 2025. A total of 718,647,868 or 37.08% are foreign owned.

Top 20 stockholders as of December 31, 2025:

	Name	Shares	%age <i>(based on 1,938,150,694 outstanding shares)</i>
1	DP World Australia (POAL) Pty. Ltd	346,466,600	17.88%
2	ATI Holdings, Inc.	291,371,229	15.03%
3	PCD Filipino	261,981,979	13.52%
4	Pecard Group Holdings, Inc.	198,203,968	10.23%
5	Philippine Seaport Inc.	196,911,524	10.16%
6	Daven Holdings, Inc.	155,906,071	8.04%
7	SG Holdings, Inc.	130,000,000	6.71%
8	Morray Holdings, Inc.	100,000,000	5.16%
9	PCD Non-Filipino	80,624,895	4.16%
10	Harbourside Holdings Corp.	80,000,000	4.13%
11	Aberlour Holding Company, Inc.	71,517,463	3.69%
12	Tanco, Eusebio H.	16,507,463	0.85%
13	Granite Realty Corporation	1,000,000	0.05%
14	Oben Reginaldo &/or Teresa Oben	784,266	0.04%
15	Vica Service and Management Co., Inc.	600,000	0.03%
16	Uni-ship , Incorporated	261,466	0.01%
17	Corvite, Rodolfo Jr., G.	222,398	0.01%
18	Phil Remnants Co., Inc.	183,333	0.01%
19	Choa, Victor, K.	161,000	0.01%
20	Padernal, Thomas, B.	139,999	0.01%

2. The cash dividends declared and paid out by the Company during the two (2) most recent fiscal years were 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

Under the Company's By-Laws, dividends shall be declared only from unrestricted earnings and shall be payable at such time and in such manner and in such amounts as the Board of Directors shall determine. No dividends shall be declared which would impair the capital of the Company.

3. Recent Sale of Unregistered Securities or Exempt Securities, including recent Issuances of Securities Constituting an Exempt Transaction (within 3 years).

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

Item 6. Management Discussion and Analysis**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.

ASIAN TERMINALS, INC.**Securities and Exchange Commission Form 17-A****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 2025 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.

Securities and Exchange Commission Form 17-A

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.²

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.

² 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) ³	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)

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

³ 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.

ASIAN TERMINALS S. INC.**Securities and Exchange Commission Form 17-A****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%

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.

ASIAN TERMINALS, INC.**Securities and Exchange Commission Form 17-A***(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%

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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

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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.

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- Income before other income and expense from ATIB was only 3.9% of consolidated income before other income and expense.⁴

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) ⁵	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.

⁴ Income before interest and tax excludes also net unrealized foreign exchange losses and others.

⁵ 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.

ASIAN TERMINALS, INC.**Securities and Exchange Commission Form 17-A****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.

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(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.

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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%
Equity	11,521,529	12,470,092	(948,563)	-7.6%
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.⁶

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.

⁶ Income before interest and tax excludes also net unrealized foreign exchange losses and others.

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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) ⁷	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	4,500.3	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.

⁷ 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.

Item 7. Financial Statements

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

Item 8. 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.

PART III-CONTROL AND COMPENSATION INFORMATION**Item 9. Directors and Executive Officers of the Issuer**

As of December 31, 2025, the following were the directors and executive officers of Asian Terminals Inc.

Name	Age	Position
Glen C. Hilton	56	Chairman
Eusebio H. Tanco	76	Director/President
William Wassaf Khoury Abreu	47	Director
Monico V. Jacob	81	Director
Teodoro L. Locsin, Jr.	77	Independent Director
Felino A. Palafox, Jr.	76	Director
Artemio V. Panganiban	89	Independent Director
Zissis Jason Varsamidis	50	Director
Sean James L. Perez	60	Senior Vice President for Commercial and Outports
Rodolfo G. Corvite, Jr.	66	Corporate Secretary and Vice President for Business Support Services
Jose Tristan P. Carpio	58	Treasurer/ Vice President for Finance/CFO

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A brief background of the current Company's Board of Directors and Executive Officers is as follows (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 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, South East 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 architecture and in 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,

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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.

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 and the current Vice President Chief Governance and the 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.

All the directors serve for a term equivalent to one (1) year from election or for the unexpired portion of the term of his predecessor.

Family Relationships

There are no family relationships among the directors and officers listed up to the fourth civil degree of consanguinity or affinity.

All employees are expected to make reasonable contribution to the success of the business of the Company.

The Company has no knowledge of events occurring during the past five years that are material to an evaluation of the ability and integrity of the above-named directors and officers.

Pending Legal Proceedings

The Company has no knowledge that the current members of its Board of Directors, 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.

Item 10. Executive Compensation

- 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.

Name and Principal Position	Year	(in millions of pesos)		
		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

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Name and Principal Position	Year	(in millions of pesos)		
		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

Name and Principal Position	Year	(in millions of pesos)		
		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 diems⁸ 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 the total yearly compensation of the directors, as such, exceed ten percent (10%) of the net income before income tax of the Corporation 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.

⁸ 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.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2025, the Company knows of no one who owns in excess of 5% of its common stock except as set forth in the following table:

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 1,938,150,694 outstanding shares
Common	DP World Australia (POAL) Pty. Limited Level 21 400 George St., Sydney NSW 2000, GPO Box 4084, Sydney NSW 2001 Australia (Stockholder)	DP World Australia (POAL) Pty. Limited	Australian	346,466,600	17.88%
Common	ATI Holdings, Inc. 3 rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City (Stockholder)	ATI Holdings, Inc.	Australian	291,371,229	15.03%
Common	PCD Nominee Corp. (Filipino.)* G/F MKSE Bldg. 6767 Ayala Ave., Makati City	(Beneficial Owners unknown to Issuer)	Filipino	261,981,979	13.52%
Common	Pecard Group Holdings, Inc. 3 rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City (Stockholder)	Pecard Group Holdings, Inc.	Filipino	198,203,968	10.23%
Common	Philippine Seaport, Inc. 3 rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City (Stockholder)	Philippine Seaport, Inc.	Filipino	196,911,524	10.16%
Common	Daven Holdings 7 th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City (Stockholder)	Daven Holdings	Filipino	155,906,071	8.04%
Common	SG Holdings Inc. 7 th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City (Stockholder)	SG Holdings, Inc.	Filipino	130,000,000	6.71%
Common	Morray Holdings, Inc. 7 th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City (Stockholder)	Morray Holdings, Inc.	Filipino	100,000,000	5.16%

2. Security Ownership of Management

Owners of record of ATI shares among Management as of December 31, 2025, are as follows:

Title of Class	Name of Beneficial/Record Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Class based on 1,938,150,694 outstanding shares
Common	Felino A. Palafox, Jr.	15,300/direct 395,115,492/indirect	Filipino	20.39%
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	30.57%
Common	Artemio V. Panganiban (independent director)	1/direct	Filipino	0.00%
Common	Teodoro L. Locsin, Jr. (independent director)	1/direct	Filipino	0.00%
Common	Rodolfo G. Corvite, Jr.	222,398/direct	Filipino	0.01%
	TOTAL	987,918,196		50.97%

There was no change in control of the registrant during the year. There is no voting trust or similar agreement with respect to any portion of the outstanding shares, nor any agreement which may result in a change of control of the Company.

The Board of Directors generally has the power to vote on behalf of their respective corporate stockholders. A proxy is usually designated to cast the vote for the stockholder.

Item 12. 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:

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		

- A. Amount owed by SCIPSI pertains to management fees equivalent to 6% of gross revenue of SCIPSI.
- B. The Parent Company and ATIB have separate, noncontributory, defined benefit retirement plans covering all its regular employees, in the form of a trust being maintained by a trustee bank. Certain payments to retired employees were paid directly by the Group to be subsequently paid by the retirement fund.
- C. P & O Management Services Phils., Inc. (POMS) is a related party which is 40% owned by POAL. POMS engages in advisory services which it provides to the Parent Company by virtue of a 5-year contract. The Parent Company's contract with POMS expired in 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.
- 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.

- 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 of the attached Audited Consolidated Financial Statements.

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.

Item 13. 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).

The Company has not deviated from its Manual. The 2025 self-assessment of the Board, individual directors, Corporate Governance Committee, Audit Committee, Nomination Committee, Compensation Committee and the key officers are currently being facilitated by a third party. The over-all results for 2025 will be included in the Integrated Annual Corporate Governance Report for this year. In addition, the Audit Committee separately conducted its self-assessment last August 13, 2025.⁹

Summary of the directors' attendance to board meetings for 2025 is posted on the Company website.¹⁰

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.

⁹ 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

¹⁰ ATI Website, https://www.asianterminals.com.ph/ati_pse_disclosures.aspx

Item 14. Exhibits and Reports on SEC Form 17-C

(A) Exhibits

Exhibit 1*	Quarterly Report (SEC Form 17-Q) As of September 30, 2025
Exhibit 2	Financial Statements and Schedules

*Please refer to the September 30, 2025 Quarterly Report (SEC Form 17-Q) submitted to the Securities and Exchange Commission

(B) Reports on SEC Form 17-C

Date Filed	Reference	Particulars
January 6, 2025	SEC 17-C	Attendance of Directors in the 2024 Board Meetings
January 27, 2025	SEC 17-C	Share Buy Back Transaction (for January 24, 2025)
February 5,6,7,10,11,12,13,14, 17,21,24 ,25 and 28, 2025	SEC 17-C	Share Buy Back Transactions (for February 4,5,6,7,10, 11,12,13,14, 17,21,24,25 and 28, 2025)
March 3 and 4, 2025	SEC 17-C	Share Buy Back Transaction (for February 28 and March 3, 2025)
February 17, 2025	SEC 17-C	Notice of Guidelines for Nominations
February 20, 2025	SEC 17-C	Setting the date, time, agenda of the 2025 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 2025
April 24, 2025	SEC 17-C	Declaration of Cash Dividends, with record and payment dates; Results of the 2025 Annual Meeting and the organizational meeting
July 11, 2025	SEC 17-C	Share Buy Back Transaction (for July 10, 2025)

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August 4 , 7, 2025	SEC 17-C	Share Buy Back Transactions for Aug 1 and 6
August 13,2025	SEC 17-C	Audit Committee Self-Assessment results
October 2, 2025	SEC 17-C	Renewal of ATI-POMS Management Contract
December 4, 10 and 12 2025	SEC 17-C	Attendance to Annual Corporate Governance Training of Directors and Officers
December 15, 2025	SEC 17-C	Receipt of Maharlika Investment Corporation of Intent to Make a Tender Offer and additional buyback by ATI with a view to delist from the PSE, amendment of Articles of Incorporation and the By-Laws and the holding of Special Stockholders' meeting
December 19, 2025	SEC 17-C	Share Buyback Transactions for December 19, 2025

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this amended report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila on the MAY 07 2026 day of April 2026.

By:

SEAN JAMES L. PEREZ
Senior Vice President for
Commercial and Outports

JOSE TRISTAN P. CARPIO
Vice President and Chief Financial
Officer/Corporate Treasurer

RODOLFO G. CORVITE, JR.
Vice President Chief Governance
and Compliance Officer /Corporate Secretary

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

MAY 07 2026

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2026 affiants exhibiting to me their respective government issued IDs.:

<u>Name</u>	<u>ID, Date and Place of Issue</u>
Sean James L. Perez	
Jose Tristan P. Carpio	
Rodolfo G. Corvite, Jr.	
Marissa R. Pinca	

Notary Public

Doc. No. 191
Page No. 72
Book No. 72
Series of 2026.

ATTY. JOHN EDWARD T. ANG
Notary Public for City of Manila until 12/31/2026
2nd Floor Midla _____, Manila

PTR NO. 167700-JAN. 3, 2020 and
ROLL NO. 68731 NICLE No. VII-000000 (Jan 2026)

Annex A: Sustainability Report Disclosures

Contextual Information

Company Details	
Name of Organization	Asian Terminals, Inc.
Location of Headquarters	ATI Bldg. A. Bonifacio Drive, Port Area, Manila
Location of Operations	<ul style="list-style-type: none"> • Manila South Harbor – Port Area, Manila • Batangas Integrated Port – Sta. Clara, Batangas City <ul style="list-style-type: none"> - Batangas Container Terminal - Batangas International Roro & Gen. Cargo Terminal - Batangas Passenger & RoRo Terminal • Manila Inland Logistics Terminal – Port Area, Manila • Laguna Inland Logistics Terminal – Calamba, Laguna • Batangas Inland Logistics Terminal – Sta. Clara, Batangas City • Tanza Container Barge Terminal – Tanza, Cavite <p><i>*Note: Inland logistics terminals are operationally linked to Manilla South Harbor and Batangas Container Terminal, respectively, hence relevant data for these facilities are captured and reported under the said units.</i></p>
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This report only discloses material information covering the operational sites which ATI has direct management control and supervision
Business Model, including Primary Activities, Brands, Products, and Services	ATI operates, manages, and invests in strategic ports and terminal assets which serve as vital marine transport linkages and trade gateways which collectively support the economies, industries, and communities. ATI's ports and terminals offer arrastre, stevedoring, and ancillary port services. The Company handles containerized and non-containerized vessels as well as international cruise vessels. Over in Batangas, ATI handles domestic passengers and vehicles traversing mainland Luzon to nearby island destinations. Batangas is also the hub for imported completely-built car units. ATI also operates strategic inland logistics terminals which are operationally linked to Manila and Batangas Ports to sustain optimum port efficiency and complement the needs of nearby customers in high growth markets. In 2024, the Tanza Container Terminal went online, extending cargo handling efficiencies for customers in the Cavite corridor.
Reporting Period	January 1 to December 31, 2025
Highest Ranking Person responsible for this report	Eusebio H. Tanco President Asian Terminals Inc.

