COVER SHEET

1 4 7 2 1 2
SEC Registration Number

COMPANY NAME

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

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

Arlyn L. McDonald
(Contact Person)

(+632) 8245 4101
(Company Telephone Number)

1 2 **3 1**
Month *Day*
(Fiscal Year)

Definitive
S E C 20 IS
(Form Type)

0 4 **Every 3rd Thursday**
Month *Day*
(Annual Meeting)

N/A
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

1,338
as of December 31, 2023
Total No. of Stockholders

Total Amount of Borrowings
(as of December 31, 2023)

Domestic	Foreign
US$650.2M	**US$1,521.8M**

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
   [ ] Preliminary Information Statement
   [X] Definitive Information Statement

2. Name of Registrant as specified in its charter
   International Container Terminal Services, Inc.

3. Province, country or other jurisdiction of incorporation or organization
   Manila, Philippines

4. SEC Identification Number **147212**

5. BIR Tax Identification Code **000-323-228**

6. Address of Principal Office **ICTSI Administration Building**
   Manila International Container Terminal South
   Access Road, Manila, Philippines
   Postal Code **1012**

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

8. Date, time, and place of the meeting of security holders

   April 18, 2024, 10:00 a.m., the meeting will be held and conducted in a virtual platform or online format at https://www.ictsi.com/2024asm

9. Approximate date on which the Information Statement is first to be sent or given to security holders March 21, 2024

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding as of December 31, 2023
Common Stock, P1.00 par value	**2,031,988,603**

   Amount of consolidated debt outstanding as of **December 31, 2023: US$2,172.0 million**

11. Are any or all of registrant's securities listed in a Stock Exchange? Yes x No

   Name of Stock Exchange: **Philippine Stock Exchange**
   Class of Securities Listed: **Common Stock**

ICTSI MANAGEMENT IS NOT SOLICITING PROXIES FOR THIS ANNUAL STOCKHOLDERS' MEETING. PLEASE DO NT SEND ICTSI MANAGEMENT YOUR PROXY.

International Container Terminal Services, Inc.

ICTSI 2024 ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting of International Container Terminal Services, Inc. (ICTSI) will be held and conducted in a virtual platform or online format at **10:00 a.m. on Thursday, April 18, 2024** at https://www.ictsi.com/2024asm with the following agenda:

1. Call to order. The call is done to officially open the meeting. on April 18, 2024 at 10:00am.

2. Determination of existence of quorum. The presence of shareholders holding at least the majority of the outstanding shares is required for the existence of a quorum. The Assistant Corporate Secretary will certify that notice was given to the stockholders and there is a quorum for the transaction of business.

3. Approval of the Minutes of the Annual Stockholders' Meeting held on April 20, 2023. A copy of the minutes of the stockholders' meeting is available in the Company website - Minutes of the April 20, 2023 ICTSI ASM Said minutes record the proceedings at the last stockholders' meeting prior to this meeting.

4. Chairman's Report. The Chairman's Report will present a summary of business operation of the corporation and its subsidiaries during the preceding fiscal year.

5. Approval of the 2023 Audited Financial Statements.

6. Approval/ratification of acts, contracts, investments and resolutions of the Board of Directors and Management since the last Annual Stockholders' Meeting. Said acts, contracts, investments, and resolutions are summarized in Item 15 of the Information Statement (SEC Form 20-IS) made available to the shareholders through the Company website (www.ictsi.com) and PSE Edge and approval thereof by the stockholders is sought.

7. Election of Directors. The profiles and qualifications of the nominees can be found in Item 5 of the SEC Form 20-IS. The directors of the corporation are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting, and until their respective successors have been elected and qualified.

8. Appointment of External Auditors. The appointment of the external auditor named in Item 7 of the SEC Form 20-IS.

9. Other matters. Any other matter, which may be brought to the attention of the stockholders, may be taken up.

10. Adjournment. This is done to officially end the meeting.

The dividend policy of the Corporation is described in the section entitled "Dividends and Dividend Policy" on Annex "A" of the SEC Form 20-IS.

The Board of Directors fixed **March 8, 2024** as the record date for the purpose of determining the Stockholders entitled to notice and to vote at said meeting.

To ensure the safety and welfare of our stockholders, and other stakeholders, ICTSI's Board of Directors has approved on **February 21, 2024**, in accordance with the latest available SEC rules on the conduct of virtual stockholders' meeting, the Annual Stockholders' Meeting will be held online by remote communication and voting will be *in absentia*. The specific procedures to participate in the meeting, through remote communication, and to vote *in absentia* are set forth in **Appendix "A"** hereof.

