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 quarterly period ended

   Mar 31, 2021

2. SEC Identification Number

   147212

3. BIR Tax Identification No.

   323228

4. Exact name of issuer as specified in its charter

   INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

5. Province, country or other jurisdiction of incorporation or organization

   Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila

   Postal Code

   1012

8. Issuer's telephone number, including area code

   (632) 8245-4101

9. Former name or former address, and former fiscal year, if changed since last report

   Not applicable

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	2,044,311,325

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

    (●) Yes ( ) No

    If yes, state the name of such stock exchange and the classes 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 SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

- (•) Yes
- ( ) No

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

- (•) Yes
- ( ) No

International Container Terminal Services, Inc.

International Container Terminal Services, Inc.
ICT

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2021
Currency (indicate units, if applicable)	US Dollar in Thousands

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2021	Dec 31, 2020
Current Assets	1,042,545	969,218
Total Assets	6,167,469	6,195,325
Current Liabilities	771,183	490,527
Total Liabilities	4,537,197	4,333,705
Retained Earnings/(Deficit)	195,996	216,934
Stockholders' Equity	1,630,272	1,861,620
Stockholders' Equity - Parent	1,454,594	1,680,616
Book Value per Share	0.8	0.91

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	435,586	375,776	435,586	375,776
Gross Expense	229,656	219,353	229,656	219,353
Non-Operating Income	11,263	10,010	11,263	10,010

Non-Operating Expense	80,103	81,884	80,103	81,884
Income/(Loss) Before Tax	137,090	84,549	137,090	84,549
Income Tax Expense	34,782	15,711	34,782	15,711
Net Income/(Loss) After Tax	102,308	68,838	102,308	68,838
Net Income Attributable to Parent Equity Holder	90,070	59,597	90,070	59,597
Earnings/(Loss) Per Share (Basic)	0.04	0.02	0.04	0.02
Earnings/(Loss) Per Share (Diluted)	0.04	0.02	0.04	0.02

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.03	0.02
Earnings/(Loss) Per Share (Diluted)	0.03	0.02

Other Relevant Information
Please see the attached complete SEC 17Q Q1 2021 and Consolidated Financial Statements.

Filed on behalf by:

Name	Arthur Tabuena
Designation	Treasury Director and Head of Investor Relations

COVER SHEET

1 4 7 2 1 2

SEC Registration Number

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

(Company's Full Name)

ICTSI ADMINISTRATION BUILDING, MANILA INTERNATIONAL CONTAINER TERMINAL, SOUTH ACCESS ROAD, MANILA

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

Sandy A. Alipio

(Contact Person)

8247-8225

(Company Telephone Number)

1 2 *Month* **3 1** *Day*

(Fiscal Year)

S E C 17 Q

(Form Type)

0 4 *Month* **Every 3rd Thursday** *Day*

(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

1,364
as at March 31, 2021

Total No. of Stockholders

US$287.8M

Domestic

US$1,654.5M

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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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 quarterly period ended **March 31, 2021**

2. Commission identification number: **147212**

3. BIR Tax Identification No. **000-323-228**

1. Exact name of issuer as specified in its charter:
INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.

5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**

6. Industry Classification Code: ___________________ (SEC Use Only)

7. Address of issuer's principal office: **ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila** Postal Code: **1012**

8. Registrant's telephone number, including area code: **(632) 8245-4101**

9. Former name, former address, and former fiscal year: **Not applicable**

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 outstanding as at March 31, 2021
Common	**2,044,311,325** Shares

11. Are any or all of the Securities listed on a 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 issuer:

a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports).
Yes [x] No [ ]

(b) has been subject to such filing for the past 90 days. Yes [x] No [ ]

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

The audited consolidated balance sheet as at December 31, 2020, and the unaudited interim condensed consolidated financial statements as at March 31, 2021 and for the three months ended March 31, 2020 and 2021 and the related notes to unaudited interim condensed consolidated financial statements of International Container Terminal Services, Inc. and Subsidiaries (collectively referred to as "the Group") are filed as part of this Form 17-Q on pages 2 to 37.

Operating segments are also reported in the notes to unaudited interim condensed consolidated financial statements.

There are no other material events subsequent to the end of this interim period that have not been reflected in the unaudited interim condensed consolidated financial statements filed as part of this report.

International Container Terminal Services, Inc. and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements

As at March 31, 2021
(with Comparative Figures as at December 31, 2020)
and for the Three Months Ended March 31, 2020 and 2021

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

As at March 31, 2021

(With Comparative Figures as at December 31, 2020)

(In Thousands)

	December 31, 2020 *(Audited)*	**March 31, 2021** *(Unaudited)*
ASSETS		
Noncurrent Assets		
Intangibles (Note 5)	US$2,043,267	**US$2,008,690**
Property and equipment (Note 6)	1,414,071	**1,392,191**
Right-of-use assets (Note 7)	612,138	**591,984**
Investment properties	7,005	**6,865**
Investments in and advances to joint ventures and associate (Notes 9 and 17)	444,597	**446,527**
Deferred tax assets	342,762	**327,727**
Other noncurrent assets (Notes 8 and 20)	362,267	**350,940**
Total Noncurrent Assets	5,226,107	**5,124,924**
Current Assets		
Cash and cash equivalents (Note 10)	734,832	**806,335**
Receivables (Note 11)	129,332	**136,440**
Spare parts and supplies	38,258	**38,996**
Prepaid expenses and other current assets (Note 12)	66,796	**60,774**
Total Current Assets	969,218	**1,042,545**
	US$6,195,325	**US$6,167,469**
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Capital stock:		
Preferred stock	US$236	**US$236**
Common stock	67,330	**67,330**
Additional paid-in capital (Note 16)	570,439	**568,794**
Cost of shares held by subsidiaries (Note 16)	(83,675)	**(83,675)**
Treasury shares (Note 16)	(4,431)	**(1,595)**
Excess of consideration over the carrying value of non-controlling interests acquired or disposed	(147,925)	**(147,925)**
Retained earnings (Note 16)	216,934	**195,996**
Perpetual capital securities (Note 16)	1,246,777	**1,054,477**
Other comprehensive loss - net (Notes 16 and 21)	(185,069)	**(199,044)**
Total equity attributable to equity holders of the parent	1,680,616	**1,454,594**
Equity Attributable to Non-controlling Interests (Notes 1 and 16)	181,004	**175,678**
Total Equity	1,861,620	**1,630,272**
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 13 and 21)	1,714,671	**1,702,396**
Concession rights payable - net of current portion (Notes 6 and 21)	692,627	**679,407**
Lease liabilities - net of current portion (Notes 7 and 21)	1,214,204	**1,183,468**
Deferred tax liabilities	159,014	**154,957**
Other noncurrent liabilities (Note 14)	62,662	**45,786**
Total Noncurrent Liabilities	3,843,178	**3,766,014**
Current Liabilities		
Loans payable (Note 13)	2,828	**2,847**
Perpetual capital securities (Notes 13 and 16)	–	**203,792**
Accounts payable and other current liabilities (Notes 15 and 18)	353,628	**434,326**
Current portion of long-term debt (Notes 13 and 21)	49,808	**33,230**
Current portion of concession rights payable (Notes 5 and 21)	10,701	**10,595**
Current portion of lease liabilities (Notes 7 and 21)	20,573	**20,575**
Income tax payable	43,290	**55,394**
Derivative liabilities (Note 21)	9,699	**10,424**
Total Current Liabilities	490,527	**771,183**
Total Liabilities	4,333,705	**4,537,197**
	US$6,195,325	**US$6,167,469**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Data)

	For the Three Months Ended March 31	
	2020	**2021**
INCOME		
Gross revenues from port operations	US$375,776	**US$435,586**
Interest income (Notes 10 and 18)	4,737	**5,073**
Foreign exchange gain (Note 3)	2,152	**3,987**
Other income (Note 14)	3,121	**2,203**
	385,786	**446,849**
EXPENSES		
Port authorities' share in gross revenues (Note 18)	44,583	**48,365**
Manpower costs (Notes 16 and 18)	61,468	**63,244**
Depreciation and amortization	55,730	**58,848**
Administrative and other operating expenses (Note 18)	29,487	**30,055**
Equipment and facilities-related expenses (Note 18)	28,085	**29,144**
Interest expense and financing charges on borrowings (Notes 5, 6 and 13)	26,511	**28,503**
Interest expense on lease liabilities (Note 7)	24,671	**26,444**
Interest expense on concession rights payable (Note 5)	13,084	**14,314**
Equity in net loss (gain) of joint ventures and an associate (Note 9)	5,514	**(42)**
Foreign exchange loss (Note 3)	5,433	**5,362**
Other expenses (Note 22)	6,671	**5,522**
	301,237	**309,759**
CONSTRUCTION REVENUE (EXPENSE)		
Construction revenue	36,257	**10,737**
Construction expense	(36,257)	**(10,737)**
	–	**–**
INCOME BEFORE INCOME TAX	84,549	**137,090**
PROVISION FOR INCOME TAX (Note 17)		
Current	14,188	**29,204**
Deferred	1,523	**5,578**
	15,711	**34,782**
NET INCOME	US$68,838	**US$102,308**
Attributable To		
Equity holders of the parent	US$59,597	**US$90,070**
Non-controlling interests	9,241	**12,238**
	US$68,838	**US$102,308**
Earnings Per Share (Note 1)		
Basic	US$0.023	**US$0.036**
Diluted	0.023	**0.036**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands)

	For the Three Months Ended March 31	
	2020	**2021**
NET INCOME FOR THE PERIOD	US$68,838	**US$102,308**
OTHER COMPREHENSIVE LOSS		
Items to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations' financial statements and hedged foreign investments (Notes 3 and 16)	(88,476)	**(25,196)**
Net change in unrealized mark-to-market values of derivatives (Notes 16 and 21)	(21,183)	**13,458**
Share in other comprehensive loss of joint ventures (Note 16)	(238)	**(1,584)**
Income tax relating to components of other comprehensive income (Notes 16 and 21)	4,921	**(1,337)**
	(104,976)	**(14,659)**
Items not to be reclassified to profit or loss in subsequent periods		
Actuarial losses on defined benefit plans - net of tax (Note 16)	(332)	**(80)**
	(105,308)	**(14,739)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(US$36,470)	**US$87,569**
Attributable To		
Equity holders of the parent	(US$41,696)	**US$76,095**
Non-controlling interests	5,226	**11,474**
	(US$36,470)	**US$87,569**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020 and 2021
(In Thousands)

	Attributable to Equity Holders of the Parent												
	Preferred Stock	**Common Stock**	**Additional Paid-in Capital** (Note 16)	**Preferred Shares Held by a Subsidiary** (Note 16)	**Common Shares Held by Subsidiaries** (Note 16)	**Treasury Shares** (Note 16)	**Excess of Consideration Over the Carrying Value of Non-controlling Interests Acquired or Disposed**	**Retained Earnings** (Note 16)	**Perpetual Capital Securities** (Note 16)	**Other Compre-hensive Loss - net** (Notes 16 and 21)	**Total**	**Non-controlling Interests** (Notes 1 and 16)	**Total Equity**
Balance at December 31, 2019	US$236	US$67,330	US$549,380	(US$72,493)	(US$1,769)	(US$83,013)	(US$146,648)	US$300,952	US$1,018,514	(US$162,581)	US$1,469,908	US$164,618	US$1,634,526
Total comprehensive loss for the period	–	–	–	–	–	–	–	59,597	–	(101,293)	(41,696)	5,226	(36,470)
Share-based payments (Note 16)	–	–	656	–	–	–	–	–	–	–	656	–	656
Issuance of treasury shares	–	–	(3,381)	–	–	3,381	–	–	–	–	–	–	–
Acquisition of ICTSI common shares	–	–	–	–	(5,583)	–	–	–	–	–	(5,583)	–	(5,583)
Transfer of shares to NCI in SPICTL (Note 1.2)	–	–	–	–	–	–	(1,277)	–	–	–	(1,277)	7,541	6,264
Cash dividends (Note 16)	–	–	–	–	–	–	–	(130,094)	–	–	(130,094)	(818)	(130,912)
Balance at March 31, 2020	US$236	US$67,330	US$546,655	(US$72,493)	(US$7,352)	(US$79,632)	(US$147,925)	US$230,455	US$1,018,514	(US$263,874)	US$1,291,914	US$176,567	US$1,468,481
Balance at December 31, 2020	**US$236**	**US$67,330**	**US$570,439**	**(US$72,493)**	**(US$11,182)**	**(US$4,431)**	**(US$147,925)**	**US$216,934**	**US$1,246,777**	**(US$185,069)**	**US$1,680,616**	**US$181,004**	**US$1,861,620**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**90,070**	**–**	**(13,975)**	**76,095**	**11,474**	**87,569**
Share-based payments (Note 16)	**–**	**–**	**1,191**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,191**	**–**	**1,191**
Issuance of treasury shares	**–**	**–**	**(2,836)**	**–**	**–**	**2,836**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Cash dividends (Note 16)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(99,516)**	**–**	**–**	**(99,516)**	**(16,800)**	**(116,316)**
Redemption of perpetual capital securities (Note 16)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(11,492)**	**(192,300)**	**–**	**(203,792)**	**–**	**(203,792)**
Balance at March 31, 2021	**US$236**	**US$67,330**	**US$568,794**	**(US$72,493)**	**(US$11,182)**	**(US$1,595)**	**(US$147,925)**	**US$195,996**	**US$1,054,477**	**(US$199,044)**	**US$1,454,594**	**US$175,678**	**US$1,630,272**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	For the Three Months Ended March 31	
	2020	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	US$84,549	**US$137,090**
Adjustments for:		
Depreciation and amortization	55,730	**58,848**
Interest expense on:		
Borrowings (Notes 6 and 13)	26,511	**28,503**
Lease liabilities (Note 7)	24,671	**26,444**
Concession rights payable (Note 5)	13,084	**14,314**
Interest income (Notes 10 and 18)	(4,737)	**(5,073)**
Unrealized foreign exchange loss	2,816	**1,160**
Share-based payments (Note 16)	926	**988**
Gain on sale of property and equipment	(29)	**(227)**
Equity in net loss (gain) of a joint venture and an associate (Note 9)	5,514	**(42)**
Operating income before changes in working capital	209,035	**262,005**
Decrease (increase) in:		
Receivables	(2,945)	**(7,444)**
Spare parts and supplies	(1,569)	**(1,110)**
Prepaid expenses and other current assets	(689)	**1,096**
Increase (decrease) in:		
Accounts payable and other current liabilities	(10,350)	**(3,954)**
Pension liabilities	306	**(1,700)**
Cash generated from operations	193,788	**248,893**
Income taxes paid	(9,438)	**(12,668)**
Net cash provided by operating activities	184,350	**236,225**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 6)	(14,442)	**(22,293)**
Intangible assets (Note 5)	(41,866)	**(13,742)**
Payments of concession rights (Note 5)	(3,424)	**(3,303)**
Decrease (increase) in other noncurrent assets	(15,443)	**2,460**
Interest received	1,582	**1,836**
Increase in advances to a joint venture (Notes 9 and 18)	(830)	**(226)**
Proceeds from sale of property and equipment	152	**218**
Net cash used in investing activities	(74,271)	**(35,050)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Interest on lease liabilities and concession rights payable (Notes 5 and 7)	(34,302)	**(38,985)**
Interest on borrowings (Note 13)	(42,036)	**(33,316)**
Long-term borrowings (Note 13)	(211,703)	**(28,800)**
Lease liabilities	(1,186)	**(15,558)**
Dividends (Note 16)	(3,454)	**(10,784)**
Proceeds from:		
Long-term borrowings (Note 13)	119,250	**2,000**
Short-term borrowings (Note 13)	290,000	**–**
Decrease in other noncurrent liabilities	(663)	**(323)**
Acquisition of ICTSI common shares held by a subsidiary (Note 16)	(5,583)	**–**
Net cash provided by (used in) financing activities	110,323	**(125,766)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(5,044)	**(3,906)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	215,358	**71,503**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	234,834	**734,832**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 10)	US$450,192	**US$806,335**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

1.1 General

International Container Terminal Services, Inc. (ICTSI or the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 24, 1987. The registered office address of the Company is ICTSI Administration Building, MICT South Access Road, Manila. ICTSI's common shares were listed with the Philippine Stock Exchange (PSE) on March 23, 1992, at an offer price of ₱6.70. ICTSI has 2,044,311,325 common shares outstanding held by 1,364 shareholders on record as at March 31, 2021.

1.2 Port Operations

ICTSI and subsidiaries (collectively referred to as "the Group") entered into various concessions of port operations which include development, management, and operation of container terminals and related facilities around the world. As at May 4, 2021, the Group is involved in 33 terminal operations, including concessions and port development projects, in 20 countries worldwide. There are ten terminal operations in the Philippines (including an inland container terminal, a barge terminal, and combined terminal operations in Subic), two each in Indonesia, Papua New Guinea (PNG) and Brazil, one each in China, Ecuador, Poland, Georgia, Madagascar, Croatia, Pakistan, Mexico, Honduras, Iraq, Argentina, Colombia, Democratic Republic (DR) of Congo, Australia, Cameroon, and Nigeria; and an existing concession to construct, develop and operate a port in Tuxpan, Mexico.

Concessions for port operations entered into, acquired, extended, developed and terminated by ICTSI and subsidiaries for the last two years are summarized below:

River Port, Matadi, Democratic Republic of Congo. On January 23, 2014, ICTSI, through its subsidiary, ICTSI Cooperatief U.A. (ICTSI Cooperatief), forged a business partnership with La Societe de Gestion Immobiliere Lengo (SIMOBILE) for the establishment and formation of a joint venture company, ICTSI DR Congo S.A. (IDRC). IDRC, which is initially 60%-owned by ICTSI Cooperatief, will build a new terminal along the river bank of the Congo River in Matadi and manage, develop and operate the same as a container terminal, as well as provide exclusive container handling services and general cargo services therein. On May 19, 2015, ICTSI, through its subsidiary, ICTSI Cooperatief, and its joint venture partner, SIMOBILE, transferred their respective 8% and 2% ownership interest in IDRC to Societe Commerciale Des Transports Et Des Ports S.A. (SCTP SA). SIMOBILE transferred to its subsidiary, La Societe d'Investissement et de Placement (SIP) Sprl, its 10% ownership in IDRC. Thereafter, IDRC is owned 52% by ICTSI, 28% by SIMOBILE, 10% by SIP Sprl and 10% by SCTP SA.

Phase 1 of the facility consists of two berths that can handle 175,000 twenty-foot equivalent units (TEUs) and 350,000 metric tons. Phase 1 was completed in the fourth quarter of 2016. Initial operations started in the third quarter of 2016 while commercial operations started in January 2017.

Development of Phase 2 of the facility started in the first quarter of 2020 and is expected to be completed in the first quarter of 2023. The expansion project covers both yard and berth, including acquisition of port equipment. Upon completion of Phase 2, berth length will increase from 350 meters to 500 meters and capacity will increase to 400,000 TEUs and 800,000 metric tons. The empty container yard expansion was completed in the last quarter of 2020. As of May 4, 2021, the development of the full container yard is ongoing and is expected to be completed in the first quarter of 2022. The development of the quay will commence in the first quarter of 2022 and is expected to be completed in the first quarter of 2023.

Umm Qasr, Iraq. ICTSI, through its wholly-owned subsidiary, ICTSI (M.E.) DMCC [formerly ICTSI (M.E.) JLT] (ICTSI Dubai), and General Company for Ports of Iraq (GCPI) signed on April 10, 2014 the Contract for the Construction and Operation of Three New Quays and Management and Operation of Quay No. 20 ("Contract") in the Port of Umm Qasr ("Port") in Iraq. The Contract grants ICTSI the rights to: (a) manage and operate the existing container facility at Berth 20 of the Port for 10 years, (b) build in three phases, under a build-operate-transfer (BOT) scheme, a new container and general cargo terminal in the Port for a concession period of 26 years, and (c) provide container and general cargo terminal services in both components. On March 1, 2016, an addendum to the Contract ("First Addendum") was signed by the parties granting ICTSI, through ICTSI Dubai, the right to manage and operate an additional existing Quay No. 19 for a total of 13 years, with the first three years for the completion of rehabilitation works. Also, the First Addendum extended the original term for the management and operation of Quay No. 20 from 10 to 13 years. On March 26, 2017, a second addendum to the Contract ("Second Addendum") was signed by the parties granting ICTSI, through ICTSI Dubai, the right to manage and operate Quay No. 21 co-terminus with the Contract and the First Addendum. The Second Addendum extended the term for the management and operation of Quay No. 19 and 20 from 13 to 21 years.

ICTSI commenced trial operations at Berth 20 in September 2014 and full-fledged commercial operations in November 2014. ICTSI commenced commercial operations of Berth 19 in June 2016. Berth 21 has started operations in the third quarter of 2018 while the rehabilitation works are expected to be completed in the second quarter of 2021.

Phase 1 of the expansion project (Berth 27) under the BOT scheme has 250 meters of berth with an estimated capacity of 300,000 TEUs. The facility will have 600 meters of quay with an estimated capacity of 900,000 TEUs. Berth 27 was completed and fully operational in the first quarter of 2017.

On October 22, 2017, ICTSI signed an agreement with GCPI for the Phase 2 of the expansion development of the Port. The Phase 2 expansion project was substantially completed and fully operational in the fourth quarter of 2019 and involved the development of two new berths, Berths 25 and 26, including a 10.2-hectare yard area and installation of three new quay cranes. An additional yard area of 0.9 hectares was further completed in January 2020. This expansion increased the Port's container handling capacity to 1,200,000 TEUs or by an additional 600,000 TEUs, and its capability to handle large container vessels of up to 10,000 TEUs.

Tuxpan, Mexico. On May 27, 2015, ICTSI, through its subsidiary, ICTSI Tuxpan B.V., acquired from Grupo TMM S.A.B and Immobiliaria TMM S.A. de C.V 100% of the capital stock of Terminal Maritima de Tuxpan, S.A de C.V (TMT) for US$54.5 million. TMT is a company duly incorporated in accordance with the laws of Mexico with a concession to construct and operate a maritime container terminal in the Port of Tuxpan, Mexico and is the owner of the real estate where the maritime container terminal will be constructed. The concession agreement is valid until May 25, 2021, subject to extension for another 20 years. The concession covers an area of 29,109.68 square meters, which is adjacent to the 43 hectares of land owned by TMT. As at May 4, 2021, management is currently evaluating its options under the concession agreement including the long-term plans for the land.

