

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)

September 30, 2023
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 : **September 30, 2023**
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, 2022. However, the Group has not early adopted the following new or 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, 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.

In November 2021, the International Accounting Standards Board issued the Exposure Draft, *Non-Current Liabilities with Covenants* after considering stakeholder feedback on the December 2020 tentative agenda decision issued by the IFRS Interpretations Committee about the amendments. The exposure draft proposes to again amend IAS 1 as follows:

- Conditions which the entity must comply within twelve months after the reporting period will have no effect on the classification as current or non-current.
 - Additional disclosure requirements will apply to non-current liabilities subject to such conditions to enable the assessment of the risk that the liability could become repayable within twelve months.
 - 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.
 - The 2022 amendments are not yet locally adopted as part of PFRS.
- *Definition of Accounting Estimates (Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)*. To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remain unchanged. The amendments also provide examples on the application of the new definition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- *Disclosure of Accounting Policies (Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements)*. The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures.

The amendments are effective from January 1, 2023. Earlier application is permitted.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12 Income Taxes)*. The amendments clarify that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.
- *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 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 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, 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.

- *Lease Liability in a Sale and Leaseback (Amendments to PFRS 16 Leases)*. The amendments confirm the following:
 - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
 - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. For example, the seller-lessee could determine the lease payments to be deducted from the lease liability as expected lease payments or as equal periodic payments over the lease term, with the difference between those payments and amounts actually paid recognized in profit or loss.

The amendments are effective for annual reporting periods beginning on or after January 1,

2024, with earlier application permitted. A seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into on or after the date of initial application of PFRS 16.

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 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 nine months ended September 30, 2023

Revenues for the nine months of 2023 of P11,426.5 million went up by 16.8% from P9,783.2 million in the same period last year. Revenues from South Harbor (SH) international containerized cargo and Batangas Container Terminal (BCT) increased from last year by 12.7% and 56.0%, respectively, on account of higher container volumes. Moreover, revenues from ATI Batangas was slightly higher than last year by 0.1% on account of higher domestic Roro volumes and higher number of passengers.

Government share in revenues for the nine months of 2023 of P1,949.1 million increased by 9.2% from P1,784.7 million last year as a result of higher revenues subject to port authorities' share.

Cost and expenses in the first nine months of 2023 amounted to P4,880.6 million, 10.2% higher than P4,428.0 million in the same period last year. Depreciation and amortization in 2023 increased by 3.3% to P1,450.0 million from P1,402.8 million in 2022. Labor costs of P1,313.8 million this year were up by 7.8% compared to P1,219.2 million last year due to a salary rate increase. Taxes and licenses of P393.5 million this year were up by 10.6% from P355.9 million last year due to higher real property tax related to additional equipment and improvements in South Harbor and Batangas and higher business tax related to higher revenue in 2022. Insurance in 2023 of 207.9 million went up 35.6% compared to P153.3 million in the same period last year due to higher premiums on renewal of dollar-denominated insurance such as material damage and business interruption premiums. General transport of P151.8 million in 2023 rose by 109.9% from P38.2 million in 2022 on account of higher trucking costs. Security, health, environment, and safety increased by 12.1% to P136.3 million in 2023 from P121.5 million in 2022 due to higher security costs related to higher passenger volume. Other expenses in 2023 amounted to P139.3 million, 24.3% higher compared

to P112.1 million last year due to higher travel and accommodation, higher corporate social responsibility and last year includes the reversal of excess provision on miscellaneous expenses. Rentals of P8.5 million in 2023 decreased by 61.3% compared to P21.9 million in the same period last year due to last year's rental of generator sets used in the new Passenger Terminal Building in Batangas. Equipment running costs went down by 1.3% to P605.0 million this year from P612.7 million last year due to lower replacements of spareparts and lower fuel price.

Finance income in 2023 of P135.2 million was higher by 649.5% than P18.0 million last year due to higher interest rates on money market placements and higher cash balances. Finance costs in 2023 of P366.3 million were lower by 3.9% against P381.3 million last year. Others-net was negative P113.0 million in 2023 from negative P825.3 million in 2022 mainly due to lower unrealized foreign exchange loss on the fair value of concession liability and accrued interest following the appreciation of the Philippine Peso against the US Dollar.

