

COVER SHEET

S.E.C. Registration Number

(Company's Full Name)

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

Contact Person

Company Telephone Number

Month

Day

FORM TYPE

Month Day
2024 Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

As of July 31, 2024
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS
Remarks = pls. use black ink for scanning purposes.

SEC Number: 133653

File Number: _____

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

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

(632) 528-6000
(Telephone Number)

December 31
Calendar Year Ending
(Month & Day)

SEC Form 17-Q
Form Type

Amendment Designation (if applicable)

June 30, 2024
Period Ended Date

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

ASIAN TERMINALS, INCORPORATED
Securities and Exchange Commission

SEC FORM 17-Q

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

- 1. For the quarter ended : **June 30, 2024**
- 2. Commission identification Number : **133653**
- 3. BIR Tax Identification No. : **330-000-132-413-V**
- 4. Exact name of issuer as specified in its charter : **ASIAN TERMINALS, INC.**
- 5. Province, country or other jurisdiction of incorporation or organization: **Manila, Philippines**
- 6. Industry Classification Code : _____ (SEC Use Only)
- 7. Address of issuer's principal office : **A. Bonifacio Drive South Harbor, Port Area, Manila**
- 8. Issuer's telephone number, including area code : **528-6000 (telephone number), 1018 (area code)**
- 9. Former name, former address and former fiscal year, if changed since last report: **A. Bonifacio Drive, South Harbor Port Area, Manila**

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

Title of Each Class	Number of shares of common stock outstanding and amount of debt outstanding
Capital stock – common	2,000,000,000 shares

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

Yes [X] No []

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

Philippine Stock Exchange Common Shares

12. Indicate by check mark whether the registrant:

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

Yes [X] No []

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

Yes [X] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

With reference to the attached interim financial statements:

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

Amended Standards Not Yet Adopted

A number of 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 these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective January 1, 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.

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

Consolidated Results of Operations for the six months ended June 30, 2024

Revenues for the first half of 2024 of P7,462.7 million increased slightly by 0.2% from P7,447.4 million in the same period last year. Revenues from South Harbor (SH) international containerized cargo increased from last year by 6.4% on account of higher container volumes. However, revenues from Batangas Container Terminal (BCT) and ATI Batangas were lower than last year by 31.4% and 4.9%, respectively, on account of lower international container volumes and lower international Roro volumes, which were partly offset by a higher number of passengers and domestic Roro volume.

Government share in revenues for the first half of 2024 of P1,313.9 million increased by 2.4% from P1,282.8 million last year as a result of higher revenues subject to port authorities' share.

Cost and expenses in the first six months of 2024 amounted to P3,327.4 million, 3.7% higher than P3,209.6 million in the same period last year. Depreciation and amortization in 2024 increased by 8.0% to P1,016.0 million from P940.7 million in 2024. Labor costs of P962.7 million this year were up by 9.2% compared to P881.8 million last year due to salary rate increase and additional headcount. Equipment running costs went up by 1.3% to 390.5 million this year from 385.4 million last year due to higher fuel costs related to higher fuel price and higher electricity resulting from higher consumption and increase in rates. General transport of P153.7 million in 2024 rose by 50.3% from P102.3 million in 2023 on account of higher trucking costs with corresponding revenues. Security, health, environment and safety increased by 14.2% to P101.5 million in 2024 from P88.9 million in 2023 due to higher security costs related to higher passenger volume and rate increase. Facilities-related expenses in 2024 increased by 7.0% to P184.5m from P172.4m in 2023.

