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, 2021
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, 2021**

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 new amendments to standards are effective for annual periods beginning after January 1, 2021. However, the Group has not early adopted the following amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's financial statements.

Effective June 1, 2020

- *COVID-19-Related Rent Concessions (Amendment to* PFRS 16, *Leases)***.** The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient applies if:

  - the revised consideration is substantially the same or less than the original consideration;
  - the reduction in lease payments relates to payments due on or before June 30, 2021; and
  - no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Effective January 1, 2022

- *Property, Plant and Equipment - Proceeds before Intended Use (Amendments to* PAS 16, *Property, Plant and Equipment).* The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, *Inventories*.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- *Onerous Contracts - Cost of Fulfilling a Contract (Amendment to* PAS 37, *Provisions, Contingent Liabilities and Contingent Assets).* The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprises both incremental costs and an allocation of other direct costs.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.

- *Annual Improvements to PFRS Standards 2018-2020.* This cycle of improvements contains amendments to three standards:

  - *Subsidiary as a First-time Adopter (Amendment to* PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards).* The amendment simplifies the application of PFRS 1 for a subsidiary that becomes a first-time adopter of PFRS later than its parent. The subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to PFRS.

  - *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to* PFRS 9, *Financial Instruments).* The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- *Lease Incentives (Amendment to Illustrative Examples accompanying* PFRS 16, *Leases).* The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

- *Reference to the Conceptual Framework (Amendment to PFRS 3 Business Combinations).* The amendments:

  - updated PFRS 3 so that it now refers to the 2018 Conceptual Framework;

  - added a requirement that, for transactions and other events within the scope of PAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

  - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

  The amendments are effective for business combinations occurring in reporting periods starting on or after January 1, 2022. Earlier application is permitted.

Effective January 1, 2023

- *Classification of Liabilities as Current or Non-current (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 non-current, 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 a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and

  - clarified that settlement of a liability includes transferring a company'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 non-current.

  The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

Deferral of the local implementation of Amendments to PFRS 10, *Consolidated Financial Statements* 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 to PFRS 10 apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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

Consolidated Results of Operations for the six months ended June 30, 2021

Revenues for the first half of 2021 of P5,465.6 million went up by 8.2% from P5,052.8 million in the same period last year. Revenues from international containerized cargo operations increased from last year by 10.8%% mainly on account of higher container volumes. Container volume at South Harbor (SH) and Batangas Container Terminal (BCT) increased by 18.6% and 11.2%, respectively.

Government share in revenues for the first half of 2021 of P941.8 million increased by 18.7% from P793.3 million last year as a result of higher revenues subject to port authorities' share.

Cost and expenses in the first six months of 2021 amounted to P2,670.3 million, 8.5% higher than P2,461.8 million in the same period last year. Depreciation and amortization in 2021 increased by 5.8% to P906.0 million from P856.4 million in 2020. Equipment running costs went up by 15.5% to P304.6 million this year from P263.8 million last year due to higher usage of equipment spare parts and consumables and higher fuel costs related to higher volume and higher fuel price. Facilities-related expenses in 2021 was P102.3 million, 28.0% up from P79.9 million in 2020 due to higher repairs and maintenance costs for building, lightings and wharves related to safety as well as higher IT costs. Insurance of P86.5 million in 2021 increased by 40.7% compared to P61.5 million last year due to higher insurance premiums. General transport of P68.5 million in 2021 were higher by 62.1% than P42.3 million in 2020 on account of higher trucking costs. Other expenses in 2021 amounted to P75.3 million, 313.9% higher compared to negative P35.2 million last year as last year included reversal of excess provisions on claims based on actual payments made.

Meanwhile, labor costs of P754.8 million this year were down by 4.3% compared to P789.0 million last year due to lower headcount. Security, health, environment and safety decreased by 19.7% to P74.3 million in 2021 from P92.5 million in 2020 due to lower security costs related to lower passenger volume and continued cost savings initiatives. Rentals of P5.9 million in 2021 declined by 53.6% compared to P12.7 million in the same period last year due to lower rental of generator set and shuttle services to employees during this pandemic. Professional fees in 2021 of P7.0 million went down by 33.8% from P10.5 million last year due to lower consultancy fees. Management fees of P68.1 million in 2021 were lower by 5.2% than P71.8 million in 2020 following lower earnings before tax.