Registration to participate in the virtual meeting can be done at https://ictsi.com/2024asm from **9:00 a.m. of March 25, 2024 until 5:00 p.m. of April 15, 2024**. For shareholders who will appoint a proxy, the duly accomplished proxy forms must be submitted on or before **5:00 p.m. of April 5, 2024.** Please note that corporate shareholders are required to submit a proxy.

By registering to participate in the virtual stockholders meeting, a stockholder or a proxy or representative of the stockholder agrees that ICTSI, and its service providers, will process their sensitive personal information necessary to verify their identity and authority. Please review the data privacy policy in the registration platform. A stockholder who fails to comply with the registration requirement will not be able to participate in the virtual stockholders' meeting.

If you are unable to join the meeting but would wish to vote on items in the agenda, you may appoint the Chairman of the meeting as your proxy with specific voting instructions which will be duly counted. Please go through the requirements in Appendix "A" and make sure that you submit your proxy through the registration platform on or before **5:00 p.m. of April 5, 2024.**

The Office of the Corporate Secretary and SGV & Co. will conduct the proxy validation at the Executive Lounge, 4/F ICTSI Administration Building, MICT, South Access Road, City of Manila on **April 12, 2024 at 10:00am.**

A copy of the Information Statement and Management Report for the Annual Stockholders' Meeting (together with the Audited Financial Statements of the Company as of December 31, 2023) will be available for download using the QR Code below, at the Company's website at www.ictsi.com, and at the PSE Edge.

Manila, February 21, 2024

FOR THE BOARD OF DIRECTORS

BENJAMIN EDISON M. GOROSPE III
Assistant Corporate Secretary

How to Use QR Code:

Step1: Open the QR Scanning App or Camera App from your device's Home Screen. Control Center, or Lock Screen;

Step 2: Scan the QR code using the App and you will see a notification with a link; and

Step 3: Click on the notification to open the link associated with the QR Code.

APPENDIX "A"

ICTSI ANNUAL STOCKHOLDERS' VIRTUAL MEETING REQUIREMENTS AND PROCEDURE FOR PARTICIPATION BY REMOTE COMMUNICATION AND VOTING *IN ABSENTIA*

1. The platform for participation through remote communication and voting *in absentia* for the 2024 ICTSI Annual Stockholders' Virtual Meeting (the "Meeting") can be found online at https://www.ictsi.com/2024asm (the "Platform").

2. Only ICTSI stockholders as at record date, **March 8, 2024** (the "Stockholders") can use the Platform to participate in the Meeting through remote communication and vote *in absentia* on the matters in the Agenda, **provided** the Stockholder has (1) complied with the registration requirement, and (2) such registration has passed the validation process.

3. Registration to participate in the Meeting is from **9:00am of March 25, 2024 until 5:00p.m. of April 15, 2024**. For shareholders who will appoint a proxy, duly accomplished proxy must be submitted through the registration platform on or before **5:00 p.m. of April 5, 2024.**

4. Registration Procedure and Requirements (Please note that ICTSI will request for consent to process sensitive personal information pursuant to the Data Privacy Act.)

   a. Procedure:
   To register for the Platform, log on to https://www.ictsi.com/2024asm and follow the instructions below. Stockholders should complete the online registration form and submit the same for validation:

   i. Proceed to https://www.ictsi.com/2024asm;
   ii. Click "Register Now"
   iii. Carefully read the ICTSI Terms of Use and Data Privacy Statement and the service provider's End User Terms of Service and Privacy Policy;
   iv. Indicate consent;
   v. Choose Stockholder type – (1) Individual Stockholders with Certificated Shares; (2) Individual Stockholders under Broker Account; or (3) Corporate Stockholder (e.g. corporation, association, or partnership);
   vi. Indicate your full name or the complete corporate name of the Corporation represented;
   vii. Provide requirements under **item b** below;
   viii. Click "Submit Registration";
   ix. Confirm your email upon receiving a verification email; and
   x. Create your own password to sign-in into the Platform.