Materiality Process

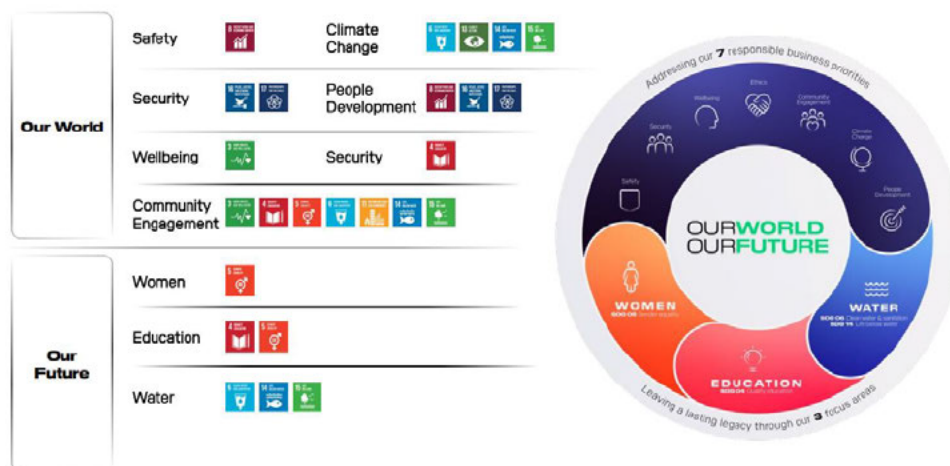
Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹

For this report, ATI continues to reflect on the definition of material topics under the Global Reporting Initiative (GRI): “topics that represent the organization’s most significant impacts on the economy, environment, and people, including impacts on their human rights.”

ATI began exploring topics encompassing its business operations and stakeholders back in 2014 which resulted in its Corporate Responsibility (CR) framework: Our World, Our Future. ATI’s CR framework was then built around four pillars, namely: Community, Environment, People & Safety and Marketplace aimed to improve social and environmental performance while adding value to the Company’s broader stakeholders (*employees and their dependents, customers, partners, suppliers, and the community in general*). By operating ethically and responsibly, ATI also contributes to creating a more sustainable and productive future for the Philippine supply-chain.

In 2019, the framework was revisited and refreshed in alignment with and in support of the UN Sustainable Development Goals (SDGs). Through internal analysis and stakeholder surveys, the Company identified an initial list of sustainability issues. These were further refined through stakeholder engagement to ten key areas and have since been periodically reviewed. Since 2021, focus has broadened its coverage from Oceans to Water, noting that the latter’s accessibility is a necessity across societies.

The framework is split into two components. First, “Our World” focuses on ATI’s efforts to operate as a responsible business across seven priority areas. Second, “Our Future” looks at the legacy component, or areas where ATI hopes to make a positive difference for future generations. This is visually summarized through the image below side-by-side the applicable SDG components.



Progressing in its sustainability journey, ATI plans further alignment with the GRI standards towards its maiden integrated sustainability report in the future.

¹ See [GRI 102-46](#) (2016) for more guidance.

Sustainability Report Disclosures

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	20,079,890	PhP'000
Direct economic value distributed:		
a. Operating costs	4,987,103	PhP'000
b. Employee wages and benefits	2,227,618	PhP'000
c. Government share in revenues	3,756,636	Php'000
d. Payments to suppliers, other operating costs	5,963,694	Php'000
e. Dividends given to stockholders and interest payments to loan providers	3,003,478	PhP'000
f. Taxes given to government	3,106,310	PhP'000
g. Investments to community (e.g. donations, CSR)	22,925	PhP'000

Discussions:

Revenues from Operations	Stakeholders Affected	Management Approach
<p>ATI's revenues in 2025 of P20.08 billion went up by 21.4% from P16.54 billion 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, higher general cargo volume and higher number of passengers.</p> <p>In all, ATI handled a consolidated container volume of 1.79 million teus (twenty-foot equivalent units) in 2025.</p> <p><i>For more information on the Company's results of operations and financial conditions, please refer to the 2025 Audited Consolidated Financial Statements and accompanying Notes to the Consolidated</i></p>	<ul style="list-style-type: none"> • Company • Shareholders • Customers 	<p>ATI has demonstrated resilient financial results on the back of operational discipline, diligent cost management efforts, and the careful execution of its long-term business plans.</p> <p>ATI continuously optimizes its facilities in Manila, Batangas and Laguna to support the growth of customers and respond to future market demand.</p>

Operating Cost	Stakeholders Affected	Management Approach
<p>ATI's operating cost and expenses in 2025 increased by 12.4% to Php7.95 billion, compared to 2024 on account of corresponding port activities and volume related factors during the period.</p> <p><i>For more information on the Company's results of operations and financial conditions, please refer to the 2025 Audited Consolidated Financial Statements and accompanying Notes to the Consolidated Financial Statements contained in its SEC Form 17-A.</i></p>	<ul style="list-style-type: none"> • Company • Shareholders • Customers 	<p>ATI optimizes resources and pursues innovation projects to continuously improve processes, increase efficiencies and manage operating cost.</p> <p>Guided by its Asset Management Program, ATI adheres to strict operations and maintenance (predictive maintenance) schedules to ensure the operational readiness of port facilities and equipment. Replacements or spare parts are adequately stocked for the timely management of ageing equipment.</p> <p>Over the long-term, ATI is eyeing hybrid port equipment to reduce fuel costs and further improve its environmental performance. It has also moved closer to 100% utilization of electricity derived from renewable sources.</p>
Employee Wages and Benefits	Stakeholders Affected	Management Approach
<p>Labor costs in 2025 of P2.22 billion were higher by 16.4% compared to P1.91 billion in 2024 due to salary rate increases, additional headcount and volume factor.</p> <p><i>For more information on the Company's results of operations and financial conditions, please refer to the 2025 Audited Consolidated Financial Statements and accompanying Notes to the Consolidated Financial Statements contained in its SEC Form 17-A.</i></p>	<ul style="list-style-type: none"> • Company • Shareholders • Employees 	<p>ATI operates at an optimal workforce complement. The Company is committed to managing labor costs and expenses consistent with the level of its business operations. Delivering safe, efficient, and reliable port services to customers are paramount.</p>
Government Share in Revenues	Stakeholders Affected	Management Approach
<p>Port authorities' share in revenues in 2025 of Php3.76 billion increased by 26.5% from 2024 as a result of higher revenues subject to port authority's share.</p>	<ul style="list-style-type: none"> • Company • Government 	<p>ATI regularly remits government share in compliance to its concession agreement and in line with its commitment to good corporate governance.</p>
Dividends to Stockholders	Stakeholders Affected	Management Approach
<p>Php3.00 billion in total cash dividends were released by ATI for its stockholders in 2025.</p>	<ul style="list-style-type: none"> • Company • Shareholders 	<p>ATI provides healthy returns to its shareholders, resulting from its operational and financial performance.</p>

Taxes to Government	Stakeholders Affected	Management Approach
<p>Taxes given to government in 2025 of Php3.10 billion increased by 20.4% from 2024 mainly due to higher results.</p>	<ul style="list-style-type: none"> • Company • Government 	<p>ATI dutifully pays its tax obligations to government arising from its business operations in line with its commitment to good corporate governance.</p> <p>ATI has consistently been cited as among the top taxpayers of the City of Manila and the City of Batangas.</p>
Community Investment	Stakeholders Affected	Management Approach
<p>In 2025, ATI invested Php22.9 million in its communities as part of its Corporate Sustainability initiatives.</p>	<ul style="list-style-type: none"> • Communities • Government • Stakeholders 	<p>Through the years, ATI has helped its host communities and neighboring areas through its dynamic Corporate Sustainability programs anchored on Health, Education, and Environment. Through its community investments, ATI is able to:</p> <ul style="list-style-type: none"> • Help improve the health and wellbeing of underprivileged communities in nearby areas; • Equip the youth with useful and productive tools for the future through educational support (including scholarships, IT programs, port-related lectures) • Improve community health through provisions of sanitation infrastructure; • Improve community's self-resilience especially in emergency response (fire, typhoon, etc.) • Support charitable institutions and relevant social causes. • Contribute to cleaner seaways • Protect watersheds and rehabilitate mangrove forests

Climate-related risks and opportunities²

Impact: Given the nature of its business, ATI is inherently exposed to climate-related and other environmental risks. With an average of 20 typhoons frequenting the Philippines yearly, heavy rainfall, flooding, and high winds could potentially damage port facilities and infrastructure, injure port workers, and cut-off road-to-port trade routes, resulting in suspension of port operations and eventual disruption of supply-chain cycles. Earthquake is also a natural threat. All these could materially and adversely affect the Company's business, financial condition, results of operations, and business outlook.

Strategy: Integral and central to ATI's business operations is a strong safety culture. To maintain a safe and hazard-free industrial work environment, ATI implements stringent protocols, governing the safety and health of employees and other stakeholders consistent with international standards and compliant to government policies.

Proactive monitoring and engagement with authorities, customers and stakeholders are inclusive in these programs. Business Continuity Plans are in place, are regularly reviewed and kept in check through table-top exercises and relevant drills, ready for implementation as the need arises. Furthermore, ATI has been investing in climate change adaptation in and around its terminals.

Risk Management: Risk is an inherent part of doing business. ATI's approach is to identify and assess all significant risks which could adversely affect the Company's ability to achieve its business objectives and to identify management actions and internal controls which can mitigate the effects of those risks to an acceptable level.

Cognizant of this, the Company regularly undertakes a Business Risk Profile review where risks are identified by priority based on a systematic assessment of probability and impact.

The risk management process applies to all critical projects and business processes as determined in what ATI calls as a Risk Category Universe. Control strategies are identified, and action points established with the designated accountable persons. Results and developments are monitored during reviews at least quarterly.

ATI's Board of Directors establishes the control environment, sets the risk appetite, and approves the policies and delegates responsibilities under our risk management framework.

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

Metrics	Initiatives/Targets
Governance on Climate-Related Risks	The Company has an Integrated Management System. Part of this is its Environment Management System which is certified against ISO 14001:2015 international standards.
Risk Management and Mitigation	ATI is covered by comprehensive insurance policies, first and excess layers, with business interruption clause, to respond to climate-risk eventualities and other forms of natural or man-made disruptions. Business Continuity Plans are in place and are regularly reviewed and updated, ready for execution as the need arises, like the previous COVID-19 pandemic.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	90	%

Discussions

Identification of Impact	Stakeholders Affected	Management Approach, Risk and Opportunities
Safe and Secure Procurement		
ATI considers impacts when making purchasing decisions, consistent with its commitment to being an ethical and responsible port operator.	<ul style="list-style-type: none"> Company Suppliers 	<p>In line with the Company's Integrated Management System Policy, ATI considers quality, health, safety, security, and environmental factors in purchasing decisions.</p> <p>ATI is certified for Supply Chain Security Management or ISO 28000:2022.</p>

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Discussions

Identification of Impact	Stakeholders Affected	Management Approach, Risk and Opportunities
Code of Professional Conduct and Ethics		
<p>ATI strictly adheres to a code of professional conduct and ethics which upholds professionalism and guides employee behavior in business dealings and transactions.</p> <p>This includes comprehensive policies governing employee conduct, procurement, relations with stakeholders, including vendors, customers, and other parties, acceptance of gifts, entertainment, among others.</p>	<ul style="list-style-type: none"> • Employees • Community • Suppliers • Government 	<p>The Company recognizes that corruption, or even allegations of corruption, is a reputational risk that may significantly affect business.</p> <p>The Company is committed to conducting its business with honesty and integrity and expects all staff to maintain high standards in accordance with its code of conduct policy and procedure, including zero tolerance of bribery and corruption.</p> <p>The company has institutionalized strong programs and policies in support of this commitment:</p> <ul style="list-style-type: none"> • Code of Ethics • Table of Offenses and Penalties (governing administrative and disciplinary sanctions covering employee infractions) • Policy on Anti-Bribery and Corruption • Policy on Gifts and Hospitality • Policy on Conflict of Interest • Whistleblowing Policy • Insider Trading Policy • Regular and special audits <p>These policies are cascaded company-wide, integrating these in the comprehensive onboarding program of newly hired employees.</p> <p>Regular engagement programs are also conducted to reinforce policies among ATI employees.</p>
Internal Measures on Corruption		