Finance income in 2021 of P3.2 million was lower by 87.5% against P25.6 million last year due to lower interest rates on money market placements and lower cash balance. Finance costs in 2021 of P261.8 million were lower by 5.0% against P275.6 million last year. Others-net was at negative P50.2 million in 2021 from P78.8 million in 2020 mainly due to unrealized foreign exchange losses on 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 2021 of P1.544.7 million decreased by 5.0% from P1,626.6 million in the same period last year. Provision for income tax decreased by 12.3% to P416.7 million in 2021 from P474.9 million in the same period last year due to lower results and impact of CREATE Law which decreased income tax rate from 30% to 25% effective January 2021.

Net income of P1,128.1 million for the first half of 2021 was 2.0% lower than P1,151.6 million for the same period last year. Earnings per share this year was P0.56, last year was P0.58.

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; and
- impact of COVID-19.

In the first six months of 2021:

- 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.
- COVID-19 has impacted the business operations of the company and its offsite facilities. Business operations continue following existing government regulations and guidelines. The measures undertaken by the company and its offsites include the implementation of its Business Continuity Plan for COVID-19. The company also has a Prevention and Control Plan for COVID-19 and other communicable diseases in place as well as emergency response procedures for situations concerning public health and safety. This includes: mandatory thermal scanning prior to entry into our gates and offices, thermal imaging equipment deployed in areas where there is a heavy volume of people, issuance of personal protective equipment, work from home and four-day work week, regular sanitization of offices and facilities, social distancing, remote modes of communication such as teleconference and videocalls and sustained information campaign on COVID 19 and proper personal hygiene. The company also continuously maintains close coordination with relevant government entities.

Consolidated Financial Condition

Total assets as of June 30, 2021 decreased by 1.1% to P30,498.7 million from P30,824.4 million as of December 31, 2020. Current assets went down by 10.9% to P6,849.7 million as of June 30, 2021 from P7,684.0 million as of December 31, 2020. Cash and cash equivalents of P3,294.7 million as of June 30, 2021 decreased by 25.8% compared to P4,437.9 million as of December 31, 2020. Trade and other receivables-net of P645.1 million as of June 30, 2021 increased by 3.3% from P624.5 million as of December 31, 2020. Spare parts and supplies as of June 30, 2021 rose by 1.2% to P900.8 million from P890.3 million as of December 31, 2020. Prepaid expenses as of June 30, 2021 of P2,009.0 million were higher by 16.0% than P1,731.3 million as of December 31, 2020 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 purchases of capital expenditures.

Total noncurrent assets of P23,649.0 million as of June 30, 2021 was higher by 2.2% compared to P23,140.4 million as of December 31, 2020. Investment in an associate increased by 56.9% to P70.8 million as of June 30, 2021 from P45.1 million as of December 31, 2020. Property and equipment - net amounted to P1,666.1 million, up by 39.0% from P1,198.8 million as of December 31, 2020. Intangible assets - net of P20,374.0 million was higher by 0.7% than P20,226.6 million as of December 31, 2020. The acquisitions of property and equipment and intangible assets, which amounted to P553.7 million and P866.4 million, respectively, was partially offset by the increase in depreciation and amortization. Right-of-use assets - net of P611.2 million as of June 30, 2021 was lower by 0.7% compared to P615.5 million as of December 31, 2020. Deferred tax assets – net amounted to P744.5 million as of June 30, 2021, was lower by 15.4% compared to P880.5 million as of December 31, 2020.