Meanwhile, taxes and licenses of P201.9 million in 2024 were down by 22.6% from P260.7 million in 2023. Insurance in 2024 of P131.7 million went down by 6.2% compared to P140.3 million in the same period last year due to lower premiums on renewal of dollar-denominated insurance such as material damage and business interruption premiums. Professional fees decreased by 41.6% to P7.3 million in 2024 from P12.6m in 2023. Management fees of P103.0 million in 2024 were down by 17.8% than P125.3 million in 2023 following lower earnings before tax. Rentals of P4.6 million in 2024 decreased by 26.6% compared to P6.2 million in the same period last year due to lower equipment rental. Entertainment, amusement and recreation in 2024 of P2.2 million went down by 45.8% from P4.1 million last year. Other expenses in 2024 amounted to P67.8 million, 23.8% lower compared to P89.0 million last year due to lower travel and accommodation, lower office supplies and miscellaneous expenses.

Finance income in 2024 of P106.3 million was higher by 13.7% than P93.5 million last year due to higher interest rates on money market placements. Finance costs in 2024 of P237.5 million were lower by 2.5% against P243.7 million last year. Others-net was at negative P349.5 million in 2024 from P43.6 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 the first half of 2024 of P2,340.6 million decreased by 17.8% from P2,848.3 million in the same period last year. Provision for income tax decreased by 16.6% to P578.8 million in 2024 from P693.7 million in the same period last year due to lower results.

Net income of P1,761.8 million for the first half of 2024 was 18.2% lower than P2,154.6 million for the same period last year. Earnings per share this year was P0.88, last year was P1.08.

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

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

In the first six months of 2024:

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

Consolidated Financial Condition

Total assets as of June 30, 2024 decreased by 1.4% to P35,571.2 million from P36,072.9 million as of December 31, 2023. Current assets went down by 11.6% to P8,926.1 million as of June 30, 2024 from P10,098.6 million as of December 31, 2023. Cash and cash equivalents of P3,293.8 million as of June 30, 2024 decreased by 39.3% compared to P5,424.9 million as of December 31, 2023. Trade and other receivables-net of P1,432.6 million as of June 30, 2024 increased by 72.5% from P830.7 million as of December 31, 2023. Spare parts and supplies as of June 30, 2024, rose by 1.3% to P1,080.8 million from P1,066.5 million as of December 31, 2023. Prepaid expenses as of June 30, 2024 of P3,119.0 million were higher by 12.3% than P2,776.4 million as of December 31, 2023 on account of the unamortized portion of prepaid real property, business taxes and prepaid insurance for the year and higher input taxes on PPA fees and capital expenditures.

Total noncurrent assets of P26,645.2 million as of June 30, 2024 was higher by 2.6% compared to P25,974.4 million as of December 31, 2023. Investment in an associate increased by 30.3% to P85.3 million as of June 30, 2024 from P65.4 million as of December 31, 2023. Property and equipment - net amounted to P2,618.4 million, up by 4.2% from P2,511.7 million as of December 31, 2023. Intangible assets - net of P22,060.0 million was higher by 2.2% than P21,595.1 million as of December 31, 2023. The acquisitions of property and equipment and intangible assets, which amounted to P245.3 million and P1,245.6 million, respectively, were partially offset by the increase in depreciation and amortization. Right-of-use assets - net of P731.0 million as of June 30, 2024 was higher by 0.7% compared to P726.2 million as of December 31, 2023. Deferred tax assets – net amounted to P1,077.7 million as of June 30, 2024, was higher by 7.5% compared to P1,002.3 million as of December 31, 2023.

Total liabilities increased by 6.4% to P12,258.6 million as of June 30, 2024 from P11,521.5 million as of December 31, 2023. Trade and other payables increased by 7.7% to P3,159.0 million as of June 30, 2024 from P2,934.4 million as of December 31, 2023. Trade and other

payables are covered by agreed payment schedules. Provisions for claims of P59.3 million as of June 30, 2024 increased by 0.8% from P58.9 million as of December 31, 2023. Concession rights payable (current and noncurrent) as of June 30, 2024 of P7,626.2 million increased by 2.1% from P7,466.6 million as of December 31, 2023. Income and other taxes payable of P394.5 million as of June 30, 2024 was higher by 294.3% compared to P100.0 million as of December 31, 2023 due to income tax for the second quarter of 2024 and higher final tax of dividends payables. Pension liability of P266.2 million was up by 12.4% as of June 30, 2024 from P236.8 million as of December 31, 2023. Lease liabilities (current and noncurrent) of P753.4 million as of June 30, 2024 increased by 3.9% from P724.8 million as of December 31, 2023 due to adjustments related to change of terms on renewal of lease contracts and amortization in the second quarter of 2024.