   ICTSI and SGV & Co. will evaluate and validate the information and documents furnished and uploaded. After passing the validation process, the Stockholder will receive an email informing them of their registration acceptance.

   b. Requirements:
   i. For Individual Stockholders with Certificated Shares:
      1. Valid and active email address of Stockholder;
      2. Valid and active mobile phone number of Stockholder;
      3. Scanned copy of the Stockholder's valid government-issued ID showing photo and personal details (in JPG format with a file size not larger than 12MB); and
      4. Individual stockholders who will appoint a proxy shall, on or before 5:00 p.m. of April 5, 2024:
         a. upload the signed proxy form (in JPG format with a file size not larger than 12MB); and
         b. proxy's valid-government-issued ID showing photo and personal details (in JPG format with a file size not larger than 12MB)

   ii. For an Individual Stockholder under Broker Account:
      1. Valid and active email address of Stockholder;

2. Valid and active cellular phone number of Stockholder;
3. Broker's Certification on the Stockholder's number of shareholdings (in JPG format with a file size not larger than 12MB).
   IMPORTANT: To facilitate the verification of your account, please make sure that you copy ICTSI, through: 2024ASM@ictsi.com; and the stock and transfer agent, STSI, through: rdregala@stocktransfer.com.ph in all email correspondence with your Broker regarding request for Broker's Certification; and
4. Scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG format with a file size not larger than 12MB).

iii. For Corporate Stockholders (e.g. corporation, association, or partnership):
1. Valid and active email address of the Stockholder's Authorized Representative;
2. Valid and active mobile phone number of the Stockholder's Authorized Representative;
3. Scanned copy of the valid government-issued ID showing photo and personal details of Stockholder's Authorized Representative (in JPG format with a file size not larger than 12MB);
4. ID number of the Authorized Representative;
5. Duly accomplished and signed Proxy form must be submitted on or before 5:00 p.m. of April 5, 2024;
6. Upload Board Resolution/ Secretary's Certificate indicating the authority of the authorized representative to act on behalf of the corporate stockholder, or List of Authorized Signatories of the corporate stockholder. In case of a partnership or association, please upload a scanned copy of a certification (signed by a partner of the partnership or duly authorized officer of the association) that the person signing the proxy is duly authorized by the partnership or association.

ICTSI and SGV & Co. will validate the above registration requirements. Stockholders are advised to register as early as possible.

ICTSI reserves the right to request additional information and original signed copies of the documents forming part of the Registration Requirements at a later time.

5. Validation of Registration

a. Only Stockholders who registered, verified their email, **and** passed the validation process can use the Platform to participate in the Meeting.
b. After registration and passing the validation process, the Stockholder will receive an email informing them of their registration's acceptance. The username and password are required to access the Meeting on April 18, 2024, at 10:00 a.m. at https://www.ictsi.com/2024asm
c. Stockholders with successful and validated registration may cast their votes until the voting on the agenda item is closed during the Meeting.

6. Voting

All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot and the registered Stockholder may vote as follows:

a. For all items, except for Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
b. For the Election of Directors, a Stockholder entitled to vote: (i) may vote such number of shares owned by it for as many persons as there are Directors to be elected; or (ii) may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of their shares; or (iii) may distribute them on the same principle among as many candidates as may be seen fit.
c. The Office of the Corporate Secretary with third party auditor, SGV & Co., will tabulate all votes received and will validate the results.
d. Except for the Election of Directors, all the items in the Agenda for the approval by the Stockholders

will need the affirmative vote of Stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting. For the Election of Directors, the top seven (7) nominees with the most number of votes are elected.

7. Participation at the virtual meeting

   a. The Stockholder will be required to enter his/her username and password to enter the system and access the Meeting on April 18, 2024 at 10:00 a.m. at https://www.ictsi.com/2024asm. For any technical difficulties, the Stockholder should call the platform provider's support hotline at +639696022100 to remedy the matter.
   b. The Platform will allow participants to send questions, motions, secondments, and other comments during the Meeting. However, to ensure a productive and orderly Meeting, Stockholders are encouraged to send their questions relating to items in the agenda of the Meeting on or before April 15, 2024 by email at 2024ASM@ictsi.com. Relevant questions will be answered by concerned officers during the Meeting.
   c. A link to the recorded webcast of the Meeting will be posted on ICTSI's website after the Meeting.

For any questions or inquiries, including request for assistance in the registration process, please contact our Office of the Corporate Secretary through bgorospe@ictsi.com and legalgroup@ictsi.com.

PART 1.A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

The Annual Stockholders' Meeting of International Container Terminal Services, Inc. (ICTSI) will be held and conducted in a virtual platform or online format at 10:00 a.m. on April 18, 2024 at https://www.ictsi.com/2024asm.

ICTSI's principal office is at ICTSI Administration Building, Manila International Container Terminal (MICT), South Access Road, Manila 1012, Philippines. This Information Statement will be filed through the PSE Edge, uploaded in the company website at www.ictsi.com and will be made available through QR Code on or about March 21, 2024 to Stockholders entitled to notice and to vote at the Annual Stockholders' Meeting.