Total liabilities decreased by 0.4% to P10,864.4 million as of June 30, 2021 from P10,911.6 million as of December 31, 2020. Trade and other payables increased by 6.1% to P2,244.6 million as of June 30, 2021 from P2,114.9 million as of December 31, 2020. Trade and other payables are covered by agreed payment schedules. Provisions for claims of P58.3 million as of June 30, 2021 slightly increased by 0.4% from P58.0 million as of December 31, 2020. Concession rights payable (current and noncurrent) as of June 30, 2021 of P7,582.8 million decreased by 0.7% from P7,639.8 million as of December 31, 2020. Income and other taxes payable of P174.8 million as of June 30, 2021 was lower by 43.8% compared to P311.1 million as of December 31, 2020 due to lower income tax for the first half of 2021. Pension liability of P211.3 million was up by 12.3% as of June 30, 2021 from P188.1 million as of December 31, 2020. Lease liabilities (current and noncurrent) of P592.6 million as of June 30, 2021 decreased by 1.2% from P599.8 million as of December 31, 2020 due to payments for the first half of 2021.

Consolidated Cash Flows

Net cash provided by operating activities in the first half of 2021 was P2,163.0 million, 123.8% higher than P966.5 million in the same period last year due to increase in trade and other payables.

Net cash used in investing activities in the first half of 2021 of P1,429.2 million was higher by 169.0% versus the P531.3 million in the same period last year due to higher acquisition of property and equipment and intangible assets.

Net cash used in financing activities in the first half of 2021 was P1,904.2 million, 2.1% higher than P1,864.4 million in the same period last year due to higher payments of lease liabilities and port concession rights payable.

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 2021:

- ATIB's total assets were only 9.5% of the consolidated total assets
- Income before other income and expense for ATIB was only 4.9% of consolidated income before other income and expenses[1].

Consolidated KPI	Manner of Calculation	As of June 30		Discussion
		2021	2020	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	15.8%	15.2%	Increased due to higher income before interest and taxes.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	11.4%	12.7%	Decreased due to lower net income.
Current ratio	Ratio of current assets over current liabilities	2.31 : 1.00	2.27 : 1.00	Increased due to lower current liabilities.
Asset to equity ratio	Ratio of total assets over equity attributable to equity holders of the parent	1.55 : 1.00	1.64 : 1.00	Decreased due to lower assets.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.55 : 1.00	0.64 : 1.00	Improved due to decrease in liabilities and increase in stockholders' equity.
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	10 days	10 days	Maintained.
Net Income Margin	Net income over revenues less government share in revenues	24.9%	27.0%	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.	0.59	0.90	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] RFIR 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 22, 2021, the Board of Directors of ATI approved a cash dividend of P0.703 per share to stockholders on record as of May 17, 2021 payable on June 10, 2021. As of date of this report, the Company has ordinary shares only.

Submissions of SEC Form 17-C:

Date Filed	Reference	Particulars
January 5, 2021	SEC 17-C	Attendance of Directors in the 2020 Board Meetings
January 28, 2021	SEC 17-C	Certification on Compliance to the Corporate Governance Manual
February 16, 2021	SEC 17-C	Notice of Guidelines for Nomination
February 27, 2021	SEC 17-C	Setting of the date, time, agenda and venue of the 2021 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 2021;
April 27, 2021	SEC 17-C	Declaration of Cash Dividends, with record and payment dates; Results of the 2021 Annual Meeting and the organizational meeting
July 5, 2021	SEC 17-C	Resignation of Mr. Ahmad Yousef Ahmad Alhassan Al Simreen as director and member of various Board Committees and election of Mr. Zissis Jason Varsamidis as his replacement, effective June 30, 2021

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, 2021

Principal Financial/Accounting Officer:

MARISSA R. PINCA
Senior Manager for Accounting and Financial Planning

Date: August 13, 2021

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts In Thousands)