Consolidated Cash Flows

Net cash provided by operating activities in the first half of 2024 was P2,763.5 million, 4.9% lower than P2,907.1 million in the same period last year due to lower operating income and increase in trade receivables.

Net cash used in investing activities in the first half of 2024 of P1,490.3 million was higher by 46.1% versus the P1,020.3 million in the same period last year due to higher acquisition of intangible assets and property and equipment.

Net cash used in financing activities in the first half of 2024 was P3,460.4 million, 39.7% higher than P2,476.6 million in the same period last year due to higher payments of cash dividends.

Key Performance Indicators (KPI)

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

- ATIB's total assets were only 10.7% of the consolidated total assets
- Income before other income and expense for ATIB was only 4.6% of consolidated income before other income and expenses¹.

Consolidated KPI	Manner of Calculation	As of June 30		Discussion
		2024	2023	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	18.3%	18.1%	Improved slightly due to improvement in income before interest and tax.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	14.7%	19.4%	Decreased due to lower net income.
Current ratio	Ratio of current assets over current liabilities	2.13 : 1.00	2.23 : 1.00	Decreased due to lower current assets.
Asset to equity ratio	Ratio of total assets over equity attributable to equity holders of the parent	1.53 : 1.00	1.54 : 1.00	Decreased due to lower equity.

Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.53 : 1.00	0.54 : 1.00	Decreased due to lower liabilities and higher equity
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	17 days	10 days	Increased due to higher accrued revenues.
Net Income Margin	Net income over revenues less government share in revenues	28.7%	35.0%	Decreased due to lower net income.
Reportable Injury Frequency Rate (RIFR) ²	Number of reportable injuries within a given accounting period relative to the total number of hours worked in the same accounting period.	0.24	0.76	Improved as a result of extensive safety campaign and strict implementation of HSES policies.

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

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

PART II. OTHER INFORMATION

On April 25, 2024, the Board of Directors of ATI approved a cash dividend of P1.50 per share to stockholders on record as of May 23, 2024 payable on June 18, 2024. As of date of this report, the Company has ordinary shares only.

Submissions of SEC Form 17-C:

Date Filed	Reference	Particulars
January 5, 2024	SEC 17-C	Attendance of Directors in the 2023 Board Meetings
January 30, 2024	SEC 17-C	Certification on Compliance to the Corporate Governance Manual
February 16, 2024	SEC 17-C	Notice of Guidelines for Nomination
February 22, 2024	SEC 17-C	Setting of the date, time, agenda of the 2024 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 2024
April 25, 2024	SEC 17-C	Declaration of Cash Dividends, with record and payment dates; Results of the 2024 Annual Meeting and the organizational meeting

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

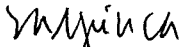
ASIAN TERMINALS, INCORPORATED
by:



JOSE TRISTAN P. CARPIO
Vice President and Chief Financial Officer

Date: August 13, 2024

Principal Financial/Accounting Officer:



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

Date: August 13, 2024

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

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P3,293,752	P5,424,938
Trade and other receivables - net	1,432,590	830,653
Spare parts and supplies	1,080,769	1,066,535
Prepaid expenses	3,118,978	2,776,433
Total Current Assets	8,926,089	10,098,559
Noncurrent Assets		
Investment in an associate	85,294	65,436
Property and equipment - net	2,618,359	2,511,749
Intangible assets - net	22,059,957	21,595,130
Right-of-use assets - net	730,975	726,211
Deferred tax assets - net	1,077,661	1,002,295
Other noncurrent assets	72,913	73,551
Total Noncurrent Assets	26,645,159	25,974,372
TOTAL ASSETS	P35,571,248	P36,072,931
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P3,159,017	P2,934,416
Provisions for claims	59,333	58,873
Port concession rights payable - current portion	491,733	455,254
Income and other taxes payable	394,498	100,052
Lease liabilities - current portion	81,261	46,615
Total Current Liabilities	4,185,842	3,595,210
Noncurrent Liabilities		
Port concession rights payable - net of current portion	7,134,426	7,011,351
Pension liability - net	266,240	236,779
Lease liabilities - net of current portion	672,127	678,189
Total Noncurrent Liabilities	8,072,793	7,926,319
Total Liabilities	12,258,635	11,521,529
Equity		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	2,000,000	2,000,000
Additional paid-in capital	264,300	264,300
Retained earnings	21,037,743	22,276,607
Fair value reserve	(5,820)	(5,820)
	23,296,223	24,535,087
Non-controlling Interest	16,390	16,315
Total Equity	23,312,613	24,551,402
TOTAL LIABILITIES AND EQUITY	P35,571,248	P36,072,931

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts In Thousands, Except Per Share Data)

	For the second quarter ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
REVENUES FROM OPERATIONS	P3,990,240	P3,698,713	P7,462,694	P7,447,350
GOVERNMENT SHARE IN REVENUES	(710,877)	(627,906)	(1,313,925)	(1,282,795)
	3,279,363	3,070,807	6,148,769	6,164,555
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(1,656,303)	(1,601,218)	(3,327,423)	(3,209,622)
OTHER INCOME AND EXPENSES				
Finance income	53,654	51,333	106,292	93,472
Finance cost	(117,902)	(130,206)	(237,517)	(243,700)
Others - net	(234,574)	(93,452)	(349,485)	43,623
	(298,822)	(172,325)	(480,710)	(106,605)
CONSTRUCTION REVENUES	773,100	473,147	1,245,623	1,013,433
CONSTRUCTION COSTS	(773,100)	(473,147)	(1,245,623)	(1,013,433)
	-	-	-	-
INCOME BEFORE INCOME TAX	1,324,238	1,297,264	2,340,636	2,848,328
INCOME TAX EXPENSE				
Current	382,692	349,356	654,213	726,948
Deferred	(67,523)	(30,293)	(75,368)	(33,266)
	315,169	319,063	578,845	693,682
NET INCOME	P1,009,070	P978,201	P1,761,791	P2,154,646
Income Attributable to				
Equity Holders of the Parent Company	P1,008,944	P977,921	P1,761,137	P2,153,597
Non - controlling interest	126	280	654	1,049
	P1,009,070	P978,201	P1,761,791	P2,154,646
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	P0.50	P0.49	P0.88	P1.08

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

	Attributable to Equity Holders of the Parent Company							
	Common Stock	Additional Paid-in Capital	Retained Earnings		Fair Value Reserves	Total	Non-controlling Interest	Total Equity
			Appropriated for Port Development	Unappropriated				
Balance at January 1, 2024	P2,000,000	P264,300	P18,500,000	P3,776,607	(P 5,820)	P24,535,087	P16,315	P24,551,402
Cash dividends - P1.50 a share for ATI	-	-	-	(3,000,000)	-	(3,000,000)	(580)	(3,000,580)
Net income for the period	-	-	-	1,761,137	-	1,761,137	654	1,761,791
Balance at June 30, 2024	P2,000,000	P264,300	P18,500,000	P2,537,744	(P 5,820)	P23,296,224	P16,389	P23,312,613
Balance at January 1, 2023	P2,000,000	P264,300	P16,400,000	P3,487,619	(P 5,820)	P22,146,099	P15,078	P22,161,177
Cash dividends - P1.00 a share for ATI	-	-	-	(2,000,000)	-	(2,000,000)	(580)	(2,000,580)
Net income for the period	-	-	-	2,153,597	-	2,153,597	1,049	2,154,646
Balance at June 30, 2023	P2,000,000	P264,300	P16,400,000	P3,641,216	(P 5,820)	P22,299,696	P15,547	P22,315,243