Davao, Philippines. On April 21, 2006, the Philippine Ports Authority (PPA) granted Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) a ten-year contract for cargo handling services at Sasa Wharf, Port of Davao in the Philippines that expired on April 20, 2016. Thereafter, the PPA granted DIPSSCOR a series of hold-over authority (HOA) on a temporary basis over the cargo handling services at Sasa Wharf, Port of Davao. Pursuant to the PPA Memorandum Circular No. 37-2020, "Further Extension of Validity of PPA Approvals/Permits During the Enhanced Community Quarantine (ECQ), Modified ECQ (MECQ), and General CQ (GCQ) Due to COVID-19 Pandemic," dated September 29, 2020, and in view of the restrictions affecting processing of HOAs, among others, all HOAs to operate cargo handling services that expired/are expiring during the ECQ/MECQ/GCQ periods are deemed extended until December 31, 2020. DIPPSCOR continues to operate and has submitted the letter of intent for the issuance of the HOA pursuant to the requirements of PPA Administrative Order No. 01-2021, "Issuance of Holdover Authority for the Continuous Provision of Cargo Handling (CH), Passenger Terminal Building (PTB) and Roll-on/Roll-off (RoRo) Services at Ports under the Jurisdiction of the Philippine Ports Authority (PPA)," dated February 9, 2021. As at May 4, 2021, DIPPSCOR has not received a new hold-over authority.

South Cotabato, Philippines. On February 20, 2006, the PPA granted South Cotabato Integrated Port Services, Inc. (SCIPSI) a ten-year contract for the exclusive management and operation of arrastre, stevedoring, and other cargo handling services, except porterage, at Makar Wharf, Port of General Santos, General Santos City in the Philippines that expired on February 19, 2016. Thereafter, the PPA granted SCIPSI a series of HOA on a temporary basis over the cargo handling services at Makar Wharf, Port of General Santos. Pursuant to the PPA Memorandum Circular No. 37-2020, "Further Extension of Validity of PPA Approvals/Permits During the Enhanced Community Quarantine (ECQ), Modified ECQ (MECQ), and General CQ (GCQ) Due to COVID-19 Pandemic," dated September 29, 2020, and in view of the restrictions affecting processing of HOAs, among others, all HOAs to operate cargo handling services that expired/are expiring during the ECQ/MECQ/GCQ periods are deemed extended until December 31, 2020. SCIPSI continues to operate and has submitted the letter of intent for the issuance of the HOA pursuant to the requirements of PPA Administrative Order No. 01-2021, "Issuance of Holdover Authority for the Continuous Provision of Cargo Handling (CH), Passenger Terminal Building (PTB) and Roll-on/Roll-off (RoRo) Services at Ports under the Jurisdiction of the Philippine Ports Authority (PPA)," dated February 9, 2021. As at May 4, 2021, SCIPSI has not received a new hold-over authority.

Motukea and Lae, Papua New Guinea. In September 2017, ICTSI received a notification from PNG Ports Corporation Limited (PNGPCL), a PNG state-owned enterprise, of the confirmation by the Independent Consumer and Competition Commission in PNG with respect to the two 25-year agreements signed by ICTSI's PNG subsidiaries, Motukea International Terminal Limited (MITL), and South Pacific International Container Terminal Limited (SPICTL), with PNGPCL for the operation, management and development of the two international ports in Motukea and Lae in PNG. SPICTL and MITL were allowed by PNGPCL to take over the port facilities and begin operations at the Port of Lae in February 2018 and at the Port of Motukea in May 2018, respectively. The terminal operating agreements (TOAs) and other related contracts took effect on June 1, 2018 after all the parties have complied with the agreed conditions precedent.

ICTSI, through its subsidiaries, International South Pacific, Ltd. (ISPL), MITL and SPICTL entered into Subscription and Shareholders Agreements (SSA) with the impacted communities (IC) for the management and governance of and the further transfers and/or issues of shares of MITL and SPICTL. The SSAs became effective upon the effectivity of the TOAs.

On August 8, 2019, ISPL entered into agreements with the local Tatana and Baruni communities, represented by Noho-Mage Holdings Limited (Noho-Mage), for the latter to acquire a 30% stake in MITL. In accordance with the agreements, the shares, representing a 30% stake in MITL, together with all the benefits and rights attached to those shares, will be transferred to Noho-Mage, following entry of its name in the share register of MITL. On December 20, 2019, 30% of the shares held by ISPL were transferred to Noho-Mage after these shares were entered in MITL's share register under the name of Noho-Mage. The share transfer increased non-controlling interests by US$3.8 million (PGK12.8 million), while ISPL retained a 70% ownership stake in MITL.

On February 15, 2020, ISPL entered into share acquisition agreements with the local communities, Ahi Terminal Services Limited (Ahi) and Labu Investment Limited (Labu), for the transfer of SPICTL shares from ISPL to Ahi and Labu with each local community acquiring a 15% stake in SPICTL. The transfer of 30% of SPICTL shares from ISPL to the local communities became effective upon signing of the said agreements. The share transfer increased non-controlling interests by US$7.5 million (PGK25.6 million), while ISPL retained a 70% ownership stake in SPICTL.

Manila North Harbor, Philippines. On September 21, 2017, the Board of ICTSI granted the authority to acquire shares in MNHPI. On the same date, ICTSI signed a Share Purchase Agreement (SPA) with Petron Corporation for the acquisition of 10,449,000 MNHPI shares, representing 34.83% of the total issued and outstanding shares of MNHPI for a consideration of Php1.75 billion (US$33.8 million). The completion of the SPA was subject to several conditions, one of which was the approval of the acquisition by the Philippine Ports Authority (PPA) which was obtained on October 20, 2017. The SPA was completed on October 30, 2017. An additional investment cost of Php2.45 billion (US$47.3 million) was incurred in relation to this acquisition.

On September 5, 2018, ICTSI has signed an SPA with Harbour Centre Port Terminal, Inc. (HCPTI) for the acquisition of 4,550,000 shares in MNHPI from HCPTI. The subject shares represent 15.17% of the total issued and outstanding shares of MNHPI. The consideration is Php910.0 million (US$17.3 million). The Philippine Competition Commission and the PPA approved the acquisition of shares on March 15, 2019 and April 26, 2019, respectively. With the approval of the PPA, ICTSI's shareholdings in MNHPI increased from 34.83% to 50% effective on April 26, 2019. An additional investment cost of Php2.7 billion (US$50.3 million) was incurred in relation to this acquisition. As a result, MNHPI became a joint venture of ICTSI.

Port of Port Sudan, Sudan. On January 3, 2019, ICTSI, through its wholly-owned subsidiary ICTSI Middle East DMCC, signed a Concession Agreement ('the Agreement') with Sea Ports Corporation (SPC) of Sudan to operate, manage and develop the South Port Container Terminal (SPCT) at Port of the Sudan, Republic of the Sudan for 20 years. The Port of Sudan is the only major modern port in the country and serves as the international gateway for more than 95% of the Sudan's cargo flows.

Pursuant to the Agreement, ICTSI is required to pay: (a) an upfront fee of EUR530.0 million in installments of EUR410.0 million (US$467.2 million) and five other installments each in the amount of EUR24.0 (US$27.3 million) from the third to the seventh operation year; (b) fixed monthly fee; and (c) royalty fee during the concession period. The Agreement is secured by a sovereign guarantee by the Republic of the Sudan. On January 13, 2019, ICTSI paid the initial installment of upfront fee of EUR410.0 million (US$470.2 million, the "Upfront Fee"). In February 2019, ICTSI established Africa Gateway Terminal (AGT), a Sudanese entity, to operate the container terminal.

On January 8, 2019, the Ministry of Finance and Economic Planning of the Republic of Sudan (the "Ministry") issued a bond (the "Refund Bond"), which was subsequently amended, wherein it agreed to refund the Upfront Fee in case ICTSI is unable to take over operations by April 7, 2019.

On August 7, 2019, due to the ongoing political instability in the Republic of the Sudan and the failure of the Sudanese government to turn over SPCT on or before April 7, 2019, the Ministry sent ICTSI a letter confirming: (1) the remittance of EUR195.2 million (US$219.1 million) as partial repayment of the Upfront Fee under the terms of the Refund Bond and (2) that the balance will be repaid as soon as possible. On December 13, 2019, ICTSI, through ICTSI Middle East DMCC, received from the Sudanese Government a second partial repayment of the Upfront Fee in the amount of AED110.2 million (EUR26.8 million or US$29.8 million). ICTSI continues productive discussions with the Ministry on the remaining balance of the Upfront Fee under the terms of the Refund Bond which the Ministry has expressly committed its obligations in its letter of June 25, 2020 (which was recently reconfirmed in a letter dated February 16, 2021). ICTSI reserves and continues to reserve its rights under the Concession Agreement following a letter from SPC regarding its cancellation which ICTSI disputes, and to pursue remedies available under the Refund Bond. ICTSI has an excellent track record of managing and making significant investments in its container terminal infrastructure and is committed to making the Port of Sudan a leading port and strategic gateway to Africa, benefitting all of its stakeholders.

Port of Rio de Janeiro City, Federative Republic of Brazil. On July 19, 2019, ICTSI, through its wholly-owned subsidiary ICTSI Americas B.V, signed a Share Purchase Agreement with Boreal Empreendimentos e Participações S.A. (Boreal) to acquire 100% of the shares of Libra Terminal Rio S.A. (ICTSI Rio), which holds the concession rights to operate, manage and develop the container terminal Terminal de Contêineres 1 (T1Rio) in the port of Rio de Janeiro City, Federative Republic of Brazil. The concession of T1Rio commenced in 1998 and was extended in 2011 until 2048. On December 12, 2019, the Share Purchase Agreement was completed after all conditions precedent and required regulatory approvals were obtained, and at the same time, the facilities were turned over to ICTSI.

Port of Guayaquil, Ecuador. On December 3, 2019, Contecon Guayaquil, S.A. (CGSA) and Autoridad Portuaria de Guayaquil signed the addendum to the concession agreement extending the term of the concession until December 2046, from the original term until July 2027. The addendum sets out the revised investment commitments of CGSA and modified the manner of determining the variable fee.

Port of Kribi, Cameroon. On June 14, 2019, ICTSI was declared as the preferred bidder for the concession of Multi-Purpose Terminal of the Port of Kribi, Cameroon by the port authority, Port Autoneme de Kribi (PAK).

On July 27, 2020, the 25-year concession contract was officially signed by Kribi Multipurpose Terminal (KMT), a Cameroonian subsidiary of ICTSI, and PAK. ICTSI, through its subsidiary ICTSI Middle East DMCC, owns 75% of KMT’s shares of stock while PAK owns 25%.

Under the concession contract, KMT was given the exclusive right to develop, operate, and maintain the multipurpose facility at Kribi, a newly built deep-water port located 150 kilometers South of Douala. Kribi port is surrounded by the Kribi Industrial Area, a 262 square-kilometer zone intended to accommodate new industrial and logistical developments that support the growing economy of Cameroon and the Cameroon-Chad-CAR (Central African Republic) transit Corridor.

The concession covers Phase 1 of the construction of the Kribi Deep-Sea Port, consisting of 615 meters of berth and corresponding facilities, 33 hectares of yard and 1,355 meters of breakwater. Phase 1 is divided into two sub-phases. Sub-phase 1 consists of a 265-meter berth (Quay 1.1), 10 hectares of yard and port equipment and facilities that was turned over to KMT upon effectivity of the concession. Sub-phase 2 consists of a 350-meter berth (Quay 1.2, an extension of Quay 1.1), and 23 hectares of yard (including facilities to be provided by PAK) that are currently and temporarily utilized by the container terminal operator and will be turned over to KMT upon completion of the Phase 2 of the Kribi Deep-Sea Port where the container terminal operator will transfer to.

KMT has started commercial operations on October 1, 2020.

Port of Onne, Rivers State, Nigeria. ICTSI, through its Nigerian subsidiary, International Container Terminal Services Nigeria Ltd. (ICTSNL), signed a Lease Agreement with the Nigerian Port Authority in 2020, for the development and operation of a multipurpose terminal in the Port of Onne in Rivers State, Nigeria. ICTSNL started commercial operations in May 2021.

ICTSNL will further develop and equip Berths 9, 10 and 11 of the Federal Ocean Terminal, Onne Port Complex in Rivers State, Nigeria. The multipurpose terminal will be designed to handle containers as well as general cargo, including project, heavy lift and roll-on/roll-off cargoes.

Located in the Gulf of Guinea in East Nigeria, the Port of Onne has earned its reputation as a modern and efficient gateway at the center of Africa's largest oil production region.

1.3 Subsidiaries, Joint Ventures and Associates

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership December 31, 2020 Direct	Indirect	**March 31, 2021 Direct**	**Indirect**
Subsidiaries:							
Asia							
International Container Terminal Holdings, Inc. (ICTHI) and Subsidiaries	Cayman Islands	Holding Company	US Dollar	100.00	–	**100.00**	**–**
ICTSI Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Mauritius Ltd.	Mauritius	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Aeolina Investments Limited	British Virgin Islands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Pakistan International Container Terminal (PICT)	Pakistan	Port Management	Pakistani Rupee	–	64.53	**–**	**64.53**
IFEL	Singapore	Holding Company	US Dollar	–	100.00	**–**	**100.00**
New Muara Container Terminal Services Sdn Bhd (NMCTS)	Brunei	Port Management	Brunei Dollar	–	100.00	**–**	**100.00**
PT ICTSI Jasa Prima Tbk (IJP) and Subsidiaries	Indonesia	Maritime Infrastructure and Logistics	US Dollar	–	80.16	**–**	**80.16**
PT PBM Olah Jasa Andal (OJA)	Indonesia	Port Management	US Dollar	–	80.16	**–**	**80.16**
PT Makassar Terminal Services, Inc. (MTS)	Indonesia	Port Management	Indonesian Rupiah	–	95.00	**–**	**95.00**
PT Container Terminal Systems Solutions Indonesia	Indonesia	Software Developer	US Dollar	–	100.00	**–**	**100.00**
ICTSI (Hong Kong) Limited (IHKL)	Hong Kong	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Yantai International Container Terminals, Limited (YICT)	China	Port Management	Renminbi	–	51.00	**–**	**51.00**
Pentland International Holdings, Ltd.	British Virgin Islands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Georgia Corp. (IGC)	Cayman Islands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Global Procurement Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Honduras Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Ltd. Regional Headquarters	Philippines	Regional Headquarters	Philippine Peso	–	100.00	**–**	**100.00**
International Container Terminal Services (India) Private Limited	India	Port Management	Indian Rupee	–	100.00	**–**	**100.00**
Container Terminal de Venezuela Conterven CA (CTVCC)	Venezuela	Holding Company	US Dollar	–	95.00	**–**	**95.00**
Australian International Container Terminals Limited (AICTL)	Australia	Port Management	Australian Dollar	–	70.00	**–**	**70.00**
Mindanao International Container Terminal Services, Inc. (MICTSI)	Philippines	Port Management	Philippine Peso	100.00	–	**100.00**	**–**
Abbotsford Holdings, Inc.	Philippines	Holding Company	Philippine Peso	100.00	–	**100.00**	**–**
Hijo International Port Services, Inc. (HIPS)	Philippines	Port Management	Philippine Peso	–	65.00	**–**	**65.00**
DIPSSCOR	Philippines	Port Management	Philippine Peso	–	96.95	**–**	**96.95**
IWI Container Terminal Holdings, Inc. (IWI CTHI)	Philippines	Warehousing	Philippine Peso	100.00	–	**100.00**	**–**
IW Cargo Handlers, Inc.	Philippines	Port Equipment Rental	US Dollar	–	100.00	**–**	**100.00**
Container Terminal Systems Solutions Philippines, Inc.	Philippines	Software Developer	US Dollar	–	100.00	**–**	**100.00**
Bauan International Port, Inc. (BIPI)	Philippines	Port Management	Philippine Peso	–	80.00	**–**	**80.00**
Prime Staffers and Selection Bureau, Inc.	Philippines	Manpower Recruitment	Philippine Peso	100.00	–	**100.00**	**–**
ICTSI Subic, Inc. (ICTSI Subic)	Philippines	Port Management	US Dollar	–	90.50	**–**	**90.50**
Subic Bay International Terminal Holdings, Inc. (SBITHI)	Philippines	Holding Company	US Dollar	90.50	–	**90.50**	**–**
Subic Bay International Terminal Corporation (SBITC)	Philippines	Port Management	US Dollar	–	90.50	**–**	**90.50**
Cordilla Properties Holdings, Inc.	Philippines	Holding Company	Philippine Peso	100.00	–	**100.00**	**–**

(Forward)

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership December 31, 2020 Direct	Indirect	**March 31, 2021 Direct**	**Indirect**
SCIPSI	Philippines	Port Management	Philippine Peso	35.82	14.41	**35.82**	**14.41**
ICTSI Dubai	United Arab Emirates	BDO	US Dollar	100.00	–	**100.00**	**–**
ICTSI Capital B.V. (ICBV)	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Icon Logistiek B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Royal Capital B.V. (RCBV)	The Netherlands	Holding Company	US Dollar	–	75.00	**–**	**75.00**
ICTSI Cooperatief	The Netherlands	Holding Company	US Dollar	1.00	99.00	**1.00**	**99.00**
Global Container Capital, B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Treasury B.V. (ITBV)	The Netherlands	Holding Company	US Dollar	–	75.00	**–**	**75.00**
ICTSI Americas B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Africa B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Sudan B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
CMSA B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Tecplata B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
SPIA Colombia B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
TSSA B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
CGSA B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
SPIA Spain S.L.	Spain	Holding Company	US Dollar	–	100.00	**–**	**100.00**
CGSA Transportadora S.L.	Spain	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Crixus Limited	British Virgin Islands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
VICT	Australia	Port Management	Australian Dollar	–	100.00	**–**	**100.00**
Asia Pacific Port Holdings Private Ltd. (APPH)	Singapore	Holding Company	US Dollar	–	–	**–**	**–**
ICTSI Global Finance B.V. (IGFBV)	The Netherlands	Holding Company	US Dollar	–	75.00	**–**	**75.00**
IOBV	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Tuxpan B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Asia Pacific Business Services, Inc. (APBS)	Philippines	Business Process Outsourcing	US Dollar	–	100.00	**–**	**100.00**
ICTSI Ltd. Regional Operating Headquarters (ROHQ)	Philippines	Regional Operating Headquarters	US Dollar	–	100.00	**–**	**100.00**
ICTSI Project Delivery Services Co. Pte. Ltd.	Singapore	Port Equipment Sale and Rental	US Dollar	–	100.00	**–**	**100.00**
ICTSI QFC LLC	Qatar	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI South Asia Pte. Ltd.	Singapore	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Laguna Gateway Inland Container Terminal, Inc. (LGICT)	Philippines	Port Management	Philippine Peso	–	60.00	**–**	**60.00**
ICTSI Middle East DMCC	United Arab Emirates	Holding Company	US Dollar	–	100.00	**–**	**100.00**
ICTSI Global Cooperatief U.A.	The Netherlands	Holding Company	US Dollar	99.00	1.00	**99.00**	**1.00**
Consultports S.A. de C.V.	Mexico	BDO	Mexican Peso	–	100.00	**–**	**100.00**
Asiastar Consultants Limited	Hong Kong	Management Services	US Dollar	–	100.00	**–**	**100.00**
CGT	Philippines	Port Management	Philippine Peso	–	100.00	**–**	**100.00**
Intermodal Terminal Holdings, Inc.	Philippines	Holding Company	Philippine Peso	100.00	–	**100.00**	**–**
ICTSI Americas B.V. (Multinational Headquarters)	Panama	BDO	US Dollar	–	100.00	**–**	**100.00**
ICTSI South Pacific Limited (ISPL)	Papua New Guinea	Holding Company	Papua New Guinean Kina	–	100.00	**–**	**100.00**
MITL	Papua New Guinea	Port Management	Papua New Guinean Kina	–	70.00	**–**	**70.00**
SPICTL	Papua New Guinea	Port Management	Papua New Guinean Kina	–	70.00	**–**	**70.00**
Tungsten RE Ltd.	Bermuda	Insurance Company	US Dollar	–	100.00	**–**	**100.00**
Europe, Middle East and Africa (EMEA)							
Tartous International Container Terminal, Inc. (TICT)	Syria	Port Management	US Dollar	100.00	–	**100.00**	**–**
Madagascar International Container Terminal Services, Ltd. (MICTSL)	Madagascar	Port Management	Euro	–	100.00	**–**	**100.00**
Baltic Container Terminal Ltd. (BCT)	Poland	Port Management	US Dollar	–	100.00	**–**	**100.00**
Adriatic Gate Container Terminal (AGCT)	Croatia	Port Management	Euro	–	51.00	**–**	**51.00**
Batumi International Container Terminal LLC (BICTL)	Georgia	Port Management	US Dollar	–	100.00	**–**	**100.00**
LICTSLE[g]	Nigeria	Port Management	US Dollar	–	100.00	**–**	**100.00**
IDRC	DR Congo	Port Management	US Dollar	–	52.00	**–**	**52.00**
ICTSI (M.E.) DMCC Iraq Branch (ICTSI Iraq)	Iraq	Port Management	US Dollar	–	100.00	**–**	**100.00**
Africa Gateway Terminal (AGT) [c]	Sudan	Port Management	Euro	–	100.00	**–**	**100.00**
KMT[f]	Cameroon	Port Management	XAF	–	75.00	**–**	**75.00**
ICTSNL[e]	Nigeria	Port Management	US Dollar	–	85.00	**–**	**85.00**
Americas							
CGSA	Ecuador	Port Management	US Dollar	51.00	49.00	**51.00**	**49.00**
Contecon Manzanillo S.A. (CMSA) [b]	Mexico	Port Management	Mexican Peso	1.00	99.00	**1.00**	**99.00**
Tecon Suape, S.A. (TSSA)	Brazil	Port Management	Brazilian Real	–	100.00	**–**	**100.00**
ICTSI Oregon	U.S.A.	Port Management	US Dollar	–	100.00	**–**	**100.00**
C. Ultramar, S.A.	Panama	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Future Water, S.A.	Panama	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Kinston Enterprise, Inc.	Panama	Holding Company	US Dollar	–	100.00	**–**	**100.00**
International Ports of South America and Logistics SA	Uruguay	Holding Company	US Dollar	–	100.00	**–**	**100.00**
Tecplata S.A. (Tecplata)	Argentina	Port Management	US Dollar	–	100.00	**–**	**100.00**

(Forward)

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership December 31, 2020 Direct	Indirect	**March 31, 2021** **Direct**	**Indirect**
Nuevos Puertos S. A. (NPSA)	Argentina	Holding Company	US Dollar	4.00	96.00	**4.00**	**96.00**
Operadora Portuaria Centroamericana, S.A. (OPC)	Honduras	Port Management	US Dollar	30.00	70.00	**30.00**	**70.00**
TMT	Mexico	Port Management	Mexican Peso	–	100.00	**–**	**100.00**
CMSA Servicios Portuarios SA De CV	Mexico	Manpower Services	Mexican Peso	–	100.00	**–**	**100.00**
CMSA Servicios Profesionales Y De Especialistas SA De CV	Mexico	Manpower Services	Mexican Peso	–	100.00	**–**	**100.00**
Logipuerto S.A.	Ecuador	Logistics Solutions Provider	US Dollar	–	100.00	**–**	**100.00**
ICTSI Rio[d]	Brazil	Port Management	Brazilian Real	–	100.00	**–**	**100.00**
Joint Ventures:							
Sociedad Puerto Industrial Aguadulce SA (SPIA)	Colombia	Port Management	US Dollar	–	49.79	**–**	**49.79**
Falconer Aircraft Management, Inc. (FAMI)	Philippines	Aircraft Management	Philippine Peso	–	49.00	**–**	**49.00**
Aviation Concepts Technical Services, Inc.	Philippines	Aircraft Management	Philippine Peso	–	49.00	**–**	**49.00**
MNHPI [a]	Philippines	Port Management	Philippine Peso	50.00	–	**50.00**	**–**
Associate:							
Asiaview Realty and Development Corporation (ARDC)	Philippines	Realty	Philippine Peso	–	49.00	**–**	**49.00**

[a] *Acquired 34.83% stake as an associate on October 30, 2017 and additional 15.17% stake as joint venture on April 26, 2019*
[b] *Changed its functional currency from US Dollar to Mexican Peso on August 31, 2019*
[c] *Established in February 2019 and has not yet started commercial operations as at May 4, 2021*
[d] *Acquired on December 12, 2019*
[e] *Established in June 2020*
[f] *Established in July 2020 and started commercial operations on October 1, 2020*
[g] *On March 29, 2021, request for winding up and deregistration has been approved by Nigeria Export Processing Zones Authority*

2. Basis of Preparation and Statement of Compliance

2.1 Basis of Preparation

The audited consolidated balance sheet as at December 31, 2020, the unaudited interim condensed consolidated financial statements as at March 31, 2021 and for the three months ended March 31, 2020 and 2021 have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments which have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in United States dollar (US dollar, USD or US$), the Parent Company's functional and presentation currency. All values are rounded to the nearest thousand US dollar unit, except when otherwise indicated. Any discrepancies in the tables between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

2.2 Statement of Compliance

The unaudited interim condensed consolidated financial statements for the three months ended March 31, 2021 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended December 31, 2020.