Income before income tax in the third quarter of 2023 of P4,252.8 million increased by 78.5% from P2,381.9 million in the same period last year. Provision for income tax increased by 81.3% to P1,040.5 million in 2023 from P574.0 million in the same period due to higher results.

Net income of P3,212.3 million for the third quarter of 2023 was 77.7% higher than P1,808.0 million for the same period last year. Earnings per share this year was P1.61, and last year was P0.90.

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 (earthquakes, typhoons and other major calamities);
- material changes in foreign exchange rates; and

In the first nine months of 2023:

- 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 September 30, 2023 increased by 2.2% to P35,392.0 million from P34,631.3 million as of December 31, 2022. Current assets increased by 5.1% to P9,557.0 million as of September 30, 2023 from P9,091.0 million as of December 31, 2022. Cash and cash equivalents of P5,127.2 million as of September 30, 2023 increased by 11.5% compared to P4,600.3 million as of December 31, 2022. Trade and other receivables-net of P796.2 million as of September 30, 2023 decreased by 12.1% from P906.0 million as of December 31, 2022. Spare parts and supplies as of September 30, 2023, decreased by 1.1% to P1,069.2 million from P1,081.5 million as of December 31, 2022. Prepaid expenses as of September 30, 2023 of P2,564.4 million were higher by 2.4%

than P2,503.3 million as of December 31, 2022 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 P25,835.0 million as of September 30, 2023 was higher by 1.2% compared to P25,540.3 million as of December 31, 2022. Investment in an associate decreased by 3.1% to P53.6 million as of September 30, 2023 from P55.3 million as of December 31, 2022. Property and equipment - net amounted to P2,408.6 million, down by 6.1% from P2,566.2 million as of December 31, 2022. Intangible assets - net of P21,489.2 million was higher by 1.9% than P21,080.9 million as of December 31, 2022. The acquisitions of property and equipment and intangible assets, which amounted to P1,449.1 million and P108.1 million, respectively, were partially offset by the increase in depreciation and amortization. Right-of-use assets - net of P750.5 million as of September 30, 2023 was lower by 3.2% compared to P775.2 million as of December 31, 2022. Deferred tax assets – net amounted to P1,059.0 million as of September 30, 2023, was higher by 8.5% compared to P975.9 million as of December 31, 2022.

Total liabilities decreased by 3.6% to P12,019.1 million as of September 30, 2023 from P12,470.1 million as of December 31, 2022. Trade and other payables decreased by 6.9% to P3,066.8 million as of September 30, 2023 from P3,292.6 million as of December 31, 2022. Trade and other payables are covered by agreed payment schedules. Provisions for claims of P59.9 million as of September 30, 2023 decreased by 1.8% from P61.0 million as of December 31, 2022. Concession rights payable (current and noncurrent) as of September 30, 2023 of P7,720.7 million decreased by 2.7% from P7,933.3 million as of December 31, 2022. Income and other taxes payable of P207.0 million as of September 30, 2023 was lower by 1.7% compared to P210.6 million as of December 31, 2022 due to income tax for the third quarter of 2023. Pension liability of P245.4 million was up by 18.3% as of September 30, 2023 from P207.4 million as of December 31, 2022. Lease liabilities (current and noncurrent) of P719.2 million as of September 30, 2023 decreased by 6.0% from P765.1 million as of December 31, 2022 due to amortization for the third quarter of 2023.

Consolidated Cash Flows

Net cash provided by operating activities in the first nine months of 2023 was P4,770.1 million, 12.7% higher than P4,232.3 million in the same period last year due to higher operating income.

Net cash used in investing activities in the first nine months of 2023 of P1,516.8 million was lower by 33.8% versus P2,291.4 million in the same period last year due to higher acquisition of intangible assets.

Net cash used in financing activities in the first nine months of 2023 was P2,736.7 million, 15.4% higher than P2,371.4 million in the same period last year due to higher payments of cash dividends.

Key Performance Indicators (KPI)

KPIs discussed below were based on consolidated amounts as portions pertaining to the Company's subsidiary ATI Batangas, Inc. (ATIB) were not material. As of end September 2023:

- ATIB's total assets were only 9.6% of the consolidated total assets
- Income before other income and expense for ATIB was only 5.5% of consolidated income before other income and expenses.