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

	For the second quarter ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	P 1,324,238	P1,297,264	P2,340,636	P2,848,328
Adjustments for:				
Depreciation and amortization	512,487	452,208	1,015,986	916,200
Finance cost	126,875	130,205	255,357	243,700
Finance income	(147,003)	(51,333)	(189,142)	(93,472)
Net unrealized foreign exchange gains (losses)	(156,999)	75,306	(63,555)	(87,973)
Equity in net earnings of an associate	(11,722)	(9,323)	(19,858)	(17,949)
Gain on disposals of:				
Property and equipment	-	15	-	1,991
Intangible assets	-	-	371	-
Operating income before working capital changes	1,647,876	1,894,342	3,339,795	3,810,825
Decrease (increase) in:				
Trade and other receivables	(382,897)	19,380	(601,937)	111,955
Spare parts and supplies	4,529	(10,079)	(14,234)	(15,144)
Prepaid expenses	117,719	131,935	(342,545)	(213,244)
Increase (decrease) in:				
Trade and other payables	643,215	(280,817)	565,400	(242,943)
Provisions for claims	(130)	1,011	460	(884)
Income and other taxes payable	223,652	(544,942)	240,675	(629,624)
Cash generated from operations	2,253,964	1,210,830	3,187,614	2,820,941
Finance income received	144,926	54,253	189,142	98,469
Finance cost paid	(18,062)	(15,259)	(36,088)	(12,297)
Net cash provided by operating activities	1,792,016	1,249,824	2,763,482	2,907,113
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and Equipment	(34,913)	34,442	(245,334)	(46,879)
Intangible assets	(772,733)	(473,147)	(1,245,623)	(1,013,433)
Proceeds from disposals of:				
Property and Equipment	-	191	-	(1,374)
Decrease (increase) in:				
Other noncurrent assets	13,682	(399)	-	(1,274)
Deposits	(13,329)	-	638	13,967
Net cash used in investing activities	(807,293)	(410,255)	(1,490,319)	(1,020,335)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Cash dividends	(3,000,000)	(2,000,000)	(3,000,000)	(2,000,000)
Cash dividend to non-controlling interest	(580)	(580)	(580)	(580)
Lease liabilities	(49,290)	14,624	(73,016)	(81,961)
Port concession rights payable	(219,038)	(199,628)	(386,852)	(394,106)
Net cash used in financing activities	(3,268,908)	(2,185,584)	(3,460,448)	(2,476,647)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,284,185)	(1,346,015)	(2,187,285)	(589,869)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	40,377	14,770	56,099	(15,453)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	5,537,560	5,326,190	5,424,938	4,600,267
CASH & CASH EQUIVALENTS AT END OF YEAR	P3,293,752	P 3,994,945	P3,293,752	P3,994,945

**SELECTED
EXPLANATORY NOTES
June 30, 2024
(Amounts in Thousands)**

1. Segment Information

Information with regard to the Company's Port business segment is presented below:

	For the six months ended June 30	
	2024	2023
Revenue	P7,462,694	P7,447,350
Intangible Assets (excluding goodwill)	22,059,957	21,394,224
Property and equipment - net	2,618,359	2,413,036
Total assets	35,571,248	34,355,401
Total liabilities	12,258,635	12,040,158
Capital expenditures		
Intangible Assets	1,245,623	1,013,433
Property and equipment	245,334	46,879
Depreciation and amortization	1,015,986	916,200