3. Summary of Significant Accounting Policies

3.1 Basis of Consolidation

The unaudited interim condensed consolidated financial statements of the Group include the accounts of ICTSI and its subsidiaries where the Parent Company has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets in PICT, MTS, AICTL, CTVCC, SBITC, SBITHI, ICTSI Subic, BIPI, DIPSSCOR, YICT, SCIPSI, RCBV, AGCT, IJP, OJA, ITBV, HIPS, IGFBV, IDRC, LGICT, MITL, SPICTL, KMT and ICTSNL not held by the Group and are presented separately in the unaudited interim condensed consolidated statement of income and the unaudited interim condensed consolidated statement of comprehensive income, and unaudited interim condensed consolidated balance sheet separate from equity attributable to equity holders of the parent.

An acquisition, transfer, or sale of a non-controlling interest is accounted for as an equity transaction. No gain or loss is recognized in an acquisition of a non-controlling interest. The difference between the fair value of the consideration and book value of the share in the net assets acquired is presented under "Excess of consideration over the carrying value of non-controlling interests acquired or disposed" account within the equity section of the unaudited interim condensed consolidated balance sheet. If the Group loses control over a subsidiary, it: (i) derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity; (ii) recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in the unaudited interim condensed consolidated statement of income; and (iii) reclassifies the Parent Company's share of components previously recognized in other comprehensive income (OCI) to the unaudited interim condensed consolidated statement of income or retained earnings, as appropriate.

Transactions Eliminated on Consolidation. All intragroup transactions and balances including income and expenses, and unrealized gains and losses are eliminated in full.

Accounting Policies of Subsidiaries. The financial statements of subsidiaries are prepared for the same reporting period or year using uniform accounting policies as those of the Parent Company.

Functional and Presentation Currency. The Group's unaudited interim condensed consolidated financial statements are presented in US dollar, which is ICTSI's functional and presentation currency. Each entity in the Group determines its functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

At the reporting date, the assets and liabilities of subsidiaries (see Note 1.3) whose functional currency is not US dollar are translated into the presentation currency of ICTSI using the Bloomberg closing rate at balance sheet date and, their unaudited interim statements of income are translated at the Bloomberg weighted average daily rates for the period. The exchange differences arising from the translation are taken directly to the unaudited interim condensed consolidated statement of comprehensive income. Upon disposal of the foreign entity, the deferred cumulative translation amount recognized in the unaudited interim condensed consolidated statement of comprehensive income relating to that particular foreign operation is recognized in the unaudited interim condensed consolidated statement of income.

The following rates of exchange have been adopted by the Group in translating foreign currency income statement and balance sheet items as at and for the three months ended March 31:

	2020		**2021**	
	Closing	Average	**Closing**	**Average**
Foreign currency to 1 unit of US dollar:				
Argentine peso (AR$)	64.40	61.47	**91.99**	**88.65**
Australian dollar (AUD)	1.63	1.52	**1.32**	**1.29**
Brazilian real (BRL or R$)	5.21	4.47	**5.63**	**5.48**
Central African franc (XAF)	–	–	**559.27**	**544.56**
Chinese renminbi (RMB)	7.08	6.98	**6.55**	**6.48**
Colombian peso (COP)	4,065.37	3,551.71	**3,663.44**	**3,560.97**
Croatian kuna (HRK)	6.91	6.80	**6.45**	**6.28**
Euro (EUR or €)	0.91	0.91	**0.85**	**0.83**
Georgian lari (GEL)	3.29	2.94	**3.42**	**3.31**
Honduran lempira (HNL)	24.76	24.68	**24.07**	**24.15**
Hong Kong dollar (HKD)	7.75	7.77	**7.77**	**7.76**
Indian rupee (INR)	75.63	72.38	**73.11**	**72.90**
Indonesian rupiah (IDR or Rp)	16,310.00	14,227.00	**14,525.00**	**14,158.00**
Iraqi dinar (IQD)	1,182.87	1,182.87	**1,460.00**	**1,460.00**
Malagasy ariary (MGA)	3,747.50	3,691.28	**3,784.39**	**3,774.81**
Mexican peso (MXN)	23.67	20.00	**20.43**	**20.34**
Nigerian naira (NGN)	–	–	**407.63**	**394.19**
Pakistani rupee (PKR or Rs)	165.92	156.02	**152.31**	**158.57**
Papua New Guinean kina (PGK)	3.42	3.40	**3.51**	**3.52**
Philippine peso (PHP or ₱)	50.68	50.83	**48.53**	**48.30**
Polish zloty (PLN)	4.13	3.92	**3.95**	**3.77**
Singaporean dollar (SGD)	1.42	1.39	**1.34**	**1.33**
United Arab Emirates dirham (AED)	3.67	3.67	**3.67**	**3.67**

Below is the impact on equity of the exchange loss differences arising from the translation of assets and liabilities (excluding the impact from eliminated intra-group balances) of entities whose functional currency is other than and which depreciated significantly against the US dollar, mainly, ICTSI Rio, CMSA and TSSA for the three months ended March 31, 2021:

Assets	
Intangibles	(US$21,582)
Property and equipment	(20,850)
Right-of-use assets	(11,517)
Investment properties	(45)
Investments in and advances to joint ventures and associate	(1,604)
Deferred tax assets	(9,042)
Other noncurrent assets	(8,272)
Cash and cash equivalents	(3,982)
Receivables	(1,115)
Spare parts and supplies	(389)
Prepaid expenses and other current assets	(833)
	(US$79,231)

(Forward)

Liabilities	
Long-term debt	(US$4,107)
Concession rights payable	(9,940)
Lease liabilities	(29,836)
Deferred tax liabilities	(4,563)
Other noncurrent liabilities	(103)
Loans payable	19
Accounts payable and other current liabilities	(2,246)
Income tax payable	3
Derivative liabilities	(57)
	(US$50,830)
Exchange loss differences on translation of foreign operations charged to equity	(US$28,401)

3.2 Changes in Accounting Policies

3.2.1 New standards, interpretations, and amendments adopted by the Group

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new standards effective as at January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have significant impact on the unaudited interim condensed consolidated financial statements of the Group.

- *Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The amendments apply to the Group's interest rate swaps designated as cash flow hedges relating to the Group's variable rate loans as at March 31, 2021 (see Note 20.3). To mitigate the risk, the Group has started to discuss with lender banks, and simultaneously with swap counterparties, with a goal to mirror any changes in the loan to the swap arrangements to ensure hedge effectiveness.

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Group is not required to restate prior periods. The Group continues to monitor the developments on the transition to alternative benchmark rates and will adopt the practical expedients as and when these become applicable and are necessary.

4. **Segment Information**

A segment is a distinguishable component of the Group that is engaged either in providing types of services (business segment) or in providing the services within a particular economic environment (geographic segment).

The Group operates principally in one industry segment, which is cargo handling and related services. ICTSI has organized its business into three geographical segments:

- Asia - includes Manila International Container Terminal (MICT), BIPI, DIPSSCOR, SCIPSI, SBITC, ICTSI Subic, HIPS, MICTSI, LGICT, CGT and MNHPI in the Philippines; YICT in China; OJA, IJP, and MTS in Indonesia; VICT in Australia; NMCTS in Brunei; MITL and SPICTL in PNG; and AICTL, ICTHI, ICTSI Ltd. and other holding companies and those companies incorporated in The Netherlands for the purpose of supporting the funding requirements of the Group;

- EMEA - includes BCT in Poland, BICTL in Georgia, AGCT in Croatia, MICTSL in Madagascar, PICT* in Pakistan, ICTSNL in Nigeria, IDRC in DR Congo, ICTSI Iraq in Iraq, AGT in Sudan, and KMT in Cameroon; and

- Americas - includes TSSA and ICTSI Rio in Brazil, CGSA in Ecuador, SPIA in Colombia, Tecplata in Argentina, CMSA and TMT in Mexico, OPC in Honduras, and ICTSI Oregon in Oregon, U.S.A.

** - previously part of Asia Segment, comparative numbers were restated*

Management monitors the operating results of its operating unit separately for making decisions about resource allocation and performance assessment. The Group evaluates segment performance based on contributions to gross revenues, which is measured consistently with gross revenues from port operations in the interim condensed consolidated statement of income.

Financing is managed on a group basis and centralized at the Parent Company level or at the entities created solely for the purpose of obtaining funds for the Group. Funding requirements that are secured through debt are recognized as liabilities of the Parent Company or the entity issuing the debt instrument, classified under the geographical region of Asia, and are not allocated to other geographical segments where funds are eventually transferred and used.

The table below presents financial information on geographical segments as of December 31, 2020 (audited) and as of March 31, 2021 (unaudited), and for the three months ended March 31, 2020 (unaudited) and 2021(unaudited):

	2020*				**2021**			
	Asia	EMEA	Americas	Consolidated	**Asia**	**EMEA**	**Americas**	**Consolidated**
Volume [(a)]	1,107,103	613,936	787,947	2,508,986	**1,185,017**	**650,012**	**872,762**	**2,707,791**
(*In thousands*)								
Gross revenues	US$166,144	US$89,186	US$120,446	US$375,776	**US$186,525**	**US$100,955**	**US$148,106**	**US$435,586**
Capital expenditures [(b)]	37,460	13,693	8,546	59,699	**14,268**	**19,450**	**2,817**	**36,535**
Other information:								
Segment assets [(c)]	3,433,342	888,195	1,531,026	5,852,563	**3,519,067**	**835,157**	**1,485,518**	**5,839,742**
Segment liabilities [(d)]	3,111,527	202,051	817,823	4,131,401	**3,347,586**	**188,738**	**790,522**	**4,326,846**

** - Audited, with respect to the components of segment assets and liabilities*

[(a)] *Measured in TEUs.*

[(b)] *Capital expenditures consist of amount disbursed for the acquisition of port facilities and equipment classified as intangibles under IFRIC 12 amounting to US$41.9 million and US$13.7 million in 2020 and 2021, respectively, property and equipment amounting to US$14.4 million and US$22.3 million in 2020 and 2021, respectively, as shown in the consolidated statements of cash flows, and current and noncurrent advances to suppliers and contractors amounting to US$3.4 million and US$0.5 million in 2020, and 2021, respectively.*

[(c)] *Segment assets do not include deferred tax assets amounting to US$342.8 million and US$327.7 million as at December 31, 2020 and March 31, 2021 (unaudited), respectively.*

[(d)] *Segment liabilities do not include income tax payable amounting to US$43.3 million and US$55.4 million and deferred tax liabilities amounting to US$159.0 million and US$155.0 million as at December 31, 2020 and March 31, 2021 (unaudited), respectively.*

Moreover, management monitors the Group's earnings before interest, taxes, depreciation, and amortization (EBITDA) on a consolidated basis for decision-making purposes. The following table shows the computation of EBITDA as derived from the unaudited interim consolidated net income attributable to equity holders of the parent for the three months ended March 31:

	2020	**2021**
Net income attributable to equity holders of the parent	US$59,597	**US$90,070**
Non-controlling interests	9,241	**12,238**
Provision for income tax	15,711	**34,782**
Income before income tax	84,549	**137,090**
Add (deduct):		
Depreciation and amortization	55,730	**58,848**
Interest and other expenses [(a)]	81,884	**80,103**
Interest and other income [(b)]	(10,010)	**(11,263)**
EBITDA [(c)]	US$212,153	**US$264,778**

[(a)] *Interest and other expenses include the following as shown in the unaudited interim condensed consolidated statements of income: foreign exchange loss; interest expense on concession rights payable and lease liabilities; interest expense and financing charges on borrowings; equity in net loss (gain) of joint ventures and an associate; and other expenses.*

[(b)] *Interest and other income include the following as shown in the unaudited interim condensed consolidated statements of income: foreign exchange gain; interest income; and other income.*

[(c)] *EBITDA is not a uniform or legally defined financial measure. EBITDA is presented because the Group believes it is an important measure of its performance and liquidity. EBITDA is also frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in the industry.*

The Group EBITDA figures are not; however, readily comparable with other companies' EBITDA figures as these may be calculated differently thus, they must be read in conjunction with related additional explanations. EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under PFRS. Some of the limitations concerning EBITDA are:

- *EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;*
- *EBITDA does not reflect changes in, or cash requirements for working capital needs;*
- *EBITDA does not reflect fixed (and in-substance fixed) port fees and lease payments that are capitalized as concession assets under IFRIC 12 and right-of-use assets under PFRS 16;*
- *EBITDA does not reflect the interest expense, or cash requirements necessary to service interest or principal debt payments;*
- *Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and*
- *Other companies in the industry may calculate EBITDA differently, which may limit its usefulness as a comparative measure.*

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to the Group to invest in the growth of the business. The Group compensates for these limitations by relying primarily on PFRS results and uses EBITDA only as supplementary information.

All segment revenues are from external customers. Gross revenues from port operations of ICTSI and other Philippine-based subsidiaries comprised 32.8% and 30.5% of the unaudited consolidated gross revenues from port operations for the three months ended March 31, 2020 and 2021, respectively. Gross revenues from port operations outside the Republic of the Philippines comprised 67.2% and 69.5% of the unaudited consolidated gross revenues from port operations for the three months ended March 31, 2020 and 2021, respectively.

5. **Concession Rights and Concession Rights Payable**

5.1 Concession Rights

Concession rights are presented as part of intangibles in the interim condensed consolidated balance sheet. Concession rights include upfront fee payments recognized on the concession contracts, cost of port infrastructure constructed and port equipment purchased, and the present value of future fixed fee considerations in exchange for the license or right to operate ports. Concession rights are amortized over the term of the concession agreements.

Additions to concession rights under port infrastructure mainly pertain to the construction of various civil works and acquisitions of port facilities and equipment in ICTSI and ICTSI Iraq for the three months ended March 31, 2021.

There were no borrowing costs capitalized for the three months ended March 31, 2020 and 2021 (see Note 13.7).

5.2 Concession Rights Payable

Upon recognition of the fair value of fixed fee on concession contracts, the Group also recognized the corresponding concession rights payable. The maturities of the carrying amount of concession rights payable as at March 31, 2021 arising from the capitalization of fixed fees are as follows (amount in thousands):

	Amount
2021[(1)]	US$6,842
2022	16,361
2023	16,910
2024	17,482
2025 onwards	632,407
Total	US$690,002

[(1)] *April 1, 2021 through December 31, 2021.*

Total fixed fees paid by the Group for the three months ended March 31, 2020 and 2021 amounted to US$16.5 million and US$17.5 million, respectively. These port fees are allocated to payments of interest and reduction to or payments of concession rights payable.

Interest expense on concession rights payable amounted to US$13.1 million and US$14.3 million for the three months ended March 31, 2020 and 2021, respectively. The annualized weighted average interest rate was 8.26 percent and 8.30 percent for the three months ended March 31, 2020 and 2021, respectively.

Reduction to concession rights payable, shown as payments to concession rights in the unaudited interim condensed consolidated statements of cash flows for the three months ended March 31, 2020 and 2021 amounted to US$3.4 million and US$3.3 million, respectively.

Concession fees that were not included in the measurement of concession rights payable were charged to profit or loss under Port Authorities' share in gross revenues amounting to US$40.5 million and US$42.1 million in 2020 and 2021, respectively.

6. Property and Equipment

Additions to property and equipment pertained to the construction of various civil works and acquisitions of terminal equipment in various ports, mainly in ICTSNL, ICTSI, IDRC and CMSA as at March 31, 2021. There were no major disposals or write-downs of property and equipment for the three months ended March 31, 2020 and 2021.

Borrowing costs capitalized amounted to nil and US$0.2 million for the three months ended March 31, 2020 and 2021, respectively.

7. Right-of-use Assets and Lease Liabilities

The concessions agreements of CMSA, TSSA, VICT, BCT, BICTL, MICTSI, TMT, ICTSNL and agreement for the lease of a portion of land for use in the operations of Tecplata were accounted for by the Group in accordance with PFRS 16, *Leases.* The Group recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are amortized over the term of the concession agreements.

7.1 Right-of-use Assets

For the three months ended March 31, 2021, there are no additions to right-of-use assets.

7.2 Lease Liabilities

Upon recognition of the fair value of fixed (including in-substance fixed) fee on concession contracts accounted for in accordance with PFRS 16, the Group also recognized the corresponding lease liabilities. The undiscounted minimum payments pertaining to lease liabilities as at March 31, 2021 are as follows (amount in thousands):

	Amount
2021[(i)]	US$86,592
2022	118,959
2023	120,333
2024	123,178
2025 onwards	2,062,607
Total	US$2,511,669

[(i)] *April 1, 2021 through December 31, 2021.*

Total fixed fees paid by the Group for the three months ended March 31, 2020 and 2021 amounted to US$22.4 million and US$40.2 million, respectively. These fees are allocated to payments of interest and reduction to or payments of lease liabilities in the unaudited interim condensed consolidated statements of cash flows.

Summarized below are the amounts recognized in profit or loss (amounts in thousands):

	For the three months ended March 31	
	2020	**2021**
Depreciation of right-of-use assets	US$7,436	**US$9,013**
Interest expense on lease liabilities	24,671	**26,444**
Lease expense not included in the measurement of lease liabilities (under Port Authorities' share in gross revenues)	3,266	**5,766**

8. Other Noncurrent Assets

This account includes upfront fee, the noncurrent portion of input tax, advances to suppliers and contractors, restricted cash, deposits for the acquisition of investments, and financial assets at FVOCI, among others.

9. Investments in and Advances to Joint Ventures and Associate

This account mainly pertains to ICTSI's investment in and advances to SPIA and investments in MNHPI and FAMI.

10. Cash and Cash Equivalents

For the purpose of unaudited interim condensed consolidated statements of cash flows, balances of cash and cash equivalents as at March 31 are as follows:

	2020 *(Unaudited)*	**2021** ***(Unaudited)***
Cash on hand and in banks	US$145,203	**US$241,324**
Cash equivalents	304,989	**565,011**
	US$450,192	**US$806,335**

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are short-term investments, which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

11. Receivables

This account consists of:

	December 31, 2020	**March 31, 2021** ***(Unaudited)***
Trade	US$108,900	**US$110,606**
Advances and nontrade	30,030	**34,271**
	138,930	**144,877**
Less allowance for doubtful accounts	9,598	**8,437**
	US$129,332	**US$136,440**

Trade receivables are noninterest-bearing and are generally on 30-60 days' credit terms.

Advances and nontrade receivables mainly include noninterest-bearing advances and nontrade-related receivables collectible within 12 months.

12. Prepaid Expenses and Other Current Assets

This account includes input tax, tax credits, creditable withholding taxes, and prepaid port fees, insurance, bonds, and other expenses. This account decreased in 2021 mainly due to lower receivable for the Group's share in fees collected by the port authority.

13. **Long-term Debt and Loans Payable**

13.1 Maturities of Long-term Debt

Maturities of long-term debt, net of unamortized debt issuance costs, premium and discount of US$41.3 million, as at March 31, 2021 are as follows (amount in thousands):

	Amount
2021[1]	US$22,006
2022	78,422
2023	489,878
2024	21,316
2025 onwards	1,124,004
Total	US$1,735,626

[1] *April 1, 2021 through December 31, 2021.*

13.2 US Dollar-denominated Notes

ITBV. On January 9, 2013, ITBV established the MTN Programme that would allow ITBV from time to time to issue medium-term notes (MTN), unconditionally and irrevocably guaranteed by ICTSI and listed on the Singapore Stock Exchange. The aggregate nominal amount of the MTN outstanding will not at any time exceed US$750.0 million (or its equivalent in other currencies), subject to increase as described in the terms and conditions of the Programme Agreement. In August 2013, the maximum aggregate nominal amount of the MTN outstanding that may be issued under the Programme was increased to US$1.0 billion.

Pursuant to the MTN Programme, on January 9, 2013, ITBV and ICTSI signed a Subscription Agreement with HSBC and UBS AG, Hong Kong Branch, for the issuance of 10-year US$300.0 million guaranteed MTN (the “Original MTN”). The Original MTN were issued on January 16, 2013 to mature on January 16, 2023 at a fixed interest rate of 4.625 percent p.a., net of applicable taxes, set at a price of 99.014 and payable semi-annually in arrears. Moreover, on January 28, 2013, an additional US$100.0 million guaranteed MTN was issued to form a single series with the original MTN.