Consolidated KPI	Manner of Calculation	As of September 30		Discussion
		2023	2022	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	18.4%	15.6%	Increased due to higher income before interest and taxes during the period.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	18.8%	11.1%	Increased due to higher net income.
Current ratio	Ratio of current assets over current liabilities	2.48 : 1.00	2.28 : 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	1.52 : 1.00	1.59 : 1.00	Decreased due to higher assets.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.51 : 1.00	0.58 : 1.00	Decreased due to higher liabilities
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	9 days	9 days	
Net Income Margin	Net income over revenues less government share in revenues	33.9%	22.8%	Increased due to higher 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.	0.83	0.00	Increased due to a higher number of injuries.

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

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

PART II. OTHER INFORMATION

On April 27, 2023, the Board of Directors of ATI approved a cash dividend of P1.00 per share to stockholders on record as of May 26, 2023 payable on June 20, 2023. As of date of this report, the Company has ordinary shares only.

Submissions of SEC Form 17-C:

Date Filed	Reference	Particulars
January 5, 2023	SEC 17-C	Attendance of Directors in the 2022 Board Meetings
January 24, 2023	SEC 17-C	Certification on Compliance to the Corporate Governance Manual
February 15, 2023	SEC 17-C	Notice of Guidelines for Nomination
February 23, 2023	SEC 17-C	Setting of the date, time, agenda and venue of the 2023 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 2023;
April 27, 2023	SEC 17-C	Declaration of Cash Dividends, with record and payment dates; Results of the 2023 Annual Meeting and the organizational meeting
August 8, 2023	SEC 17-C	Audit Committee Self-Assessment Results

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

SIGNATURES

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

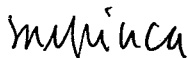
ASIAN TERMINALS, INCORPORATED
by:



JOSE TRISTAN P. CARRIO
Vice President and Chief Financial Officer

Date: November 13, 2023

Principal Financial/Accounting Officer:



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

Date: November 13, 2023

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

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P5,127,153	P4,600,267
Trade and other receivables - net	796,200	905,985
Spare parts and supplies	1,069,235	1,081,456
Prepaid expenses	2,564,370	2,503,263
Total Current Assets	9,556,958	9,090,971
Noncurrent Assets		
Investment in an associate	53,595	55,282
Property and equipment - net	2,408,631	2,566,211
Intangible assets - net	21,489,223	21,080,924
Right-of-use assets - net	750,532	775,248
Deferred tax assets - net	1,058,983	975,876
Other noncurrent assets	74,037	86,759
Total Noncurrent Assets	25,835,001	25,540,300
TOTAL ASSETS	P35,391,959	P34,631,271
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P3,066,793	P3,292,607
Provisions for claims	59,926	61,044
Port concession rights payable - current portion	452,916	423,028
Income and other taxes payable	207,006	210,629
Lease liabilities - current portion	66,424	118,066
Total Current Liabilities	3,853,065	4,105,374
Noncurrent Liabilities		
Port concession rights payable - net of current portion	7,267,795	7,510,283
Pension liability - net	245,433	207,409
Lease liabilities - net of current portion	652,759	647,026
Total Noncurrent Liabilities	8,165,987	8,364,718
Total Liabilities	12,019,052	12,470,092
Equity		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	2,000,000	2,000,000
Additional paid-in capital	264,300	264,300
Retained earnings	21,098,475	19,887,619
Fair value reserve	(5,820)	(5,820)
	23,356,955	22,146,099
Non-controlling Interest	15,952	15,080
Total Equity	23,372,907	22,161,179
TOTAL LIABILITIES AND EQUITY	P35,391,959	P34,631,271

ASIAN TERMINALS, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts In Thousands, Except Per Share Data)