All employees of the Company are expected to behave in an ethical and professional manner	<ul style="list-style-type: none"> • Employees • Community • Suppliers • Government 	<p>Allegations or incidents of corruption undergo thorough investigation and are subjected to internal administrative and disciplinary procedures consistent with due process requirements of law.</p> <p>ATI has institutionalized a Whistleblowing Policy which encourages staff to report suspected wrongdoing without fear of reprisals and with reports kept in confidence through the pertinent company unit.</p>
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ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	ATI MANILA	BCT	ATIB	ICD	TCTI	Units
Energy consumption (renewable sources)	47,245	15,664	14,006.8	0	2,815	GJ
Energy consumption (gasoline)	1,422.9	125.5	188.3	0	0	GJ
Energy consumption (LPG)	0	0	0	0	0	GJ
Energy consumption (diesel)	157,889.00	36,014	11,776	42,570	4,463	GJ
Energy consumption (electricity)	1,583,586.7	0	0	95,520	0	kWh

Reduction of energy consumption

Disclosure	ATI MANILA	BCT	ATIB	ICD	TCTI	Units
Energy reduction (gasoline)	-	-	-	-	-	GJ
Energy reduction (LPG)	-	-	-	-	-	GJ
Energy reduction (diesel)	4,759	-	615	-	-	GJ
Energy reduction (electricity)	2,346	-	-	-	-	kWh
Energy reduction (gasoline)	-	-	-	-	-	GJ

Discussion

Identification of Impact	Stakeholders Affected	Management Approach, Risk and Opportunities
Energy Efficiency		
ATI explores new technologies and innovations to reduce energy	<ul style="list-style-type: none"> • Company • Community 	In line with ATI's carbon reduction measures, the following initiatives are undertaken:

consumption and reduce its carbon footprint		<ul style="list-style-type: none"> • Shift to green energy/renewable energy. Currently, 99% of the electricity consumption in Manila South Harbor comes from renewable energy. Expected to be 100% renewable energy by end of 2026. Batangas and Tanza ports are running on 100% renewable energy since December 26, 2023 and October 26, 2024 respectively. • Replacement of high-pressure sodium lamps with of LED lamps • Installation of energy saving apparatus on port equipment (eg. Hybrid Rubber-tired gantry cranes with Lithium-ion batteries for stored energy for hoisting operations; idling control to lower engine RPM; automatic engine shutoff for long idling; Car Tracking System for shuttle services to monitor idle time of shuttle services); and • Installation of solar panels to supplement electricity requirements in Manila and Batangas ports. • In the mid- to long-term, electrification of equipment will be pursued, shifting from diesel powered rubber-tired gantries, internal transfer vehicles (ITVs), forklifts, reachstackers, sideloaders and shuttles to electric powered. Fifteen (15) units of electric ITV have been acquired in 2025.
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Water consumption within the organization

Disclosure	ATI MANILA	BCT	ATIB	ICD	TCTI	Units
Water withdrawal	54,588.39	25,020.00	42,632.00	1,004	1,276.70	m ³
Water consumption	47,571.33	25,020.00	42,632.00	1,004	1,276.70	m ³
Water recycled and reused	54,588.39	0	0	0	0	m ³

Materials used by the organization

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
Materials used by weight or volume						
Renewable	n/a	n/a	n/a	n/a	n/a	kg/L
non-renewable	n/a	n/a	n/a	n/a	n/a	kg/L
Percentage of recycled input materials used to manufacture the organization's primary products and services	n/a	n/a	n/a	n/a	n/a	%

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	None	None	None	None	
Habitats protected or restored	Since 2001, ATI has reforested and protected over 40 hectares of the La Mesa Nature Reserve. Planted 20,000 mangroves at Baseco Lagoon and Navotas Marine Tree Park	Since 2021, BCT has planted 89,250 trees at Mt. Malarayat Forest Reserve Brgy. Malitlit, Lipa, Batangas 13,250 mangroves in Brgy. Puctol San Juan Batangas	Since 2021, ATIB has planted 89,250 trees at Mt. Malarayat Forest Reserve Brgy. Malitlit, Lipa, Batangas 13,250 mangroves in Brgy. Puctol San Juan Batangas	None	None	ha
IUCN[1] Red List species and national conservation list species with habitats in areas affected by operations	None	None	None	None	None	

Discussion

Identification of Impact	Stakeholders Affected	Management Approach, Risk and Opportunities
Managing Water Resources		
As a shared resource, ATI recognizes its responsibility to prudently manage its water consumption and monitor the water quality in its areas of its operations.	<ul style="list-style-type: none"> • Company • Community • Government 	<p>ATI has an Environmental Policy which governs its ecological risk identification, assessment, and mitigation measures as an impact of its operations</p> <p>ATI is ISO 14001:2015 certified for its Environment Management System</p> <p>ATI has rainwater collection system. Collected water is used for watering of plants and other cleaning purposes.</p> <p>Treated water from wastewater treatment facility is re-used for cleaning purposes</p>

Managing Wastewater		
ATI strives to ensure that the environmental impact of its business operations is mitigated and/or minimized and that it strictly abides by regulatory requirements and policies.	<ul style="list-style-type: none"> • Company • Community • Government 	<p>ATI has wastewater treatment facilities located in its ports and terminals assets. Run-off water is collected, where practicable, and treated and re-used for other purposes like cleaning equipment, pavements, among others.</p> <p>ATI's terminal facilities are installed with emergency shutoff valves to prevent spillage going to the bay.</p> <p>Domestic wastewater is interconnected to the sewage treatment facility of the local water utility while some are contained in septic tanks and regularly collected by siphoning service facility.</p> <p>Other wastewater from washing activity is treated offsite by a DENR-accredited treatment, storage and disposal (TSD) facility.</p>

Environmental impact management

Air Emissions

GHG

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
Direct (Scope 1) GHG Emissions	10,977.71	2,490	374.13	2,961.18	307.5	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	1,098.2	0	0	57.69	0	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	528	0	0	0	0	Tonnes CO ₂ e

Air pollutants

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
NO _x	10.2-20.3	10.0	4.0-6.0	<3.26	7.90-7.94	µg/Ncm
SO _x	9.8-10.2	13	8.0-23.0	0.273	20.6-32.5	µg/Ncm
Persistent organic pollutants (POPs)	no available data	no available data	no available data	no available data	no available data	
Volatile organic compounds (VOCs)	no available data	no available data	no available data	no available data	no available data	
Hazardous air pollutants (HAPs)	no available data	no available data	no available data	no available data	no available data	
Particulate matter (PM)	63.4-106.8	7.0	6.0-10.0	46.4	30.2 – 43.8	µg/Ncm

Solid and Hazardous Wastes

Solid Waste

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
Total solid waste generated	492,320	37658	297,015.00	1,121	10,215	kg
Reusable	0	0	0	0	0	kg
Recyclable	76,174	13,226.5	8,848.50	0	0	kg
Composted	0	0	0	0	0	kg
Incinerated	0	0	0	0	0	kg
Residuals/Landfilled	416,146	37,658	297,015	1,121	10,215	kg

Hazardous Waste

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
Total weight of hazardous waste generated	78,979.30	26,421.50	14,503.50	0	1,710	kg
Total weight of hazardous waste transported	78,979.30	26,421.50	14,503.50	0	1,710	kg

Effluents

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
Total volume of water discharges	0	0	0	-	-	m ³
Percent of wastewater recycled	1	0	0	-	0	%

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	ATI Manila	BCT	ATIB	ICD	TCTI	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0	0	0	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0	0	0	#
No. of cases resolved through dispute resolution mechanism	0	0	0	0	0	#

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity					Units
	ATI-Manila	BCT	ICD	ATIB	TCTI	

Total number of employees ³	1470	205	16	286	15	#
a. Number of female employees	142	19	2	24	2	#
b. Number of male employees	1328	186	14	262	13	#
Attrition rate ⁴	2.77%					Rate
Ratio of lowest paid employee against minimum wage	24					%

Employee benefits

List of Benefits	Y/ N	% of female employees who availed for the year					% of male employees who availed for the year				
		ATI-Mla	BCT	ICD	ATIB	TCTI	ATI-Mla	BCT	ICD	ATIB	TCTI
SSS	Y	26%	58%	0%	50%	50%	66%	17%	36%	74%	31%
PhilHealth	Y	6%	0%	50%	0%	0%	12%	1%	7%	0%	0%
Pag-ibig	Y	27%	16%	50%	29%	0%	86%	48%	14%	89%	8%
Parental leaves	Y	2%	0%	0%	9%	0%	0%	0%	0%	5%	0%
Vacation leaves	Y	96%	100%	100%	92%	100%	48%	37%	100%	16%	100%
Sick leaves	Y	96%	100%	100%	92%	100%	48%	37%	100%	16%	100%
Medical benefits (aside from PhilHealth))	Y	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Housing assistance (aside from Pag-ibig)	N										
Retirement fund (aside from SSS)	Y	1%	0%	0%	0%	0%	2%	0%	0%	1%	0%
Further education support	Y	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Company stock options	N										
Telecommuting	N										
Flexible-working Hours (Others)	Y	46%	21%	50%	23%	0%	15%	6%	7%	8%	0%

Workplace Conditions, Labor Standards, and Human Rights

Labor Laws and Human Rights

No. of legal actions or employee grievances involving forced or child labor	0	#
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³ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁴ Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	ATI Recruitment Policy and ATI Corporate Responsibility Policy
Child labor	Y	ATI Recruitment Policy and ATI Corporate Responsibility Policy
Human Rights	Y	ATI Anti-Harassment and ATI Corporate Responsibility Policy

Discussion

Identification of Impact	Stakeholders Affected	Management Approach, Risk and Opportunities
Occupational Health, Safety and Security		
<p>Safety is ATI's number one priority. This culture resonates across the organization and is embodied in programs and initiatives to ensure a safe and healthy work environment for port workers and stakeholders.</p>	<ul style="list-style-type: none"> • Company • Employees • Customers • Community 	<p>ATI's institutional safety programs are anchored on the Company's Integrated Management System Policy which includes occupational health and safety practices which are compliant to international standards.</p> <p>As part of this policy, ATI promotes occupational health, safety, environmental, quality and security awareness among our partners, suppliers, contractors, and surrounding communities.</p> <p>The Company sustains its safety performance through proactive engagement programs and innovations with high employee and stakeholder involvement. ATI holds interactive Safety Day campaigns to sustain the high-level safety awareness and engagement among dockworkers and third parties.</p> <p>ATI is certified for ISO Standards: ISO 9001:2015 Quality Management System (QMS), ISO 14001:2015 Environmental Management System (EMS), ISO 45001:2018 Occupational Health and Safety Management System (OHSMS) and ISO 28000:2022 Security and Resilience Management System.</p>
Equal Employment Opportunity		

<p>ATI employs a dynamic hiring strategy which opens employment opportunities to qualified individuals, including those from surrounding port communities.</p>	<ul style="list-style-type: none"> • Company • Employees • Community 	<p>ATI promotes diversity and inclusion as a general employment policy, giving equal employment opportunities to qualified individuals regardless of race, gender, religion, and other demographics.</p> <p>ATI introduced the practice of blind CV for applicants, purposely dropping any reference to gender when pre-screening applicants.</p> <p>To support Talent Acquisition, ATI introduced a Referral Incentive Scheme that encourages employees to actively participate in attracting and recruiting top talent. This initiative also recognizes and rewards team members who successfully refer high-quality external candidates for open positions while ensuring that the referral process provides positive experience,</p> <p>Furthermore, an Interviewing Workshop for Managers was also conducted, to align hiring practices, share insights, and enhance our approach to interviewing and making hiring decisions.</p> <p>In 2025, there was an increase in female hires, demonstrating its continued commitment to gender diversity and creating a more inclusive workplace.</p>
<p>People Development</p>		
<p>People development is the key to sustainable port operations. It is a structured initiative designed to enhance employee skills and competencies, inclusions, and engagement, ultimately benefiting both the employee and the organization.</p>	<ul style="list-style-type: none"> • Company • Employees 	<p>ATI continues to focus on employee skills reinforcement, leadership, innovation, inclusion, and engagement in advancing competencies and diversity through traditional and emergent platforms. In 2025, a total of 14,440 employees attended various training sessions in operations, engineering, safety, and support services, and online training through Cornerstone LMS, totaling 41,110.91 hours of training time.</p> <p>ATI also focused on the actionable items identified from the 2024 Great Place to Work Survey results to improve further areas that need improvement, such as leadership development, recognition, skills development, psychological safety, and engagement.</p>