Item 2. Dissenters' Right of Appraisal

Under Section 80 of the Revised Corporation Code ("RCC"), any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. in case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the RCC; and
3. in case of merger or consolidation.

To exercise the appraisal right, the Stockholder shall send a written demand to the Corporation within thirty (30) days from the approval of the proposed amendments by the stockholders. The Corporation shall pay the fair value of the shares that the stockholder will surrender in accordance with the process, procedure and timetable provided under Section 80 to 85 of the RCC.

If the dissenting stockholder and the Company cannot agree on the fair value of the shares within sixty (60) days from the date of stockholders' approval of the corporate action, then the determination of the fair value of the shares shall be determined by three (3) disinterested persons, one (1) of whom shall be named by the dissenting stockholder, one (1) by the Company and a third to be named by the two (2) already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the RCC.

However, the matters to be acted upon at the Annual Stockholders' Meeting are not matters with respect to which a dissenting Stockholder may exercise his appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Other than election of Directors and ratification of acts of the Board of Directors and Management, there are no substantial interest, by security holdings or otherwise, of ICTSI, any Director or Officer thereof, anynominee for Director, or associate of any of the foregoing persons in any matter to be acted upon at the Annual Stockholders' Meeting.

None of the Directors of ICTSI has informed ICTSI in writing that he intends to oppose any action to be taken by ICTSI at this Annual Stockholders' Meeting.

PART 1.B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of December 31, 2023, common shares issued and outstanding were 2,031,988,603 shares (excluding 13,189,068 treasury shares). Preferred A and B shares outstanding as of the same date were 3,800,000 shares and 700,000,000 shares, respectively.

Voting/ Non-Voting Shares	Type of Securities	No. of Foreign Owned shares	No. of Local Owned shares	No. of Outstanding shares
Voting shares	Common shares	681,698,856	1,350,289,747	2,031,988,603
Voting shares	Preferred B shares	-	700,000,000	700,000,000
Total Outstanding Voting shares		681,698,856	2,050,289,747	2,731,988,603
Foreign Ownership Level of Total Outstanding Voting shares		**24.95%**		
Non-Voting shares	Preferred A shares	3,800,000		3,800,000
Foreign Ownership Level of Total Outstanding Voting and Non-Voting shares		**25.06%**		

Only Stockholders of record at the close of business on March 8, 2024 are entitled to notice and to vote atthe Annual Stockholders' Meeting. The common stock and preferred B stock will vote on matters scheduled to be taken up at the Annual Meeting with each share being entitled to cast one (1) vote.

For the election of Directors, a Stockholder entitled to vote: (i) may vote such number of shares owned by it for as many persons as there are Directors to be elected, or (ii) may cumulate said shares and give one candidate as many votes as the number of Directors to be elected, multiplied by the number of shares, or (iii) may distribute them on the same principle among as many candidates as the Stockholder may deem fit.

Security Ownership of Certain Beneficial Owners and Management

Beneficial Owners

The following are known to the registrant to be, directly or indirectly, the record or beneficial owner of more than five percent (5%) of its voting securities as of December 31, 2023:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage*
Common	PCD Nominee Corporation (Non-Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	The Hongkong & Shanghai Banking Corp. Ltd. – Clients' Acct. – 5/F HSBC Centre 3058 Fifth Avenue, West Bonifacio Global City, Taguig, Metro Manila Represented by Kathy Dela Torre, Senior Vice President and Head, HSBC Securities Services and Bettina Tuazon, Vice President Client Services, only hold legal title as custodian in favor of various clients, and is not the beneficial owner of the lodged shares.	Foreign	285,421,209	10.45%

Common	PCD Nominee Corporation (Non-Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	Standard Chartered Bank Philippines- Clients' Acct. – 20/F Ayala Triangle Gardens Tower Two (ATG T2), Paseo de Roxas corner Makati Avenue, Makati City, Metro Manila Represented by Irving Del Rosario, Head of Securities Services Operations, only hold legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares.	Foreign	259,652,768	9.50%
Common	PCD Nominee Corporation (Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	AB Capital Securities, Inc., Units 1911-1912, 19/F, PSE Tower, 5th Avenue corner 28th St., Bonifacio Global City, Taguig, Metro Manila Represented by Lamberto M. Santos Jr., President; Ericsson C. Wee, First Vice President; only hold legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares.	Filipino	489,952,672	17.93%
Common	Bravo International Port Holdings, Inc. 104 H.V. dela Costa St., 17-19 Floors Liberty Center Salcedo Village, Makati, Metro Manila	Bravo International Port Holdings, Inc. represented by Enrique K. Razon, Jr., its President	Filipino	279,675,000	10.24%
Preferred B	Achillion Holdings, Inc. 104 H.V. dela Costa St., 17-19 Floors Liberty Center Salcedo Village, Makati, Metro Manila	Achillion Holdings, Inc. represented by Enrique K. Razon, Jr., its President	Filipino	700,000,000	25.62%