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**P3,294,687**	P4,437,874
Trade and other receivables - net	**645,139**	624,516
Spare parts and supplies	**900,789**	890,289
Prepaid expenses	**2,009,045**	1,731,317
Total Current Assets	**6,849,660**	7,683,996
Noncurrent Assets		
Investment in an associate	**70,788**	45,115
Property and equipment - net	**1,666,123**	1,198,815
Intangible assets - net	**20,373,966**	20,226,591
Right-of-use assets - net	**611,241**	615,510
Deferred tax assets - net	**744,471**	880,505
Other noncurrent assets	**182,414**	173,875
Total Noncurrent Assets	**23,649,003**	23,140,411
TOTAL ASSETS	**P30,498,663**	P30,824,407
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	**P2,244,635**	P2,114,850
Provisions for claims	**58,256**	58,024
Port concession rights payable - current portion	**344,251**	327,521
Income and other taxes payable	**174,818**	311,097
Lease liabilities - current portion	**139,574**	134,452
Total Current Liabilities	**2,961,534**	2,945,944
Noncurrent Liabilities		
Port concession rights payable - net of current portion	**7,238,546**	7,312,248
Pension liability - net	**211,287**	188,090
Lease liabilities - net of current portion	**453,008**	465,323
Total Noncurrent Liabilities	**7,902,841**	7,965,661
Total Liabilities	**10,864,375**	10,911,605
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	**17,364,260**	17,642,548
Fair value reserve	**(5,820)**	(5,820)
	19,622,740	19,901,028
Non-controlling Interest	**11,548**	11,774
Total Equity	**19,634,288**	19,912,802
TOTAL LIABILITIES AND EQUITY	**P30,498,663**	P30,824,407

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	
	2021	2020	**2021**	2020
REVENUES FROM OPERATIONS	**P2,746,734**	P2,474,525	**P5,465,602**	P5,052,797
GOVERNMENT SHARE IN REVENUES	**(484,579)**	(365,984)	**(941,825)**	(793,277)
	2,262,155	2,108,541	**4,523,777**	4,259,520
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	**(1,343,798)**	(1,099,734)	**(2,670,254)**	(2,461,843)
OTHER INCOME AND EXPENSES				
Finance income	**1,431**	9,230	**3,193**	25,624
Finance cost	**(129,677)**	(136,784)	**(261,790)**	(275,575)
Others - net	**(11,912)**	86,656	**(50,203)**	78,825
	(140,158)	(40,898)	**(308,800)**	(171,126)
CONSTRUCTION REVENUES	**576,377**	234,532	**844,410**	465,086
CONSTRUCTION COSTS	**(576,377)**	(234,532)	**(844,410)**	(465,086)
	-	-	**-**	-
INCOME BEFORE INCOME TAX	**778,199**	967,909	**1,544,723**	1,626,551
INCOME TAX EXPENSE				
Current	**108,188**	217,423	**280,622**	384,475
Deferred	**104,868**	71,368	**136,033**	90,458
	213,056	288,791	**416,655**	474,933
NET INCOME	**P565,143**	P679,118	**P1,128,068**	P1,151,618
Income Attributable to				
Equity Holders of the Parent Company	**P564,982**	P679,106	**P1,127,714**	P1,151,269
Non - controlling interest	**161**	12	**354**	349
	P565,143	P679,118	**P1,128,068**	P1,151,618
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Compai	**P0.28**	P0.34	**P0.56**	P0.58

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands, Except Per Share Data)

	Attributable to Equity Holders of the Parent Company						Non-controlling	
			Retained Earnings					
	Common Stock	Additional Paid-in Capital	Appropriated for Port Development	Unappropriated	Fair Value Reserves	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2021	**P2,000,000**	**P264,300**	**P14,000,000**	**P3,642,547**	**P (5,820)**	**P19,901,027**	**P11,774**	**P19,912,801**
Cash dividends - P0.703 a share for ATI	-	-	-	**(1,406,000)**		**(1,406,000)**	**(580)**	**(1,406,580)**
Net income for the period	-	-	-	**1,127,713**		**1,127,713**	**354**	**1,128,067**
Balance at June 30, 2021	**P2,000,000**	**P264,300**	**P14,000,000**	**P3,364,260**	**P (5,820)**	**P19,622,740**	**P11,548**	**P19,634,288**
Balance at January 1, 2020	P2,000,000	P264,300	P12,900,000	P3,160,246	P (5,820)	P18,318,726	P11,245	P18,329,971
Cash dividends - P0.703 a share for ATI	-	-	-	(1,406,000)		(1,406,000)	(580)	(1,406,580)
Net income for the period	-	-	-	1,151,269		1,151,269	349	1,151,618
Balance at June 30, 2020	P2,000,000	P264,300	P12,900,000	P2,905,515	P (5,820)	P18,063,995	P11,014	P18,075,009