Corporate Responsibility		
ATI's business activities take to careful consideration workplace conditions, labor standards, and human rights	<ul style="list-style-type: none"> • Company • Employees • Community 	Following its Corporate Sustainability Policy, ATI conducts its business in a responsible way. It is committed to pursue and maintain the highest standards in all aspects of its activities.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	9,733,893	Man-hours
No. of work-related injuries	92*	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	76	#

*94% or 86 cases were classified as first-aid only

Labor Laws and Human Rights

No. of legal actions or employee grievances involving forced or child labor	0	#
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Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	ATI Recruitment Policy and ATI Corporate Responsibility Policy
Child labor	Y	ATI Recruitment Policy and ATI Corporate Responsibility Policy
Human Rights	Y	ATI Anti-Harassment and ATI Corporate Responsibility Policy

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

https://www.asianterminals.com.ph/ati_corpgov_policies.aspx

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	ATI Procurement Policy/Integrate Management System
Forced labor	Y	ATI Procurement Policy/Integrate Management System
Child labor	Y	ATI Procurement Policy/Integrate Management System
Human rights	Y	ATI Procurement Policy/Integrate Management System and ATI Corporate Responsibility Policy

Bribery and corruption	Y	ATI's Code of Professional Conduct governs the professional behavior and ethics in all business dealings and transactions of ATI employees. The Company also has relevant policies on Anti-Bribery and Corruption, Acceptance of Gifts and Hospitality, Whistleblowing, Conflict of Interest and Related Party Transactions, which can be viewed at ATI's corporate website: www.asianterminals.com.ph/ati_corpgov_policies.aspx
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Discussion

Identification of Impact	Stakeholders Affected	Management Approach, Risk and Opportunities
Ethical Procurement		
ATI strictly adheres to ethical procurement processes, from supplier accreditation up to actual procurement process, including document reviews and field audit and validation of suppliers.	<ul style="list-style-type: none"> • Company • Employees • Community • Suppliers 	ATI procurement processes are governed by the Company's Procurement Policy and other related policies. It is primarily supervised by the Procurement Management Committee which includes big-ticket items such as equipment acquisition, infrastructure, and other development projects.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Port Operations	<ul style="list-style-type: none"> • Manila South Harbor 	<ul style="list-style-type: none"> • Surrounding underprivileged port communities 	N	<ul style="list-style-type: none"> • Community health • Mobility issues along shared roads 	<ul style="list-style-type: none"> • Health and wellness projects are rolled out in partnership with local community officials. • Active transition to electrified

					equipment for greener ops <ul style="list-style-type: none"> • Vehicle Booking System has been instituted to ease road traffic with organized and scheduled arrival or departure of trucks transacting at the terminal
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**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	Outstanding	N

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Discussions

Identification of Impact	Stakeholders Affected	Management Approach, Risk and Opportunities
Customer Relationship Management		
<p>As a customer-centric organization, ATI maintains good relations with importers, exporters, brokers, forwarders, shipping line partners and other stakeholders.</p> <p>The Company works with its customers to address issues peculiar to the port industry</p>	<ul style="list-style-type: none"> • Company • Customers 	<p>ATI efficiently manages company resources such as manpower, equipment, facilities, and business systems with the aim of attaining customer satisfaction in cargo handling and other port-related services in the most cost-effective and most efficient way.</p> <p>ATI strives to be attentive and responsive to the concerns of customers, conducting regular forums that may involve government entities as venue for stakeholder interaction.</p> <p>Since 2019, ATI in partnership with major international shipping lines, has sustained the innovative ELSA program or the Empty Loadout Shipping Alliance, which facilitates the healthy outflow of empty container boxes to recirculation hubs in the region, hence avoiding unnecessary bottlenecks in the supply chain.</p> <p>The strong partnership between ATI and international carriers pave the way for more trade connectivity options for the Philippines and international markets, thereby opening more opportunities for Philippine-based importers and exporters.</p>

		Regular engagement with customers has resulted in the development of bespoke services and innovations to make trade flow faster and smarter. End-to-end services have eased pain points in customers' supply chain leveraged on ATI's strategic port assets and comprehensive services.
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Data Security



Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data	0	#




UN SUSTAINABLE DEVELOPMENT GOALS





Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

UN SDGs	Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
 <p>1 NO POVERTY</p>	Support for fisherfolk communities	Supporting surrounding port dwellings, ATI has provided technical support to fisherfolks, helping them understand port operations for safer fishing activities in shared natural resources, provisioning of new and more sustainable fishnets as livelihood assistance and food aid during calamities		
 <p>2 ZERO HUNGER</p>	Emergency food aid for communities impacted by calamities	ATI responds to humanitarian exigencies especially in times of calamities. In partnership with government and non-governmental institutions, ATI has sent emergency food packs to communities impacted by typhoons, flooding, earthquake, volcanic eruption, among others. These resources help mitigate dire situations		

		and contribute to quick recovery of communities.		
	Community Health Program and institutional response	<p>Health and safety are ATI's topmost priority. Consistently, the Company extends assistance to surrounding port settlements, improving community health and wellbeing, especially in times of exigencies.</p> <p>Post Covid-19 pandemic, ATI continued to mobilize corporate resources to distribute food aid to neighborhoods in need, improve access to community-based healthcare services through medical outreach, and sustain other community health programs.</p> <p>ATI also hosts themed health and wellness events such as fun runs attended by employee, clients and other industry stakeholders to promote work-life balance for the port community.</p>		
	ATI Scholarship Program Employee volunteerism to improve school facilities	<p>ATI's Scholarship Program has produced skilled professionals in various fields. The program continues to be a vital component to ATI's sustainability programs as it improves access to Education, which is among its major legacy sustainability pillars.</p> <p>ATI is an committed partner of government's <i>Brigada Eskwela</i> (School Volunteer Brigade). Yearly, the company sends employee volunteers to help improve public learning facilities through</p>		

		grooming and simple carpentry works, to ensure a safe and conducive spaces for students in time for school year opening.		
	Port education and industry familiarization	ATI welcomes organized visits academic institutions, as part of its institutional Port Education Program. ATI delivers port-related lectures and provides guided tours of facilities to tertiary students, where practicable, which complement students' learning and appreciation of ports as conduits for sustainable supply chains.		
	Women Empowerment in PH Ports Program	<p>ATI helps break barriers in the traditionally male-dominated port industry. It promotes equal employment opportunities regardless of gender. Its Women Trade Enabler Network Group (WTEN) continued to expand its outreach in 2025 to further empower women in the industry. Women-centered programs were also held online and offline.</p> <p>ATI advocates for equal work opportunities as part of the company's diversity and inclusion strategy.</p>		
 	Watershed Protection Program	<p>ATI is an institutional partner of Bantay Kalikasan which leads the protection and reforestation of La Mesa Watershed. To date, ATI has planted and protected over 40 hectares of the forest reserve which contributes potable water for Metro Manila.</p> <p>In 2025, ATI continued to support watershed in areas like Navotas, Malarayat,</p>		

		Lipa and San Juan in Batangas.		
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Greater use of green and renewable energy</p>	<p>ATI taps renewable energy sources for use of its offices and operational areas. Wherever possible, rooftops and canopies have been utilized for harvesting solar power.</p> <p>Engine devices have been installed on applicable port equipment to enable them to run in hybrid mode – combination of electricity and fuel.</p> <p>ATI's Batangas Port operations is supported by 100% renewable energy, while Manila South Harbor is at 99%. Green energy is sourced from local power distribution providers.</p>		
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>No single use plastics</p>	<p>As a general policy, ATI discourages the use of single-use plastics in its areas of business.</p>		
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Electrified port equipment</p>	<p>To promote responsible consumption and production, ATI has began transitioning to electrified port equipment for greener, cleaner and more sustainable operations.</p>		
 <p>14 LIFE BELOW WATER</p>	<p>Oceans Protection Program</p> <p>Manila Bay Rehabilitation Program</p> <p>Run for Ocean Protection</p>	<p>Under its Ocean Protection Program, ATI has taken an active role in raising public awareness against plastic pollution of waterways. Use of flasks and reusable water bottles have become the norm for employees and stakeholders. In Batangas Port, water refilling stations have been installed for use by passengers for free.</p> <p>ATI also reach out to port students attending port</p>		

		<p>education tours, imbuing them values on sustainable and responsible port operations.</p> <p>ATI has sustained its partnership with the Environment Department for the multisectoral Manila Bay Rehabilitation Program. Significant resources have been allocated for the program covering community sanitation infrastructure and planting of mangroves in nearby coastal areas.</p> <p>ATI also hosts fun run events attended by employee, clients and other industry stakeholders, optimizing these as advocacy platforms to promote the protection of seas and oceans.</p>		
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Company TIN: **000-132-413**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

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

With Independent Auditors' Report



**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

~~EUSEBIO H. TANCO~~
President

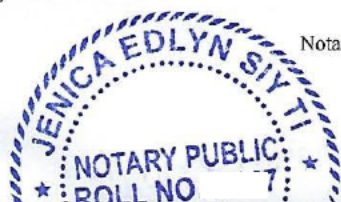
JOSE TRISTAN P. CARPIO
Chief Financial Officer

Signed this 14 of APR, 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:

Name	Passport Nos.	Date/Place Issued
1. William Wassaf Khoury Abreu		
2. Eusebio H. Tanco		
3. Jose Tristan P. Carpio		

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



Notary Public

JENICA EDLYN S. TI
Commission No. 105-161 Valid Until December 2026
City of Manila
Asian Terminals, Inc., A. Bonifacio Drive, Port Area, Manila 1018, Philippines
Reg. No. 00667
IBP No. INVE0017/Makati
MCLE Compliance No. VII-0004122/10/04/2023
PTR No. NKT1079070001-202028/Makati

R.G. Manabat & Co.



R.G. Manabat & Co.
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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. 1

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 10764425

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	
	Note	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	
		P460,235	P17,833	P -	P478,068	P -	P478,068
		453,164	22,432	-	475,596	-	475,596
	22	77,296	(5,511)	(9,806)	61,979	-	61,979
		36,879	(1,023)	-	35,856	-	35,856
		22,307	-	-	22,307	-	22,307
		48,799	(27,524)	-	21,275	-	21,275
		2,254	-	-	2,254	-	2,254
		(11,558)	1,310	-	-	(10,248)	(10,248)
		(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	
		P460,630	(P395)	P -	P460,235	P -	P460,235
		398,214	54,950	-	453,164	-	453,164
	22	74,128	(3,498)	6,666	77,296	-	77,296
		38,114	10,685	-	48,799	-	48,799
		14,717	22,162	-	36,879	-	36,879
		22,307	-	-	22,307	-	22,307
		2,254	-	-	2,254	-	2,254
		(12,869)	1,311	-	-	(11,558)	(11,558)
		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:

	Note	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	17	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 10764425

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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Conglomerate Map

Schedule of Financial Soundness Indicators

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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.



R.G. Manabat & Co.
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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 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 10764425

Issued January 5, 2026 at Makati City

April 28, 2026

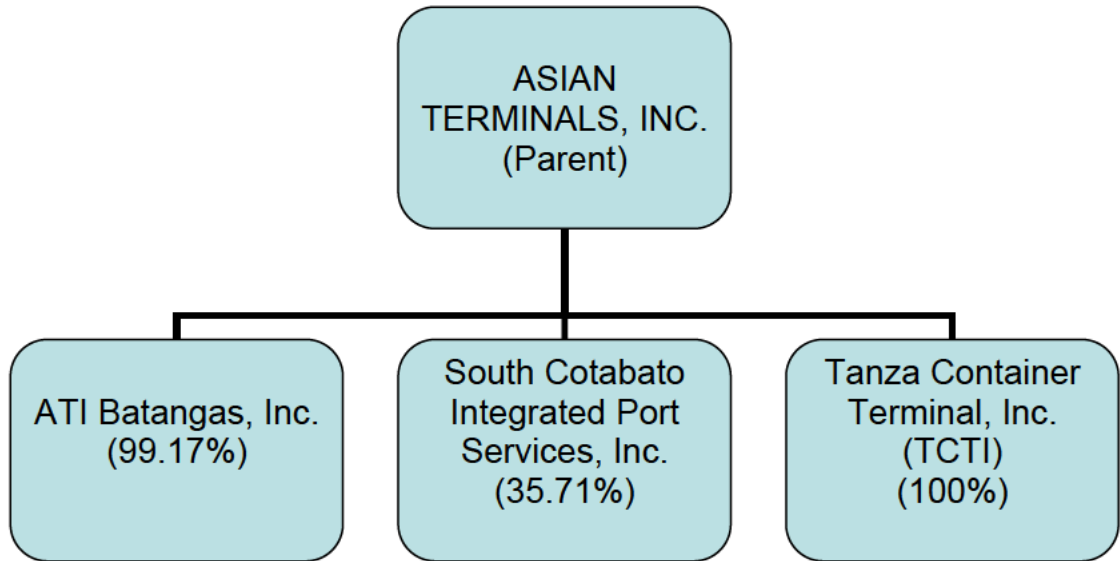
Makati City, Metro Manila

**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.



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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 10764425

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

ASIAN TERMINALS, INC.