** Percentage ownerships were computed using total number of issued and outstanding common shares, preferred B voting shares of 2,731,988,603 (which excludes treasury shares and preferred A non-voting shares) as at December 31, 2023).*

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Citizenship	Amount and nature of beneficial ownership (D) Direct and (I) Indirect		Percentage [1]
Common & Preferred B	Enrique K. Razon Jr.[2]	Filipino	1,682,230,747	D & I	61.58%[3]
Common	Stephen A. Paradies	Filipino	4,346,603	D & I	0.16%
Common	Jose C. Ibazeta	Filipino	1,544,260	D	0.06%
Common	Andres Soriano III	American	650,481	D & I	0.02%
Common	Christian R. Gonzalez	Filipino	513,985	D	0.02%
Common	Silverio Benny J. Tan	Filipino	273,000	D	0.01%
Common	Antonio G. Coronel	Filipino	192,578	D	0.01%
Common	Arlyn L. McDonald	Filipino	78,753	D	0.00%
Common	Arnie D. Tablante	Filipino	55,832	D & I	0.00%
Common	Emilio Manuel V. Pascua	Filipino	54,384	D	0.00%

Common	Benjamin M. Gorospe III	Filipino	49,378	D	0.00%
Common	Diosdado M. Peralta	Filipino	30,450	D	0.00%
Common	Cesar Buenaventura	Filipino	20,001	D	0.00%
Common	Caroline C. Causon	Filipino	9,448	D	0.00%
Common	Rafael T. Durian	Filipino	1,000	D	0.00%
Common	Carlos C. Ejercito	Filipino	10	D	0.00%

[1] Percentage ownerships were computed using total number of issued and outstanding common and preferred B voting shares of 2,731,988,603 (which excludes treasury shares and preferred A non-voting shares) as at December 31, 2023.
[2] Shares in the name of Enrique K. Razon, Jr. and Razon Group.
[3] The percentage ownership of Enrique K. Razon, Jr. and the Razon Group is at 61.49% if based on the total number of issued and outstanding common shares, preferred B voting shares and preferred A non-voting shares of 2,735,788,603 (which excludes treasury shares) as at December 31, 2023.

Dealings with Company's Shares

Directors, officers, and controlling shareholders are required to report their dealings in Company shares within three (3) business days from all ICTSI share-related transactions.

ICTSI discloses to the Philippine Stock Exchange ("PSE") and Securities and Exchange Commission ("SEC") the ownership (direct and indirect) and any acquisition or disposal of ICTSI securities by ICTSI directors, officers and controlling shareholders pursuant to the PSE Revised Disclosures and Securities Regulations Code. Directors and officers are likewise prohibited from buying or selling ICTSI securities (e.g. shares of stock) during the period within which material non-public information is obtained and up to two (2) full trading days after the price sensitive information is disclosed.

The ICTSI shares held by its Directors in 2023 are as follows:

Name	As of December 31, 2022		As of December 31, 2023	
	Shareholdings	Percentage*	Shareholdings	Percentage*
Enrique K. Razon Jr.	1,682,230,747	61.61%	1,682,230,747	61.58%
Stephen A. Paradies	4,346,603	0.16%	4,346,603	0.16%
Jose C. Ibazeta	1,713,850	0.06%	1,544,260	0.06%
Andres Soriano III	650,481	0.02%	650,481	0.02%
Diosdado M. Peralta	23,450	0.00%	30,450	0.00%
Cesar Buenaventura	20,001	0.00%	20,001	0.00%
Carlos C. Ejercito	10	0.00%	10	0.00%

* Percentage ownerships were computed using total number of issued and outstanding common and preferred B voting shares (which excludes treasury shares and preferred A non-voting shares).

Voting Trust Holders of 5% or More

There are no voting trust holders of 5% of more to disclose.

Changes in Control

There are no changes in control to disclose.