2. Trade and Other Receivables

	As of June 30, 2024	As of December 31, 2023 (Audited)
Trade receivables	P939,123	P609,257
Due from related parties	375,423	107,024
Advances to officers and employees	30,908	22,786
Receivable from insurance	30,470	52,757
Interest receivable	5,236	11,131
Other receivables	55,625	31,893
	1,436,785	834,848
Allowance for impairment losses	(4,195)	(4,195)
	P1,432,590	P830,653

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

3. Property and Equipment

A summary of property and equipment follows:

	Port Facilities and Equipment		Leasehold Improvements	Furniture and Equipment	Transportation and other Equipment	Construction In-progress	June 30, 2024	December 31, 2023 (Audited)
Cost								
Balance at beginning of year	P226,611	P2,482,747		P1,005,392	P418,839	P184,880	P4,318,469	P4,158,863
Additions	817	185,646		30,313	23,088	5,469	245,334	278,746
Disposals	-	-		(8,024)	(13,207)	-	(21,232)	(119,140)
Reclassifications	(64,384)	111,819		(8,759)	70,576	(109,252)	-	-
Balance at end of year	163,044	2,780,212		1,018,922	499,296	81,097	4,542,571	4,318,469
Accumulated depreciation								
Balance at beginning of year	144,577	619,630		794,883	247,632	-	1,806,722	1,592,652
Depreciation	6,966	72,539		34,787	26,611	-	140,904	240,632
Disposals	-	-		(8,024)	(13,207)	-	(21,232)	(26,564)
Reclassification	(59,690)	206		(7,045)	64,347	-	(2,182)	-
Balance at end of year	91,853	692,375		814,601	325,383	-	1,924,212	1,806,720
Carrying Amount	P71,191	P2,087,837		P204,321	P173,913	P81,097	P2,618,359	P2,511,749

4. Intangible Assets

As of June 30, 2024

	Port Concession Rights					
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal	Goodwill	Total
Cost						
Balance at beginning of year	P882,000	P9,279,694	P27,554,563	P37,716,257	P42,060	P37,758,317
Additions	-	-	1,245,623	P1,245,623	-	1,245,623
Disposals	-	-	(2,195)	(2,195)	-	(2,195)
Balance at end of year	882,000	9,279,694	28,797,991	38,959,685	42,060	39,001,745
Accumulated amortization						
Balance at beginning of year	119,774	5,107,234	10,936,179	16,163,187	-	16,163,187
Amortization	5,640	198,938	573,665	P778,243	-	778,243
Disposals	-	-	(1,824)	(1,824)	-	(1,824)
Reclassifications	-	-	2,182	2,182	-	2,182
Balance at end of year	125,414	5,306,172	11,510,202	16,941,788	-	16,941,788
Carrying Amount	P756,586	P3,973,522	P17,287,789	P22,017,897	P42,060	P22,059,957

As of December 31, 2023 (Audited)

	Port Concession Rights					
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal	Goodwill	Total
Cost						
Balance at beginning of year	P882,000	P9,279,694	P25,508,613	P35,670,307	P42,060	P35,712,367
Additions	-	-	2,061,603	2,061,603	-	2,061,603
Disposals	-	-	(15,653)	(15,653)	-	(15,653)
Balance at end of year	882,000	9,279,694	27,554,563	37,716,257	42,060	37,758,317
Accumulated amortization						
Balance at beginning of year	108,494	4,628,828	9,894,121	14,631,443	-	14,631,443
Additions	11,280	478,406	1,057,711	1,547,397	-	1,547,397
Disposals	-	-	(15,653)	(15,653)	-	(15,653)
Balance at end of year	119,774	5,107,234	10,936,179	16,163,187	-	16,163,187
Carrying Amount	P 762,226	P 4,172,460	P 16,618,384	P 21,553,070	P 42,060	P21,595,130