SEPARATE FINANCIAL STATEMENTS
December 31, 2025 and 2024

With Independent Auditors' Report

R.G. Manabat & Co.



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REPORT OF INDEPENDENT AUDITORS

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Asian Terminals, Inc. (the "Company"), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of income, separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2025 and 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended 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 Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), 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 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

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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.




Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

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

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 10764425

Issued January 5, 2026 at Makati City

April 28, 2026

Makati City, Metro Manila

ASIAN TERMINALS, INC.
SEPARATE STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

December 31			
	<i>Note</i>	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	6, 24, 25	P3,935,328	P4,780,401
Trade and other receivables - net	7, 21, 24, 25	4,125,428	3,794,810
Spare parts and supplies	8, 19	1,085,551	1,092,133
Prepayments and other current assets	9, 23	3,926,785	3,279,494
Total Current Assets		13,073,092	12,946,838
Noncurrent Assets			
Investments in subsidiaries and an associate	10	165,064	165,064
Property and equipment - net	11	557,646	535,982
Intangible assets - net	12	21,358,187	19,580,581
Right-of-use assets - net	23	297,409	417,677
Deferred tax assets - net	14	1,057,476	1,048,838
Other noncurrent assets	13, 24, 25	78,844	78,271
Total Noncurrent Assets		23,514,626	21,826,413
		P36,587,718	P34,773,251
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15, 21, 24, 25	P3,716,457	P2,689,574
Provisions for claims	16	53,852	52,272
Port concession rights payable - current portion	23, 24, 25	400,102	366,130
Income and other taxes payable		452,775	224,191
Lease liabilities - current portion	21, 23, 24	50,497	17,622
Total Current Liabilities		4,673,683	3,349,789
Noncurrent Liabilities			
Port concession rights payable - net of current portion	23, 24, 25	6,498,509	6,795,442
Pension liability	22	205,198	315,647
Lease liabilities - net of current portion	21, 23, 24	355,615	447,037
Total Noncurrent Liabilities		7,059,322	7,558,126
Total Liabilities		11,733,005	10,907,915
Equity			
Capital stock		2,000,000	2,000,000
Additional paid-in capital		264,300	264,300
Treasury shares		(2,048,853)	(34,771)
Retained earnings		24,645,086	21,641,627
Fair value reserve		(5,820)	(5,820)
Total Equity	17, 24	24,854,713	23,865,336
		P36,587,718	P34,773,251

See Notes to the Separate Financial Statements.

ASIAN TERMINALS, INC.
SEPARATE STATEMENTS OF INCOME
(Amounts in Thousands)

		Years Ended December 31	
	<i>Note</i>	2025	2024
REVENUES FROM OPERATIONS	2, 26	P18,746,128	P15,391,346
GOVERNMENT SHARE IN REVENUES	18	(3,623,479)	(2,853,961)
		15,122,649	12,537,385
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	19, 21, 22	(6,950,928)	(6,163,981)
OTHER INCOME AND EXPENSES			
Finance income		158,717	175,344
Finance cost		(516,332)	(440,562)
Others - net		76,848	(115,841)
	20	(280,767)	(381,059)
CONSTRUCTION REVENUES	12	3,293,331	2,274,146
CONSTRUCTION COSTS	12	(3,293,331)	(2,274,146)
		-	-
INCOME BEFORE INCOME TAX		7,890,954	5,992,345
INCOME TAX EXPENSE	14	1,910,518	1,429,153
NET INCOME		P5,980,436	P4,563,192

See Notes to the Separate Financial Statements.

ASIAN TERMINALS, INC.
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	<i>Note</i>	Years Ended December 31	
		2025	2024
NET INCOME FOR THE YEAR		P5,980,436	P4,563,192
OTHER COMPREHENSIVE LOSS			
<i>Item that will never be reclassified to profit or loss</i>			
Actuarial gains (losses) on pension liability	22	35,335	(31,929)
Tax on item taken directly to equity	14	(8,834)	7,982
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR - Net of tax		26,501	(23,947)
TOTAL COMPREHENSIVE INCOME		P6,006,937	P4,539,245

See Notes to the Separate Financial Statements.

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

	Note	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	P1,341,627	(P5,820)	P23,865,336
Cash dividends - P1.505 a share	17	-	-	-	-	(3,003,478)	-	(3,003,478)
Purchase of treasury shares	17	-	-	(2,014,082)	-	-	-	(2,014,082)
Reversal of appropriation of retained earnings	17	-	-	-	(3,500,000)	3,500,000	-	-
Appropriations during the year	17	-	-	-	2,500,000	(2,500,000)	-	-
Appropriations for share buyback	17	-	-	-	2,951,147	(2,951,147)	-	-
Net income for the year		-	-	-	-	5,980,436	-	5,980,436
Other comprehensive income:								
Actuarial gains - net of tax	22	-	-	-	-	26,501	-	26,501
Balance at December 31, 2025		P2,000,000	P264,300	(P2,048,853)	P22,251,147	P2,393,939	(P5,820)	P24,854,713
Balance at January 1, 2024		P2,000,000	P264,300	P -	P19,000,000	P1,102,382	(P5,820)	P22,360,862
Cash dividends - P1.50 a share	17	-	-	-	-	(3,000,000)	-	(3,000,000)
Purchase of treasury shares	17	-	-	(34,771)	-	-	-	(34,771)
Reversal of appropriation of retained earnings	17	-	-	-	(3,000,000)	3,000,000	-	-
Appropriations during the year	17	-	-	-	2,300,000	(2,300,000)	-	-
Appropriations for share buyback	17	-	-	-	2,000,000	(2,000,000)	-	-
Net income for the year		-	-	-	-	4,563,192	-	4,563,192
Other comprehensive loss:								
Actuarial losses - net of tax	22	-	-	-	-	(23,947)	-	(23,947)
Balance at December 31, 2024		P2,000,000	P264,300	(P34,771)	P20,300,000	P1,341,627	(P5,820)	P23,865,336

See Notes to the Separate Financial Statements.

ASIAN TERMINALS, INC.
SEPARATE STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

		Years Ended December 31	
	<i>Note</i>	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P7,890,954	P5,992,345
Adjustments for:			
Depreciation and amortization	11, 12, 19, 23	1,789,286	1,674,188
Finance cost	20, 22, 23	516,332	440,562
Net unrealized foreign exchange losses		103,418	174,105
Current service cost	22	45,900	42,762
Loss on derecognition of right-of-use assets and lease liabilities	20, 23	17,482	-
Provision for claims	16, 19	2,482	12,306
Finance income	20	(158,717)	(175,344)
Dividend income from a subsidiary and an associate	10, 20, 21	(121,363)	(115,989)
Gain on disposal of property and equipment	20	(3,946)	(4,499)
Operating income before working capital changes		10,081,828	8,040,436
Decrease (increase) in:			
Trade and other receivables		(332,082)	(717,792)
Spare parts and supplies		6,582	(25,598)
Prepayments and other current assets		(625,707)	(608,759)
Increase (decrease) in:			
Trade and other payables		805,440	105,975
Provisions for claims		(902)	(3,378)
Income and other taxes payable		127,113	(22,806)
Cash generated from operations		10,062,272	6,768,078
Finance income received		160,181	178,072
Income tax paid		(1,826,519)	(1,349,238)
Contribution to retirement funds	22	(138,016)	(3)
Finance cost paid		(19,287)	(20,499)
Net cash provided by operating activities		8,238,631	5,576,410
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	10, 20, 21	121,363	115,989
Proceeds from disposals of property and equipment		3,953	5,051
Acquisitions of:			
Intangible assets	12	(3,100,070)	(2,232,466)
Property and equipment	11	(96,892)	(93,709)
Increase in deposits		(573)	(9,525)
Net cash used in investing activities		(3,072,219)	(2,214,660)

Forward

		Years Ended December 31	
	Note	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Cash dividends	17	(P2,999,368)	(P2,992,894)
Interest on port concession rights payable	23	(484,356)	(410,706)
Port concession rights payable	23	(363,246)	(383,379)
Lease liabilities	23	(152,114)	(177,964)
Purchase of treasury shares	17	(2,014,082)	(34,771)
Net cash used in financing activities		(6,013,166)	(3,999,714)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(846,754)	(637,964)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1,681	44,309
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6	4,780,401	5,374,056
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	P3,935,328	P4,780,401

See Notes to the Separate Financial Statements.

ASIAN TERMINALS, INC.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Amounts in Thousands, Except Per Share Data)

1. Reporting Entity

Asian Terminals, Inc. (ATI or the "Company") was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on July 9, 1986. The 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 27, the 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 Company operates and manages the South Harbor Port of Manila and Container Terminal "A-1," Phase II of the Port of Batangas in Batangas City. The registered office address of the Company is at A. Bonifacio Drive, Port Area, Manila.

2. Operating Contracts

Following are the Company'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 with the Philippine Ports Authority (PPA) dated October 19, 2007 (see Note 23).

b. Port of Batangas

On January 18, 2010, the PPA issued to ATI the Notice to Award the Contract for the Management, Operation, Maintenance, Development and Promotion of the Container Terminal "A-1," Phase II of the Port of Batangas for a period of 25 years. The Contract was signed on March 25, 2010. The Notice to Proceed dated June 16, 2010 allowed ATI to start and commence operations at the Terminal on July 1, 2010 (see Note 23).

3. Basis of Preparation

Statement of Compliance

The separate financial statements have been prepared in compliance 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 accompanying separate financial statements were authorized for issue by the Board of Directors (BOD) on April 7, 2026.

The Company also prepares and issues consolidated financial statements for the same period as the separate financial statements prepared and presented in compliance with PFRS Accounting Standards. Said consolidated financial statements may be obtained from the SEC.

Basis of Measurement

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

4. Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these separate 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 Company has not early adopted the following new or amended standards in preparing these separate financial statements. The Company is currently assessing the potential impact of these new standards and amendments on the separate financial statements. At this stage, the Company is not yet able to reasonably estimate the impact, if any, of adopting these standards and amendments. The Company 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 Company:
 - *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.
- *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 Company 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 Company'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 Company 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 Company's equity instruments (included under other noncurrent assets).

Business Model Assessment. The Company 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 Company'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 Company 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 Company 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 Company'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 Company'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 Company 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 Company's approach to ECL measurement is described in Note 24.

The Company 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 Company 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 Company 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 Company'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 Company on terms that the Company 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 Company 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 Company 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 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 separate 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 Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a ‘pass-through’ arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company 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 Company's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes, when necessary, based on the market values, being the estimated amount for which assets could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

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

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

Fair values of the financial instruments are discussed in Note 25 to the separate 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 Company 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.

Investments in Subsidiaries and an Associate

The Company's investments in subsidiaries and an associate are accounted for under the cost method. A subsidiary is an entity in which the Company has control. The Company 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 investments in subsidiaries are recognized in the separate financial statements from the date on which control commences until the date on which control ceases. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the Company. The investments in subsidiaries and an associate are carried in the separate statements of financial position at cost less allowance for impairment losses, if any.

The Company has the following investments as at December 31, 2025 and 2024:

	Percentage of Ownership	
	2025	2024
Subsidiaries:		
ATI Batangas, Inc. (ATIB)	99.17%	99.17%
Tanza Container Terminal, Inc. (TCTI)	100.00%	100.00%
Associate:		
South Cotabato Integrated Ports Services, Inc. (SCIPSI)	35.71%	35.71%

ATIB, TCTI and SCIPSI are incorporated in the Philippines.

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 Company and the cost of the items can be measured reliably.

Port facilities and equipment include spare parts that the Company 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 or life of the operating contract, whichever is shorter
Leasehold improvements	2 - 40 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 Company recognizes port concession rights as intangible assets arising from a service concession arrangement 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 Company 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 infrastructure constructed and port equipment purchased, which are not recognized as property and equipment of the Company 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 service concession arrangements or useful life ranging from 2 to 25 years whichever is shorter.

Impairment of Non-financial Assets

The carrying amounts of investments in subsidiaries and an associate, property and equipment, intangible assets 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 Company 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 Company's shareholders is recognized as a liability, and deducted from equity in the Company's separate statements of financial position in the period in which the dividends are approved and declared by the Company'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 Company'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 Company 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 Company'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 Company generates its revenue. Revenue is disaggregated by the following service lines:

- *Stevedoring*

The Company 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 short period of time (i.e. 24 to 48 hours from the time ship arrive at the port). The Company recognizes revenue at a point in time upon completion of service and the average credit terms is 15 to 30 days.