In June 2013, ICTSI purchased a total of US$6.0 million of ITBV’s US$400.0 million MTN at US$5.7 million.

On September 17, 2013, ITBV exchanged newly issued US$207.5 million 5.875 percent Notes due 2025 for ICTSI’s US$178.9 million 7.375 percent Notes due 2020. The Notes due 2020 were then reduced from US$450.0 million to US$271.1 million. The Notes due 2025 were issued by ITBV under its US$1.0 billion Medium Term Note Programme (the “MTN Programme”) and are unconditionally and irrevocably guaranteed by ICTSI. Moreover, on April 30, 2014, an additional US$75.0 million notes were issued to form a single series with the 2025 Notes.

On January 29, 2015, a total of US$117.5 million 5.875 percent Notes due 2025 from the MTN Programme were issued at a price of 102.625 and US$102.6 million of which was used to exchange with holders of US$91.8 million 7.375 percent Notes due 2020. The cash proceeds received by ITBV amounted to US$11.6 million, net of debt issuance cost. These new Notes were consolidated and formed a single series with the US$282.5 million 5.875 percent guaranteed Notes due 2025 issued on September 17, 2013 and April 30, 2014.

As at March 31, 2021, carrying value of notes under the MTN Programme amounted to US$768.9 million.

ICTSI. On March 10, 2010, ICTSI signed a Subscription Agreement with The Hong Kong and Shanghai Banking Corporation Ltd. (HSBC) and JP Morgan Securities, Ltd. for the issuance of ten-year senior notes (the “Original Notes”). The Original Notes were issued on March 17, 2010 with an aggregate principal amount of US$250.0 million, maturing on March 17, 2020. The Original Notes bear interest at a fixed rate of 7.375 percent, net of applicable taxes, payable semi-annually in arrears.

On April 29, 2010, ICTSI tapped a further US$200.0 million (the “Further Notes”) of the Original Notes discussed in the preceding paragraph, increasing the size to US$450.0 million. The Further Notes were issued on May 6, 2010. The Original and Further Notes are collectively referred to as the “Notes”. The Further Notes bear interest at the fixed rate of 7.375 percent, net of applicable taxes, and was set at a price of 102.627 for an effective yield of 7.0 percent. The net proceeds of the Notes amounting to US$448.1 million were used to fund investments in existing and new terminal construction activities, refinance some of its existing debt and for other general corporate purposes.

The Notes were not registered with the Philippine SEC. The Notes were offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States. The Notes are traded and listed in the Singapore Stock Exchange.

In 2013 and 2015, ICTSI redeemed an aggregate of US$270.7 million of the 2020 Notes in exchange for the 2025 Notes under the MTN Programme. ICTSI fully redeemed the outstanding balance of the 2020 Notes on March 17, 2020.

On June 10, 2020, ICTSI signed a Subscription Agreement with Citigroup Global Markets Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities Plc for the issuance of ten-year senior notes (the “Senior Notes”). The Senior Notes were issued on June 17, 2020 with an aggregate principal amount of US$400.0 million, maturing on June 17, 2030, at a fixed interest rate of 4.75 percent per annum, payable semi-annually in arrears and at a price of 99.607.

The proceeds of the Senior Notes amounting to US$391.9 million, net of debt issuance costs of US$8.1 million, were used to refinance and extend the maturity of the Group’s liabilities and for general corporate purposes. As at March 31, 2021, the carrying value of the Senior Notes amounted to US$392.4 million, net of debt issuance costs.

The Senior Notes were not registered with the Philippine SEC. The Senior Notes were offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Senior Notes are traded and listed in the Singapore Stock Exchange.

13.3 <u>US Dollar-denominated Term Loans</u>

CGSA. On March 29, 2016, CGSA (as “Borrower”), Metropolitan Bank and Trust Company (as “Lender” or “MBTC”) and ICTSI (as “Surety”) signed a loan agreement which consists of two tranches of US$32.5 million (Tranche I) and US$7.5 million (Tranche II) with interest based on three-month London Inter-bank Offered Rate (LIBOR) plus an agreed margin. Tranche I has a final maturity in March 2021 and Tranche II in May 2017. In 2016, CGSA availed of loans with a total amount of US$40.0 million. Portion of the proceeds of these loans was used to refinance the unsecured term loans of CGSA amounting to US$9.2 million in April 2016. In 2017, CGSA fully paid the loan under Tranche II. In March 2021, CGSA has fully paid the remaining balance of US$1.9 million of the loan under Tranche I.

On September 10, 2020, CGSA (as "Borrower"), Philippine National Bank (as "Lender") and ICTSI (as "Surety") signed a loan facility amounting to US$15.5 million at a fixed interest rate and with a tenor of 7 years. On November 27, 2020 and January 28, 2021, CGSA availed of US$2.5 million and US$2.0 million loans from the facility, respectively. The outstanding balance of the loans amounted to US$4.3 million as at March 31, 2021.

IDRC. On October 9, 2018, IDRC availed of a four-year term loan with Rawbank DRC amounting to US$25.0 million at a fixed interest rate. In 2021, IDRC has paid US$2.1 million of the loan. As at March 31, 2021, the outstanding balance of the loan amounted to US$9.4 million.

On May 6, 2019, IDRC availed of another four-year term loan with Rawbank DRC amounting to US$3.0 million at a fixed interest rate. In 2021, IDRC has paid US$0.2 million of the loan. As at March 31, 2021, the outstanding balance of the loan amounted to US$1.5 million.

On July 22, 2020, IDRC availed of a three-year term loan with Rawbank DRC amounting to US$10.0 million at a fixed interest rate. In 2021, IDRC has paid US$1.1 million of the loan. As at March 31, 2021, the outstanding balance of the loan amounted to US$7.8 million.

IGFBV. On March 21, 2019, IGFBV, as borrower, MBTC, as lender, and ICTSI, as surety, signed a term loan facility amounting to US$300.0 million with interest based on three-month LIBOR plus an agreed margin and a tenor of 7 years. On April 29, 2019, IGFBV has fully availed the term loan facility. As at March 31, 2021, the outstanding balance of the term loan facility amounted to US$283.4 million, net of debt issuance costs.

On November 26, 2019, December 5, 2019 and January 6, 2020, IGFBV availed of 18-month loan from MUFG Bank Ltd. (MUFG) with interest based on three-month LIBOR plus an agreed margin, amounting to US$45.0 million, US$45.0 million and US$20.0 million, respectively. IGFBV fully paid the loans on June 18, 2020 totaling US$110.0 million.

ICTSI. On March 24, 2020, ICTSI availed of an 18-month loan from MBTC amounting to US$100.0 million with interest based on the prevailing market rate. ICTSI fully prepaid the loan on June 18, 2020.

On March 13, 2020, ICTSI availed of short-term loans from Citibank N.A., Philippine National Bank (PNB), and Standard Chartered Bank (SCB) totaling to US$200.0 million at prevailing market rates with maturity dates of June 11, 2020 and September 9, 2020. ICTSI fully paid the loans with Citibank, PNB, and SCB on June 11, 2020, June 15, 2020 and June 18, 2020, respectively.

On March 20, 2020, ICTSI availed of additional short-term loans from MUFG and HSBC totaling to US$90.0 million at prevailing market rates with maturity dates of September 18, 2020 and March 22, 2021. ICTSI fully prepaid the loans on June 18, 2020.

13.4 Foreign Currency-denominated Loans

VICT. On July 15, 2016, VICT signed the syndicated project finance facilities with various international and regional banks for principal amount of US$300.0 million (AUD398.0 million), comprising of term facilities totaling US$284.9 million (AUD378.0 million) with interest rates based on Australian Bank Bill Swap Reference Rate (bid) (BBSY) plus average margin of 3.1 percent per annum and maturities until 2023, 2026 and 2031 and working capital facility of US$15.1 million (AUD20.0 million). In 2021, VICT paid US$23.3 million (AUD30.2 million) of the loan from the term facilities. As at March 31, 2021, the outstanding balance of the loans amounted to US$199.4 million (AUD262.4 million), net of debt issuance costs.

YICT. On April 26, 2017, YICT obtained a US$21.8 million (RMB150.0 million) loan from Agricultural Bank of China (ABC) payable in installments with a final maturity on November 21, 2023. The loan was used to refinance YICT's maturing loan with Yantai Port Holdings. Interest is based on the interest rate published by People's Bank of China (PBOC) minus an agreed margin. The rate is subject to adjustment every twelve months. In 2020, YICT fully paid the remaining balance of US$4.3 million (RMB30.0 million) of the loan.

SPICTL and MITL. On November 27, 2019, SPICTL and MITL, as borrowers, and Australia and New Zealand (ANZ) Banking Group (PNG) Limited, as lender, signed a loan agreement which consists of a PGK five-year term loan facility of US$31.6 million (PGK106.9 million) and a PGK revolving loan facility of US$5.9 million (PGK20.0 million), with interest based on ANZ's published Indicator Lending Rate minus an agreed margin. In 2019, SPICTL and MITL has availed US$17.8 million (PGK60.2 million) and US$13.8 million (PGK46.7 million), respectively, from the term loan facility. As of March 31, 2021, the outstanding balance of the term loans of SPICTL and MITL amounted to US$13.5 million (PGK47.5 million) and US$10.5 million (PGK36.9 million), net of debt issuance costs, respectively.

On September 17, 2020, MITL availed of US$2.8 million (PGK10.0 million) from the revolving loan facility with a maturity date of March 16, 2021. The loan was renewed on March 16, 2021 and will mature on May 28, 2021.

ICTSI. On April 14, 2020, ICTSI availed of 18-month loans from MBTC for a total of US$29.6 million (Php1.5 billion) with interest based on the prevailing market rate. ICTSI fully prepaid the loans on October 6, 2020.

13.5 Loan Facility Programme

On January 9, 2019, ICTSI Middle East DMCC, as borrower, and ICTSI, as guarantor, signed a term loan facility agreement with Citigroup Global Markets Asia Limited and Standard Chartered Bank, the originally mandated lead arrangers and bookrunners, for the principal amount of EUR260.0 million (US$297.6 million) with interest rate based on Euro Interbank Offer Rate (EURIBOR) plus an agreed margin and maturity on December 20, 2022. The term facility agreement was entered into pursuant to the Loan Facility Programme Agreement dated July 24, 2014 between IGFBV as the borrower, ICTSI as the guarantor, and The Bank of New York Mellon, Singapore Branch as the trustee ("Loan Programme"). ICTSI Middle East DMCC acceded to the Loan Programme as an additional borrower and an additional obligor thereunder.

On January 10, 2019, ICTSI Middle East DMCC has fully availed the US$297.6 million (EUR260.0 million) from the facility. As at March 31, 2021, the outstanding balance of the loans amounted to US$44.6 million (EUR38.0 million), net of debt issuance costs.

13.6 Perpetual Capital Securities

On March 8, 2021, the remaining US$198.3 million of the US$450 million Senior Guaranteed Perpetual Capital Securities was called in for redemption on May 5, 2021 (see Note 16.6). Upon notification of redemption, the redemption price of the securities of US$198.3 million was reclassified to and accrued distributions of US$5.5 million were recognized as financial liabilities. As at March 31, 2021, these financial liabilities were presented as "Perpetual Capital Securities" under current liabilities in the unaudited interim condensed consolidated balance sheet. Initially, the securities were recognized as equity.

13.7 Loan Covenants and Capitalized Borrowing Costs

The loans from local and foreign banks impose certain restrictions with respect to corporate reorganization, disposition of all or a substantial portion of ICTSI's and subsidiaries' assets, acquisitions of futures or stocks, and extending loans to others, except in the ordinary course of business. ICTSI is also required to comply with a specified financial ratio relating to their debt to EBITDA up to 4 times when incurring additional debt.

There was no material change in the covenants related to the Group's long-term debt. As at March 31, 2021, ICTSI and subsidiaries were in compliance with their loan covenants. Interest expense on borrowings, net of amount capitalized as intangible assets and property and equipment, amounted to US$26.5 million and US$28.5 million for the three months ended March 31, 2020 and 2021, respectively (see Notes 5 and 6). Interest expense includes amortization of debt issuance costs amounting to US$1.8 million and US$2.1 million for the three months ended March 31, 2020 and 2021, respectively.

There were no other significant transactions pertaining to the Group's long-term debt as at March 31, 2021, except as discussed above.

14. Other Noncurrent Liabilities

This account consists of:

	December 31, 2020	**March 31, 2021** *(Unaudited)*
Derivative liabilities (Note 21)	US$33,685	**US$19,501**
Pension liabilities	14,875	**12,520**
Accrued taxes and others	6,361	**6,558**
Government grant	5,909	**5,299**
Others	1,832	**1,908**
	US$62,662	**US$45,786**

Government Grant

On March 29, 2012, BCT and Centrum Unijnych Projektow Transportowych (CUPT), a Polish grant authority, signed a grant agreement (the "EU Grant") whereby CUPT would grant BCT a subsidy amounting to US$17.3 million (PLN53.9 million) and on October 21, 2013, BCT and CUPT signed a second EU Grant whereby CUPT would grant BCT a subsidy amounting to US$4.8 million (PLN14.6 million). The confirmation of the availability of the EU Grant is a condition precedent to any borrowing under the facility agreement of BCT. As at March 31, 2021, BCT has availed a total of US$19.6 million of the EU Grant. The EU Grant is treated as deferred income and is amortized over the duration of the existing concession agreement ending on May 31, 2023. The unamortized deferred income from the government grant amounted to US$5.9 million and US$5.3 million as at December 31, 2020 and March 31, 2021, respectively. Amortization of deferred income included under "Other income" account of the unaudited interim condensed consolidated statements of income amounted to US$0.6 million both for the three months ended March 31, 2020 and 2021.

15. Accounts Payable and Other Current Liabilities

This account includes trade payables, dividends payables, output and other taxes payables, accruals for interest, salaries and benefits and other expenses, customers' deposits, provisions for claims and losses and other current liabilities. This account increased primarily due to dividends declared at ICTSI Parent on March 15, 2021 which are still outstanding as of March 31, 2021.

16. **Equity**

16.1 Stock Incentive Plan

Certain officers and employees of the Group receive remuneration through share-based payment transactions, whereby officers and employees are given awards, in the form of ICTSI common shares, in lieu of cash incentives and bonuses under the SIP ("equity-settled transactions"). The SIP was approved by the stockholders of ICTSI on March 7, 2007, effective for a period of ten years unless extended by the Board. On March 7, 2016, the Board approved for the extension of the SIP for a further 10 years until March 2027 and the amendment of the vesting period of the SIP. The vesting period of the SIP was amended from two years where 50% is to vest on the first anniversary date of the award and the other 50% to vest on the second anniversary date of the award, to three years where 25% is to vest on the first anniversary date of the award, 25% to vest on the second anniversary date of the award, and 50% to vest on the third anniversary date of the award. Unless the Stock Incentive Committee determines otherwise, when dividends are declared by the Company, the number of shares subject to an award shall be increased by the number equal in value to the dividends the awardee would have received in respect of an award had the shares awarded to the awardee vested at the time of the dividend declaration. This is designated as the Dividend Re-investment Plan (DRIP).

The shares covered by the SIP are held under treasury until they are awarded and issued to the officers and employees as determined by the Stock Incentive Committee.

On March 1, 2021, the Stock Incentive Committee granted 1,976,171 shares of stock awards to officers and employees of ICTSI and ICTSI Ltd., including its regional operating headquarters. The fair value of the shares was US$2.48 (₱120.50) at the date of the grant. The fair value per share was determined based on the market price of the stock at the date of grant.

As at March 31, 2021, there were 49,482,140 ICTSI common shares granted in aggregate under the SIP since it became effective in 2007. As at March 31, 2021, 866,346 ICTSI common shares were held under the treasury, which is allotted for the SIP.

Total compensation expense recognized on the vesting of the fair value of stock awards amounted to US$0.9 million and US$1.0 million for the three months ended March 31, 2020 and 2021, respectively.

16.2 Dividends Declared

On March 15, 2021, the Board of ICTSI declared a cash dividend of US$0.05 (₱2.37) per share for a total of US$99.8 million to stockholders of record as of March 30, 2021 with a payment date of April 12, 2021. Of this amount, US$0.3 million was recognized as dividend income by IWI CTHI for its shareholdings of ICTSI common shares.

16.3 Cost of Shares Held by Subsidiaries

In March and July 2020, IWI CTHI acquired a total of 3,271,190 ICTSI common shares for US$5.6 million and 1,964,830 ICTSI common shares for US$3.8 million, respectively.

As at December 31, 2020 and March 31, 2021, ICTHI held 3,800,000 of ICTSI's preferred A shares while IWI CTHI held 5,970,990 common shares of ICTSI.

16.4 Treasury Shares

On November 25, 2020, the Board of ICTSI approved the offer and sale of 40,000,000 treasury shares. The sale is in response to the recommendation of management to raise funds for general corporate purposes, including funding of committed capital expenditures.

On November 26, 2020, ICTSI's 40,000,000 shares were sold at Php117.00 (US$2.43) per share with net proceeds amounting to Php4.6 billion (US$95.4 million). The transaction resulted in the increase of Php783.3 million (US$21.0 million) in additional paid-in capital and the reduction in treasury shares of Php3.8 billion (US$74.5 million).

16.5 Other Comprehensive Loss

This account consists of:

	Cumulative Translation Adjustments	Mark-to-Market Losses on Derivatives	Revaluation Increment	Unrealized Mark-to-Market Gain on Available-for-Sale Investments	Share in other comprehensive income of joint ventures	Actuarial Gains (Losses) on Defined Benefit Plans	Total Comprehensive Income (Loss)
Balance at January 1, 2020	(US$151,767)	(US$15,422)	US$610	US$1,310	US$3,837	(US$1,149)	(US$162,581)
Translation differences arising from translation of foreign operations' financial statements	(84,461)	–	–	–	–	–	(84,461)
Net change in actuarial loss on defined benefit plans	–	–	–	–	–	(332)	(332)
Net change in unrealized mark-to-market values of derivatives	–	(21,183)	–	–	–	–	(21,183)
Share in other comprehensive loss of joint ventures	–	–	–	–	(238)	–	(238)
Income tax relating to components of other comprehensive income	–	4,921	–	–	–	–	4,921
Balance at March 31, 2020	(US$236,228)	(US$31,684)	US$610	US$1,310	US$3,599	(US$1,481)	(US$263,874)

	Cumulative Translation Adjustments	**Mark-to-Market Losses on Derivatives**	**Revaluation Increment**	**Unrealized Mark-to-Market Gain on Available-for-Sale Investments**	**Share in other comprehensive income of joint ventures**	**Actuarial Gains (Losses) on Defined Benefit Plans**	**Total Comprehensive Income (Loss)**
Balance at January 1, 2021	**(US$156,852)**	**(US$38,521)**	**US$610**	**US$1,051**	**US$11,164**	**(US$2,521)**	**(US$185,069)**
Translation differences arising from translation of foreign operations' financial statements	**(24,432)**	**–**	**–**	**–**	**–**	**–**	**(24,432)**
Net change in actuarial loss on defined benefit plans	**–**	**–**	**–**	**–**	**–**	**(80)**	**(80)**
Net change in unrealized mark-to-market values of derivatives	**–**	**13,458**	**–**	**–**	**–**	**–**	**13,458**
Share in other comprehensive loss of joint ventures	**–**	**–**	**–**	**–**	**(1,584)**	**–**	**(1,584)**
Income tax relating to components of other comprehensive income	**–**	**(1,337)**	**–**	**–**	**–**	**–**	**(1,337)**
Balance at March 31, 2021	**(US$181,284)**	**(US$26,400)**	**US$610**	**US$1,051**	**US$9,580**	**(US$2,601)**	**(US$199,044)**

16.6 Perpetual Capital Securities

On July 6, 2020, RCBV launched a cash tender offer for its US$450.0 million 5.50 percent Senior Guaranteed Perpetual Capital Securities (of which US$264.9 million was outstanding) at a tender price of 100.75 percent. On July 16, 2020 and July 31, 2020, RCBV redeemed a total of US$66.5 million and paid the related premium and accrued distributions of US$1.2 million. On July 16, 2020, RCBV issued US$300.0 million 5.00 percent Senior Unsecured Perpetual Capital Securities unconditionally and irrevocably guaranteed by ICTSI at a price of 98.979 percent. The new issue was used to finance the redemption and payment of accrued distributions of the tendered securities. The proceeds from the new issue, net of debt issuance costs and face value of the redeemed securities, amounting to US$228.3 million was recognized as additional perpetual capital securities.

On March 8, 2021, RCBV (the "Issuer") and ICTSI (the "Guarantor") sent a notice to The Hong Kong and Shanghai Banking Corporation Limited (HSBC, as "Trustee" and "Agent") for the redemption of the remaining US$198.3 million of the US$450 million Senior Guaranteed Perpetual Capital Securities and payment of accrued distributions on May 5, 2021. The proceeds from the issuance of Securities were initially recognized as part of equity in the consolidated balance sheet. Upon notification of redemption, the redemption price of Securities of US$198.3 million was reclassified to and accrued distributions of US$5.5 million were recognized as financial liabilities. As at March 31, 2021, these financial liabilities were presented as "Perpetual Capital Securities" under current liabilities in the interim condensed consolidated balance sheet. The difference amounting to US$11.5 million between the total amount recognized as financial liabilities of US$203.8 and the carrying amount of the Securities of US$192.3 million recorded under equity was treated as a direct reduction in retained earnings.

On April 5, 2021, ICTSI purchased US$2.0 million of the US$300.0 million Senior Unsecured Perpetual Capital Securities at US$2.1 million and surrendered for cancellation.

Interest expense on Perpetual Capital Securities, which represents cumulative distributions to holders of Perpetual Capital Securities, amounted to US$14.1 million and US$16.9 million for the three months ended March 31, 2020 and 2021. However, the interest expense is not recognized in the unaudited interim condensed consolidated statements of income but instead directly charged against retained earnings upon actual distribution since the Perpetual Capital Securities are presented as equity attributable to equity holders of the parent. For purposes of computing for earnings per share, the cumulative distributions to holders of Perpetual Capital Securities are deducted from net income attributable to equity holders of the parent.

16.7 Non-controlling Interests

On February 15, 2020, ISPL entered into share acquisition agreements with the local communities, Ahi Terminal Services Limited (Ahi) and Labu Investment Limited (Labu), for the transfer of SPICTL shares from ISPL to Ahi and Labu with each local community acquiring a 15% stake in SPICTL. The transfer of 30% of SPICTL shares from ISPL to the local communities became effective upon the signing of the said agreements. The share transfer increased non-controlling interests by US$7.5 million (PGK25.6 million), while, ISPL retained a 70% ownership stake in SPICTL.