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	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	P 778,199	P967,909	P1,544,723	P1,626,551
Adjustments for:				
Depreciation and amortization	460,782	428,497	905,982	856,405
Finance cost	129,677	136,784	261,789	275,575
Finance income	(1,431)	(9,230)	(3,193)	(25,624)
Net unrealized foreign exchange gains (losses)	15,087	(75,099)	65,180	(80,167)
Equity in net earnings of an associate	(13,633)	(10,950)	(25,674)	(20,908)
Gain on disposals of:				
Property and equipment	3	-	116	118
Intangible assets	203	-	419	876
Provisions for inventory obsolescence	1,500	1,500	3,000	4,000
Operating income before working capital changes	1,370,387	1,439,411	2,752,342	2,636,826
Decrease (increase) in:				
Trade and other receivables	(58,393)	63,503	(20,758)	134,424
Spare parts and supplies	1,553	(57,629)	(13,500)	(144,860)
Prepaid expenses	66,443	95,992	(277,728)	(230,190)
Increase (decrease) in:				
Trade and other payables	427,123	(441,091)	147,021	(725,394)
Provisions for claims	(287)	(199,532)	232	(199,417)
Income and other taxes payable	108,443	51,151	58,070	(23,882)
Cash generated from operations	1,915,269	951,805	2,645,679	1,447,507
Finance income received	1,557	10,492	3,327	28,070
Finance cost paid	(4,953)	(67)	(11,067)	(108)
Income tax paid	(474,971)	(508,985)	(474,971)	(508,985)
Net cash provided by operating activities	1,436,902	453,245	2,162,968	966,484
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and Equipment	(291,592)	(10,171)	(553,742)	(64,054)
Intangible assets	(598,395)	(234,532)	(866,428)	(465,086)
Proceeds from disposals of:				
Property and Equipment	(3)	-	(60)	(118)
Intangible assets	(203)	-	(419)	(876)
Decrease (increase) in:				
Other noncurrent assets	5,741	907	6,097	833
Deposits	(14,336)	(313)	(14,636)	(2,011)
Net cash used in investing activities	(898,788)	(244,109)	(1,429,188)	(531,312)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Cash dividends	(1,406,000)	(1,406,000)	(1,406,000)	(1,406,000)
Cash dividend to non-controlling interest	(580)	(580)	(580)	(580)
Lease liabilities	(68,291)	(36,543)	(103,475)	(68,866)
Port concession rights payable	(197,044)	(181,591)	(394,185)	(388,939)
Net cash used in financing activities	(1,671,915)	(1,624,714)	(1,904,240)	(1,864,385)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,133,801)	(1,415,578)	(1,170,460)	(1,429,213)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,397	(51,983)	27,273	(49,045)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	4,426,091	5,636,652	4,437,874	5,647,349
CASH & CASH EQUIVALENTS AT END OF YEAR	P3,294,687	P 4,169,091	P3,294,687	P4,169,091

SELECTED
EXPLANATORY NOTES
June 30, 2021
(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	
	2021	2020
Revenue	**P5,465,602**	P5,052,797
Intangible Assets (excluding goodwill)	**20,331,906**	19,782,920
Property and equipment - net	**1,666,123**	913,957
Total assets	**30,498,663**	29,619,804
Total liabilities	**10,864,375**	11,544,795
Capital expenditures		
Intangible Assets	**844,410**	465,086
Property and equipment	**553,742**	64,054
Depreciation and amortization	**905,982**	856,405
Noncash expenses (income) other than depreciation and amortization	**3,000**	4,000

2. Trade and Other Receivables

	As of June 30, 2021	As of December 31, 2020 (Audited)
Trade receivables	**P497,719**	P399,852
Receivable from insurance	**53,621**	102,197
Due from related parties	**39,767**	63,930
Advances to officers and employees	**24,986**	25,597
Receivable from escrow fund	**13,635**	13,635
Interest receivable	**224**	359
Other receivables	**19,382**	23,141
	649,334	628,711
Allowance for impairment losses	**(4,195)**	(4,195)
	P645,139	P624,516