- *Arrastre*
The Company 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 Company. The Company 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 Company 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 Company 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 handling services. The Company 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 Other 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 Company 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 Company 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 cost. 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 Company 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 Company uses the definition of a lease in PFRS 16, *Leases*.

Company as Lessee

At commencement or on modification of a contract that contains a lease component, the Company 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 Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Company 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company 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 Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company'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 Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company 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 Company; 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 Company 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. Pension

The Company has a funded, defined benefit pension plan, administered by a common pension trustee, covering their permanent employees. The cost of providing benefits under the defined benefit plan is determined 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 Company determines the net interest expense (income) on the net defined pension benefit 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 plan 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 Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Foreign Currency Transactions

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 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 differences associated with investments in domestic subsidiaries and an 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 Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company 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 Company 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 sale 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 prepaid expenses or payables in the separate statements of financial position.

Operating Segments

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

The Company 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.

Contingencies

Contingent liabilities are not recognized in the separate financial statements. They are disclosed in the notes to the separate financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the separate 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 Company's separate financial position at the reporting date (adjusting events) are reflected in the separate financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's separate 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 separate 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 Company'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 separate financial statements:

Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company 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 Company 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 separate 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 Company 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 Company believes that, while the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the separate financial statements.

Estimates and Assumptions

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

Provisions for Claims. The Company records provisions for claims for property and equipment, 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.

The carrying amounts of provision for claims amounted to P53.9 million and P52.3 million as at December 31, 2025 and 2024, respectively (see Note 16).

Pension. The measurement of the Company's pension liability (see Note 22) involves the use of estimates and assumptions. The Company 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 separate 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 Company and management's assessment. Changes in these assumptions may result in changes to the pension liability recognized in the separate 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 Company before the end of the non-cancellable contract period. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses 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		P1,183,073	P764,049
Short-term investments		2,752,255	4,016,352
	<i>24, 25</i>	P3,935,328	P4,780,401

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 Company and earn interest at the prevailing short-term deposit rates amounting to P158.7 million and P175.3 million in 2025 and 2024, respectively (see Note 20).

7. Trade and Other Receivables - net

	Note	2025	2024
Due from related parties	21	P3,248,574	P2,897,183
Trade receivables		786,145	817,393
Advances to officers and employees		26,098	39,723
Receivable from insurance		12,498	12,691
Interest receivable		6,939	8,403
Other receivables		49,369	23,612
		4,129,623	3,799,005
Allowance for impairment losses		(4,195)	(4,195)
	24, 25	P4,125,428	P3,794,810

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

There was no movement in the allowance for impairment losses on trade and other receivables in 2025 and 2024 (see Note 24).

8. Spare Parts and Supplies

	2025	2024
Gross balance	P1,174,778	P1,181,360
Provision for spare parts and supplies obsolescence	(89,227)	(89,227)
Net balance	P1,085,551	P1,092,133

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 Company'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.

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		P3,425,204	P2,986,451
Advances to contractors		419,934	241,201
Prepaid rent	23	23,911	2,327
Prepaid insurance		5,705	14,073
Other prepayments		52,031	35,442
		P3,926,785	P3,279,494

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 Company 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 23). 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. Investments in Subsidiaries and an Associate

	<i>Note</i>	2025	2024
At cost:			
Subsidiary - ATIB	10a	P150,717	P150,717
Subsidiary - TCTI	10b	3,125	3,125
Associate - SCIPSI	10c	11,222	11,222
		P165,064	P165,064

a. The following table shows the summarized financial information of ATIB:

	2025	2024
Current assets	P475,662	P297,497
Noncurrent assets	4,154,902	3,134,031
Total assets	P4,630,564	P3,431,528
Current liabilities	P653,139	P781,386
Noncurrent liabilities	1,118,929	2,396
Total liabilities	P1,772,068	P783,782
Revenues	P1,328,146	P1,150,382
Expenses	(1,063,048)	(933,342)
Net income	P265,098	P217,040

Based on unaudited financial statements.

ATIB's exclusive right to manage and render arrastre, stevedoring, storage and related cargo handling services at the Port of Batangas for Phase I was renewed on October 20, 2005 for a period of 10 years until 2015, renewable for another 10 years upon mutual agreement of PPA and ATIB. The contract with the PPA includes cargo handling and operation and management of the passenger terminals.

On October 2, 2015, ATIB signed a Contract for the Management, Operation, Maintenance and Development of Phase I, Port of Batangas with a term of October 1, 2015 until September 30, 2025. In December 2019, ATI and ATIB signed a Contract with PPA for the extension of the term from 2025 to 2035 (see Note 23).

- b. The following table shows the summarized financial information of TCTI:

	2025	2024
Current assets	P39,247	P23,336
Noncurrent assets	2,145,044	2,222,505
Total assets	P2,184,291	P2,245,841
Current liabilities	P2,584,755	P2,457,574
Noncurrent liabilities	214,376	217,438
Total liabilities	P2,799,131	P2,675,012
Revenues	P80,478	P21,685
Expenses	(268,876)	(197,677)
Net loss	(P188,398)	(P175,992)

Based on unaudited financial statements.

The Company intends to develop, operate and manage a barge terminal in Tanza, Cavite to cater to Philippine Economic Zone Authority cargoes. In preparation for this project, TCTI was incorporated on January 18, 2018. TCTI has started its commercial operations in May 2024.

- c. The following table shows the summarized financial information of 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
Revenues	P334,973	P315,833
Expenses	(221,082)	(201,859)
Net income	P113,891	P113,974

Based on unaudited financial statements.

The Company 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.

ATIB, TCTI and SCIPSI are not listed in any public exchange.

Total dividend income of P121.4 million and P116.0 million was received from ATIB and SCIPSI in 2025 and 2024, respectively (see Notes 20 and 21).

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	P97,367	P550,638	P960,415	P404,498	P47,500	P2,060,418
Additions	-	-	12,180	15,234	75,190	102,604
Disposals	-	-	(1,188)	(14,721)	-	(15,909)
Reclassifications	3,048	-	123,736	8,663	(76,775)	58,672
Balance at end of year	100,415	550,638	1,095,143	413,674	45,915	2,205,785
Accumulated Depreciation						
Balance at beginning of year	74,834	433,186	779,810	236,606	-	1,524,436
Depreciation	4,828	15,128	73,656	45,993	-	139,605
Disposals	-	-	(1,181)	(14,721)	-	(15,902)
Balance at end of year	79,662	448,314	852,285	267,878	-	1,648,139
Carrying Amount	P20,753	P102,324	P242,858	P145,796	P45,915	P557,646

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	P98,371	P542,063	P912,259	P357,060	P46,894	P1,956,647
Additions	-	8,835	17,050	53,856	57,832	137,573
Disposals	-	-	(9,029)	(24,411)	-	(33,440)
Reclassifications	(1,004)	(260)	40,135	17,993	(57,226)	(362)
Balance at end of year	97,367	550,638	960,415	404,498	47,500	2,060,418
Accumulated Depreciation						
Balance at beginning of year	71,358	415,487	730,039	214,075	-	1,430,959
Depreciation	4,984	17,493	64,251	41,820	-	128,548
Disposals	-	-	(9,029)	(23,859)	-	(32,888)
Reclassification	(1,508)	206	(5,451)	4,570	-	(2,183)
Balance at end of year	74,834	433,186	779,810	236,606	-	1,524,436
Carrying Amount	P22,533	P117,452	P180,605	P167,892	P47,500	P535,982

No borrowing costs were capitalized in 2025 and 2024.

The Company has non-cash additions as at December 31, 2025 and 2024 which amounted to P5.7 million and P43.9 million, respectively.

Depreciation is charged under "Depreciation and amortization" account included in "Costs and expenses excluding government share in revenues" in the separate statements of income (see Note 19).

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

Cost of fully depreciated property and equipment which are still being used by the Company amounted to P4.1 billion and P868.2 million as at December 31, 2025 and 2024, respectively.

The Company 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				Total
	Upfront Fees (Note 23)	Fixed Government Share	Port Infrastructure		
Cost					
Balance at beginning of year	P482,000	P8,342,270	P27,136,602		P35,960,872
Additions	-	-	3,311,190		3,311,190
Reclassifications	-	-	(58,672)		(58,672)
Balance at end of year	482,000	8,342,270	30,389,120		39,213,390
Accumulated Amortization					
Balance at beginning of year	131,054	4,625,227	11,624,010		16,380,291
Amortization	11,280	292,853	1,170,779		1,474,912
Balance at end of year	142,334	4,918,080	12,794,789		17,855,203
Carrying Amount	P339,666	P3,424,190	P17,594,331		P21,358,187

2024

	Port Concession Rights				Total
	Upfront Fees (Note 23)	Fixed Government Share	Port Infrastructure		
Cost					
Balance at beginning of year	P482,000	P8,342,270	P24,802,995		P33,627,265
Additions	-	-	2,335,346		2,335,346
Reclassification	-	-	85		85
Disposals	-	-	(1,824)		(1,824)
Balance at end of year	482,000	8,342,270	27,136,602		35,960,872
Accumulated Amortization					
Balance at beginning of year	119,774	4,332,374	10,552,121		15,004,269
Amortization	11,280	292,853	1,071,531		1,375,664
Reclassification	-	-	2,182		2,182
Disposals	-	-	(1,824)		(1,824)
Balance at end of year	131,054	4,625,227	11,624,010		16,380,291
Carrying Amount	P350,946	P3,717,043	P15,512,592		P19,580,581

The unamortized capitalized borrowing costs as at December 31, 2025 and 2024 amounted to P40.7 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 separate statements of income (see Note 19).

The Company has non-cash additions as at December 31, 2025 and 2024 which amounted to P211.1 million and P102.9 million, respectively.

The Company 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	P4,608,791	P2,844,600
Additions during the year	3,293,331	2,274,146
Reclassification during the year	(6,306,947)	(509,955)
Balance at end of year	P1,595,175	P4,608,791

13. Other Noncurrent Assets

	<i>Note</i>	2025	2024
Deposits	24, 25	P76,192	P75,619
Equity securities	24, 25	2,652	2,652
		P78,844	P78,271

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
Current tax	P1,927,990	P1,495,354
Deferred tax	(17,472)	(66,201)
	P1,910,518	P1,429,153

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

	2025	2024
Statutory income tax rate	25.00%	25.00%
Changes in income tax rate resulting from:		
Income subjected to final tax	(0.41)	(0.67)
Dividend income from a subsidiary and an associate	(0.38)	(0.48)
Effective income tax rate	24.21%	23.85%

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 Liability	
Unrealized foreign exchange loss - net		P453,164	P22,431	P -	P475,595	P -	P475,595
Port concession rights payable related to fixed government share		442,927	25,952	-	468,879	-	468,879
Pension liability	22	76,951	(5,269)	(8,834)	62,848	-	62,848
Excess of cost over current replacement cost of spare parts and supplies		22,307	-	-	22,307	-	22,307
Accrued expenses		47,242	(28,191)	-	19,051	-	19,051
Provisions for claims		13,068	395	-	13,463	-	13,463
Right-of-use assets and lease liabilities		1,448	844	-	2,292	-	2,292
Impairment losses on receivables		2,253	-	-	2,253	-	2,253
Rental deposit		1,036	-	-	1,036	-	1,036
Unamortized capitalized borrowing costs and custom duties		(11,558)	1,310	-	-	(10,248)	(10,248)
Net tax assets		P1,048,838	P17,472	(P8,834)	P1,067,724	(P10,248)	P1,057,476

2024	Note	Net Balance at January 1	Recognized In Profit or Loss	Recognized In OCI	December 31		Net
					Deferred Tax Assets	Deferred Tax Liability	
Unrealized foreign exchange loss - net		P398,213	P54,951	P -	P453,164	P -	P453,164
Port concession rights payable related to fixed government share		434,906	8,021	-	442,927	-	442,927
Pension liability	22	72,328	(3,359)	7,982	76,951	-	76,951
Accrued expenses		37,558	9,684	-	47,242	-	47,242
Excess of cost over current replacement cost of spare parts and supplies		22,307	-	-	22,307	-	22,307
Provisions for claims		10,835	2,233	-	13,068	-	13,068
Impairment losses on receivables		2,253	-	-	2,253	-	2,253
Right-of-use assets and lease liabilities		8,086	(6,638)	-	1,448	-	1,448
Rental deposit		1,036	-	-	1,036	-	1,036
Unamortized capitalized borrowing costs and custom duties		(12,867)	1,309	-	-	(11,558)	(11,558)
Net tax assets		P974,655	P66,201	P7,982	P1,060,396	(P11,558)	P1,048,838

Net deferred tax assets have been recognized because management believes that the Company 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

	Note	2025	2024
Due to government agencies	23	P1,114,897	P971,938
Accrued expenses:			
Marketing, commercial and promotion		394,124	460,548
Finance costs	23	120,358	124,832
Personnel costs		98,413	98,575
Repairs and maintenance		81,961	85,895
Insurance		78,473	58,098
IT expenses		47,590	42,138
Trucking expense		41,143	39,795
Professional fees		36,687	35,430
Utilities		19,209	18,216
Security expenses		18,493	16,354
Rental		10,889	10,889
Corporate social responsibility		8,467	10,402
Safety and environment		4,271	3,091
Miscellaneous		126,601	116,649
Trade		706,974	122,575
Equipment acquisitions		367,608	241,405
Shippers' and brokers' deposits		210,624	161,404
Due to related parties	21	50,008	32,886
Other payables	21	179,667	38,454
	24, 25	P3,716,457	P2,689,574

Following are the terms and conditions of the liabilities:

- Trade payables are noninterest-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.