The dividends distributed to non-controlling shareholders for the three months ended March 31 are as follows (in thousands):

	2020	**2021**
IDRC	US$–	**US$16,800**
SBITHI	523	**–**
BIPI	295	**–**
	US$818	**US$16,800**

17. Income Taxes

Enactment of CREATE in the Philippines

On March 26, 2021, the President of the Philippines signed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. The Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group is that effective July 1, 2020, the regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity’s office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020, even though some of the provisions have retroactive effect to July 1, 2020, thus considered as a non-adjusting subsequent event on the December 31, 2020 consolidated balances. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of and for the year then ended (i.e., 30% RCIT / 2% minimum corporate income tax (MCIT)) for financial reporting purposes.

The approval of the CREATE Act into law on March 26, 2021 is considered a substantive enactment of the Act into law that requires adjustments for financial reporting purposes. Applying the provisions of the CREATE Act to the Philippine-based entities, the applicable new income tax rates (i.e., 25% RCIT / 1% MCIT) were used to calculate for the current and deferred income taxes as at and for the period ended March 31, 2021. Likewise, the impact on the December 31, 2020 consolidated balances had the CREATE Act been substantively enacted as of then, that were adjusted in March 2021, are as follows:

Consolidated Balance Sheet

(Amounts in millions)	Increase (Decrease)
Deferred tax asset - net	(US$10.4)
Income tax payable	(1.8)
Investments in joint ventures	4.0

Consolidated Income Statement

(Amounts in millions)	Increase (Decrease)
Provision for current income tax	(US$1.8)
Benefit from deferred income tax	(10.4)
Equity in net gain of joint ventures and an associate – net	4.0
Net income attributable to equity holders of the parent	(4.7)
Net income attributable to non-controlling interests	0.1

18. Related Party Transactions

a. Transactions with the Shareholders and Affiliates

			2020		**2021**	
Related Party	Relationship	Nature of Transaction	Transaction Amount for Three Months Ended March 31	Outstanding Receivable (Payable) Balance as of December 31	**Transaction Amount for the Three Months Ended March 31**	**Outstanding Receivable (Payable) Balance as of March 31**
				(In Millions)		
SPIA Spain S.L.						
SPIA	Joint venture	Interest-bearing loans (see Note 8) (i)	US$–	US$160.54	**US$–**	**US$160.54**
		Interest income (converted into interest-bearing loan) (see Note 8) (i)	1.80	55.42	**1.92**	**57.33**
		Interest receivable (i)	3.22	6.68	**3.26**	**8.02**
YICT						
YPH	Non-controlling shareholder	Trade transactions (iii)	0.18	(0.03)	**(0.20)**	**0.04**
YPHT	Common shareholder	Outsourced services(iv)	–	1.17	**1.08**	**1.61**
YPG	Common shareholder	Port fees (ii)	–	1.00	**0.80**	–
		Trade transactions (iii)	0.34	(0.01)	**(0.49)**	**(0.01)**
SCIPSI						
Asian Terminals, Inc.	Non-controlling shareholder	Management fees	0.04	(0.04)	**0.04**	**(0.01)**
AGCT						
Luka Rijeka D.D. (Luka Rijeka)	Non-controlling shareholder	Provision of services (v)	0.11	–	**0.13**	**(0.06)**
PICT						
Premier Mercantile Services (Private) Limited	Common Shareholder	Stevedoring and storage charges (vi)	0.43	(0.19)	**0.94**	**(0.07)**
		Container handling revenue (vi)	0.02	0.02	**0.01**	**–**

(Forward)

Related Party	Relationship	Nature of Transaction	2020 Transaction Amount for Three Months Ended March 31	2020 Outstanding Receivable (Payable) Balance as of December 31	**2021 Transaction Amount for the Three Months Ended March 31**	**2021 Outstanding Receivable (Payable) Balance as of March 31**
				(In Millions)		
Marine Services (Private) Limited, Portlink International (Private) Limited, and AMI Pakistan (Private) Limited	Common shareholder	Container handling revenue (vii)	US$0.02	US$–	**US$0.02**	**US$0.01**
LGICT						
NCT Transnational Corp.	Non-controlling shareholder	Management fees	0.14	(0.22)	**0.13**	**(0.23)**
		Maintenance and repairs	0.02	(0.04)	**0.03**	**(0.05)**
		Trade transactions	–	(0.01)	**0.01**	**(0.01)**
IDRC						
Ledya SARL	Non-controlling shareholder	Management fees	0.35	(0.61)	**0.83**	**(0.83)**
Parent Company						
Prime Metro BMD Corporation	Common shareholder	Construction services (viii)	10.19	(1.99)	**8.55**	**(0.76)**
		Sublease(ix)	–	0.08	**0.10**	**0.21**
Prime Metro Power Holdings Corporation	Common shareholder	Reimbursement of operating expenses	0.03	0.04	**0.03**	**0.07**
		Sublease(ix)	0.02	–	**0.02**	**–**
Prime Metro Infrastructure Holdings Corporation	Common shareholder	Sublease(ix)	0.04	(0.01)	**0.10**	**0.09**
FAMI	Joint Venture	Reimbursement of operating expenses	0.14	(0.01)	**0.05**	**0.32**
		Management fees	0.07	0.19	**(0.56)**	**(0.45)**
CGT						
MNHPI	Common shareholder	Equipment rental	0.04	–	**0.04**	**(0.04)**

(i) On October 1, 2018, ICBV assigned to SPIA Spain S.L. all its outstanding interest-bearing loans, including interest converted into an interest-bearing loan, and interest receivable from SPIA as of the same date, amounting to US$321.1 million and US$9.6 million, respectively.

(ii) YICT is authorized under the Joint Venture Agreement to collect port charges levied on cargoes, port construction fees, and facility security fees in accordance with government regulations. Port fees remitted by YICT for YPH /YPG are presented as part of "Port authorities' share in gross revenues" in the consolidated statements of income. Outstanding payable to YPH/YPG related to these port charges are presented under "Accounts payable and other current liabilities" account in the consolidated balance sheets.

(iii) Trade transactions include utilities, rent, and other transactions paid by YICT to YPH and YPG.

(iv) Starting October 2020 and for a period of two years, YPHT outsources its domestic container terminal business to YICT.

(v) AGCT has entered into agreements with Luka Rijeka, a non-controlling shareholder, for the latter's provision of services such as equipment maintenance, power and fuel, and supply of manpower, among others. Total expenses incurred by AGCT in relation to these agreements were recognized and presented in the consolidated statements of income as part of Manpower costs, Equipment and facilities-related expenses, and Administrative and other operating expenses.

(vi) PICT has entered into an agreement with Premier Mercantile Services (Private) Limited for the latter to render stevedoring and other services, which are settled on a monthly basis.

(vii) Marine Services (Private) Limited, Portlink International (Private) Limited, and AMI Pakistan (Private) Limited are customers of PICT.

(viii) ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction, repairs, and maintenance of port facilities.

(ix) ICTSI has entered into contracts with Prime Metro BMD Corporation, Prime Metro Power Holdings Corporation, and Prime Metroline Infrastructure Holdings Corporation for the sublease of office space.

The outstanding balance arising from these related party transactions are current and payable without the need for demand.

b. Compensation of Key Management Personnel

Compensation of key management personnel consists of the following for the three months ended March 31 (amount in thousands):

	2020	**2021**
Short-term employee benefits	US$357	**US$373**
Share-based payments	1,094	**1,294**
Post-employment pension	5	**10**
Total compensation to key management personnel	US$1,456	**US$1,677**

19. Earnings Per Share Computation

The table below shows the computation of basic and diluted earnings per share for the three months ended March 31 (amounts are in thousands, except number of shares and per share data):

	2020 *(Unaudited)*	**2021** *(Unaudited)*
Net income attributable to equity holders of the parent, as presented in the unaudited interim condensed consolidated statements of income	US$59,597	**US$90,070**
Adjustment for the effect of cumulative distribution on subordinated perpetual capital securities (see Note 16.6)	(14,087)	**(16,922)**
Net income attributable to equity holders of the parent, as adjusted (a)	US$45,510	**US$73,148**
Common shares outstanding at beginning of year	2,045,177,671	**2,045,177,671**
Weighted treasury shares	(43,234,245)	**(1,251,500)**
Weighted shares held by subsidiaries	(3,188,363)	**(5,970,990)**
Weighted average shares outstanding (b)	1,998,755,063	**2,037,955,181**
Effect of dilutive stock awards	4,137,037	**4,323,627**
Weighted average shares outstanding adjusted for potential common shares (c)	2,002,892,100	**2,042,278,808**
Basic earnings per share (a/b)	US$0.023	**US$0.036**
Diluted earnings per share (a/c)	US$0.023	**US$0.036**

20. Contingencies

Due to the nature of the Group’s business, it is involved in various legal proceedings, both as plaintiff and defendant, from time to time. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and is of the opinion that losses arising from the existing legal actions and proceedings, if any, will not have a material adverse impact on the Group’s interim condensed consolidated financial position and results of operations.

21. Financial Instruments

21.1 Fair values

Set out below is a comparison of carrying amounts and fair values of the Group’s financial instruments by category whose fair value is different from its carrying amount (amount in thousands):

	December 31, 2020		**March 31, 2021**	
	Carrying Amount	Fair Value	**Carrying Amount**	**Fair Value**
Financial Liabilities				
Other financial liabilities:				
Long-term debt	US$1,764,479	US$1,913,247	**US$1,735,626**	**US$1,848,082**
Lease liabilities	1,234,777	1,493,843	**1,204,043**	**1,392,823**
Concession rights payable	703,328	881,522	**690,002**	**816,429**
	US$3,702,584	US$4,288,612	**US$3,629,671**	**US$4,057,334**

Carrying values of cash and cash equivalents, receivables, accounts payable, and other current liabilities and loans payable approximate their fair values due to the short-term nature of the transactions.

The fair values of the US dollar-denominated notes and US dollar-denominated medium-term notes are based on quoted prices. The fair value of other fixed interest-bearing loans, lease liabilities and concession rights payable were estimated at the present value of all future cash flows discounted using the applicable rates for similar types of loans ranging from 0.32 percent to 11.87 percent as at December 31, 2020 and 0.62 percent to 13.05 percent as at March 31, 2021.

For variable interest-bearing loans repriced monthly or quarterly, the carrying amount approximates the fair value due to the regular repricing of interest rates.

As of May 4, 2021, the Group has not yet determined any significant credit losses with respect to its cash and cash equivalents and receivables. The Group will continue to assess for expected credit losses on its financial assets in light of the impact of COVID-19.

21.2 Fair Value Hierarchy

The following tables below present the fair value hierarchy of the Group's financial instruments (amount in thousands):

	December 31, 2020			
	Amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets and Liabilities Measured at Fair Value:				
Derivative liabilities	US$43,384	US$−	US$43,384	US$−
Financial assets at FVOCI	2,224	2,224	−	−
Liabilities for which Fair Values are Disclosed:				
Other financial liabilities:				
Long-term debt	US$1,913,247	US$1,307,283	US$−	US$605,964
Lease liabilities	1,493,843	−	−	1,493,843
Concession rights payable	881,522	−	−	881,522

	March 31, 2021			
	Amount	**Quoted prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets and Liabilities Measured at Fair Value:				
Derivative liabilities	**US$29,925**	**US$−**	**US$29,925**	**US$−**
Financial assets at FVOCI	**2,946**	**2,946**	**−**	**−**
Liabilities for which Fair Values are Disclosed:				
Other financial liabilities:				
Long-term debt	**US$1,848,082**	**US$576,171**	**US$−**	**US$1,271,911**
Lease liabilities	**1,392,823**	**−**	**−**	**1,392,823**
Concession rights payable	**816,429**	**−**	**−**	**816,429**

In 2020 and 2021, there were no transfers between *Level 1* and *Level 2* fair value measurements and no transfers into and out of *Level 3* fair value measurements.

21.3 Derivative Instruments

Interest Rate Swaps. In August 2016, VICT entered into interest rate swap transactions to hedge the interest rate exposures on its floating rate AUD-denominated loans maturing in 2023, 2026, and 2031. A total notional amount of AUD320.4 million floating-rate loan was swapped to a fixed rate. Under the interest rate swap arrangements, VICT pays annual fixed interest of a range of 2.10 to 2.5875 percent and receives a floating rate of six-month Bank Bill Swap Bid Rate (BBSY) basis points on the notional amount. In March 2017, VICT entered into additional interest rate swap transactions to hedge an additional AUD5.5 million and AUD12.4 million of its AUD-denominated loans maturing in 2026 and 2031, respectively. VICT pays an annual fixed interest of 2.885 to 2.9730 percent for the loans maturing in 2026 and 2031, respectively. As at March 31, 2021, the market valuation loss on the outstanding interest rate swaps amounted to AUD14.1 million (US$10.7 million) before tax. The effective portion of the change in the fair value of the interest rate swap amounting to AUD3.9 million (US$3.1 million), net of AUD1.7 million (US$1.3 million) deferred tax, for the three months ended March 31, 2021, was taken to equity under other comprehensive loss.

In November 2016, ICTSI entered into an interest rate swap transaction to hedge the interest rate exposures of the CGSA's floating rate US$-denominated floating-rate loan maturing in 2021. A total notional amount of US$32.5 million floating-rate loan was swapped to a fixed rate. Under the interest rate swap arrangements, ICTSI pays an annual fixed interest of 3.045 percent and receives a floating rate of six-month LIBOR plus 160 basis points on the notional amount. On March 30, 2021, the interest rate swap matured and the amount deferred in equity representing the effective portion of the change in fair value of the swap amounting to US$17.5 thousand at the time of payment was transferred to profit and loss and recognized under "Interest expense" account in the March 31, 2021 unaudited interim condensed consolidated statement of income.

In April 2019, ICTSI entered into an interest rate swap transaction to hedge the interest rate exposures of the ICTSI Global Finance B.V.'s floating rate US$-denominated floating rate loan maturing in 2026. A total notional amount of US$300.0 million floating rate loan was swapped to a fixed rate. Under the interest rate swap arrangements, ICTSI pays annual fixed interest of 3.6981 percent and receives floating rate of three-month LIBOR plus 130 basis points on the notional amount. As of March 31, 2021, the market valuation loss on the outstanding interest rate swaps amounted to US$19.2 million. The effective portion of the change in the fair value of the interest rate swap amounting to US$9.0 million, net of US$1.8 million deferred tax, for the three months ended March 31, 2021, was taken to equity under other comprehensive loss.

Net Investment Hedging. In March 2017, ICTSI entered into a cross-currency swap that converts the US dollar bond with a coupon of 7.375 percent maturing on March 17, 2020 to a Euro liability that has a coupon of 5.05 percent with the same maturity. The EUR15.0 million cross-currency swap was designated as a net investment hedge to offset the movement of the Group's Euro net investment in its subsidiary in Madagascar, MICTSL. On March 17, 2020, the cross-currency swap matured and the net settlement of US$0.3 million, net of US$0.1 million deferred tax, was taken to equity attributable to MICTSL's investment carrying value.

Foreign Currency Forwards. As of March 31, 2020, ICTSI has outstanding sell-US$ buy-PhP non-deliverable forward with an aggregate notional amount of US$20.0 million and market valuation gain of US$0.3 million. The forward contracts were used to hedge the variability of cash flows arising from the Philippine peso-denominated payments and settled on April 14, 2020 resulting to a derivative gain of US$0.5 million.

22. Trends, Events, or Uncertainties Affecting Recurring Revenues and Profit

The Group is exposed to a number of trends, events, and uncertainties which can affect its recurring revenues and profits. These include levels of general economic activity and containerized trade volume in countries where it operates, as well as certain cost items, such as labor, fuel, and power. In addition, the Group operates in a number of jurisdictions other than the Philippines and collects revenues in various currencies. Continued appreciation of the US dollar relative to other major currencies, particularly the Philippine peso, Brazilian real, Mexican peso, Australian dollars, and the Euro, may adversely affect the Group's reported levels of revenues and profits.

Continuing COVID-19 pandemic

On March 11, 2020, the World Health Organization has declared the novel coronavirus (COVID-19) outbreak a global pandemic.

In the Philippines, in a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until May 15, 2020. Thereafter, several extensions of community quarantines at different levels were implemented in Metro Manila and different areas in the Philippines. On April 28, 2021, community quarantine restrictions of varying levels were extended in Metro Manila and neighboring provinces through May 14, 2021 and other parts of the country through May 31, 2021, in order to manage the spread of COVID-19.

Likewise, government authorities in other countries where the Group operates, adopted measures, including lockdowns, to control the spread of the virus and mitigate the impact of the outbreak.

These measures have caused disruptions to businesses, global supply chain, and economic activities, and its impact continues to evolve.

The scale and duration of these developments remain uncertain as of the report date. The Group observed declines in general business, including container throughput and revenues. It is not possible to estimate the overall impact of the outbreak's near-term and longer effects, however, the Group has already incurred and will continue to incur costs as the Group continues to mitigate the adverse impact of the outbreak on its operations. The outbreak could have a material impact on the Group's financial results for the rest of 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Group will continue to monitor the situation.

Item 2. Management's Discussion and Analysis or Plan of Operations

The following discussion and analysis relate to the consolidated financial position and results of operations of ICTSI and its wholly and majority-owned subsidiaries (collectively known as "ICTSI Group") and should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and related notes as of and for the three months ended March 31, 2021. References to "ICTSI", "the Company", and "Parent Company" pertain to ICTSI Parent Company, while references to "the Group" pertain to ICTSI and its subsidiaries.

2.1 Overview

The Group is an international operator of common user container terminals serving the global container shipping industry. Its business is the acquisition, development, operation and management of container terminals focusing on facilities with total annual throughputs ranging from 50,000 to 3,350,000 TEUs. It also handles general cargoes and provides a number of ancillary services such as storage, container packing and unpacking, inspection, weighing, and services for refrigerated containers or reefers. As of report date, the Group is involved in 33 terminal operations, including concessions and port development projects, in 20 countries worldwide. There are ten terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), two each in Indonesia, Papua New Guinea (PNG) and Brazil; and one each in China, Ecuador, Poland, Georgia, Madagascar, Croatia, Pakistan, Honduras, Mexico, Iraq, Argentina, Democratic Republic (DR) Congo, Colombia, Australia, Cameroon and Nigeria; and an existing concession to construct, develop and operate a port in Tuxpan, Mexico.

ICTSI was established in 1987 in connection with the privatization of Manila International Container Terminal (MICT) in the Port of Manila, and has built upon the experience gained in rehabilitating, developing and operating MICT to establish an extensive international network concentrated in emerging market economies. International acquisitions principally in Asia, Europe, Middle East and Africa (EMEA) and Americas substantially contributed to the growth in volume, revenues, EBITDA and net income. ICTSI's business strategy is to continue to develop its existing portfolio of terminals and proactively seek acquisition opportunities that meet its investment criteria.

The Group operates principally in one industry segment which is cargo handling and related services. ICTSI has organized its business into three geographical segments:

- Asia
  - Manila - Manila International Container Terminal, Port of Manila, Philippines (MICT)
  - Zambales - New Container Terminal (NCT) 1 and 2, Subic Bay Freeport Zone, Olongapo City, Philippines (SBITC/ICTSI Subic)
  - Batangas - Bauan Terminal, Bauan, Philippines (BIPI)
  - Laguna - Laguna Gateway Inland Container Terminal, Calamba City, Laguna, Philippines (LGICT)
  - Cavite - Cavite Gateway Terminal, Tanza, Cavite, Philippines (CGT)
  - Davao - Sasa Wharf, Port of Davao (DIPSSCOR) and Hijo International Port, Davao del Norte, Philippines (HIPS)
  - General Santos - Makar Wharf, Port of General Santos, Philippines (SCIPSI)
  - Misamis Oriental - Phividec Industrial Estate, Tagaloan, Philippines (MICTSI)
  - Manila - Manila North Harbour Port, Inc., North Harbor, Manila, Philippines (MNHPI)
  - Indonesia - Makassar Port Container Terminal, Makassar, South Sulawesi, Indonesia (MTS) and Port of Tanjung Priok, Jakarta, Indonesia (OJA)
  - China - Yantai International Container Terminal, Port of Yantai, Shandong Province, China (YICT)
  - Australia - Webb Dock Container Terminal and ECP at Webb Dock East, Port of Melbourne, Australia (VICT)
  - Papua New Guinea - Port of Motukea, Papua New Guinea (MITL) and Port of Lae, Papua New Guinea (SPICTL)

- EMEA
  - Poland - Baltic Container Terminal, Gdynia, Poland (BCT)
  - Georgia - Port of Batumi, Batumi, Georgia (BICTL)
  - Croatia - Brajdica Container Terminal, Rijeka, Croatia (AGCT)
  - Madagascar - Port of Toamasina, Toamasina, Madagascar (MICTSL)
  - Pakistan - Port of Karachi, Karachi, Pakistan (PICT*)
  - DR Congo - Matadi Gateway Terminal, Mbengu, Matadi, Democratic Republic of Congo (IDRC)
  - Iraq - Basra Gateway Terminal at Port of Umm Qasr, Iraq (ICTSI Iraq)
  - Cameroon - Kribi Multipurpose Terminal, Kribi, Cameroon (KMT)
  - Nigeria - Port of Onne, Rivers State, Nigeria (ICTSNL)

- Americas
  - Brazil - Suape Container Terminal, Suape, Brazil (TSSA) and Terminal de Contêineres 1, Port of Rio de Janeiro City, Brazil (ICTSI Rio)
  - Ecuador - Port of Guayaquil, Guayaquil, Ecuador (CGSA)
  - Argentina - Port of La Plata, Buenos Aires Province, Argentina (Tecplata)
  - Mexico - Port of Manzanillo, Manzanillo, Mexico (CMSA) and Port of Tuxpan, Mexico (TMT)
  - Colombia - Port of Buenaventura, Buenaventura, Colombia (SPIA)
  - Honduras - Puerto Cortés, Republic of Honduras (OPC)

** - previously part of Asia Segment, comparative numbers were restated and related discussions were re-aligned, accordingly.*

Concessions for port operations entered into, acquired, extended, developed and terminated by ICTSI and subsidiaries for the last two years are summarized below:

Port of Onne, Rivers State, Nigeria. ICTSI, through its Nigerian subsidiary, International Container Terminal Services Nigeria Ltd. (ICTSNL), signed a Lease Agreement in 2020 with the Nigerian Port Authority for the development and operation of a multipurpose terminal in the Port of Onne in Rivers State, Nigeria. ICTSNL started commercial operations in May 2021.