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	Furnitures, fixtures and equipment	Transportation and other equipment	Construction In-progress	June 30, 2021	December 31, 2020 (Audited)
Cost							
Balance at beginning of year	P 225,247	P 684,809	P 751,764	P 282,983	P 477,586	P 2,422,389	P 2,045,168
Additions	18,256	905	8,531	(2,436)	550,504	575,760	423,821
Disposals	(2,117)	-	(220)	-	-	(2,337)	(58,855)
Reclassifications	(18,900)	231	2,219	1,509	(7,077)	(22,018)	12,255
Balance at end of year	222,486	685,945	762,294	282,056	1,021,013	2,973,794	2,422,389
Accumulated depreciation							
Balance at beginning of year	104,800	445,326	523,488	149,959	-	1,223,573	1,111,056
Depreciation	5,576	19,253	42,016	18,736	-	85,581	171,370
Disposals	(2,117)	-	(164)	-	-	(2,281)	(58,852)
Reclassification	-	-	798	-	-	798	-
Balance at end of year	108,259	464,579	566,138	168,695	-	1,307,671	1,223,574
Carrying Amount	P 114,227	P 221,366	P 196,156	P 113,361	P 1,021,013	1,666,123	P 1,198,815

4. Intangible Assets

As of June 30, 2021

	Port Concession Rights					
	Upfront Fees	**Fixed Fees**	**Port Infrastructure**	**SubTotal**	**Goodwill**	**Total**
Cost						
Balance at beginning of year	**P882,000**	**P9,279,694**	**P22,217,154**	**P32,378,848**	**P42,060**	**P32,420,908**
Additions	**-**	**-**	**844,410**	**844,410**	**-**	**844,410**
Disposals	**-**	**-**	**(5,068)**	**(5,068)**	**-**	**(5,068)**
Reclassifications	**-**	**-**	**22,019**	**22,019**	**-**	**22,019**
Balance at end of year	**882,000**	**9,279,694**	**23,078,515**	**33,240,209**	**42,060**	**33,282,269**
Accumulated amortization						
Balance at beginning of year	**85,934**	**3,945,966**	**8,162,416**	**12,194,316**	**-**	**12,194,316**
Amortization	**5,640**	**237,790**	**476,423**	**719,853**	**-**	**719,853**
Disposals	**-**	**-**	**(5,068)**	**(5,068)**	**-**	**(5,068)**
Reclassifications	**-**	**-**	**(798)**	**(798)**	**-**	**(798)**
Balance at end of year	**91,574**	**4,183,756**	**8,632,973**	**12,908,303**	**-**	**12,908,303**
Carrying Amount	**P790,426**	**P5,095,938**	**P14,445,542**	**P20,331,906**	**P42,060**	**P20,373,966**

As of December 31, 2020 (Audited)

	Port Concession Rights					
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal	Goodwill	Total
Cost						
Balance at beginning of year	P282,000	P9,279,694	P20,757,720	P30,319,414	P42,060	P30,361,474
Additions	600,000	-	1,595,105	2,195,105	-	2,195,105
Disposals	-	-	(121,234)	(121,234)	-	(121,234)
Reclassifications	-	-	(14,437)	(14,437)	-	(14,437)
Balance at end of year	882,000	9,279,694	22,217,154	32,378,848	42,060	32,420,907
Accumulated amortization						
Balance at beginning of year	74,654	3,559,370	7,276,209	10,910,233	-	10,910,233
Additions	11,280	386,596	1,004,420	1,402,296	-	1,402,296
Disposals	-	-	(118,212)	(118,212)	-	(118,212)
Balance at end of year	85,934	3,945,966	8,162,416	12,194,316	-	12,194,316
Carrying Amount	P796,066	P5,333,728	P14,054,738	P20,184,532	P42,060	P20,226,591