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

16. Provisions for Claims

The movements and balances of this account are as follows:

	Note	2025	2024
Balance at beginning of year		P52,272	P43,344
Provisions during the year	19	2,482	12,306
Payments during the year		(902)	(3,378)
Balance at end of year		P53,852	P52,272

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

Pursuant to the registration statement rendered effective by the SEC and permit to sell issued by the SEC both dated April 7, 1995, 1.0 billion common shares of the 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 1.0 billion common shares of the 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 Company has a total of 2.0 billion issued and outstanding common shares with 808 and 822 stockholders, respectively.

Capital Stock - P1 Par Value

The 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 Company's common shares. As at December 31, 2025 and 2024, the 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

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.

Total cash dividends paid during 2025 and 2024 amounted to P2,999,368 and P2,992,894, respectively (in thousands).

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 Company'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 Company's operations and capability to handle growth.

The appropriated retained earnings as at January 1, 2024 amounting to P19.0 billion mainly consists 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.

As at December 31, 2025, unappropriated retained earnings of P2.4 billion, as presented in the separate statements of changes in equity, were adjusted in accordance with SEC Revised Securities Regulation Code Rule 68 to P1.1 billion, which is not in excess of the Company's paid-up capital of P2.3 billion.

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 Company as stipulated in the agreements discussed in Notes 2 and 23. The PPA's share in gross revenues includes variable government share amounting to P3.6 billion and P2.9 billion in 2025 and 2024 respectively (see Note 23).

19. Costs and Expenses Excluding Government Share in Revenues

	<i>Note</i>	2025	2024
Labor costs	22	P1,986,192	P1,715,717
Depreciation and amortization	11, 12, 23	1,789,286	1,674,188
Equipment running		899,760	809,555
Taxes and licenses		482,832	437,711
General transport		355,998	376,487
Management fees	21	352,935	265,790
Facilities-related expenses		294,762	285,111
Insurance		269,841	242,052
Security, health, environment and safety		146,692	119,214
Professional fees		49,160	20,545
Marketing, commercial and promotion		29,073	13,940
Entertainment, amusement and recreation		11,371	5,564
Rentals	23	7,647	320
Provisions for claims	16	2,482	12,306
Others	21	272,897	185,481
		P6,950,928	P6,163,981

Labor costs include salaries, benefits and pension expense.

Spare parts and supplies used and included under equipment running amounted to P294.6 million and P261.7 million in 2025 and 2024, respectively.

Provision for spare parts and supplies obsolescence included under other costs and expenses amounted to nil in 2025 and 2024, 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 P158.7 million and P175.3 million for the years ended December 31, 2025 and 2024, respectively (see Note 6).

Finance cost is broken down as follows:

	Note	2025	2024
Interest on port concession rights payable	23	P480,043	P408,325
Interest on lease liabilities	23	18,988	19,859
Interest component of pension expense - net	22	17,002	12,057
Interest on bank loans/credit facilities		299	321
		P516,332	P440,562

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

Others consist of the following:

	Note	2025	2024
Other income:			
Dividend income from a subsidiary and an associate	10, 21	P121,363	P115,989
Management income	21	40,335	30,762
Reversal of prior year provision and accruals		37,596	90,516
Gain on disposal of property and equipment		3,946	4,499
Miscellaneous income		17,284	21,938
Foreign exchange gains (losses):			
Net foreign exchange (losses) gains - others		3,317	37,656
Net foreign exchange losses - port concession rights payable		(129,511)	(417,201)
Other expense:			
Loss on derecognition of right-of-use assets and lease liabilities	23	(17,482)	-
		P76,848	(P115,841)

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 Company on the garbage collection income of vessel waste disposal service providers permitted by PPA to operate in the port terminal.

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

Category/Transaction	Ref	Year	Amount of the Transaction	Outstanding Balance			Terms	Conditions
				Due from Related Parties	Due to Related Parties	Lease Liability		
Subsidiaries								
ATIB								
▪ Management income	a	2025	P31,381	P -	P -	P -		
		2024	22,306	-	-	-		
▪ Dividend income	a	2025	69,420	-	-	-		
		2024	69,420	-	-	-		
▪ Advances	a	2025	456,259	-	8,990	-	Payable on demand	Unsecured
		2024	(135,045)	191,572	-	-	Payable on demand	Unsecured; no impairment
TCTI								
▪ Advances	e	2025	117,518	2,559,622	-	-	Payable on demand	Unsecured; no impairment
		2024	393,186	2,442,104	-	-	Payable on demand	Unsecured; no impairment
▪ Service fees	e	2025	80,478	-	-	-		
		2024	21,685	-	-	-		
Associate								
▪ Management income	b	2025	8,954	1,037	-	-	Payable on demand	Unsecured; no impairment
		2024	8,456	745	-	-	Payable on demand	Unsecured; no impairment
▪ Dividend income	b	2025	51,943	-	-	-		
		2024	46,569	-	-	-		
Post-employment Benefit Plan								
▪ Retirement fund	c	2025	68,688	81,824	-	-	Payable on demand	Unsecured; no impairment
		2024	45,335	13,136	-	-	Payable on demand	Unsecured; no impairment
Others								
▪ Advances	f	2025	568,889	606,091	5,394	-	Payable on demand	Unsecured; no impairment
		2024	265,762	249,626	28,864	-	Payable on demand	Unsecured; no impairment
▪ Management fees	d	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	g	2025	30,981	-	-	349,679	Monthly payments are due within five (5) days of each month	Unsecured
		2024	52,165	-	-	341,484	Monthly payments are due within five (5) days of each month	Unsecured
TOTAL		2025		P3,248,574	P55,402	P349,679		
TOTAL		2024		P2,897,183	P61,750	P341,484		

- a. The Company has a management agreement with ATIB for a period of five (5) years which commenced on September 1, 2017, and ended on August 31, 2022 renewable upon mutual agreement of the parties. The contract was renewed under the same terms, effective September 1, 2022 to August 31, 2027. The terms of the agreement provide for a monthly management fee calculated using a pre-agreed rate applied to ATIB's income before income tax. Management fees earned are included under "Others - net" account in the separate statements of income (see Note 20).

The Company received dividend income from ATIB in 2025 and 2024 (see Notes 10 and 20).

The Company collects certain receivables and pays certain expenses on behalf of ATIB.

- b. 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 separate statements of income (see Note 20). The Company also received dividend income from SCIPSI (see Notes 10 and 20).
- c. The Company has a noncontributory, defined benefit retirement plan 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 Company to be subsequently reimbursed by the retirement fund.
- d. 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 Company by virtue of a 5-year contract. The 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 income before income tax of the immediately preceding month (see Note 19).
- e. The advances pertain to the expenses paid by the Company on behalf of TCTI for the latter's pre-operating working capital requirements, particularly its rental.

The Company also has a service agreement with TCTI which commenced on May 1, 2024 and will remain in full force until terminated by either party upon giving thirty (30) days prior written notice. Under this agreement, TCTI agrees to render barge terminal services to one of the Company's customers. Service fees incurred are charged under "Others" account included in "Costs and expenses excluding government share in revenues" in the separate statements of income (see Note 19). Payments are offset against the Company's receivable from TCTI.

- f. Advances include amounts owed to or by DP World Asia Holdings Limited-Regional Operating Headquarters, DP World Philippines Logistics, Ltd., and DP World Holdings Philippines, Inc., which are related parties under common control, pertaining to reimbursements for expenses paid by or for the Company. The balance also includes amounts owed to companies controlled by the Company's director for expenses incurred by the Company 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).
- g. The 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 23). 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 23.

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

	2025	2024
Short-term employee benefits	P159,635	P143,361
Post-employment benefits	11,368	10,105
	P171,003	P153,466

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

22. Pension

The Company's latest actuarial valuation report is as at December 31, 2025. Valuations are obtained on a periodic basis. The following tables summarize the components of pension expense recognized in the separate statements of income and the funded status and amounts recognized in the separate statements of financial position.

Pension Expense

	<i>Note</i>	2025	2024
Current service cost		P45,900	P42,762
Interest cost on defined benefit obligation	20	38,806	37,540
Interest income on plan assets	20	(21,804)	(25,483)
Net pension expense		P62,902	P54,819

Current service cost is charged under "Labor costs" account included in "Costs and expenses excluding government share in revenues" in the separate 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 separate statements of income (see Note 20).

Pension Liability as at December 31

	2025	2024
Present value of pension obligations	(P740,724)	(P711,504)
Fair value of plan assets	535,526	395,857
Pension liability	(P205,198)	(P315,647)

Changes in the Present Value of Pension Obligations

	2025	2024
Present value of pension obligations at beginning of year	(P711,504)	(P666,550)
Current service cost	(45,900)	(42,762)
Interest cost	(38,806)	(37,540)
Actuarial gains (losses)	31,603	(24,590)
Benefits paid	23,883	59,938
Present value of pension obligations at end of year	(P740,724)	(P711,504)

Changes in the Fair Value of Plan Assets

	2025	2024
Fair value of plan assets at beginning of year	P395,857	P437,648
Actual contributions	138,016	3
Interest income	21,804	25,483
Remeasurement gains (losses) on plan assets	3,732	(7,339)
Benefits paid	(23,883)	(59,938)
Fair value of plan assets at end of year	P535,526	P395,857

Benefits paid include certain payments to retired employees paid directly by the Company to be subsequently reimbursed by the retirement fund. Any amount paid by the Company 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 separate statements of financial position. As at December 31, 2025 and 2024, the balance due from the retirement fund amounted to P81.8 million and P13.1 million, respectively (see Note 21).

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

	2025	2024
Actuarial gains (losses) due to:		
Changes in financial assumptions	P24,812	P7,786
Experience adjustment	6,791	(32,376)
Remeasurement gains (losses) on plan assets	3,732	(7,339)
	P35,335	(P31,929)

The cumulative amount of actuarial losses net of tax recognized in the separate statements of changes in equity included in the "Retained earnings" account amounted to P40.4 million and P66.9 million as at December 31, 2025 and 2024, respectively.

Plan Assets

The plan entitles 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.

This defined benefit pension plan exposes the Company 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 report.

The Company's plan assets consist of the following:

	2025	2024
Investment in government securities	P434,798	P331,321
Equity instruments	70,288	59,230
Cash and cash equivalents	17,660	20
Debt instruments	7,291	7,157
Other receivables	5,769	4,543
Investment in UITF	-	3,041
Liabilities	(280)	(9,455)
	P535,526	P395,857

All equity instruments and government securities have quoted price 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 Company's plan are shown below:

	2025	2024
Discount rate at end of year	6.48%	6.09%
Salary increase rate	4%-6%	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:

	2025	2024
Average expected future service years	15	15

Maturity analysis of the benefit payments:

	2025
	Expected Benefit Payments
Within 1 Year	P135,608
Within 1 - 5 Years	282,900
More than 5 Years	4,167,404
	2024
	Expected Benefit Payments
Within 1 Year	P134,352
Within 1 - 5 Years	235,992
More than 5 Years	3,553,659

Sensitivity Analysis

As at December 31, 2025 and 2024, 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

	1% Increase	1% Decrease
Discount rate	(P55,053)	P64,785
Salary increase rate	67,781	(58,571)

2024

	1% Increase	1% Decrease
Discount rate	(P55,262)	P65,178
Salary increase rate	67,972	(58,649)

The Company expects to pay P69.3 million in contributions to defined benefit pension plans in 2026.