	For the third quarter ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
REVENUES FROM OPERATIONS	P3,979,193	P3,678,427	P11,426,543	P9,783,195
GOVERNMENT SHARE IN REVENUES	(666,317)	(674,502)	(1,949,112)	(1,784,728)
	3,312,876	3,003,925	9,477,431	7,998,467
COSTS AND EXPENSES EXCLUDING GOVERNMENT SHARE IN REVENUES	(1,671,000)	(1,594,854)	(4,880,622)	(4,427,952)
OTHER INCOME AND EXPENSES				
Finance income	41,766	11,054	135,238	18,043
Finance cost	(122,627)	(125,426)	(366,327)	(381,338)
Others - net	(156,577)	(414,331)	(112,954)	(825,322)
	(237,438)	(528,703)	(344,043)	(1,188,617)
CONSTRUCTION REVENUES	435,691	904,106	1,449,124	1,561,675
CONSTRUCTION COSTS	(435,691)	(904,106)	(1,449,124)	(1,561,675)
	-	-	-	-
INCOME BEFORE INCOME TAX	1,404,438	880,368	4,252,766	2,381,898
INCOME TAX EXPENSE				
Current	396,615	329,788	1,123,563	816,838
Deferred	(49,842)	(117,878)	(83,108)	(242,879)
	346,773	211,910	1,040,455	573,959
NET INCOME	1,057,665	668,458	3,212,311	1,807,939
Income Attributable to				
Equity Holders of the Parent Company	P1,057,261	P667,640	P3,210,858	P1,805,840
Non - controlling interest	404	818	1,453	2,099
	P1,057,665	P668,458	P3,212,311	P1,807,939
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	P0.53	P0.33	P1.61	P0.90

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	Non-controlling Total	Non-controlling Interest	Total Equity
			Appropriated for Port Development	Unappropriated				
Balance at January 1, 2023	P2,000,000	P264,300	P16,400,000	P3,487,618	(P 5,820)	P22,146,098	P15,078	P22,161,176
Cash dividends - P1.00 a share for ATI	-	-	-	(2,000,000)	-	(2,000,000)	(580)	(2,000,580)
Net income for the period	-	-	-	3,210,858	-	3,210,858	1,453	3,212,311
Balance at September 30, 2023	P2,000,000	P264,300	P16,400,000	P4,698,476	(P 5,820)	P23,356,956	P15,951	P23,372,907
Balance at January 1, 2022	P2,000,000	P264,300	P15,100,000	P3,367,868	(P 5,820)	P20,726,348	P12,258	P20,738,606
Cash dividends - P0.808 a share for ATI	-	-	-	(1,616,000)	-	(1,616,000)	(580)	(1,616,580)
Adjustment on deferred tax	-	-	-	1,138,200	-	1,138,200	1,281	1,139,481
Balance at September 30, 2022	P2,000,000	P264,300	P15,100,000	P2,890,068	(P 5,820)	P20,248,548	P12,959	P20,261,507

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

	For the third quarter ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	P 1,404,438	P880,368	P4,252,766	P2,381,898
Adjustments for:				
Depreciation and amortization	509,030	481,284	1,425,230	1,402,849
Finance cost	122,627	125,426	366,327	381,338
Finance income	(41,766)	(11,054)	(135,238)	(18,043)
Net unrealized foreign exchange gains (losses)	128,311	378,886	40,338	745,174
Equity in net earnings of an associate	(9,022)	(8,515)	(26,971)	(24,502)
Gain on disposals of:				
Property and equipment	286	-	2,277	32
Intangible assets	-	-	-	1,907
Operating income before working capital changes	2,123,904	1,846,395	5,934,729	4,870,653
Decrease (increase) in:				
Trade and other receivables	(6,105)	(108,332)	105,850	(13,115)
Spare parts and supplies	17,365	(5,043)	2,221	(110,975)
Prepaid expenses	152,137	39,227	(61,107)	(167,465)
Increase (decrease) in:				
Trade and other payables	41,996	336,037	(200,947)	512,395
Provisions for claims	(234)	4,470	(1,118)	1,103
Income and other taxes payable	(497,562)	(374,199)	(1,127,186)	(288,883)
Cash generated from operations	1,831,501	1,738,555	4,652,442	4,803,713
Finance income received	40,704	8,607	139,173	14,553
Finance cost paid	(9,218)	(6,480)	(21,515)	(20,286)
Net cash provided by operating activities	1,862,987	1,740,682	4,770,100	4,232,302
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and Equipment	(61,228)	(439,597)	(108,107)	(779,657)
Intangible assets	(435,691)	(904,106)	(1,449,124)	(1,561,675)
Proceeds from disposals of:				
Property and Equipment	420	-	(954)	815
Intangible assets	-	-	-	(1,907)
Decrease (increase) in:				
Other noncurrent assets	29	(1,032)	(1,245)	23,116
Deposits	-	(3,152)	13,967	(7,605)
Net cash used in investing activities	(496,470)	(1,331,767)	(1,516,805)	(2,291,449)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Cash dividends	-	-	(2,000,000)	(1,616,000)
Cash dividend to non-controlling interest	-	-	(580)	(580)
Lease liabilities	(59,271)	(79,514)	(141,232)	(145,629)
Port concession rights payable	(200,745)	(205,555)	(594,851)	(609,209)
Net cash used in financing activities	(260,016)	(285,069)	(2,736,663)	(2,371,418)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,106,501	123,846	516,632	(430,565)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	25,707	77,408	10,254	209,269
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	3,994,945	6,517,101	4,600,267	3,954,166
CASH & CASH EQUIVALENTS AT END OF YEAR	P5,127,153	P 6,718,355	P5,127,153	P3,732,870

