

SEC No. 133653
File Number: _____

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

ATI Head Office, A. Bonifacio Drive, Port Area, Manila 1018
(Company's Address)

632-85286000
(Telephone Number)

December 31
Calendar Year Ending
(Month & Day)

SEC 17Q
Form Type

NA
Amendment Designation (if applicable)

March 31, 2024
Period Ended Date

(Secondary License Type and File Number)

ASIAN TERMINALS, INCORPORATED
Securities and Exchange Commission

SEC FORM 17-Q

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

1. For the quarter ended : **March 31, 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 three months ended March 31, 2024

Revenues for the first quarter of 2024 of P3,472.5 million went down by 7.4% from P3,748.6 million in the same period last year. Revenues from South Harbor (SH) international containerized cargo and Batangas Container Terminal (BCT) decreased from last year by 5.1% and 20.3%, respectively, on account of lower container volumes. Moreover, revenues from ATI Batangas were lower than last year by 6.0% on account of lower international Roro volumes partly offset by higher number of passengers and domestic Roro volume.

Government share in revenues for the first quarter of 2024 of P603.0 million decreased by 7.9% from P654.9 million last year as a result of lower revenues subject to port authorities' share.

Cost and expenses in the first three months of 2024 amounted to P1,671.1 million, 3.9% higher than P1,608.4 million in the same period last year. Depreciation and amortization in 2024 increased by 8.5% to P503.5 million from P464.0 million in 2023. Labor costs of P484.3 million this year were up by 11.0% compared to P436.2 million last year due to salary rate increase. Equipment running costs went up by 9.8% to 213.2 million this year from 194.2 million last year due to higher fuel costs related to higher fuel price and higher electricity resulting from higher consumption and increase in rates. Taxes and licenses of P127.8 million this year were almost the same as last year. General transport of P68.0 million in 2024 rose by 21.7% from P55.9 million in 2023 on account of higher trucking costs with corresponding revenues. Security, health, environment and safety increased by 19.1% to P49.9 million in 2024 from P41.9 million in 2023 due to higher security costs related to higher passenger volume.

Facilities-related expenses in 2024 decreased by 12.5% to P75.6m from P86.3m in 2023. Insurance in 2024 of P62.7 million went down by 16.2% compared to P74.9 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 21.9% to P4.9 million in 2024 from P6.2m in 2023. Management fees of P44.5 million in 2024 were down by 34.7% than P68.1 million in 2023 following lower earnings before tax. Rentals of P2.1 million in 2024 decreased by 38.6% compared to P3.4 million in the same period last year due to lower equipment rental. Entertainment, amusement and recreation in 2024 of P1.5 million went down by 33.4% from P2.2 million last year. Other expenses in 2024 amounted to P33.3 million, 29.9% lower compared to P47.5 million last year due to lower travel and accommodation, lower corporate social responsibility, lower office supplies and miscellaneous expenses.

Finance income in 2024 of P52.6 million was higher by 24.9% than P42.1 million last year due to higher interest rates on money market placements and higher cash balance. Finance costs in 2024 of P119.6 million were higher by 5.4% against P113.5 million last year. Others-net was at negative P114.9 million in 2024 from P137.1 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 quarter of 2024 of P1,016.4 million decreased by 34.5% from P1,551.1 million in the same period last year. Provision for income tax decreased by 29.6% to P263.7 million in 2024 from P374.6 million in the same period last year due to lower results.

Net income of P752.7 million for the first quarter of 2024 was 36.0% lower than P1,176.4 million for the same period last year. Earnings per share this year was P0.38, last year was P0.59.