Item 5. Directors and Executive Officers

Election of Board of Directors and Officers

The following are nominated to be Directors, including the Independent Directors, and Executive Officers of the Company during the upcoming Annual Stockholders and Organizational Board Meeting:

Office	Name	Citizenship	Age
Chairman of the Board and President	Enrique K. Razon Jr.	Filipino	64
Independent Director	Cesar A. Buenaventura	Filipino	94
Independent Director	Carlos C. Ejercito	Filipino	78
Independent Director	Chief Justice Diosdado M. Peralta (ret.)	Filipino	71
Director	Jose C. Ibazeta	Filipino	81
Director	Stephen A. Paradies	Filipino	70
Director	Andres Soriano III	American	72
Executive Vice President, Chief Compliance Officer and Chief Sustainability Officer	Christian Martin R. Gonzalez[1]	Filipino	48
Senior Vice President, Global Corporate Planning and Financial Services	Caroline C. Causon[2]	Filipino	46
Chief Financial Officer and Chief Risk Officer	Emilio Manuel V. Pascua[3]	Filipino	46
Vice President, Logistics and Supply Chain	Antonio G. Coronel	Filipino	73
Vice President, Global Financial Controller	Arlyn L. McDonald[4]	Filipino	46
Vice President, Treasurer	Arnie D. Tablante	Filipino	51
Corporate Secretary	Rafael T. Durian	Filipino	90
Asst. Corporate Secretary	Silverio Benny J. Tan	Filipino	67
Asst. Corporate Secretary	Benjamin Edison M. Gorospe III	Filipino	56

1 Appointed as Compliance Officer effective on January 18, 2023

2 Appointed as Senior Vice President, Global Corporate Planning and Financial Services effective on July 1, 2023 (Mr. Sandy A. Alipio who was SVP, Global Financial Controller and Chief Risk Officer was permanently transferred to a senior finance role in a related-party company on the same date)

3 Elected as Chief Financial Officer on January 18, 2023 (Mr. Rafael D. Consing, Jr. who was the Chief financial Officer and Compliance Officer resigned on the same date). Mr. Pascua was appointed as Chief Risk Officer effective July 1, 2023

4 Appointed as Vice President, Global Financial Controller effective on July 10, 2023

Note: Mr. Jose Manuel M. De Jesus who was the Vice President, Regulatory Affairs passed away on June 22, 2023.

The following are the Regional Heads and Global Corporate Officers for the ICTSI group of companies:

Office	Name	Citizenship	Age
Senior Vice President, Regional Head – Latin America	Anders Kjeldsen	Danish	54
Senior Vice President, Regional Head-Europe & Middle East and Africa	Hans-Ole Madsen	Danish	58
Senior Vice President, Head of Global Commercial	Humberto Godfried Wieske	Dutch	60
Vice President, Head of Global Engineering – Infrastructure and Project Delivery	Nathan A. Clarke	Australian	42
Vice President, Head of Global Corporate Human Resources	Michael Robin Cruickshanks	British	66
Vice President, Global Chief Information Officer	Brian Hibbert	British	56
Vice President, Head of Global Procurement	Damien Samuel Huppert	French	47
Vice President, Head of Global Engineering – Equipment Maintenance	Johan Swart	South African	64
Vice President, Senior Administration Officer	Vivien F. Miñana	Filipino	59

Directors' Attendance

Pursuant to Section 3, Article III of Company's Bylaws, the Board should hold a regular meeting every month, but special meetings may also be called by the Chairman of the Board or the President. The attendance of the Board for the Annual Stockholders Meeting as well as both regular and special meetings in 2023 is as follows:

Board	Name	No. of Meetings Attended/ held	% of attendance
Chairman of the Board and President	Enrique K. Razon Jr.	21/21	100%
Independent Director	Cesar A. Buenaventura	21/21	100%
Independent Director	Carlos C. Ejercito	21/21	100%
Independent Director	Chief Justice Diosdado M. Peralta (ret.)	21/21	100%
Director	Jose C. Ibazeta	21/21	100%
Director	Stephen A. Paradies	21/21	100%
Director	Andres Soriano III	21/21	100%

Directors' Training

Each director and key officers completed the annual corporate governance training in 2023:

Name	Topic Discussed	Organizer	Date
Enrique K. Razon Jr.	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Cesar A. Buenaventura	Trust and Ethical Leadership: Enhancing Corporate Governance for Sustainable Success	iPeople, Inc.	September 9, 2023
Carlos C. Ejercito	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Chief Justice Diosdado M. Peralta (ret.)	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Jose C. Ibazeta	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Stephen A. Paradies	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Andres Soriano III	Culture of Innovation Beyond the Why: What, When, How, and Where of the Innovation Culture; Digital Transformation	Institute for Corporate Governance	July 26, 2023
Christian Martin R. Gonzalez	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Emilio Manuel V. Pascua	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and	Institute for Corporate Governance	December 7, 2023