**SELECTED
EXPLANATORY NOTES
September 30, 2023
(Amounts in Thousands)**

1. Segment Information

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

	For the nine months ended September 30	
	2023	2022
Revenue	P11,426,543	P9,783,195
Intangible Assets (excluding goodwill)	21,447,163	20,950,907
Property and equipment - net	2,408,631	2,529,827
Total assets	35,391,959	32,106,015
Total liabilities	12,019,052	11,844,508
Capital expenditures		
Intangible Assets	1,449,124	657,569
Property and equipment	108,107	340,060
Depreciation and amortization	1,425,230	921,565
Noncash expenses (income) other than depreciation and amortization	10,000	-

2. Trade and Other Receivables

	As of September 30, 2023	As of December 31, 2022 (Audited)
Trade receivables	P618,510	P736,984
Receivable from insurance	55,878	56,621
Due from related parties	67,055	19,731
Advances to officers and employees	24,730	28,020
Interest receivable	8,272	12,207
Receivable from escrow fund	-	13,635
Other receivables	25,950	42,982
	800,395	910,180
Allowance for impairment losses	(4,195)	(4,195)
	P796,200	P905,985

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

3. Property and Equipment

A summary of property and equipment follows:

	Port Facilities and Equipment	Leasehold improvements	Furniture Furnitures and Equipment	Transportation and other Equipment	Construction In-progress	September 30, 2023	December 31, 2022 (Audited)
Cost							
Balance at beginning of year	P225,268	P707,135	P935,940	P330,305	P1,960,215	P4,158,863	P3,308,298
Additions	650	69,423	36,441	47,876	(46,282)	108,108	854,012
Disposals	-	-	(1,593)	(12,188)	-	(13,781)	(12,314)
Reclassifications	-	1,287,810	18,997	20,670	(1,730,382)	(402,905)	8,867
Balance at end of year	225,918	2,064,368	989,785	386,663	183,551	3,850,285	4,158,863
Accumulated depreciation							
Balance at beginning of year	131,137	527,317	713,373	220,825	-	1,592,652	1,417,584
Depreciation	10,431	58,024	66,852	34,118	-	169,425	186,350
Disposals	-	-	(1,593)	(10,864)	-	(12,457)	(11,282)
Balance at end of year	141,568	277,375	778,632	244,079	-	1,441,654	1,592,652
Carrying Amount	P84,350	P1,786,993	P211,153	P142,584	P183,551	P2,408,631	P2,566,211

4. Intangible Assets

As of September 30, 2023

	Port Concession Rights				Goodwill	Other Intangible Assets	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal			
Cost							
Balance at beginning of year	P882,000	P9,279,694	P25,508,615	P35,670,309	P42,060	-	P35,712,369
Additions	-	-	1,449,124	P1,449,124	-	-	1,449,124
Reclassifications	-	-	-	-	-	402,906	402,906
Balance at end of year	882,000	9,279,694	26,957,739	37,119,433	42,060	402,906	37,564,399
Accumulated amortization							
Balance at beginning of year	105,674	4,631,648	9,894,121	14,631,443	-	-	14,631,443
Amortization	8,460	382,424	739,972	1,130,855	-	4,911	1,135,766
Reclassifications	-	-	-	-	-	307,966	307,966
Balance at end of year	114,134	5,014,071	10,634,094	15,762,299	-	312,877	16,075,176
Carrying Amount	P767,866	P4,265,623	P16,323,645	P21,357,134	P42,060	P90,029	P21,489,223

As of December 31, 2022 (Audited)