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

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

In the first three months of 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 March 31, 2024 increased by 3.1% to P37,178.3 million from P36,072.9 million as of December 31, 2023. Current assets rose by 8.0% to P10,907.2 million as of March 31, 2024 from P10,098.6 million as of December 31, 2023. Cash and cash equivalents of P5,537.6 million as of March 31, 2024 increased by 2.1% compared to P5,424.9 million as of December 31, 2023. Trade and other receivables-net of P1,047.6 million as of March 31, 2024 increased by 26.1% from P830.7 million as of December 31, 2023. Spare parts and supplies as of March 31, 2024, rose by 1.8% to P1,085.3 million from P1,066.5 million as of December 31, 2023. Prepaid expenses as of March 31, 2024 of P3,236.7 million were higher by 16.6% 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 P26,271.1 million as of March 31, 2024 was higher by 1.1% compared to P25,974.4 million as of December 31, 2023. Investment in an associate increased by 12.4% to P73.6 million as of March 31, 2024 from P65.4 million as of December 31, 2023. Property and equipment - net amounted to P2,642.8 million, up by 5.2% from P2,511.7 million as of December 31, 2023. Intangible assets - net of P21,691.5 million was higher by 0.4% than P21,595.1 million as of December 31, 2023. The acquisitions of property and equipment and intangible assets, which amounted to P210.4 million and P472.9 million, respectively, were partially offset by the increase in depreciation and amortization. Right-of-use assets - net of P779.8 million as of March 31, 2024 was higher by 7.4% compared to P726.2 million as of December 31, 2023. Deferred tax assets - net amounted to P1,010.1 million as of March 31, 2024, was higher by 0.8% compared to P1,002.3 million as of December 31, 2023.

Total liabilities increased by 3.1% to P11,874.2 million as of March 31, 2024 from P11,521.5 million as of December 31, 2023. Trade and other payables decreased by 2.1% to P2,871.6 million as of March 31, 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 P59.5 million as of March 31, 2024 decreased by 1.0% from P58.9 million as of December 31, 2023. Concession rights payable (current and noncurrent) as of March 31, 2024 of P7,500.3 million increased by 0.5% from P7,466.6 million as of December 31, 2023. Income and other taxes payable of P388.6 million as of March 31, 2024 was higher by 288.4% compared to P100.0 million as of December 31, 2023 due to income tax for the first quarter of 2024. Pension liability of P251.5 million was up by 6.2% as of March 31, 2024 from P236.8 million as of December 31, 2023. Lease liabilities (current and noncurrent) of P802.7 million as of March 31, 2024 increased by 10.7% 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 first quarter of 2024.

Consolidated Cash Flows

Net cash provided by operating activities in the first quarter of 2024 was P971.5 million, 41.4% lower than P1,657.3 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 quarter of 2024 of P683.0 million was higher by 12.0% versus the P610.1 million in the same period last year due to higher acquisition of property and equipment.

Net cash used in financing activities in the first quarter of 2024 was P191.5 million, 34.2% lower than P291.1 million in the same period last year due to lower payments of lease liabilities.

Key Performance Indicators (KPI)

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

- ATIB's total assets were only 10.5% of the consolidated total assets
- Income before other income and expense for ATIB was only 7.7% of consolidated income before other income and expenses¹.

Consolidated KPI	Manner of Calculation	As of March 31		Discussion
		2024	2023	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	17.9%	17.9%	Same level.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	16.6%	20.7%	Decreased due to lower net income.
Current ratio	Ratio of current assets over current liabilities	2.79 : 1.00	2.32 : 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	1.53 : 1.00	Decreased due to higher assets.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.47 : 1.00	0.53 : 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	11 days	10 days	Increased due to higher accrued revenues.
Net Income Margin	Net income over revenues less government share in revenues	26.2%	38.0%	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.	0.00	1.04	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: May 14, 2024

Principal Financial/Accounting Officer:



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

Date: May 14, 2024

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

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P5,537,560	P5,424,938
Trade and other receivables - net	1,047,616	830,653
Spare parts and supplies	1,085,298	1,066,535
Prepaid expenses	3,236,697	2,776,433
Total Current Assets	10,907,171	10,098,559
Noncurrent Assets		
Investment in an associate	73,573	65,436
Property and equipment - net	2,642,823	2,511,749
Intangible assets - net	21,691,543	21,595,130
Right-of-use assets - net	779,768	726,211
Deferred tax assets - net	1,010,138	1,002,295
Other noncurrent assets	73,266	73,551
Total Noncurrent Assets	26,271,111	25,974,372
TOTAL ASSETS	P37,178,282	P36,072,931
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P2,871,563	P2,934,416
Provisions for claims	59,463	58,873
Port concession rights payable - current portion	469,065	455,254
Income and other taxes payable	388,596	100,052
Lease liabilities - current portion	124,685	46,615
Total Current Liabilities	3,913,372	3,595,210
Noncurrent Liabilities		
Port concession rights payable - net of current portion	7,031,281	7,011,351
Pension liability - net	251,511	236,779
Lease liabilities - net of current portion	677,994	678,189
Total Noncurrent Liabilities	7,960,786	7,926,319
Total Liabilities	11,874,158	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	23,028,800	22,276,607
Fair value reserve	(5,820)	(5,820)
	25,287,280	24,535,087
Non-controlling Interest	16,844	16,315
Total Equity	25,304,124	24,551,402
TOTAL LIABILITIES AND EQUITY	P37,178,282	P36,072,931