5. Trade and Other Payables

	June 30, 2024	December 31, 2023 (Audited)
Accrued expenses:		
Marketing, commercial, promotion and business development	P445,903	P529,847
Finance costs	132,544	129,096
Personnel costs	124,959	85,815
Repairs and maintenance	94,179	86,296
Professional fees	49,558	49,405
Trucking Expenses	40,317	24,600
Security expenses	39,132	38,677
Utilities	21,891	14,090
Rental	20,424	21,651
Corporate social responsibility	15,189	14,156
Insurance	4,675	58,460
Safety and environment	2,954	3,799
Miscellaneous accrued expenses	111,568	120,681
Due to government agencies	1,025,448	967,569
Equipment acquisitions	493,057	255,405
Trade	168,870	244,925
Shippers' and brokers' deposits	171,116	141,377
Management fee payable	20,711	17,266
Other Payables	176,522	131,301
	P3,159,017	P2,934,416

6. Other Income and Expenses

Finance cost is broken down as follows:

	For the six months ended June 30	
	2024	2023
Interest on port concession rights payable	P213,065	P225,651
Interest component of pension expense	6,205	5,751
Interest on bank loans/credit facilities	203	2,607
Interest on lease liability	18,044	9,691
	P237,517	P243,700

Finance income is broken down as follows:

	For the six months ended June 30	
	2024	2023
Interest on cash in banks and short-term investment:	P106,292	P93,472
	P106,292	P93,472

Others consisted of the following:

	For the six months ended June 30	
	2024	2023
Foreign exchange gains (losses) - others	P45,979	P (11,809)
Lease and other income - net	24,421	16,661
Equity in net earnings of an associate	19,858	17,949
Management income	4,083	3,798
Gain on disposals of property and equipment and intangible assets	3,920	1,991
Foreign exchange gains (losses) - port concession rights payable	(447,746)	15,033
	P (349,485)	P43,623

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

7. Financial Risk and Capital Management Objectives and Policies

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

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

Interest Rate Risk

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

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

	June 30, 2024	December 31, 2023 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	P3,281,467	P5,422,997

Excluding cash on hand amounting to P12.3 million and P2.7 million as at June 30, 2024 and 2023, respectively.

Fair Value Sensitivity Analysis for Fixed Rate Instruments

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

Liquidity Risk

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

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

As of June 30, 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*	P2,133,569	P478,077	P470,173	P1,185,319	P -	P -	P2,133,569
Port concession rights payable	7,626,159	-	191,405	574,213	2,114,275	6,046,111	8,926,004
Lease liabilities	753,388	-	35,657	60,825	400,963	631,333	1,128,778
Total	P 10,513,116	P 478,077	P 697,235	P 1,820,357	P 2,515,238	P 6,677,444	P 12,188,351

* excluding due to government agencies amounting to P1,025.4 million

As of December 31, 2023 (Audited)	Carrying Amount	Contractual Cash Flows					Total
		On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	
Trade and other payables*	P1,966,847	P274,952	P366,187	P1,325,708	P -	P -	P 1,966,847
Port concession rights payable	7,466,605	-	200,127	600,380	2,783,366	6,258,786	9,842,659
Lease liabilities	724,804	-	27,841	46,197	256,610	901,973	1,232,621
Total	P 10,158,256	P 274,952	P 594,155	P 1,972,285	P 3,039,976	P 7,160,759	P 13,042,127

* excluding due to government agencies amounting to P967.6 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, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	As of June 30, 2024	As of December 31, 2023 (Audited)
Cash and cash equivalents*	P3,281,467	P5,422,997
Trade and other receivables - net	1,432,590	830,653
Deposits	70,262	70,899
Equity securities	2,652	2,652
	P4,786,971	P6,327,201

* Excluding cash on hand amounting to P12.3 million and P2.7 million as at June 30, 2024 and 2023, respectively.