	Port Concession Rights				Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal		
Cost						
Balance at beginning of year	P882,000	P9,279,694	P23,934,464	P34,096,158	P42,060	P34,138,218
Additions	-	-	2,041,736	2,041,736	-	2,041,736
Disposals	-	-	(458,840)	(458,840)	-	(458,840)
Reclassifications	-	-	(8,747)	(8,747)	-	(8,747)
Balance at end of year	882,000	9,279,694	25,508,613	35,670,307	42,060	35,712,367
Accumulated amortization						
Balance at beginning of year	97,214	4,332,562	9,156,911	13,586,687	-	13,586,687
Additions	11,280	296,266	1,195,478	1,503,024	-	1,503,024
Disposals	-	-	(458,268)	(458,268)	-	(458,268)
Balance at end of year	108,494	4,628,828	9,894,121	14,631,443	-	14,631,443
Carrying Amount	P773,506	P4,650,866	P15,614,492	P21,038,864	P42,060	P21,080,924

5. Trade and Other Payables

	September 30, 2023	December 31, 2022 (Audited)
Accrued expenses:		
Marketing, commercial, promotion and business development	P632,914	P643,570
Personnel costs	208,335	91,070
Repairs and maintenance	143,439	77,183
Finance costs	133,620	136,918
Professional fees	49,453	48,459
Security expenses	32,316	28,281
Rental	21,709	21,760
Corporate social responsibility	18,656	23,156
Trucking Expenses	15,845	27,176
Utilities	14,826	13,444
Safety and environment	4,141	4,015
Miscellaneous accrued expenses	78,614	157,417
Due to government agencies	975,127	939,016
Equipment acquisitions	157,611	339,503
Trade	224,517	442,235
Shippers' and brokers' deposits	143,149	116,545
Management fee payable	27,107	19,215
Other Payables	185,414	163,644
	P3,066,793	P3,292,607

6. Other Income and Expenses

Finance cost is broken down as follows:

	For the nine months ended September 30	
	2023	2022
Interest on port concession rights payable	P336,184	P353,720
Interest on lease liability	18,851	20,107
Interest component of pension expense	8,627	7,332
Interest on bank loans/credit facilities	2,665	179
	P366,327	P381,338

Finance income is broken down as follows:

	For the nine months ended September 30	
	2023	2022
Interest on cash in banks and short-term investment:	P135,238	P18,043
	P135,238	P18,043

Others consisted of the following:

	For the nine months ended September 30	
	2023	2022
Equity in net earnings of an associate	26,971	24,503
Lease and other income - net	20,669	17,841
Foreign exchange gains - others	14,701	183,744
Management income	5,681	5,669
Gain on disposals of property and equipment and intangible assets	2,277	1,982
Foreign exchange (losses) - port concession rights payable	(183,253)	(1,059,061)
	P (112,954)	P (825,322)

Foreign exchange losses – port concession rights payable resulted from the 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:

	September 30, 2023	December 31, 2022 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	P5,119,989	P4,597,576
<i>Excluding cash on hand amounting to P7.2 million and P2.7 million as at September 30, 2023 and 2022, respectively.</i>		

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 September 30, 2023	Carrying Amount	Contractual Cash Flows					Total
		On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	
Trade and other payables*	P2,091,666	P312,467	P400,767	P1,378,432	P -	P -	P2,091,666
Port concession rights payable	7,720,711	-	109,295	327,883	2,914,782	6,258,786	9,610,746
Lease liabilities	719,183	-	39,235	22,758	200,599	456,590	719,182
Total	P 10,531,560	P 312,467	P 549,297	P 1,729,073	P 3,115,381	P 6,715,376	P 12,421,594

* excluding due to government agencies amounting to P975.1 million

As of December 31, 2022 (Audited)	Carrying Amount	Contractual Cash Flows					Total
		On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	
Trade and other payables*	P2,353,591	P283,721	P591,277	P1,478,593	P -	P -	P2,353,591
Port concession rights payable	7,933,311	-	201,145	603,435	2,922,920	6,258,786	9,986,286
Lease liabilities	765,092	-	26,332	81,541	238,398	988,724	1,334,995
Total	P 11,051,994	P 283,721	P 818,754	P 2,163,569	P 3,161,318	P 7,247,510	P 13,674,872

* excluding due to government agencies amounting to P939.0 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 September 30, 2023	As of December 31, 2022 (Audited)
Cash and cash equivalents*	P5,119,990	P4,597,576
Trade and other receivables - net	P796,200	905,986
Deposits	P70,139	84,107
Equity securities	P2,652	2,652
Total	P5,988,981	P5,590,321