5. Trade and Other Payables

	June 30, 2021	December 31, 2020 (Audited)
Trade	**P240,377**	P254,212
Accrued expenses:		
Marketing, commercial and promotion	**172,341**	123,848
Personnel costs	**144,793**	112,818
Finance costs	**129,088**	129,744
Repairs and maintenance	**76,821**	47,338
Professional fees	**39,625**	41,204
Security expenses	**26,749**	27,443
Corporate social responsibility	**15,247**	15,203
Rental	**9,962**	10,698
Utilities	**8,370**	9,812
Trucking Expenses	**6,784**	11,109
Safety and environment	**3,267**	5,656
Miscellaneous accrued expenses	**42,513**	100,472
Due to government agencies	**650,696**	614,674
Equipment acquisitions	**304,962**	306,991
Shippers' and brokers' deposits	**110,042**	114,493
Management fee payable	**8,244**	20,104
Other Payables	**254,754**	169,031
	P2,244,635	P2,114,850

6. Other Income and Expenses

Finance cost is broken down as follows:

	For the six months ended June 30	
	2021	2020
Interest on port concession rights payable	**P247,846**	P257,609
Interest on lease liability	**10,920**	13,903
Interest component of pension expense	**2,876**	3,955
Interest on bank loans/credit facilities	**148**	108
	P261,790	P275,575

Finance income is broken down as follows:

	For the six months ended June 30	
	2021	2020
Interest on cash in banks and short-term investment:	**P3,193**	P25,624
	P3,193	P25,624

Others consisted of the following:

	For the six months ended June 30	
	2021	2020
Foreign exchange gains (losses) - others	**P 44,724**	P (40,871)
Equity in net earnings of an associate	**25,674**	20,908
Lease and other income - net	**6,383**	22,163
Management income	**4,332**	4,182
Foreign exchange gains (losses) - port concession rights payable	**(131,316)**	72,443
	P (50,203)	P78,825

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

7. Financial Risk and Capital Management Objectives and Policies

The Company has various financial assets and liabilities such as cash and cash equivalents, trade and other receivables, deposits, equity securities, trade and other payables, and port concession rights payable 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, 2021	December 31, 2020 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	**P3,291,600**	P4,436,490

Excluding cash on hand amounting to P3.1 million and P1.4 million as at June 30, 2021 and 2020, 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, 2021	Carrying Amount	Contractual Cash Flows On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables*	**P1,593,939**	**P292,145**	**P411,203**	**P890,591**	**P -**	**P -**	**P1,593,939**
Port concession rights payable	**7,582,797**	**-**	**200,652**	**601,955**	**3,659,755**	**6,715,202**	**11,177,564**
Lease liabilities	**592,582**	**8,328**	**16,655**	**90,380**	**146,228**	**412,055**	**673,646**
Total	**P9,769,318**	**P300,473**	**P628,510**	**P1,582,926**	**P3,805,983**	**P7,127,257**	**P13,445,149**

** excluding due to government agencies amounting to P650.7 million*

As of December 31, 2020 (Audited)	Carrying Amount	Contractual Cash Flows On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables*	P1,500,176	P227,771	P397,340	P875,065	P -	P -	P1,500,176
Port concession rights payable	7,639,769	-	199,201	597,601	3,859,042	6,927,877	11,583,721
Lease liabilities	599,775	11,307	22,614	101,765	206,526	422,595	764,807
Total	P9,739,720	P239,078	P 619,155	P1,574,431	P4,065,568	P7,350,472	P13,848,704

** excluding due to government agencies amounting to P614.7 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, 2021	As of December 31, 2020 (Audited)
Cash and cash equivalents*	**P3,291,600**	P4,436,490
Trade and other receivables - net	**645,139**	624,516
Deposits	**146,588**	131,953
Equity securities	**2,652**	2,652
	P4,085,979	P5,195,611

** Excluding cash on hand amounting to P2.3 million and P1.4 million as at June 30, 2021 and 2020, 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, 2021			
	Grade A	Grade B	Grade C	Total
Cash in banks and cash equivalents	**P3,291,600**	**P -**	**P -**	**P3,291,600**
Trade and other receivables - net	**418,179**	**226,960**	**-**	**645,139**
Deposits	**146,588**	**-**	**-**	**146,588**
Equity securities	**2,652**	**-**	**-**	**2,652**
	P3,859,019	**P226,960**	**P -**	**P4,085,979**