	Compliance; ESG and Strategy: A Boardroom Topic for Directors		
Caroline C. Causon	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Arnie D. Tablante	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Arlyn L. McDonald	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Antonio G. Coronel	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Rafael T. Durian	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Silverio Benny J. Tan	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Benjamin Edison M. Gorospe III	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023
Catherine D. Castro	Advanced Corporate Governance Training: The Importance of Corporate Culture for Ethics and Compliance; ESG and Strategy: A Boardroom Topic for Directors	Institute for Corporate Governance	December 7, 2023

Directors and Executive Officers

The following have been nominated as Members of the Board of Directors for the ensuing year and their respective profiles are provided in this Information Statement (see the Directors' and Independent Directors' profiles below):

Enrique K. Razon Jr*., Filipino, 64 years old*

Mr. Razon is a Director of ICTSI* since December 24, 1987, and its Chairman since 1995.

Concurrently, he is the President of ICTSI*, Chairman and Chief Executive Officer of Bloomberry Resorts Corporation*, IWI Container Terminal Holdings, Inc., Razon Industries, Inc., Sureste Realty Corporation, Quasar Holdings, Inc., Razon & Co., Inc., Achillion Holdings, Inc., Collingwood Investment Company Ltd., Bravo International Port Holdings, Inc., Alpha International Port Holdings, Inc., Provident Management Group, Inc., Trident Water Company Holdings Inc., and Prime Strategic Holdings, Inc.; the Chairman of Manila Water Company, Inc.*, ICTSI Foundation, Inc., Prime Infrastructure Foundation, Inc., Prime Infrastructure Capital, Inc., WawaJVCo Inc., Sureste Properties, Inc., Monte Oro Resources and Energy, Inc., Bloomberry Resorts & Hotels, Inc., Pilipinas Golf Tournament, Inc., ICTSI (Hongkong) Ltd.; a director of Pentland International Holdings Ltd., CLSA Exchange Capital, and Xcell Property Ventures, Inc.

He is a member of the US-Philippine Society and the ASEAN Business Club Philippines, Inc.

Mr. Razon was conferred a degree of Doctor of Science in Logistics *Honoris Causa* by the De La Salle University in the Philippines, and an Honorary Doctorate in Management by the Asian Institute of Management.

**Publicly-listed Corporation*

Cesar A. Buenaventura, O.B.E.*, Filipino, 94 years old*

Mr. Buenaventura is an Independent Director of ICTSI* since February 15, 2019. He is also the Chairman of the Related Party Transactions Committee; and a member of Audit Committee, Corporate Governance Committee, Environment, Social and Governance Sub-Committee, and Board Risk Oversight Committee of ICTSI*.

Concurrently, he is an Independent Director of Manila Water Company, Inc.*; a Director of Semirara Mining and Power Corp.*, iPeople, Inc.*, Petroenergy Resources Corp.*, Concepcion Industrial Corp.*, Pilipinas Shell Petroleum Corp.*, DM Consunji Inc., and The Country Club; a Chairman of Buenaventura Echauz and Partners, Inc.; a Vice Chairman and Director of DMCI Holdings, Inc.*; a Founding Chairman of Pilipinas Shell Foundation, Inc.; a Trustee of Bloomberry Cultural Foundation, and ICTSI Foundation, Inc.; and an Independent Trustee of Manila Water Foundation.

Mr. Buenaventura is a former Director of Philippine American Life Insurance Co., AG&P Co. of Manila, Ayala Corporation*, First Philippine Holdings Corp.*, Philippine Airlines*, Philippine National Bank*, Benguet Corporation*, Asian Bank, Ma. Cristina Chemical Industries, Paysetter International Inc., Maibarara Geothermal Inc., Manila International Airport Authority and Shell Group of Companies.

In 1991, Mr. Buenaventura was made Honorary Officer of the Order of the British Empire (OBE) by Her Majesty Queen Elizabeth II.

Mr. Buenaventura received his Bachelor of Science degree in Civil Engineering from the University of the Philippines in 1950, and his Master of Science degree in Civil Engineering majoring in

Structures from Lehigh University Bethlehem, Pennsylvania in 1954, as a Fulbright scholar.