* Excluding cash on hand amounting to P7.2 million and P2.7 million as at September 30, 2023 and 2022, 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 September 30, 2023			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P5,119,990	P -	P -	P5,119,990
Trade and other receivables - net	459,611	336,589	-	796,200
Deposits	70,139	-	-	70,139
Equity securities	2,652	-	-	2,652
	P5,652,392	P336,589	P -	P5,988,981

	As at December 31, 2022			Total
	Grade A	Grade B	Grade C	
Cash in banks and cash equivalents	P4,597,576	P -	P -	P4,597,576
Trade and other receivables - net	561,460	344,525	-	905,985
Deposits	84,107	-	-	84,107
Equity securities	2,652	-	-	2,652
	P5,245,795	P344,525	P -	P5,590,320

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 September 30, 2023

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 September 30, 2023:

	Gross Carrying Amount	Impairment Loss Allowance	Credit-impaired
Current (not past due)	P685,431	P -	No
1 - 30 days past due	14,117	-	No
31 - 60 days past due	51,488	-	No
61- 90 days past due	26,947	-	No
More than 90 days past due	22,412	4,195	Yes
Balance at September 30, 2023	P800,395	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 P5.1 billion and P4.6 billion as at September 30, 2023 and December 31, 2022, 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 September 30, 2023	As of December 31, 2022
Assets		
Cash and cash equivalents	USD18,870	USD18,757
Liabilities		
Trade and other payables	2,449	63,033
Port concession rights payable	121,832	125,605
	124,767	188,638
Net foreign currency-denominated liabilities	(USD105,411)	(USD169,881)
Peso equivalent	(P5,963,627)	(P9,479,360)

The exchange rates applicable for US dollar as at September 30, 2023 and December 31, 2022 are P56.6 and P55.8, 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
September 30, 2023		
5%	(P298,181)	(P223,636)
-5%	298,181	223,636
December 31, 2022		
5%	(P473,968)	(P355,476)
-5%	473,968	355,476

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 September 30, 2023.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

	September 30, 2023	December 31, 2022 (Audited)
Capital Stock	P2,000,000	P2,000,000
Additional paid-in capital	264,300	264,300
Retained Earnings	21,098,475	19,887,619
Fair value reserve	(5,820)	(5,820)
Total	P23,356,955	P22,146,099

8. Financial Instruments

	As of September 30, 2023		As of December 31, 2022 (Audited)	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Cash and cash equivalents	P5,127,153	P5,127,153	P4,600,267	P4,600,267
Trade and other receivables - net	796,200	796,200	905,985	905,985
Deposits	70,139	76,308	84,107	90,199
	5,993,492	5,999,661	5,590,359	5,596,451
Equity securities	2,652	2,652	2,652	2,652
	P5,996,144	P6,002,313	P5,593,011	P5,599,103
Financial Liabilities				
Other financial liabilities:				
Trade and other payables*	P2,091,666	P2,091,666	P2,353,591	P2,353,591
Port concession rights payable	7,720,711	8,245,683	7,933,311	8,189,861
Lease liabilities	719,183	719,183	765,092	765,092
	P10,531,560	P11,056,532	P11,051,994	P11,308,544

* excluding due to government agencies amounting to P975.1 million and P939.0 million as at September 30, 2023 and 2022, respectively.

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

Fair Value of Financial Instruments

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

Nonderivative Financial Instruments

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

For noninterest-bearing deposits, the fair value is estimated as the present value of all future cash discounted using the prevailing market rate on interest for a similar instrument. The discount rates used are 6.2% in 2023 and 6.0% in 2022.

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 6.28% to 6.52% in 2023 and 6.19% to 7.23% in 2022.

Fair Value Hierarchy

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

As of September 30, 2023	Level 1		Level 2	Level 3
Equity securities	P933	P	-	P 1,719
Port concession rights payable	-		8,245,683	-
	P933		P8,245,683	P1,719
<hr/>				
As of December 31, 2022 (Audited)	Level 1		Level 2	Level 3
Equity securities	P933	P	-	P 1,719
Port concession rights payable	-		8,189,861	-
	P933		P8,189,861	P1,719

There have been no transfers from one level to another in 2023 and 2022.