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts In Thousands, Except Per Share Data)

	For the three months ended March 31	
	2024	2023
REVENUES FROM OPERATIONS	P3,472,454	P3,748,637
GOVERNMENT SHARE IN REVENUES	(603,048)	(654,889)
	2,869,406	3,093,748
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(1,671,120)	(1,608,404)
OTHER INCOME AND EXPENSES		
Finance income	52,638	42,139
Finance cost	(119,615)	(113,494)
Others - net	(114,911)	137,075
	(181,888)	65,720
CONSTRUCTION REVENUES	472,523	540,286
CONSTRUCTION COSTS	(472,523)	(540,286)
	-	-
INCOME BEFORE INCOME TAX	1,016,398	1,551,064
INCOME TAX EXPENSE		
Current	271,521	377,592
Deferred	(7,845)	(2,973)
	263,676	374,619
NET INCOME	P752,722	P1,176,445
Income Attributable to		
Equity Holders of the Parent Company	P752,194	P1,175,676
Non - controlling interest	528	769
	P752,722	P1,176,445
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	P0.38	P0.59

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
Net income for the period	-	-	-	752,194	-	752,194	528	752,722
Balance at March 31, 2024	P2,000,000	P264,300	P18,500,000	P4,528,801	(P 5,820)	P25,287,281	P16,843	P25,304,124
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
Net income for the period	-	-	-	1,175,676	-	1,175,676	769	1,176,445
Balance at March 31, 2023	P2,000,000	P264,300	P16,400,000	P4,663,295	(P 5,820)	P23,321,775	P15,847	P23,337,622

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

For the three months ended March 31

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P1,016,398	P1,551,064
Adjustments for:		
Depreciation and amortization	503,499	463,992
Finance cost	128,482	113,495
Finance income	(42,139)	(42,139)
Net unrealized foreign exchange gains (losses)	93,444	(163,279)
Equity in net earnings of an associate	(8,136)	(8,626)
Gain on disposals of:		
Property and equipment	-	1,976
Intangible assets	371	-
Operating income before working capital changes	1,691,919	1,916,483
Decrease (increase) in:		
Trade and other receivables	(219,040)	92,575
Spare parts and supplies	(18,763)	(5,065)
Prepaid expenses	(460,264)	(345,179)
Increase (decrease) in:		
Trade and other payables	(77,815)	37,874
Provisions for claims	590	(1,895)
Income and other taxes payable	17,023	(84,682)
Cash generated from operations	933,650	1,610,111
Finance income received	44,216	44,216
Finance cost paid	(18,026)	2,962
Net cash provided by operating activities	971,466	1,657,289
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and Equipment	(210,421)	(81,321)
Intangible assets	(472,890)	(540,286)
Proceeds from disposals of:		
Property and Equipment	-	(1,565)
Decrease (increase) in:		
Other noncurrent assets	(13,682)	(875)
Deposits	13,967	13,967
Net cash used in investing activities	(683,026)	(610,080)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Lease liabilities	(23,726)	(96,585)
Port concession rights payable	(167,814)	(194,478)
Net cash used in financing activities	(191,540)	(291,063)
NET INCREASE IN CASH AND CASH EQUIVALENTS	96,900	756,146
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	15,722	(30,223)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	5,424,938	4,600,267
CASH & CASH EQUIVALENTS AT END OF YEAR	P5,537,560	P5,326,190