ICTSNL will further develop and equip Berths 9, 10 and 11 of the Federal Ocean Terminal, Onne Port Complex in Rivers State, Nigeria. The multipurpose terminal will be designed to handle containers as well as general cargo, including project, heavy lift and roll-on/roll-off cargoes.

Located in the Gulf of Guinea in East Nigeria, the Port of Onne has earned its reputation as a modern and efficient gateway at the center of Africa’s largest oil production region.

Port of Kribi, Cameroon. On June 14, 2019, ICTSI was declared as the preferred bidder for the concession of Multi-Purpose Terminal of the Port of Kribi, Cameroon by the port authority, Port Autoneme de Kribi (PAK).

On July 27, 2020, the 25-year concession contract was officially signed by Kribi Multipurpose Terminal (KMT), a Cameroonian subsidiary of ICTSI, and PAK. ICTSI, through its subsidiary ICTSI Middle East DMCC, owns 75% of KMT’s shares of stock while PAK owns 25%.

Under the concession contract, KMT was given the exclusive right to develop, operate, and maintain the multipurpose facility at Kribi, a newly built deep-water port located 150 kilometers South of Douala. Kribi port is surrounded by the Kribi Industrial Area, a 262 square-kilometer zone intended to accommodate new industrial and logistical developments that support the growing economy of Cameroon and the Cameroon-Chad-CAR (Central African Republic) transit Corridor.

The concession covers Phase 1 of the construction of the Kribi Deep-Sea Port, consisting of 615 meters of berth and corresponding facilities, 33 hectares of yard and 1,355 meters of breakwater. Phase 1 is divided into two sub-phases. Sub-phase 1 consists of a 265-meter berth (Quay 1.1), 10 hectares of yard and port equipment and facilities that was turned over to KMT upon effectivity of the concession. Sub-phase 2 consists of a 350-meter berth (Quay 1.2) that is the extension of Quay 1.1, and 23 hectares of yard (including facilities to be provided by PAK) that are temporarily and currently utilized by the container terminal operator and will be turned over to KMT upon completion of the Phase 2 of the Kribi Deep-Sea Port where the container terminal operator will transfer to.

KMT has started commercial operations on October 1, 2020.

River Port, Matadi, Democratic Republic of Congo. On January 23, 2014, ICTSI, through its subsidiary, ICTSI Cooperatief U.A. (ICTSI Cooperatief), forged a business partnership with La Societe de Gestion Immobiliere Lengo (SIMOBILE) for the establishment and formation of a joint venture company, ICTSI DR Congo S.A. (IDRC). IDRC, which is initially 60%-owned by ICTSI Cooperatief, will build a new terminal along the river bank of the Congo River in Matadi and manage, develop and operate the same as a container terminal, as well as provide exclusive container handling services and general cargo services therein. On May 19, 2015, ICTSI, through its subsidiary, ICTSI Cooperatief, and its joint venture partner, SIMOBILE, transferred their respective 8% and 2% ownership interest in IDRC to Societe Commerciale Des Transports Et Des Ports S.A. (SCTP SA). SIMOBILE transferred to its subsidiary, La Societe d'Investissement et de Placement (SIP) Sprl, its 10% ownership in IDRC. Thereafter, IDRC is owned 52% by ICTSI, 28% by SIMOBILE, 10% by SIP Sprl and 10% by SCTP SA.

Phase 1 of the facility consists of two berths that can handle 175,000 twenty-foot equivalent units (TEUs) and 350,000 metric tons. Phase 1 was completed in the fourth quarter of 2016. Initial operations started in the third quarter of 2016 while commercial operations started in January 2017.

Development of Phase 2 of the facility started in the first quarter of 2020 and is expected to be completed in the first quarter of 2023. The expansion project covers both yard and berth, including acquisition of port equipment. Upon completion of Phase 2, berth length will increase from 350 meters to 500 meters and capacity will increase to 400,000 TEUs and 800,000 metric tons. The empty container yard expansion was completed in the last quarter of 2020. As of May 4, 2021, the development of the full container yard is ongoing and is expected to be completed in the first quarter of 2022. The development of the quay will commence in the first quarter of 2022 and is expected to be completed in the first quarter of 2023.

Port of Rio de Janeiro City, Brazil. On July 19, 2019, ICTSI, through its wholly-owned subsidiary ICTSI Americas B.V, signed a Share Purchase Agreement with Boreal Empreendimentos e Participações S.A. to acquire 100% of the shares of Libra Terminal Rio S.A., which holds the concession rights to operate, manage and develop the container terminal Terminal de Contêineres 1 (T1Rio) in the port of Rio de Janeiro City, Federative Republic of Brazil. The concession of T1Rio commenced in 1998 and was extended in 2011 until 2048. On December 12, 2019, the Share Purchase Agreement was completed after all conditions precedent and required regulatory approvals were obtained, and on the same day, ICTSI took over the operations of T1Rio.

Port of Port Sudan, Republic of the Sudan. On January 3, 2019, ICTSI, through its wholly-owned subsidiary ICTSI Middle East DMCC, signed a Concession Agreement ('the Agreement') with Sea Ports Corporation (SPC) of Sudan to operate, manage, and develop the South Port Container Terminal (SPCT) at the Port of Sudan, Republic of the Sudan for 20 years. The Port of Sudan is the only major modern port in the Republic of the Sudan and serves as the international gateway for more than 95% of country's cargo flows.

Pursuant to the Agreement, ICTSI is required to pay: (a) an upfront fee of EUR530.0 million in installments of EUR410.0 million (US$467.2 million) and five other installments each in the amount of EUR24.0 (US$27.3 million) from the third to the seventh operation year; (b) fixed monthly fee; and (c) royalty fee during the concession period. The Agreement is secured by a sovereign guarantee by the Republic of the Sudan. On January 13, 2019, ICTSI paid the initial installment of upfront fee of EUR410 million (US$470.2 million, the "Upfront Fee"). In February 2019, ICTSI established Africa Gateway Terminal (AGT), a Sudanese entity, to operate the container terminal. On January 8, 2019, the Ministry of Finance & Economic Planning (the "Ministry") issued a bond (the "Refund Bond"), which was subsequently amended, wherein it agreed to refund the Upfront Fee in case ICTSI is unable to take over operations by April 7, 2019.

On August 7, 2019, due to the ongoing political instability in the Republic of the Sudan and the failure of the Sudanese government to turn over SPCT on or before April 7, 2019, the Ministry sent ICTSI a letter confirming: (1) the remittance of EUR195.2 million (US$219.1 million) as partial repayment of the Upfront Fee under the terms of the Refund Bond and (2) that the balance will be repaid as soon as possible. On December 13, 2019, ICTSI, through ICTSI Middle East DMCC, received from the Sudanese Government a second partial repayment of the Upfront Fee in the amount of AED110.2 million (EUR26.8 million or US$29.8 million). ICTSI continues productive discussions with the Ministry on the remaining balance of the Upfront Fee under the terms of the Refund Bond which the Ministry has expressly committed its obligations in its letter of June 25, 2020 (which was recently reconfirmed in a letter dated February 16, 2021). ICTSI reserves and continues to reserve its rights under the Concession Agreement following a letter from SPC regarding its cancellation which ICTSI disputes, and to pursue remedies available under the Refund Bond. ICTSI has an excellent track record of managing and making significant investments in its container terminal infrastructure and is committed to making the Port of Sudan a leading port and strategic gateway to Africa, benefitting all of its stakeholders.

Manila North Harbour Port, Inc., Philippines. On September 21, 2017, the BOD of ICTSI granted the authority to acquire shares in MNHPI. On the same date, ICTSI signed a Share Purchase Agreement (SPA) with Petron Corporation for the acquisition of 10,449,000 MNHPI shares, representing 34.83% of the total issued and outstanding shares of MNHPI for a consideration of ₱1.75 billion (US$33.8 million). The completion of the SPA was subject to several conditions, one of which was the approval of the acquisition by the Philippine Ports Authority (PPA) which was obtained on October 20, 2017. The SPA was completed on October 30, 2017. An additional investment cost of ₱2.45 billion (US$47.3 million) was incurred in relation to this acquisition.

On September 5, 2018, ICTSI has signed an SPA with Harbour Centre Port Terminal, Inc. (HCPTI) for the acquisition of 4,550,000 shares in MNHPI from HCPTI. The subject shares represent 15.17% of the total issued and outstanding shares of MNHPI. The consideration is ₱910.0 million (US$17.3 million). The Philippine Competition Commission and the PPA approved the acquisition of shares on March 15, 2019 and April 26, 2019, respectively. With the approval of the PPA, ICTSI's shareholdings in MNHPI increased from 34.83% to 50.00% effective on April 26, 2019. An additional investment cost of ₱2.70 billion (US$50.3 million) was incurred in relation to this acquisition.

Extension of Contracts
Port of Guayaquil, Guayaquil, Ecuador. On December 3, 2019, ICTSI, through its subsidiary, CGSA which operates the Port of Guayaquil in Ecuador, signed an extension to its Concession Agreement with the La Autoridad Portuaria de Guayaquil which extended the original Concession Agreement until December 31, 2046 from the original term until July 31, 2027.

Davao, Philippines. On April 21, 2006, the Philippine Ports Authority (PPA) granted Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) a ten-year contract for cargo handling services at Sasa Wharf, Port of Davao in the Philippines that expired on April 20, 2016. Thereafter, the PPA granted DIPSSCOR a series of hold-over authority (HOA) on a temporary basis over the cargo handling services at Sasa Wharf, Port of Davao. Pursuant to the PPA Memorandum Circular No. 37-2020, "Further Extension of Validity of PPA Approvals/Permits During the Enhanced Community Quarantine (ECQ), Modified ECQ (MECQ), and General CQ (GCQ) Due to COVID-19 Pandemic," dated September 29, 2020, and in view of the restrictions affecting processing of HOAs, among others, all HOAs to operate cargo handling services that expired/are expiring during the ECQ/MECQ/GCQ periods are deemed extended until December 31, 2020.

DIPPSCOR continues to operate and has submitted the letter of intent for the issuance of the HOA pursuant to the requirements of PPA Administrative Order No. 01-2021, "Issuance of Holdover Authority for the Continuous Provision of Cargo Handling (CH), Passenger Terminal Building (PTB) and Roll-on/Roll-off (RoRo) Services at Ports under the Jurisdiction of the Philippine Ports Authority (PPA)," dated February 9, 2021. As at May 4, 2021, DIPPSCOR has not received a new hold-over authority.

South Cotabato, Philippines. On February 20, 2006, the PPA granted South Cotabato Integrated Port Services, Inc. (SCIPSI) a ten-year contract for the exclusive management and operation of arrastre, stevedoring, and other cargo handling services, except porterage, at Makar Wharf, Port of General Santos, General Santos City in the Philippines that expired on February 19, 2016. Thereafter, the PPA granted SCIPSI a series of HOA on a temporary basis over the cargo handling services at Makar Wharf, Port of General Santos. Pursuant to the PPA Memorandum Circular No. 37-2020, "Further Extension of Validity of PPA Approvals/Permits During the Enhanced Community Quarantine (ECQ), Modified ECQ (MECQ), and General CQ (GCQ) Due to COVID-19 Pandemic," dated September 29, 2020, and in view of the restrictions affecting processing of HOAs, among others, all HOAs to operate cargo handling services that expired/are expiring during the ECQ/MECQ/GCQ periods are deemed extended until December 31, 2020. SCIPSI continues to operate and has submitted the letter of intent for the issuance of the HOA pursuant to the requirements of PPA Administrative Order No. 01-2021, "Issuance of Holdover Authority for the Continuous Provision of Cargo Handling (CH), Passenger Terminal Building (PTB) and Roll-on/Roll-off (RoRo) Services at Ports under the Jurisdiction of the Philippine Ports Authority (PPA)," dated February 9, 2021. As at May 4, 2021, SCIPSI has not received a new hold-over authority.

2.2 Results of Operations and Key Performance Indicators

2.2.1 Results of Operations

The following table shows a summary of the results of operations for the first quarters of 2020 and 2021 as derived from the accompanying unaudited interim condensed consolidated financial statements.

Table 2.1 Unaudited Interim Condensed Consolidated Statements of Income

	For the Three Months Ended March 31		
(In thousands, except % change data)	2020	**2021**	% Change
Gross revenues from port operations	US$375,776	**US$435,586**	15.9
Revenues from port operations, net of port authorities' share	331,193	**387,221**	16.9
Total income (net revenues, interest and other income)	341,203	**398,484**	16.8
Total expenses (operating, financing and other expenses)	256,654	**261,394**	1.8
EBITDA[1]	212,153	**264,778**	24.8
EBIT[2]	156,423	**205,930**	31.6
Net income attributable to equity holders of the parent	59,597	**90,070**	51.1
Earnings per share			
Basic	US$0.023	**US$0.036**	57.6
Diluted	0.023	**0.036**	57.6

[1] EBITDA is not a uniform or legally defined financial measure. It generally represents earnings before interest, taxes, depreciation and amortization. EBITDA is presented because the Group believes it is an important measure of its performance and liquidity. EBITDA is also frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry.

The Group's EBITDA figures are not; however, readily comparable with other companies' EBITDA figures as they are calculated differently and thus, must be read in conjunction with related additional explanations. EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under PFRS. Some of the limitations concerning EBITDA are:

- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for working capital needs;
- EBITDA does not reflect fixed (and in-substance fixed) port fees and leases that are accounted as concession assets under IFRIC 12, Service Concession Agreement, and right-of-use assets under PFRS16, Leases.
- EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal debt payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in the industry may calculate EBITDA differently, which may limit its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to the Group to invest in the growth of the business. The Group compensates for these limitations by relying primarily on the PFRS results and uses EBITDA only as supplementary information.

[2] EBIT, or Earnings Before Interest and Taxes, is calculated by taking net revenues from port operations and deducting cash operating expenses and depreciation and amortization.

The following table presents the computation of EBITDA as derived from the Group's unaudited interim consolidated net income attributable to equity holders of the parent for the first quarters of 2020 and 2021:

Table 2.2 EBITDA Computation

	For the Three Months Ended March 31		
In thousands, except % change data	2020	**2021**	% Change
Net income attributable to equity holders of the parent	US$59,597	**US$90,070**	51.1
Non-controlling interests	9,241	**12,238**	32.4
Provision for income tax	15,711	**34,782**	121.4
Income before income tax	84,549	**137,090**	62.1
Add (deduct):			
Depreciation and amortization	55,730	**58,848**	5.6
Interest and other expenses	81,884	**80,103**	(2.2)
Interest and other income	(10,010)	**(11,263)**	12.5
EBITDA	US$212,153	**US$264,778**	24.8

2.2.2 Key Performance Indicators

The five key performance indicators (KPIs) include gross moves per hour per crane, crane availability and berth utilization, which affect the operations of the Group, and volume growth in TEU and gross revenue growth, which are both financial in nature. These KPIs are discussed in detail in the succeeding paragraphs.

2021 Compared with 2020

Gross moves per hour per crane ranged to 15.7 to 31.1 moves per hour in 2021 from 13.8 to 30.4 moves per hour in 2020. Crane availability ranged to 84.8 percent to 98.5 percent in 2021 from 82.2 percent to 98.6 percent in 2020. Berth utilization was at 21.1 percent to 70.7 percent in 2021 and 24.7 percent to 78.2 percent in 2020.

2020 Compared with 2019

Gross moves per hour per crane ranged to 13.8 to 30.4 moves per hour in 2020 from 13.2 to 29.1 moves per hour in 2019. Crane availability ranged to 82.2 percent to 98.6 percent in 2020 from 79.3 percent to 99.8 percent in 2019. Berth utilization was at 24.7 percent to 78.2 percent in 2020 and 19.6 percent to 78.5 percent in 2019.

The gross moves per hour per crane is a measure of crane productivity while working on vessels during discharging or loading operations. The crane availability relates to the efficiency of the maintenance of the crane. While berth utilization is a measure of how long the berth is utilized for a given period and this indicator measures the efficiency of the operations and the productivity on the vessel.

2.3 Comparison of Operating Results for the Three Months Ended March 31, 2020 and 2021

2.3.1 TEU Volume

The below table presents the volume (in TEU) handled by the Group for the three months ended March 31, 2020 and 2021:

Table 2.3 Volume

	For the Three Months Ended March 31		
	2020	**2021**	% Change
Asia	1,107,103	**1,185,017**	7.0
Americas	787,947	**872,762**	10.8
EMEA	613,936	**650,012**	5.9
	2,508,986	**2,707,791**	7.9

The Group's consolidated volume increased by 7.9 percent to 2,707,791 TEUs for the first quarter of 2021 from 2,508,986 TEUs for the same period in 2020 primarily due to improvement in trade activities as economies recover from the impact of the pandemic; and new shipping lines and services.

Volume from the Asia segment, consisting of terminals in the Philippines, China, Indonesia, Australia and Papua New Guinea increased by 7.0 percent to 1,185,017 TEUs for the first quarter of 2021 from 1,107,103 TEUs for the same period in 2020 mainly due to volume growth and recovery at MICT; volume growth at VICT; increased trade activities at YICT and recovery at certain Philippine terminals, slightly tapered by reduced vessel calls at MTS and DIPSSCOR. The Asia operations accounted for 44.1 percent and 43.8 percent of the consolidated volume for the first quarters ended March 31, 2020 and 2021, respectively.

Volume from the Americas segment, consisting of terminals in Brazil, Ecuador, Honduras, Mexico, and Argentina, grew by 10.8 percent to 872,762 TEUs for the first quarter of 2021 from 787,947 TEUs for the same period in 2020 mainly due to new shipping lines and services at CMSA; and higher trade volumes at CGSA and TSSA, partially tapered by decline in trade activities at OPC and ICTSI Rio. The Americas operations accounted for 31.4 percent and 32.2 percent of the consolidated volume for the first quarters ended March 31, 2020 and 2021, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Pakistan (previously part of Asia segment), Georgia, Madagascar and Croatia, reported a 5.9 percent growth to 650,012 TEUs for the first quarter of 2021 from 613,936 TEUs for the same period in 2020 mainly due to new services at PICT; easing up of congestion at transshipment point resulting to increased vessel calls at IDRC; and increased trade volumes at AGCT and BCT, partially tapered by decrease in vessel calls and lower trade volumes at ICTSI Iraq and MICTSL; and overall market decline in Georgia resulting to decrease in trade volumes at BICT. The EMEA operations accounted for 24.5 percent and 24.0 percent of the Group's consolidated volume for the first quarters ended March 31, 2020 and 2021, respectively.

2.3.2 Total Income

Total income consists of: (1) Revenues from port operations, net of port authorities' share in gross revenues; (2) Interest income; (3) Foreign exchange gain; and (4) Other income.

The table below illustrates the consolidated total income for the three months ended March 31, 2020 and 2021:

Table 2.4 Total Income

	For the Three Months Ended March 31		
(In thousands, except % change data)	2020	**2021**	% Change
Gross revenues from port operations	US$375,776	**US$435,586**	15.9
Port authorities' share in gross revenues	44,583	**48,365**	8.5
Net revenues	331,193	**387,221**	16.9
Interest income	4,737	**5,073**	7.1
Foreign exchange gain	2,152	**3,987**	85.3
Other income	3,121	**2,203**	(29.4)
Total income	US$341,203	**US$398,484**	16.8

For the first quarter of 2021, net revenues stood at 97.2 percent of the total consolidated income while interest income, foreign exchange gain and other income accounted for 1.3 percent, 1.0 percent and 0.06 percent, respectively. For the same period in 2020, net revenues stood at 97.1 percent of the total consolidated income while interest income, foreign exchange gain and other income accounted for 1.4 percent, 0.6 percent and 0.9 percent, respectively.

2.3.2.1 Gross Revenues from Port Operations

Gross revenues from port operations include fees received for cargo handling, wharfage, berthing, storage, and special services.

Table 2.5 Gross Revenues from Port Operations

	For the Three Months Ended March 31		
(In thousands, except % change data)	2020	**2021**	% Change
Asia	US$166,144	**US$186,525**	12.3
Americas	120,446	**148,106**	23.0
EMEA	89,186	**100,955**	13.2
	US$375,776	**US$435,586**	15.9

The Group's consolidated gross revenues from port operations significantly increased by 15.9 percent to US$435.6 million for the first quarter of 2021 from US$375.8 million for the same period in 2020 mainly due to volume growth; favorable container mix; tariff adjustments at certain terminals; new contracts with shipping lines and services; and increased storage and ancillary services, particularly in the Americas, partially tapered by decline in trade activities at certain terminals primarily due to the impact of COVID-19 pandemic and unfavorable impact of foreign exchange at certain terminals.

Gross revenues from the Asia segment increased by 12.3 percent to US$186.5 million for the first quarter of 2021 from US$166.1 million for the same period in 2020 mainly due to volume growth; improvement in trade activities and tariff adjustments at certain terminals; combined with favorable translation impact of the appreciation of AUD-based revenues at VICT and PHP-based revenues at Philippine terminals, respectively, partially tapered by lower revenues from storage at certain terminals. The Asia operations captured 44.2 percent and 42.8 percent of the consolidated gross revenues for the first quarters ended March 31, 2020 and 2021, respectively.

Gross revenues from the Americas segment increased by 23.0 percent to US$148.1 million for the first quarter of 2021 from US$120.4 million for the same period in 2020 mainly due to volume growth; new service and contracts with shipping lines mainly in CMSA, increase in revenues from storage and ancillary services, partially tapered by unfavorable translation impact of the depreciation of Brazilian Reais (BRL)-based revenues at TSSA and ICTSI Rio. The Americas operations accounted for 32.1 percent and 34.0 percent of the consolidated gross revenues for the first quarters ended March 31, 2020 and 2021, respectively.

Gross revenues from the EMEA operations increased by 13.2 percent to US$101.0 million for the first quarter of 2021 from US$89.2 million for the same period in 2020 primarily due to volume growth; favorable container mix; increase in revenues from storage and ancillary services, new services and tariff adjustments at certain terminals; combined with favorable translation impact of the appreciation of Euro (EUR)-based revenues at MICTSL and AGCT, partially tapered by lower revenues from storage and general cargoes at ICTSI Iraq; and decline in trade activities at BICT primarily due to the impact of COVID-19 pandemic. The EMEA operations stood at 23.7 percent and 23.2 percent of the consolidated gross revenues for the first quarters ended March 31, 2020 and 2021, respectively.

2.3.2.2 Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities at certain terminals, increased by 8.5 percent to US$48.4 million for the first quarter of 2021 from US$44.6 million for the same period in 2020 as a result of higher revenues at these terminals.