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

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

	As at June 30, 2024			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P3,281,467	P -	P -	P3,281,467
Trade and other receivables - net	1,014,032	418,558	-	1,432,590
Deposits	70,262	-	-	70,262
Equity securities	2,652	-	-	2,652
	P4,368,413	P418,558	P -	P4,786,971

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

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

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

Expected Credit Loss Assessment as at June 30, 2024

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

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

The following table provides information about the exposure to credit risk for trade and other receivables as at June 30, 2024:

	Gross Carrying Amount	Impairment Loss Allowance	Credit- impaired
Current (not past due)	P1,137,092	P -	No
1 - 30 days past due	154,393	-	No
31 - 60 days past due	71,123	-	No
61- 90 days past due	55,756	-	No
More than 90 days past due	18,421	4,195	Yes
Balance at June 30, 2024	P1,436,785	P4,195	

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

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

Cash in Banks and Cash Equivalents

The Company held cash in banks and cash equivalents of P3.3 billion and P5.4 billion as at June 30, 2024 and December 31, 2023, respectively. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Grade A.

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

Foreign Currency Risk

The Company has foreign currency financial assets and liabilities arising from US dollar denominated revenues, lease payments, government share, and other foreign currency-denominated purchases by operating units.

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

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

	As of June 30, 2024	As of December 31, 2023
Assets		
Cash and cash equivalents	USD9,418	USD19,007
Liabilities		
Trade and other payables	6,449	2,378
Port concession rights payable	117,844	120,527
	124,293	122,905
Net foreign currency-denominated liabilities	(USD114,875)	(USD103,898)
Peso equivalent	(P6,732,824)	(P5,755,949)

The exchange rates applicable for US dollar as at June 30, 2024 and December 31, 2023 are P58.61 and P55.4, 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 USD Exchange Rate	Effect on Income Before Income Tax	Effect on Equity
June 30, 2024		
5%	(P336,641)	(P252,481)
-5%	336,641	252,481
December 31, 2023		
5%	(287,797)	(215,848)
-5%	287,797	215,848

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 and fair value 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 during the period ended June 30, 2024.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

	June 30, 2024	December 31, 2023 (Audited)
Capital Stock	P2,000,000	P2,000,000
Additional paid-in capital	264,300	264,300
Retained Earnings	21,037,743	22,276,607
Fair value reserve	(5,820)	(5,820)
Total	P23,296,223	P24,535,087

8. Financial Instruments

	As of June 30, 2024		As of December 31, 2023 (Audited)	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Cash and cash equivalents	P3,293,752	P3,293,752	P5,424,938	P5,424,938
Trade and other receivables - net	1,432,590	1,432,590	830,653	830,653
Deposits	70,262	76,430	70,899	77,068
	4,796,604	4,802,772	6,326,490	6,332,659
Equity securities	2,652	2,652	2,652	2,652
	P4,799,256	P4,805,424	P6,329,142	P6,335,311
Financial Liabilities				
Other financial liabilities:				
Trade and other payables*	P2,133,569	P2,133,569	P1,966,847	P1,966,847
Port concession rights payable	7,626,159	7,945,775	7,466,605	8,187,761
	P9,759,728	P10,079,344	P9,433,452	P10,154,608

* excluding due to government agencies amounting to P1,025.4 million and P967.6 million as at June 30, 2024 and 2023, respectively.

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

Fair Value of Financial Instruments

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

Nonderivative Financial Instruments

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

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

The fair value of port concession rights payable was estimated at the present value of all future cash flows discounted using the applicable rates for similar types of loans ranging from 6.32% to 7.16% in 2024 and 5.97% to 6.01% in 2023.

Fair Value Hierarchy

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

As of June 30, 2024	Level 1		Level 2	Level 3
Equity securities	P933	P	-	P 1,719
Port concession rights payable	-		7,945,775	-
	P933		P7,945,775	P1,719

As of December 31, 2023 (Audited)	Level 1		Level 2	Level 3
Equity securities	P933	P	-	P 1,719
Port concession rights payable	-		8,187,761	-
	P933		P8,187,761	P1,719

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