	As at December 31, 2020 (Audited)			
	Grade A	Grade B	Grade C	Total
Cash in banks and cash equivalents	P4,436,490	P -	P -	P4,436,490
Trade and other receivables - net	352,587	271,929	-	624,516
Deposits	131,953	-	-	131,953
Equity securities	2,652	-	-	2,652
	P4,923,682	P271,929	P -	P5,195,611

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, 2021

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, 2021:

	Gross Carrying Amount	**Impairment Loss Allowance**	**Credit-impaired**
Current (not past due)	P518,367	P -	No
1 - 30 days past due	36,562	-	No
31 - 60 days past due	56,260	-	No
61- 90 days past due	31,273	-	No
More than 90 days past due	7,134	4,195	Yes
Balance at June 30, 2021	**P649,334**	**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 P4.4 billion as at June 30, 2021 and December 31, 2020, 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, 2021	As of December 31, 2020
Assets		
Cash and cash equivalents	**US$40,550**	US$53,141
	40,550	53,141
Liabilities		
Trade and other payables	**1,898**	1,040
Port concession rights payable	**132,562**	134,718
	134,460	135,758
Net foreign currency-denominated liabilities	**(US$93,910)**	(US$82,617)
Peso equivalent	**(P4,582,808)**	(P3,967,516)

The exchange rates applicable for US dollar as at June 30, 2021 and December 31, 2020 are P48.800 and P48.023, 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, 2021		
5%	**P229,140**	**P160,398**
-5%	**(229,140)**	**(160,398)**
December 31, 2020		
5%	(P198,376)	(P138,863)
-5%	198,376	138,863

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, 2021.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

	June 30, 2021	December 31, 2020 (Audited)
Capital Stock	**P2,000,000**	P2,000,000
Additional paid-in capital	**264,300**	264,300
Retained Earnings	**17,364,260**	17,642,548
Fair value reserve	**(5,820)**	(5,820)
Total	**P19,622,740**	P19,901,028

8. 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 of June 30, 2021		As of December 31, 2020 (Audited)	
	Carrying Amount	**Fair Values**	Carrying Amount	Fair Values
Financial Assets				
Cash and cash equivalents	**P3,294,687**	**P3,294,687**	P4,437,874	P4,437,874
Trade and other receivables - net	**645,139**	**645,139**	624,516	624,516
Deposits	**146,588**	**153,090**	131,953	138,262
	4,086,414	**4,092,916**	5,194,343	5,200,652
Equity securities	**2,652**	**2,652**	2,652	2,652
	P4,089,066	**P4,095,568**	P5,196,995	P5,203,304
Financial Liabilities				
Other Financial liabilities:				
Trade and other payables*	**P1,593,939**	**P1,593,939**	P1,500,176	P1,500,176
Port concession rights payable	**7,582,797**	**9,047,528**	7,639,769	9,817,086
Lease Liability	**592,582**	**592,582**	559,775	599,775
	P9,769,318	**P11,234,049**	P9,699,720	P11,917,037

** excluding due to government agencies amounting to P650.7 million and P614.7 million as at June 30, 2021 and 2020, 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.

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 1.7% in 2021 and 1.8% in 2020.

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 3.17% to 4.97% in 2021 and 2.65% to 3.97% in 2020.

Fair Value Hierarchy

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

As of June 30, 2021	**Level 1**	**Level 2**	**Level 3**
Equity securities	**P933**	**P -**	**P 1,719**
Port concession rights payable		**9,047,528**	
Lease liabilities	**-**	**592,582**	**-**
	P933	**P9,640,110**	**P1,719**

As of December 31, 2020 (Audited)	Level 1	Level 2	Level 3
Equity securities	P933	P -	P 1,719
Port concession rights payable		9,817,086	
Lease liabilities	-	599,775	-
	P933	P10,416,861	P1,719

There have been no transfers from one level to another in 2021 and 2020.