2.3.2.3 Interest Income, Foreign Exchange Gain and Other Income

Consolidated interest income increased by 7.1 percent to US$5.1 million for the first quarter of 2021 from US$4.7 million for the same period in 2020 mainly due to interest earned on CMSA's short-term deposits.

Foreign exchange gain increased by 85.3 percent to US$4.0 million for the first quarter of 2021 from US$2.2 million for the same period in 2020 mainly due to the favorable translation impact of certain currencies against US dollar. Foreign exchange gain mainly arises from the settlement and translation or restatement adjustments of foreign currency-denominated monetary assets and liabilities.

Other income decreased by 29.4 percent to US$2.2 million for the first quarter of 2021 from US$3.1 million for the same period in 2020 mainly due to higher tax credits granted to certain terminals in 2020. Other income includes the Group's rental, dividend income, and other sundry income accounts.

2.3.3 Total Expenses

The table below shows the breakdown of total expenses for the three months ended March 31, 2020 and 2021.

Table 2.6 Total Expenses

	For the Three Months Ended March 31		
(In thousands, except % change data)	2020	**2021**	% Change
Manpower costs	US$61,468	**US$63,244**	2.9
Equipment and facilities-related expenses	28,085	**29,144**	3.8
Administrative and other operating expenses	29,487	**30,055**	1.9
Total cash operating expenses	119,040	**122,443**	2.9
Depreciation and amortization	55,730	**58,848**	5.6
Interest expense and financing charges on borrowings	26,511	**28,503**	7.5
Interest expense on lease liability	24,671	**26,444**	7.2
Interest expense on concession rights payable	13,084	**14,314**	9.4
Equity in net loss (gain) of joint ventures and an associate	5,514	**(42)**	(100.8)
Foreign exchange loss and others	12,104	**10,884**	(10.1)
Total expenses	US$256,654	**US$261,394**	1.8

Total cash operating expenses of the Group increased by 2.9 percent to US$122.4 million for the first quarter of 2021 from US$119.0 million for the same period in 2020 mainly due to contribution of new businesses (KMT and ICTSNL); increase in contracted services in relation to volume; and unfavorable foreign exchange effect of AUD-based expenses at VICT and PHP-based expenses at Philippine terminals; partially tapered by continuous cost optimization measures; and favorable foreign exchange effect of IQD-based expenses at ICTSI Iraq, and BRL-based expenses at TSSA and ICTSI Rio. Excluding contribution of new businesses, consolidated cash operating expenses would have increased by 1.2 percent.

2.3.3.1 Manpower Costs

Manpower costs increased by 2.9 percent to US$63.2 million for the first quarter of 2021 from US$61.5 million for the same period in 2020 primarily due to higher contracted services as a result of the volume increase at certain terminals; and government-mandated and contracted salary rate adjustments at certain terminals, partially tapered by continuous cost optimization measures. Excluding contribution of new businesses, consolidated manpower costs would have increased by 2.1 percent.

Manpower costs accounted for 51.6 percent and 51.7 percent of consolidated cash operating expenses for the first quarters ended March 31, 2020 and 2021, respectively.

2.3.3.2 Equipment and Facilities-Related Expenses

Equipment and facilities-related expenses consist mainly of repairs and maintenance costs of port equipment and facilities, power and light, tools expenses, equipment rentals, and fuel, oil and lubricants.

Equipment and facilities-related expenses increased by 3.8 percent to US$29.1 million for the first quarter of 2021 from US$28.1 million for the same period in 2020 mainly due to contribution of new businesses, partially tapered by decrease in equipment rentals and utilities at certain terminals. Excluding contribution of new businesses, consolidated equipment and facilities-related expenses would have increased by 1.1 percent.

Equipment and facilities-related expenses represented 23.6 percent and 23.8 percent of consolidated cash operating expenses for the first quarters ended March 31, 2020 and 2021, respectively.

2.3.3.3 Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 1.9 percent to US$30.1 million for the first quarter of 2021 from US$29.5 million for the same period in 2020 mainly due to contribution of new businesses, tapered by continuous cost optimization measures implemented. Excluding contribution of new businesses, consolidated administrative and other operating expenses would have decreased by 0.5 percent.

Administrative and other operating expenses stood at 24.8 percent and 24.5 percent of consolidated cash operating expenses for the first quarters ended March 31, 2020 and 2021, respectively.

2.3.3.4 Depreciation and Amortization

Depreciation and amortization expense increased by 5.6 percent to US$58.8 million for the first quarter of 2021 from US$55.7 million for the same period in 2020 mainly due to amortization of right-of-use assets recognized at ICTSNL and capitalized fixed fees at KMT; unfavorable translation impact of AUD-based depreciation charges at VICT; higher depreciation and amortization charges at certain terminals; partially tapered by lower amortization expense on the concession rights assets at Tecplata arising from the reduced carrying value of its concession right assets following the non-recurring impairment charge in December 2020. Excluding contribution of new businesses, depreciation and amortization expense would have increased by 2.4 percent.

2.3.3.5 Interest Expense and Financing Charges on Borrowings

Interest and financing charges on borrowings increased by 7.5 percent to US$28.5 million for the first quarter of 2021 from US$26.5 million for the same period in 2020 primarily due to issuance of senior notes at ICTSI Parent in June 2020.

2.3.3.6 Interest Expense on Lease Liabilities

Interest expense on lease liabilities increased by 7.2 percent to US$26.4 million for the first quarter ended March 31, 2021 from US$24.7 million for the same period in 2020 mainly due to unfavorable translation impact of AUD-based interest expense at VICT; and contribution of a new terminal, ICTSNL; partially tapered by favorable translation impact of BRL-based interest expense at TSSA. Excluding contribution of ICTSNL, interest expense on lease liabilities would have increased by 6.6 percent.

2.3.3.7 *Interest Expense on Concession Rights Payable*

Interest expense on concession rights payable increased by 9.4 percent to US$14.3 million for the first quarter ended March 31, 2021 from US$13.1 million for the same period in 2020 mainly due to the recognition of concession rights liabilities at a new terminal, KMT in October 2020; partially tapered by favorable translation impact of BRL-based interest expense at ICTSI Rio. Excluding contribution of KMT, interest expense on concession rights payable would have decreased by 4.1 percent.

2.3.3.8 *Equity in Net Loss (Gain) of Joint Ventures and an Associate*

Equity in net loss of joint ventures and an associate decreased by 100.8 percent to US$42 thousand equity in net gain in the first quarter of 2021 from US$5.5 million equity in net loss for the same period in 2020 due to the Company's share in the higher net earnings with respect to MNHPI mainly due to the impact of Corporate Recovery and Tax Incentives for Enterprises (CREATE) enactment in the Philippines on the deferred tax liabilities associated to the acquisition of MNHPI; and the Company's share in lower net loss at SPIA.

2.3.3.9 *Foreign Exchange Loss and Others*

Foreign exchange loss and others decreased to US$10.9 million in the first quarter of 2021 from US$12.1 million for the same period in 2020 mainly due to higher COVID-19 related costs incurred in 2020.

2.3.4 EBITDA and EBIT

Consolidated EBITDA increased by 24.8 percent to US$264.8 million for the first quarter of 2021 from US$212.2 million for the same period in 2020 mainly due to higher revenues, partially tapered by the increase in cash operating expenses. EBITDA margin increased to 60.8 percent in 2021 from 56.5 percent in 2020. Excluding contribution of new businesses, EBITDA would have increased by 25.5 percent.

Meanwhile, consolidated EBIT increased by 31.6 percent to US$205.9 million for the first quarter of 2021 from US$156.4 million for the same period in 2020 mainly due to higher EBITDA, partially tapered by increase in depreciation and amortization charges. EBIT margin increased to 47.3 percent in 2021 from 41.6 percent in 2020. Excluding contribution of new businesses, EBIT would have increased by 33.7 percent.

2.3.5 Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased by 62.1 percent to US$137.1 million for the first quarter of 2021 from US$84.5 million for the same period in 2020 primarily due to higher operating income; decrease in equity in net loss of joint ventures and an associate, partially tapered by negative contribution of new businesses; and increase in interest on loans, concession rights payable, and lease liability. Excluding contribution of new businesses, income before income tax would have increased by 68.7 percent. The ratio of consolidated income before income tax to consolidated gross revenues stood at 31.5 percent and 22.5 percent in 2021 and 2020, respectively.

Consolidated provision for current and deferred income taxes increased to US$34.8 million for the first quarter of 2021 from US$15.7 million for the same period in 2020 mainly due to higher taxable income at certain terminals, reduction of deferred tax assets at Philippine terminals as a result of enactment of CREATE in the Philippines. Effective income tax rate in 2020 and 2021 stood at 18.6 percent and 25.4 percent, respectively.

2.3.6 Net Income

Consolidated net income increased by 48.6 percent to US$102.3 million for the quarter ended March 31, 2021 from US$68.8 million for the same period in 2020. The ratio of consolidated net income to consolidated gross revenues stood at 18.3 percent and 23.5 percent in 2020 and 2021, respectively.

Consolidated net income attributable to equity holders increased by 51.1 percent to US$90.1 million for the quarter ended March 31, 2021 from US$59.6 million for the same period in 2020.

Basic and diluted earnings per share increased to US$0.036 in 2021 from US$0.023 in 2020.

2.4 Trends, Events or Uncertainties Affecting Recurring Revenues and Profits

The Group is exposed to a number of trends, events and uncertainties which can affect its recurring revenues and profits. These include levels of general economic activity and containerized trade volume in countries where it operates, as well as certain cost items, such as labor, fuel and power. In addition, the Group operates in a number of jurisdictions other than the Philippines and collects revenues in various currencies. Continued appreciation of the US dollar relative to other major currencies, particularly the Philippine peso, Brazilian reais, Mexican peso, Australian dollars and the Euro, may have a negative impact on the Group's reported levels of revenues and profits.

On March 11, 2020, the World Health Organization has declared the novel coronavirus (COVID-19) outbreak a global pandemic.

In the Philippines, in a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until May 15, 2020. Thereafter, several extensions of community quarantines at different levels were implemented in Metro Manila and different areas in the Philippines. On April 28, 2021, community quarantine restrictions of varying levels were extended in Metro Manila and neighboring provinces through May 14, 2021 and other parts of the country through May 31, 2021, in order to manage the spread of COVID-19.

Likewise, government authorities in other countries where the Group operates, adopted measures, including lockdowns, to control the spread of the virus and mitigate the impact of the outbreak.

These measures have caused disruptions to businesses, global supply chain, and economic activities, and its impact continues to evolve.

The scale and duration of these developments remain uncertain as of the report date. The Group observed declines in general business, including container throughput and revenues. It is not possible to estimate the overall impact of the outbreak's near-term and longer effects, however, the Group has already incurred and will continue to incur costs as the Group continues to mitigate the adverse impact of the outbreak on its operations.

The COVID-19 pandemic does not have significant impact to the collectability of the Group's trade receivables in 2021. Considering the evolving nature of this pandemic, the Group will continue to monitor the situation. Uncertainties in market trends and economic conditions may persist due to COVID-19 pandemic, which may impact actual results and differ materially from the estimates of expected credit losses.

2.5 Financial Position

Table 2.7 Interim Condensed Consolidated Balance Sheets

(In thousands, except % change data)	December 31, 2020 *(Audited, except for ratios)*	**March 31, 2021** *(Unaudited)*	% Change
Total assets	US$6,195,325	**US$6,167,469**	(0.4)
Current assets	969,218	**1,042,545**	7.6
Total equity	1,861,620	**1,630,272**	(12.4)
Total equity attributable to equity holders of the parent	1,680,616	**1,454,594**	(13.4)
Total interest-bearing debt	1,767,307	**1,942,265**	9.9
Current liabilities	490,527	**771,183**	57.2
Total liabilities	4,333,705	**4,537,197**	4.7
Current assets/total assets	15.6%	**16.9%**	
Current ratio	1.98	**1.35**	
Debt-equity ratio[1]	0.95	**1.19**	

[1] Debt includes interest-bearing debt, including perpetual capital securities classified as debt rather than equity. Equity means Total Equity as shown in the consolidated balance sheets.

Total assets marginally decreased by 0.4 percent to US$6.2 billion as of March 31, 2021 from US$6.2 billion as of December 31, 2020 mainly due to the reduced US dollar carrying value of the assets of foreign operations as a result of net unfavorable exchange differences on the translation into the Group's presentation currency, in particular, BRL-based, MXN-based and AUD-based assets at ICTSI Rio and TSSA, CMSA and VICT, respectively. The exchange differences are recognized directly in equity. The decrease in total assets is, however, tapered by cash generated from operations and capital expenditures arising from ongoing expansion projects at MICT, yard expansion at IDRC, and acquisition of port facilities and equipment at ICTSNL.
Non-current assets stood at 84.4 percent and 83.1 percent of the total consolidated assets as of December 31, 2020 and March 31, 2021, respectively.

Current assets increased by 7.6 percent to US$1,042.5 million as of March 31, 2021 from US$969.2 million as of December 31, 2020 mainly due to cash generated from operations, tapered by deployment of cash to fund capital expenditures; payment of interest on borrowings and repayment of loan mainly at VICT. Current assets accounted for 15.6 percent and 16.9 percent of the total consolidated assets of the Group as of December 31, 2020 and March 31, 2021, respectively. Current ratio stood at 1.98 and 1.35 as of December 31, 2020 and March 31, 2021, respectively.

Total equity decreased by 12.4 percent to US$1.6 billion as of March 31, 2021 primarily due to reclassification of the perpetual capital securities amounting to US$192.3 million to current liabilities upon notification of redemption in March 2021, and recognition of dividends declared during the period, tapered by net income generated for the period.

Total liabilities increased by 4.7 percent to US$4.5 billion as of March 31, 2021 mainly due to reclassification of perpetual capital securities to current liabilities; and increase in dividends payables, tapered by the reduced US dollar carrying value of the liabilities of foreign operations as a result of favorable exchange differences on the translation into the Group's presentation currency, in particular, BRL-based, MXN-based and AUD-based lease liabilities at TSSA, VICT and CMSA and concession rights payable at ICTSI Rio, respectively; repayment of loans at certain terminals; payment of lease liabilities mainly at VICT; and decrease in the fair value of derivative liabilities relating to interest rate swap arrangements. Financial leverage, the ratio of total interest-bearing debt to total assets, stood at 28.5 percent and 31.5 percent as of December 31, 2020 and March 31, 2021, respectively.

Meanwhile, current liabilities increased by 57.2 percent to US$771.2 million as of March 31, 2021 from US$490.5 million as of December 31, 2020 mainly due to reclassification of perpetual capital securities to current liabilities; and increase in dividends payable, tapered by the repayment of loans mainly at VICT.

2.5.1 Material Variances Affecting the Balance Sheet

Balance sheet accounts as of March 31, 2021 with variances of plus or minus 5.0 percent against December 31, 2020 balances are discussed, as follows:

Current Assets

1. Cash and cash equivalents increased by 9.7 percent to US$806.3 million as of March 31, 2021 mainly due to cash generated from operations, tapered by continuous deployment of cash to fund capital expenditures, payment of interest on borrowings, repayment of loans at VICT, IDRC and CGSA, and payment of lease liabilities mainly at VICT.
2. Receivables increased by 5.5 percent to US$136.4 million as of March 31, 2021 primarily due to higher revenues from port operations at most of the terminals.
3. Prepaid expenses and other current assets decreased by 9.0 percent to US$60.8 million as of March 31, 2021 mainly due to lower receivable for the Group's share in fees collected by the port authority.

Equity

4. Treasury shares decreased by 64.0 percent to US$1.6 million as of March 31, 2021 mainly due to share based employee incentive payments.
5. Retained earnings decreased by 9.7 percent to US$196.0 million as of March 31, 2021 mainly due to recognition of dividends declared on March 15, 2021 amounting to US$99.5 million (net of dividend income received by a subsidiary holding ICTSI common shares), tapered by net income earned for the quarter amounting to US$90.1 million.
6. Perpetual capital securities decreased by15.4 percent to US$1.1 billion as of March 31, 2021 primarily due to reclassification of perpetual capital securities amounting to US$192.3 million to current liabilities upon notification of redemption in March 2021.
7. Other comprehensive loss increased by 7.6 percent to US$199.0 million as of March 31, 2021 due to net unfavorable exchange differences on translation of foreign operations' financial statements, partially tapered by decrease in unrealized mark-to-market loss on interest rate swap arrangements.

Noncurrent Liabilities

8. Other noncurrent liabilities decreased by 26.9 percent to US$45.8 million as of March 31, 2021 mainly due to decrease in the fair value of derivative liabilities relating to interest rate swap arrangements.

Current Liabilities

9. Perpetual capital securities amounting to US$203.8 million represents the redemption value of the securities reclassified from equity upon notification of redemption in March 2021.
10. Accounts payable and other current liabilities increased by 22.8 percent to US$434.3 million as of March 31, 2021 primarily due to increase in dividends payables from dividends declared at ICTSI Parent on March 15, 2021.
11. Current portion of long-term debt decreased to US$33.2 million as of March 31, 2021 mainly due to decrease in term loans scheduled for payment in the next twelve months at certain terminals and repayment of loans mainly at VICT.
12. Income tax payable increased by 28.0 percent to US$55.4 million as of March 31, 2021 mainly due to stronger operating results at certain terminals.
13. Current portion of derivative liabilities increased by 7.5 percent to US$10.4 million as of March 31, 2021 due to higher fair value of derivative liabilities relating to interest rate swap arrangements expected to be realized in the next twelve months.

2.6 Liquidity and Capital Resources

This section discusses the Group's sources and uses of funds as well as its debt and equity capital profile.

2.6.1 Liquidity

The table below shows the Group's unaudited interim condensed consolidated cash flows as of March 31, 2020 and 2021:

Table 2.8 Unaudited Interim Condensed Consolidated Cash Flows

	For the Three Months Ended March 31		
(In thousands, except % change data)	2020	**2021**	% Change
Net cash provided by operating activities	US$184,350	**US$236,225**	28.1
Net cash used in investing activities	(74,271)	**(35,050)**	(52.8)
Net cash provided by (used in) financing activities	110,323	**(125,746)**	(214.0)
Effect of exchange rate changes on cash	(5,044)	**(3,926)**	(22.2)
Net increase in cash and cash equivalents	215,358	**71,503**	(66.8)
Cash and cash equivalents, beginning	234,834	**734,832**	212.9
Cash and cash equivalents, end	US$450,192	**US$806,335**	79.1

Consolidated cash and cash equivalents increased by 79.1 percent to US$806.3 million as of March 31, 2021 from US$450.2 million for the same period in 2020 mainly due to higher cash and cash equivalents at the beginning of the year and stronger cash generated from operations.

Net cash provided by operating activities increased by 28.1 percent to US$236.2 million for the quarter ended March 31, 2021 from US$184.3 million for the same period in 2020 mainly due to better results of operations in 2021.

Net cash used in investing activities for the quarter ended March 31, 2021 amounted to US$35.0 million which consists mainly of capital expenditures of US$36.3 million, excluding capitalized borrowing costs. The capital expenditures for the quarter ended March 31, 2021 include mainly the ongoing expansions at MICT, yard expansion at IDRC and acquisition of port facilities and equipment at ICTSNL. Meanwhile, net cash used in investing activities for the same period in 2020 includes capital expenditures of US$59.7 million, which consist mainly of ongoing expansions at MICT and CMSA, and yard expansion at IDRC.

Net cash used in financing activities for the quarter ended March 31, 2021 amounted to US$125.7 million which consists mainly of repayment of loans at VICT, IDRC and CGSA; and payment of lease liabilities mainly at VICT. Meanwhile, the net cash provided by financing activities for the same period in 2020 includes net cash proceeds from the loans availed to refinance the senior notes at ICTSI Parent that matured in March 2020, partially tapered by repayment of loans at VICT, CGSA, IDRC and YICT; and payment of lease liability mainly at VICT.

2.6.2 Capital Resources

The table below illustrates the Group's capital sources as of December 31, 2020 and March 31, 2021:

Table 2.9 Capital Sources

(In thousands, except % change data)	December 31, 2020 *(Audited)*	**March 31, 2021** *(Unaudited)*	% Change
Loans payable	US$2,828	**US$2,847**	0.7
Current portion of long-term debt	49,808	**33,230**	(33.3)
Perpetual capital securities	–	**203,792**	100.0
Long-term debt, net of current portion	1,714,671	**1,702,396**	(0.7)
Total short and long-term debt	1,767,307	**1,942,265**	9.9
Equity	1,861,620	**1,630,272**	(12.4)
	US$3,628,927	**US$3,572,537**	(1.6)

The Group’s total debt and equity capital decreased by 1.6 percent as of March 31, 2021 primarily due to recognition of dividends declared during the period; and repayment of loans, tapered by net income generated during the period.

2.6.2.1 Debt Financing

The table below provides the breakdown of the Group’s outstanding loans as of March 31, 2021:

Table 2.10 Outstanding Loans

(In thousands)	Company	Final Maturity	Interest Rate	Amount
Long-Term Debt				
Medium-Term Note (MTN) Programme				
Unsecured US Dollar Bond	ITBV	2023 - 2025	Fixed	US$768,886
Senior Notes				
Unsecured US Dollar Bond	Parent	2030	Fixed	392,361
Project Finance Facilities				
Secured AUD Term Loan	VICT	2023 - 2031	Fixed*	199,383
US dollar and Foreign Currency-denominated Term Loans and Securities				
Secured US Dollar Term Loan	IGFBV	2026	Fixed*	283,432
Secured EUR Term Loan	ICTSI Middle East	2022	Floating	44,583
Secured US Dollar Term Loans	IDRC	2022-2023	Fixed	18,618
Secured PGK Term Loan	SPICTL	2024	Floating	13,529
Secured PGK Term Loan	MITL	2024	Floating	10,495
Unsecured US Dollar Term Loans	CGSA	2027	Fixed	4,339
				1,735,626
Short-Term Debt				
PGK Loan	MITL	2021	Floating	2,847
Total Debt				1,738,473
Less current portion and short-term				36,077
Long-term debt, net of current portion				**US$1,702,396**

**Under interest rate swap agreement*

As a result of diligent liability management initiatives, the duration of debt capital has been extended resulting to 94.2% of the Group's total debt as of March 31, 2021, maturing in 2023 and beyond.

The table below is a summary of long-term debt maturities, net of unamortized debt issuance cost, of the Group as of March 31, 2021:

Table 2.11 Outstanding Long-term Debt Maturities

(In thousands)	Amount
2021	US$22,006
2022	78,422
2023	489,878
2024	21,316
2025 onwards	1,124,004
Total	US$1,735,626

Long-term Debt

MTN Programme

ICTSI Treasury B.V. (ITBV). On January 9, 2013, ITBV, a majority-owned subsidiary through ICTSI Ltd., established the MTN Programme that would allow ITBV from time to time to issue medium-term notes (MTN), unconditionally and irrevocably guaranteed by ICTSI and listed on the Singapore Stock Exchange. The aggregate nominal amount of the MTN outstanding will not at any time exceed US$750.0 million (or its equivalent in other currencies), subject to increase as described in the terms and conditions of the Programme Agreement. In August 2013, the maximum aggregate nominal amount of the MTN outstanding that may be issued under the Programme was increased to US$1.0 billion.