**SELECTED
EXPLANATORY NOTES
March 31, 2024
(Amounts in Thousands)**

1. Segment Information

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

	For the three months ended March 31	
	2024	2023
Revenue	P3,472,454	P3,748,637
Intangible Assets (excluding goodwill)	21,691,543	21,207,890
Property and equipment - net	2,642,823	2,599,942
Total assets	37,178,282	35,744,441
Total liabilities	11,874,158	12,406,819
Capital expenditures		
Intangible Assets	472,890	540,286
Property and equipment	210,421	81,321
Depreciation and amortization	503,499	463,992

2. Trade and Other Receivables

	As of March 31, 2024	As of December 31, 2023 (Audited)
Trade receivables	P675,348	P609,257
Receivable from insurance	34,843	52,757
Due from related parties	236,000	107,024
Advances to officers and employees	24,746	22,786
Interest receivable	10,369	11,131
Other receivables	70,505	31,893
	1,051,811	834,848
Allowance for impairment losses	(4,195)	(4,195)
	P1,047,616	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		Furniture Transportation			March 31, 2024	December 31, 2023 (Audited)
	Facilities and Equipment	Leasehold Improvements	Furnitures and Equipment	and other Equipment	Construction In-progress		
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	819	180,928	16,778	11,702	(1,812)	208,415	278,746
Disposals	-	-	(7,863)	-	-	(7,863)	(119,140)
Reclassifications	(64,384)	111,819	(8,759)	70,576	(109,252)	-	-
Balance at end of year	163,046	2,775,494	1,005,548	501,117	73,816	4,519,021	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	4,293	44,301	18,781	14,154	-	81,529	240,632
Disposals	-	-	(7,863)	(2,008)	-	(9,871)	(26,564)
Balance at end of year	89,180	664,137	798,756	324,125	-	1,876,198	1,806,720
Carrying Amount	P73,866	P2,111,357	P206,792	P176,992	P73,816	P2,642,823	P2,511,749

4. Intangible Assets

As of March 31, 2024

	Port Concession Rights					
	Upfront Fees	Fixed Fees	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	-	-	472,523	P472,523	-	472,523
Disposals	-	-	(1,824)	1,823.99	-	(1,824)
Balance at end of year	882,000	9,279,694	28,025,262	38,186,956	42,060	38,229,016
Accumulated amortization						
Balance at beginning of year	119,774	5,107,234	10,936,179	16,163,187	-	16,163,187
Amortization	2,820	93,632	277,476	P373,928	-	373,928
Disposals	-	-	(1,824)	(1,824)	-	(1,824)
Reclassifications	-	-	2,182	2,182	-	2,182
Balance at end of year	122,594	5,200,866	11,214,013	16,537,473	-	16,537,473
Carrying Amount	P759,406	P4,078,828	P16,811,249	P21,649,483	P42,060	P21,691,543

As of December 31, 2023 (Audited)

	Port Concession Rights					
	Upfront Fees	Fixed Fees	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

	March 31, 2024	December 31, 2023 (Audited)
Accrued expenses:		
Marketing, commercial, promotion and business development	P548,235	P529,847
Finance costs	109,970	129,096
Repairs and maintenance	114,217	86,296
Personnel costs	113,609	85,815
Insurance	4,066	58,460
Professional fees	49,543	49,405
Corporate social responsibility	19,751	14,156
Rental	20,074	21,651
Security expenses	39,933	38,677
Utilities	16,045	14,090
Trucking Expenses	45,933	24,600
Safety and environment	2,206	3,799
Miscellaneous accrued expenses	139,739	120,681
Due to government agencies	937,070	967,569
Equipment acquisitions	150,165	255,405
Trade	303,950	244,925
Shippers' and brokers' deposits	160,973	141,377
Management fee payable	12,681	17,266
Other Payables	83,403	131,301
	P2,871,563	P2,934,416

6. Other Income and Expenses

Finance cost is broken down as follows:

	For the three months ended March 31	
	2024	2023
Interest on port concession rights payable	P107,354	P113,581
Interest component of pension expense	3,102	2,876
Interest on bank loans/credit facilities	146	2,557
Interest on lease liability	9,013	(5,520)
	P119,615	P113,494

Finance income is broken down as follows:

	For the three months ended March 31	
	2024	2023
Interest on cash in banks and short-term investment:	P52,638	P42,139
	P52,638	P42,139

Others consisted of the following:

	For the three months ended March 31	
	2024	2023
Lease and other income - net	P21,842	P2,826
Equity in net earnings of an associate	8,136	8,626
Foreign exchange gains (losses) - others	7,593	(25,126)
Management income	1,836	1,828
Gain on disposals of property and equipment and intangible assets	430	1,976
Foreign exchange gains (losses) - port concession rights payable	(154,748)	146,945
	P (114,911)	P137,075

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:

	March 31, 2024	December 31, 2023 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	P5,531,196	P5,422,997

Excluding cash on hand amounting to P6.4 million and P1.9 million as at March 31, 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 March 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*	P1,934,493	P344,082	P313,740	P1,276,671	P -	P -	P1,934,493
Port concession rights payable	7,500,346	-	174,561	523,681	2,922,920	6,258,786	9,879,948
Lease liabilities	802,679	-	13,265	29,990	184,695	416,500	644,450
Total	P 10,237,518	P 344,082	P 501,566	P 1,830,342	P 3,107,615	P 6,675,286	P 12,458,891

* excluding due to government agencies amounting to P937.1 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 March 31, 2024	As of December 31, 2023 (Audited)
Cash and cash equivalents*	P5,531,196	P5,422,997
Trade and other receivables - net	P1,047,616	830,653
Deposits	P70,614	70,899
Equity securities	P2,652	2,652
	P6,652,079	P6,327,201

* Excluding cash on hand amounting to P6.4 million and P1.9 million as at March 31, 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 March 31, 2024			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P5,531,196	P -	P -	P5,531,196
Trade and other receivables - net	599,533	448,083	-	1,047,616
Deposits	70,139	-	-	70,139
Equity securities	2,652	-	-	2,652
	P6,203,520	P448,083	P -	P6,651,603

	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 March 31, 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 March 31, 2024:

	Gross Carrying Amount	Impairment Loss Allowance	Credit- impaired
Current (not past due)	P873,699	P -	No
1 - 30 days past due	73,556	-	No
31 - 60 days past due	33,568	-	No
61- 90 days past due	52,161	-	No
More than 90 days past due	18,783	4,195	Yes
Balance at March 31, 2024	P1,051,767	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 P5.5 billion and P5.4 billion as at March 31, 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 March 31, 2024	As of December 31, 2023
Assets		
Cash and cash equivalents	USD19,287	USD19,007
Liabilities		
Trade and other payables	3,172	2,378
Port concession rights payable	119,198	120,527
	122,370	122,905
Net foreign currency-denominated liabilities	(USD103,083)	(USD103,898)
Peso equivalent	P5,797,388	(P5,755,949)

The exchange rates applicable for US dollar as at March 31, 2024 and December 31, 2023 are P56.24 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
March 31, 2024			
	5%	(P289,869)	(P217,402)
	-5%	289,869	217,402
December 31, 2023			
	5%	(P287,797)	(P215,848)
	-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 March 31, 2024.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

	March 31, 2024	December 31, 2023 (Audited)
Capital Stock	P2,000,000	P2,000,000
Additional paid-in capital	264,300	264,300
Retained Earnings	23,028,800	22,276,607
Fair value reserve	(5,820)	(5,820)
Total	P25,287,280	P24,535,087

8. Financial Instruments

	As of March 31, 2024		As of December 31, 2023 (Audited)	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Cash and cash equivalents	P5,537,560	P5,537,560	P5,424,938	P5,424,938
Trade and other receivables - net	1,047,616	1,047,616	830,653	830,653
Deposits	70,614	76,308	70,899	77,068
	6,655,790	6,661,484	6,326,490	6,332,659
Equity securities	2,652	2,652	2,652	2,652
	P6,658,442	P6,664,136	P6,329,142	P6,335,311
Financial Liabilities				
Other financial liabilities:				
Trade and other payables*	P1,934,493	P1,934,493	P1,966,847	P1,966,847
Port concession rights payable	7,500,346	8,023,537	7,466,605	8,187,761
	P9,434,839	P9,958,030	P9,433,452	P10,154,608

* excluding due to government agencies amounting to P937.1 million and P967.6 million as at March 31, 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 6.1% 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 6.24% to 6.27% 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 March 31, 2024	Level 1		Level 2	Level 3
Equity securities	P933	P	-	P 1,719
Port concession rights payable	-		8,023,537	-
	P933		P8,023,537	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.