Asset Liability Matching (ALM)

The Company 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. Commitments and Contingencies

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

- a. The 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 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 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 Company that any opinion rendered by the DOJ will not have any material impact on the Company's ability to use the subject reclaimed land.

ii. Government Share

- For storage operations, the 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 Company shall pay quarterly fixed government share of USD2.3 million plus a variable government share amounting to 20% of its total gross revenues.
 - For general cargo operations, the 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 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 Company is authorized by the PPA to render cargo handling services at the Container Terminal "A-1," Phase II at the Port of Batangas for 25 years starting July 1, 2010. For arrastre operations, the Company shall pay an annual fixed government share of USD2.3 million for the first 2 years, USD4.7 million for the 3rd year, USD5.1 million for the 4th-7th year, and USD5.3 million for the 8th-25th year. The 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. 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 I and Container Terminal "A-1," Phase II beyond year 2035. P200 million was paid by ATIB for Phase I and the remaining P200 million was paid by the Company for Phase II.

Upon recognition of the fair value of the fixed fees representing the government share under the concession agreements as discussed above, the Company 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 25. 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	P7,161,572	P7,203,604
Effects of exchange rate changes	100,285	213,981
Payments during the year	(363,246)	(256,013)
Balance as at December 31	P6,898,611	P7,161,572

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

	2025	2024
Current	P400,102	P366,130
Noncurrent	6,498,509	6,795,442
	P6,898,611	P7,161,572

ii. Accrued Interest Payable

	<i>Note</i>	2025	2024
Balance as at January 1		P124,832	P125,151
Interest expense during the year	20	480,043	408,325
Effects of exchange rate changes		(161)	2,062
Payments during the year		(484,356)	(410,706)
Balance as at December 31		P120,358	P124,832

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 year ended December 31, 2024 has been re-presented to conform with the current year presentation. The change in presentation had no impact on the Company's total net cash flows for the period presented.

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

December 31, 2024	As previously presented	Presentation adjustment	As re-presented
Net cash flows from financing activities			
Payments of:			
Port concession rights payable	(P794,085)	P410,706	(P383,379)
Interest on port concession rights payable	-	(410,706)	(410,706)
Total net cash flows	(P794,085)	P -	(P794,085)

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

- a. The 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 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.

- b. The 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 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 P35.0 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 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 Company 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 separate statements of income (see Note 20).
- f. The Company 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 Company'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 Company is a lessee is presented below.

i. Right-of-Use Assets

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

	Note	2025	2024
Balance at January 1		P417,677	P472,453
Additions to right-of-use assets		137,666	115,200
Depreciation during the year	19	(83,165)	(169,976)
Derecognition		(174,769)	-
Balance at December 31		P297,409	P417,677

ii. Lease Liabilities

	Note	2025	2024
Balance at January 1		P464,659	P527,423
Additions to lease liabilities		137,666	115,200
Interest expense during the year	20	18,988	19,859
Payments made		(171,102)	(197,823)
Derecognition		(44,099)	-
Balance at December 31		P406,112	P464,659

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

	2025	2024
Current	P50,497	P17,622
Noncurrent	355,615	447,037
	P406,112	P464,659

Included in the above balances are lease liabilities due to related parties amounting to P349.7 million and P341.5 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	91,777	131,987
More than five years	473,710	473,710
	P608,212	P642,308

iii. Amounts to be Recognized in the Separate Statements of Income

	Note	2025	2024
Depreciation expense	19	P174,769	P169,976
Interest on lease liabilities	20	18,988	19,859
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	7,647	320
		P218,886	P190,155

iv. Amounts Recognized in the Separate Statements of Cash Flows

	2025	2024
Payments of lease liabilities	P152,114	P177,964
Interest paid	18,988	19,859
Cash outflow relating to short-term and/or low value leases	7,647	627
Total cash outflow for leases	P178,749	P198,450

- g. The Company 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 Company's financial position and financial performance.

24. 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 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 Company 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 Company's interest-bearing financial instruments is as follows:

	2025	2024
Fixed Rate Instruments		
Cash and cash equivalents*	P3,913,001	P4,774,696

*Excluding cash on hand amounting to P22.3 million and P5.7 million as at December 31, 2025 and 2024, 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.

For port concession rights payable, including accrued interest under trade and other payables, and sensitivity to discount rates, see Notes 23 and 25.

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 at December 31, 2025	Contractual Cash Flows						Total
	Carrying Amount	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	
Trade and other payables*	P2,601,560	P138,769	P690,494	P1,484,662	P287,635	P -	P2,601,560
Port concession rights payable	6,898,611	-	224,365	673,096	3,589,843	5,721,815	10,209,119
Lease liabilities	406,112	-	12,132	30,593	91,777	473,710	608,212
Total	P9,906,283	P138,769	P926,991	P2,188,351	P3,969,255	P6,195,525	P13,418,891

*Excluding due to government agencies amounting to P1.1 billion.

As at December 31, 2024	Contractual Cash Flows						Total
	Carrying Amount	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	
Trade and other payables*	P1,717,636	P82,988	P433,464	P1,092,063	P109,121	P -	P1,717,636
Port concession rights payable	7,161,572	-	220,980	662,939	4,419,594	5,636,368	10,939,881
Lease liabilities	464,659	-	9,087	27,524	131,987	473,710	642,308
Total	P9,343,867	P82,988	P663,531	P1,782,526	P4,660,702	P6,110,078	P13,299,825

*Excluding due to government agencies amounting to P971.9 million.

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 as at December 31, 2025 and 2024, without considering the effects of other risk mitigation techniques, is presented below.

	Note	2025	2024
Cash and cash equivalents*	6	P3,913,001	P4,774,696
Trade and other receivables - net	7	4,125,428	3,794,810
Deposits	13	76,192	75,619
Equity securities	13	2,652	2,652
		P8,117,273	P8,647,777

*Excluding cash on hand amounting to P22.3 million and P5.7 million as at December 31, 2025 and 2024, respectively.

The table below shows the credit quality of the Company'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*	P3,913,001	P -	P -	P3,913,001
Trade and other receivables - net	3,719,396	406,032	-	4,125,428
Deposits	76,192	-	-	76,192
Equity securities	2,652	-	-	2,652
	P7,711,241	P406,032	P -	P8,117,273

*Excluding cash on hand amounting to P22.3 million as at December 31, 2025.

	As at December 31, 2024			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents*	P4,774,696	P -	P -	P4,774,696
Trade and other receivables - net	3,497,068	297,742	-	3,794,810
Deposits	75,619	-	-	75,619
Equity securities	2,652	-	-	2,652
	P8,350,035	P297,742	P -	P8,647,777

*Excluding cash on hand amounting to P5.7 million as at December 31, 2024.

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.

Trade and Other Receivables

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

	Note	2025	2024
Shipping lines		P741,778	P471,350
Others		3,383,650	3,323,460
	7	P4,125,428	P3,794,810

Expected Credit Loss Assessment

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 December 31, 2025 and 2024:

	Gross Carrying Amount	Impairment Loss Allowance	Credit- impaired
Current (not past due)	P3,854,584	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	P4,129,623	P4,195	
Current (not past due)	P3,609,037	P -	No
1 - 30 days past due	75,281	-	No
31 - 60 days past due	65,308	-	No
61 - 90 days past due	43,906	-	No
More than 90 days past due	5,473	4,195	Partially
Balance at December 31, 2024	P3,799,005	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 separate 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.

There are no significant concentrations of credit risk within the Company. 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 Company'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 Company held cash in banks and cash equivalents of P3.9 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 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, government share, and other foreign currency-denominated purchases by operating units.

The Company's foreign currency-denominated accounts as of 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 US dollar exchange rate, with all other variables held constant, of the Company's income before income tax and equity.

	Increase (Decrease) in U. S. dollar 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 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 Company considers capital to include capital stock, additional paid-in capital, retained earnings, fair value reserve and hedging reserve. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Company 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, except for the investment it has committed in accordance with the investment plan discussed in Note 23.

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

	Note	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		24,645,086	21,641,627
Fair value reserve		(5,820)	(5,820)
Total	17	P24,854,713	P23,865,336

25. Financial Instruments

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Company'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	P3,935,328	P3,935,328	P4,780,401	P4,780,401
Trade and other receivables - net	7	4,125,428	4,125,428	3,794,810	3,794,810
Deposits	13	76,192	83,290	75,619	81,439
		8,136,948	8,144,046	8,650,830	8,656,650
Equity securities	13	2,652	2,652	2,652	2,652
		P8,139,600	P8,146,698	P8,653,482	P8,659,302
Financial Liabilities					
Other financial liabilities:					
Trade and other payables*	15	P2,601,560	P2,601,560	P1,717,636	P1,717,636
Port concession rights payable	23	6,898,611	7,489,620	7,161,572	7,779,482
		P9,500,171	P10,091,180	P8,879,208	P9,497,118

*Excluding due to government agencies amounting to P1.1 billion and P971.9 million in 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 Company'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.

Non-derivative 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 P763.4 million. Refer to Note 23 for the reconciliation and maturity analysis of principal and accrued interest.

Fair Value Hierarchy

The following table shows the levels in the fair value hierarchy of the Company'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		-	-	7,489,620
		P933	P -	P7,491,339

As at December 31, 2024	Note	Level 1	Level 2	Level 3
Equity securities	13	P933	P -	P1,719
Port concession rights payable		-	-	7,779,482
		P933	P -	P7,781,201

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 Company's separate financial position, results of operations, or cash flows.

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

26. Revenue

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 Company derives revenue from the transfer of services over time and at a point in time in the following major service lines:

	2025	2024
Revenues from Operations		
Stevedoring	P8,440,427	P6,959,291
Arrastre	7,199,647	5,860,669
Storage	1,884,555	1,463,771
Logistics	197,097	246,844
Special and other services	1,024,402	860,771
Total	P18,746,128	P15,391,346

For the years ended December 31, 2025, 2024, and 2023, approximately 95% of the Company'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.

27. Events After the Reporting Date

Voluntary Delisting

On December 15, 2025, the BOD approved the application for the voluntary delisting of the Company's shares from the PSE. This was subsequently approved and ratified by the stockholders owning 90.34% of the 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 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 Company and Maharlika Investment Corporation. The portion acquired by the Company will result in the recognition of additional treasury shares upon settlement.

Following the completion of the tender offer, the 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 Company 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 revenues), it is exposed to international trade flows and foreign currency and customer concentration risks. Management has assessed the potential implications on the Company'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 separate 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 separate 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 Company's operations, financial position and performance.

28. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the separate financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the separate financial statements which were prepared in accordance with PFRS Accounting Standards. The following are the tax information/disclosures required by Revenue Regulations No. 15-2010 for the taxable year ended December 31, 2025:

A. Value Added Tax (VAT)

1. Output VAT	P833,292
Basis of the Output VAT*:	
Vatable sales	P6,944,096
Zero rated sales	12,607,057
Exempt sales	25,537
	P19,576,690

2. Input VAT	
Beginning of the year	P2,663,600
Current year's domestic purchases:	
a. Goods other than capital goods	102,991
b. Capital goods subject to amortization	-
c. Services lodged under cost of goods sold	955,227
d. Services lodged under other accounts	16,778
Current year's importation of goods other than capital goods	159,761
Claims for tax credit/refund and other adjustments	-
Total	3,898,357
Less: Input VAT application	(833,292)
Balance at the end of the year	P3,065,065
3. Customs Duties and Tariff Fees:	
Landed cost of imports	P1,331,340
Customs duties paid or accrued	6,014
	P1,337,354

* The base amounts are gross of PPA fees.

B. Documentary Stamp Tax

Others (insurance policies)	P41,103
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C. Withholding Taxes

Creditable withholding taxes	P240,789
Tax on compensation and benefits	173,751
Final withholding taxes	128,759
	P543,299

D. All Other Taxes (Local and National)

<i>Other taxes paid during the year recognized under "Taxes and licenses" account under Costs and Expenses</i>	
Real property taxes	P308,567
Local business taxes	95,955
Business permits and licenses	5,497
Others	31,710
	P441,729

E. Deficiency Tax Assessments

On June 5, 2024, the Company received a letter of authority (LOA) involving the examination of books of accounts and other accounting records for all internal revenue taxes for the taxable year ended December 31, 2023. As of December 31, 2025, the audit for the LOA is still on-going.

On July 15, 2025, the Company received a LOA involving the examination of books of accounts and other accounting records for VAT for the taxable year ended December 31, 2024. The assessment was closed and settled by the Company in February 2026.

On July 28, 2025, the Company received a LOA involving the examination of books of accounts and other accounting records for all internal revenue taxes excluding VAT for the taxable year ended December 31, 2024. As of December 31, 2025, the audit for this LOA is still on-going.

F. Tax Cases

The Company was involved in a civil case pending before the Court of Tax Appeals (CTA) relating to the assessment of deficiency local business tax by the City of Manila for taxable years 2013 and 2014. In January 2025, the Company entered into a compromise settlement, and the case was closed following the settlement agreement executed by the parties in March 2025 and approved by the CTA in July 2025.

Information on the excise taxes is not applicable since there are no transactions that the Company would be subject to this type of tax.