Pursuant to the MTN Programme, on January 9, 2013, ITBV and ICTSI signed a Subscription Agreement with HSBC and UBS AG, Hong Kong Branch, for the issuance of 10-year US$300.0 million guaranteed MTN (the "Original MTN"). The Original MTN were issued on January 16, 2013 to mature on January 16, 2023 at a fixed interest rate of 4.625 percent p.a., net of applicable taxes, set at a price of 99.014 and payable semi-annually in arrears. Moreover, on January 28, 2013, an additional US$100.0 million guaranteed MTN was issued to form a single series with the original MTN.

In June 2013, ICTSI purchased a total of US$6.0 million of ITBV's US$400.0 million MTN at US$5.7 million.

In September 2013, ITBV further issued US$207.5 million notes from the MTN Programme at a fixed interest rate of 5.875 percent p.a. payable semi-annually and will be due in 2025 ("2025 Notes"), in exchange for US$178.9 million of ICTSI's US$450.0 million senior notes due in 2020 ("2020 Notes"). Concurrent with the exchange offer, noteholders of the 2020 Notes provided their consent to the modifications to the terms and conditions of the 2020 Notes to conform to the terms and conditions of all the notes issued under the MTN Programme. Moreover, on April 30, 2014, an additional US$75.0 million notes were issued to form a single series with the 2025 Notes.

In January 2015, an additional US$117.5 million notes were issued to form a single series with the 2025 Notes. Of this new issue, US$102.6 million was used to fund the exchange for US$91.8 million of the 2020 Notes. The cash proceeds received by ITBV amounted to US$11.6 million, net of debt issuance cost. These new Notes were consolidated and formed a single series with the US$282.5 million 5.875 percent guaranteed Notes due 2025 issued on September 17, 2013 and April 30, 2014.

As at March 31, 2021, carrying value of notes under the MTN Programme amounted to US$768.9 million.

The aggregate net proceeds of the issuances under the MTN Programme were used to fund new projects and capital expenditures, refinance some of ICTSI's existing debt and for other general corporate purposes.

Senior Notes

ICTSI. In March 2010, ICTSI signed a Subscription Agreement with HSBC and JP Morgan Securities, Ltd. for the issuance of US$250.0 million ten-year senior notes (the "Original Notes") bearing interest at a fixed rate of 7.375 percent, net of applicable taxes, payable semi-annually in arrears. In April 2010, ICTSI tapped a further US$200.0 million (the "Further Notes") of the Original Notes increasing the size to US$450.0 million. The Further Notes were issued in May 2010 bearing interest at the fixed rate of 7.375 percent, net of applicable taxes. The Original and Further Notes are collectively referred to as the "2020 Notes".

The net proceeds of the 2020 Notes amounting to US$448.1 million were used to fund ICTSI's investments in existing and new terminal construction activities, refinance some of its existing debt and for other general corporate purposes.

The 2020 Notes were not registered with the SEC. The Notes were offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States. The 2020 Notes are traded and listed in the Singapore Stock Exchange.

In 2013 and 2015, ICTSI redeemed an aggregate of US$270.7 million of the 2020 Notes in exchange for the 2025 Notes under the MTN Programme. ICTSI fully redeemed the outstanding balance of the 2020 Notes on March 17, 2020.

On June 10, 2020, ICTSI signed a Subscription Agreement with Citigroup Global Markets Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities Plc for the issuance of ten-year senior notes (the "Senior Notes"). The Senior Notes were issued on June 17, 2020 with an aggregate principal amount of US$400.0 million, maturing on June 17, 2030, at a fixed interest rate of 4.75 percent per annum, payable semi-annually in arrears and at a price of 99.607.

The proceeds of the Senior Notes amounting to US$391.9 million, net of debt issuance costs, were used to refinance and extend the maturity of the Group's liabilities and for general corporate purposes. As at March 31, 2021, the carrying value of the Senior Notes amounted to US$392.4 million, net of debt issuance costs.

The Senior Notes were not registered with the Philippine SEC. The Senior Notes were offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Senior Notes are traded and listed in the Singapore Stock Exchange.

<u>Project Finance Facilities</u>
VICT. On July 15, 2016, VICT signed a syndicated project finance facilities with various international and regional banks for principal amount of US$300.0 million (AUD398.0 million) with interest rates based on Australian Bank Bill Swap Reference Rate (bid) (BBSY) plus average margin of 3.1 percent per annum and maturities until 2023, 2026 and 2031 and working capital facility of US$15.1 million (AUD20.0 million).

In 2016 and 2017, VICT entered into interest rate swap transactions to hedge the interest rate exposures on its floating rate AUD-denominated loans maturing in 2023, 2026 and 2031. A total notional amount of AUD338.3 million floating rate loan was swapped to fixed rate. Under the interest rate swap arrangements, VICT pays annual fixed interest of a range of 2.885 percent to 2.973 percent and receives floating rate of six-month Bank Bill Swap Bid Rate (BBSY) basis points on the notional amount. As at March 31, 2021, the market valuation loss on the outstanding interest rate swaps amounted to AUD14.1 million (US$10.7 million) before tax.

In 2021, VICT paid US$23.3 million (AUD30.2 million) of the loan from the term facilities. As at March 31, 2021, the outstanding balance of the loans amounted to US$199.4 million (AUD262.4 million), net of debt issuance costs.

<u>US dollar and Foreign Currency-denominated Term Loans and Securities</u>
ICTSI Global Finance B.V.(IGFBV). On March 21, 2019, IGFBV, as borrower, Metropolitan Bank and Trust Company, as lender, and ICTSI, as surety, signed a term loan facility amounting to US$300.0 million with interest based on three-month LIBOR plus an agreed margin and a tenor of 7 years. On April 29, 2019, IGFBV has fully availed the term loan facility. As at March 31, 2021, the outstanding balance of the term loan amounted to US$283.4 million, net of debt issuance cost.

In April 2019, ICTSI entered into an interest rate swap transaction to hedge the interest rate exposures of the ICTSI Global Finance B.V.'s floating rate US$-denominated floating rate loan maturing in 2026. A total notional amount of US$300.0 million floating rate loan was swapped to fixed rate. Under the interest rate swap arrangements, ICTSI pays annual fixed interest of 3.6981 percent and receives floating rate of three-month LIBOR plus 130 basis points on the notional amount. As of March 31, 2021, the market valuation loss on the outstanding interest rate swaps amounted to US$19.2 million.

On November 26, 2019 and December 5, 2019, IGFBV availed of 18-month loan from MUFG Bank Ltd. with interest based on three-month LIBOR plus an agreed margin, amounting to US$45.0 million each. On January 6, 2020, IGFBV availed another US$20.0 million loan. IGFBV fully paid the loans on June 18, 2020.

ICTSI Middle East DMCC. On January 9, 2019, ICTSI Middle East DMCC, as borrower, and ICTSI, as guarantor, signed a term loan facility agreement with Citigroup Global Markets Asia Limited and Standard Chartered Bank, the originally mandated lead arrangers and bookrunners, for the principal amount of US$297.6million (EUR260.0 million) with interest rate based on EURIBOR plus an agreed margin and maturing on December 20, 2022. The term facility agreement was entered into pursuant to the Loan Facility Programme Agreement dated July 24, 2014 between IGFBV as the borrower, ICTSI as the guarantor, and The Bank of New York Mellon, Singapore Branch as the trustee ("Loan Programme"). ICTSI Middle East DMCC acceded to the Loan Programme as an additional borrower and an additional obligor thereunder.

On January 10, 2019, ICTSI Middle East DMCC has fully drawn the EUR260.0 million from the facility. On June 12, 2019, ICTSI Middle East DMCC, as borrower, and ICTSI, as guarantor, signed an amendment and syndication agreement with various international and local banks for the term loan facility. On July 15, 2019 and December 17, 2019, partial pre-payment of US$219.1 million (EUR195.0 million) and US$30.0 million (EUR26.8 million), respectively, was made on the EUR260.0 term loan facility. As at March 31, 2021, the outstanding balance of the loans amounted to US$44.6 million (EUR38.0 million), net of debt issuance costs.

IDRC. On October 9, 2018, IDRC availed of a four-year term loan with Rawbank RDC amounting to US$25.0 million at a fixed interest rate. On May 6, 2019, IDRC availed of another four-year term loan with Rawbank DRC amounting to US$3.0 million at a fixed interest rate. On July 22, 2020, IDRC availed of a three-year term loan with Rawbank DRC amounting to US$10.0 million at a fixed interest rate. As at March 31, 2020, the outstanding balance of the loans aggregated to US$18.6 million.

SPICTL and MITL. On November 27, 2019, SPICTL and MITL, as borrowers, and Australia and New Zealand (ANZ) Banking Group (PNG) Limited, as lender, signed a loan agreement which consists of a PGK five-year term loan facility of US$31.6 million (PGK106.9 million) and a PGK revolving loan facility of US$5.9 million (PGK20.0 million), with interest based on ANZ's published Indicator Lending Rate minus an agreed margin. In 2019, SPICTL and MITL has availed US$17.8 million (PGK60.2 million) and US$13.8 million (PGK46.7 million), respectively, from the term loan facility to refinance the maturing bridge loans. As at March 31, 2021, the outstanding balance of the term loans of SPICTL and MITL amounted to US$13.5 million (PGK47.5 million) and US$10.5 million (PGK36.9 million), net of debt issuance costs, respectively.

CGSA. On March 29, 2016, CGSA (as "Borrower"), Metropolitan Bank and Trust Company (as "Lender" or "MBTC") and ICTSI (as "Surety") signed a loan agreement which consists of two tranches of US$32.5 million (Tranche I) and US$7.5 million (Tranche II) with interest based on three-month London Inter-bank Offered Rate (LIBOR) plus an agreed margin. Tranche I has a final maturity in March 2021 and Tranche II in May 2017. In 2016, CGSA availed of loans with a total amount of US$40.0 million. Portion of the proceeds of these loans was used to refinance the unsecured term loans of CGSA amounting to US$9.2 million in April 2016. In 2017, CGSA fully paid the loan under Tranche II. In March 2021, CGSA has fully paid the remaining balance of US$1.9 million of the loan under Tranche I.

On September 10, 2020, CGSA (as "Borrower"), Philippine National Bank (as "Lender") and ICTSI (as "Surety") signed a loan agreement amounting to US$15.5 million at a fixed interest rate and with a tenor of 7 years. On November 27, 2020 and January 28, 2021, CGSA availed of US$2.5 million and US$2.0 million from the facility, respectively. The outstanding balance of the loan amounted to US$4.3 million as at March 31, 2021.

In November 2016, ICTSI entered into an interest rate swap transaction to hedge the interest rate exposures of the CGSA's floating rate US$-denominated floating rate loan maturing in 2021. A total notional amount of US$32.5 million floating rate loan was swapped to fixed rate. Under the interest rate swap arrangements, ICTSI pays annual fixed interest of 3.045 percent and receives floating rate of six-month LIBOR plus 160 basis points on the notional amount. On March 30, 2021, the interest rate swap matured and the amount deferred in equity representing the effective portion of the change in fair value of the swap amounting to US$17.5 thousand at the time of payment was transferred to profit and loss and recognized under "Interest expense" account in the March 31, 2021 unaudited interim condensed consolidated statement of income.

Short-term Debt

MITL. On September 17, 2020, MITL availed of US$2.8 million (PGK10.0 million) from the revolving loan facility with a maturity date of March 16, 2021. The loan was renewed on March 16, 2021 and will mature on May 28, 2021.

2.6.2.2 Loan Covenants

The loans from local and foreign banks impose certain restrictions with respect to corporate reorganization, disposition of all or a substantial portion of ICTSI's and subsidiaries' assets, acquisitions of futures or stocks, and extending loans to others, except in the ordinary course of business. ICTSI is also required to comply with a specified financial ratio relating to their debt to EBITDA up to 4 times when incurring additional debt.

There was no material change in the covenants related to the Group's long-term debts. As at March 31, 2021, ICTSI and subsidiaries were in compliance with their loan covenants.

There were no other significant transactions pertaining to the Group's long-term debt as at March 31, 2021, except as discussed above.

2.6.2.3 Equity Financing

Perpetual Capital Securities

On January 29, 2015, RCBV issued US$300.0 million 6.25 percent Senior Guaranteed Perpetual Capital Securities unconditionally and irrevocably guaranteed by ICTSI at a price of 99.551 percent or US$298.7 million. The new issue was partly used to finance the tendered US$230.0 million 8.375 percent Subordinated Guaranteed Perpetual Capital Securities ("Original Securities) at a tender price of 107.625 or US$247.5 million. The cash proceeds received by RCBV amounted to US$46.7 million, net of debt issuance cost.

On August 26, 2015, RCBV issued US$450.0 million 5.50 percent Senior Guaranteed Perpetual Capital Securities unconditionally and irrevocably guaranteed by ICTSI. The cash proceeds received by RCBV amounted to US$436.3 million, net of debt issue cost, will be used for refinancing, funding capital expenditures and general corporate purposes.

On March 10, 2016, RCBV (the "Issuer") and ICTSI (the "Guarantor") sent a notice to The Hong Kong and Shanghai Banking Corporation Limited (HSBC, as "Trustee" and "Agent") for the redemption of the remaining US$108.3 million of the US$350-million Subordinated Guaranteed Perpetual Capital Securities and payment of accrued distributions. The securities were eventually redeemed in May 2016.

On October 3, 2016, RCBV tendered its US$300.0 million 6.25 percent and US$450.0 million 5.50 percent Senior Guaranteed Perpetual Capital Securities for redemption at a price of 106.75 and 105.75, respectively. On October 20, 2016, RCBV redeemed a total of US$345.5 million of the tendered securities and paid the associated accrued distributions of US$9.3 million. Together with the redemption, RCBV issued US$375.0 million 4.875 percent Senior Guaranteed Perpetual Capital Securities unconditionally and irrevocably guaranteed by ICTSI at a price of 99.225 percent. The new issue was used to finance the redemption and payment of accrued distributions of the tendered securities.

On January 10, 2018, the Board approved the principal terms and conditions of the US$350.0 million 5.875 percent fixed-for-life Senior Guaranteed Perpetual Capital Securities (the "New Securities"). The New Securities were unconditionally and irrevocably guaranteed by ICTSI at par. On January 11, 2018, the Board approved the issuance of additional Senior Guaranteed Perpetual Capital Securities amounting to US$50.0 million ("Additional Securities") which was consolidated and formed a single series with the New Securities initially offered on January 10, 2018. The Additional Securities were also unconditionally and irrevocably guaranteed by ICTSI. The cash proceeds received by RCBV from the issuance of the New and Additional Securities amounted to US$392.3 million, net of debt issuance costs, which shall be used for the financing of acquisitions and capital expenditures and for general corporate purposes.

On March 14, 2019, RCBV (the "Issuer") and ICTSI (the "Guarantor") sent a notice to The Hong Kong and Shanghai Banking Corporation Limited (HSBC, as "Trustee" and "Agent") for the redemption of the remaining US$139.7 million of the US$300-million Senior Guaranteed Perpetual Capital Securities ("Securities") and payment of accrued distributions on May 5, 2019. The securities were redeemed on May 2, 2019.

On July 6, 2020, RCBV launched a cash tender offer for its US$450.0 million 5.50 percent Senior Guaranteed Perpetual Capital Securities (of which US$264.9 million was outstanding) at a tender price of 100.75 percent. On July 16, 2020 and July 31, 2020, RCBV redeemed a total of US$66.5 million and paid the related premium and accrued distributions of US$1.2 million. On July 16, 2020, RCBV issued US$300.0 million 5.00 percent Senior Unsecured Perpetual Capital Securities unconditionally and irrevocably guaranteed by ICTSI at a price of 98.979 percent. The new issue was used to finance the redemption and payment of accrued distributions of the tendered securities. The proceeds from the new issue, net of debt issuance costs and face value of the redeemed securities, amounting to US$228.3 million was recognized as additional perpetual capital securities.

On March 8, 2021, RCBV (the "Issuer") and ICTSI (the "Guarantor") sent a notice to The Hong Kong and Shanghai Banking Corporation Limited (HSBC, as "Trustee" and "Agent") for the redemption of the remaining US$198.3 million of the US$450 million Senior Guaranteed Perpetual Capital Securities and payment of accrued distributions on May 5, 2021. The proceeds from the issuance of Securities were initially recognized as part of equity in the consolidated balance sheet. Upon notification of redemption, the redemption price of Securities of US$198.3 million was reclassified to and accrued distributions of US$5.5 million were recognized as financial liabilities. As at March 31, 2021, these financial liabilities were presented as "Perpetual Capital Securities" under current liabilities in the unaudited interim condensed consolidated balance sheet. The difference amounting to US$11.5 million between the total amount recognized as financial liabilities of US$203.4 and the carrying amount of the Securities of US$192.8 million recorded under equity was treated as a direct reduction in retained earnings.

On April 5, 2021, ICTSI purchased US$2.0 million of the US$300.0 million Senior Unsecured Perpetual Capital Securities at US$2.1 million and surrendered for cancellation.

2.7 Risks

ICTSI and its subsidiaries' geographically diverse operations expose the Group to various market risks, particularly foreign exchange risk, interest rate risk and liquidity risk, which movements may materially impact the financial results of the Group. The importance of managing these risks has significantly increased in light of the heightened volatility in both the Philippine and international financial markets.

With a view to managing these risks, the Group has incorporated a financial risk management function in its organization, particularly in the treasury operations.

2.7.1 Foreign Exchange Risk

The Group has geographically diverse operations and transacts in currencies other than its functional currency. Consequently, the Group is exposed to the risk of fluctuation of the exchange rates between the US dollar and other local currencies such as PHP, AUD, BRL, MXN and EUR that may adversely affect its results of operations and financial position. The Group attempts to match its revenues and expenses whenever possible and, from time to time, engages in hedging activities. Changes in exchange rates affect the US dollar value of the Group's revenues and costs that are denominated in foreign currencies. The Group also enters into cross currency swap agreements in order to manage its exposure to fluctuations in the net investments in its subsidiaries denominated in foreign currencies.

The Group's non-US dollar currency-linked revenues were 51.8 percent and 53.5 percent of gross revenues for the periods ended March 31, 2020 and 2021, respectively. Foreign currency-linked revenues include the following: (1) arrastre charges of MICT; and (2) non-US dollar revenues of international subsidiaries. ICTSI incurs expenses in foreign currency for the operating and start up requirements of its international subsidiaries. Concession fees payable to port authorities in certain countries are either denominated in or linked to the US dollar.

The table below provides the currency breakdown of the Group's revenue for the first quarter ended March 31, 2021:

Table 2.12 Revenue Currency Profile

Subsidiary	USD/EUR Composition	Local Currency
ICTSI	40% USD	60% PHP
SBITC/ICTSI Subic	50% USD	50% PHP
DIPSSCOR		100% PHP
HIPS		100% PHP
SCIPSI		100% PHP
BIPI		100% PHP
MICTSI		100% PHP
LGICT	28% USD	72% PHP
BCT	63% USD/15% EUR	22% PLN
TSSA		100% BRL
MICTSL	100% EUR*	
PTMTS		100% IDR
YICT		100% RMB
AGCT	88% EUR	12% HRK
CGSA	100% USD	
BICTL	100% USD	
PICT	85% USD	15% PKR
OJA	64% USD	36% IDR
CMSA	27% USD	73% MXN
OPC	100% USD	
ICTSI Iraq	82% USD	18% IQD
IDRC	95% USD	5% CDF
VICT		100% AUD
SPICTL/MITL		100% PGK
Tecplata	100%USD	
ICTSI Rio	53%USD	47%BRL

**MGA pegged to the EURO*

2.7.2 Interest Rate Risk

The Group's exposure to market risk for changes in interest rates (cash flow interest rate risk) relates primarily to the Group's bank loans and is addressed by a periodic review of the Group's debt mix with the objective of reducing interest cost and maximizing available loan terms. The Group also enters into interest rate swap agreements in order to manage its exposure to interest rate fluctuations.

2.7.3 Liquidity Risk

The Group manages its liquidity profile to be able to finance its working capital and capital expenditure requirements through internally generated cash and proceeds from debt and/or equity. As part of the liquidity risk management, the Group maintains strict control of its cash and makes sure that excess cash held by subsidiaries are up streamed timely to the Parent Company. The Group also monitors the receivables and payables turnover to ensure that these are at optimal levels. In addition, it regularly evaluates its projected and actual cash flow information and continually assesses the conditions in the financial market to pursue fund raising initiatives. These initiatives may include accessing bank loans, project finance facilities and the debt capital markets.

ICTSI monitors and maintains a level of cash and cash equivalents and bank credit facilities deemed adequate to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows.

There are no other known trends, demands, commitments, events or uncertainties that will materially affect the company's liquidity.

PART II – OTHER INFORMATION

There is no other information not previously reported in SEC Form 17-C that needs to be reported in this section.

ANNEX 1

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES

SCHEDULE OF AGING OF RECEIVABLES
As at March 31, 2021
(Unaudited, in Thousands)

	Trade	Advances	Total
Under six months	US$101,377	US$31,371	US$132,748
Six months to one year	1,042	161	1,203
Over one year	433	2,056	2,489
	US$102,852	US$33,588	US$136,440

ANNEX 2

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS
As at and for the Three Months Ended March 31

	2020	**2021**
Liquidity ratios		
Current ratio [a]	0.80	**1.35**
Interest rate coverage ratio [b]	8.00	**9.29**
Solvency ratios		
Debt to equity ratio [c]	1.25	**1.19**
Asset to equity ratio [d]	3.84	**3.78**
Profitability ratio		
EBITDA margin [e]	56.5%	**60.8%**

[a] *Current assets over current liabilities*

[b] *EBITDA over interest expense and financing charges on borrowings*

[c] *Interest-bearing debts over total equity*

[d] *Total assets over total equity*

[e] *EBITDA over gross revenues from port operations*

ICTSI Group – Map of Subsidiaries

As of March 31, 2021

SIGNATURES

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

Registrant **INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.**

By

Rafael D. Consing, Jr.
Senior Vice President and
Chief Financial Officer

May 4, 2021

Sandy A. Alipio

Sandy A. Alipio
Vice President, Global Financial
Controller

May 4, 2021