** Publicly-listed Company*

***Carlos C. Ejercito**, Filipino, 78 years old*

Mr. Ejercito is an Independent Director of ICTSI* since April 15, 2021. He is also the Chairman of the Audit Committee; and a member of the Corporate Governance Committee, Nomination Sub-Committee, Remuneration Sub-Committee, Board Risk Oversight Committee and Related Party Transactions Committee of ICTSI*.

Concurrently, he is an Independent Director of Century Properties Group, Inc.* and Director of Mount Grace Hospitals, Inc. and its affiliates and subsidiaries.

Mr. Ejercito is a former Independent Director of Aboitiz Power Corporation,* Bloomberry Resorts Corporation,* and Monte Oro Resources and Energy Corporation; and a former Director of United Laboratories Inc. and several of its subsidiaries, National Grid Corporation of the Philippines, Ayala Greenfield Development Corporation, Fort Bonifacio Development Corporation, and Bonifacio Land Corporation.

He has a Bachelor's Degree in Business Administration, cum laude, from the University of the East, and completed the coursework for the MBA candidate from Ateneo Graduate School of Business. He also attended the Program for Management Development at Harvard Business School.

**Publicly Listed Corporation*

***Chief Justice Diosdado M. Peralta (ret.)**, Filipino, 71 years old*

Chief Justice Peralta is an Independent Director of ICTSI* since August 6, 2021. He is also the Chairman of the Corporate Governance Committee and the Environmental, Social and Governance Sub-Committee; and a member of the Board Risk Oversight Committee and Related Party Transactions Committee of ICTSI*.

Concurrently, he is an Independent Director of Bloomberry Resorts Corporation*, San Miguel Corporation*, Philippine Business Bank,* Manila Hotel Corporation; President and Chairman of Heavenly Place Memorial Park; and a Board of Trustee of University of the East and U.E.R.M. Hospital.

Chief Justice Peralta (ret.) was appointed by President Rodrigo Roa Duterte as the Chief Justice of the Supreme Court from October 23, 2019 until his retirement on March 27, 2021. He served as Associate Justice of the Philippines from 2009 to 2019; Presiding Judge of the Sandiganbayan from 2008 to 2009; Associate Justice of the Sandiganbayan from 2002 to 2008; and Judge in the Regional Trial Court – Branch 95 Quezon City from 1994 to 2000.

Chief Justice Peralta also provided work in the private sector as a General Manager for Ace Agro Development Corp.; a Senior Assistant Personnel Manager and Assistant Personnel Manager for Cosmos Bottling Corp.; and an Operations Supervisor for Wisdom Management, Inc.

Chief Justice Peralta completed his Bachelor of Science degree in San Juan de Letran in 1974 and his Bachelor of Laws degree at the University of Santo Tomas in 1979. He passed the Bar Examination in 1980. On April 9, 2010 he received his Doctor of Laws degree, *honoris causa*, from Northwestern University, Laoag City, Ilocos Norte.

**Publicly Listed Corporation*

***Jose C. Ibazeta**, Filipino, 81 years old*

Mr. Ibazeta is a Director of ICTSI* since December 24, 1987. He is also the Chairman of the Nomination Sub-Committee of ICTSI*.

Concurrently, he is a Chairman and President of Pamalican Island Holdings, Inc and Island Aviation, Inc.; a Vice Chairman of Phil Stratbase Consultancy, Inc.; a Director of Phelps Dodge Energy Products, Vicinetum Holdings, Inc., Seven Seas Resorts & Leisure, Prime Metroline Infrastructure Holdings Corporation, Prime Metro Power Holdings Corporation; President of A. Soriano Air Corporation; and Senior Advisor to the Chief Executive Officer and a Member of Compliance Committee of Atlantic Gulf & Pacific Company of Manila.

He was a Chairman of Atlas Consolidated Mining & Development Corporation; Director and officer of A. Soriano Corporation*; a Director of AB Capital & Investment Corp, Ten Knots/El Nido Resort, Atlas Consolidated Mining & Development Corp.*; and a Vice President of San Miguel Corporation.

Mr. Ibazeta is a member of the Board of Trustees of ICTSI Foundation, Inc., Radio Veritas, and St James the Great Parish Foundation.

He received his Bachelor of Science in Economics degree from the Ateneo de Manila University in 1963 and his Master's Degree in Business Administration from the University of San Francisco, USA in 1968. He completed all academic requirements and passed the comprehensive exams for a Master of Business Administration in Banking and Finance from the New York University in 1975.

**Publicly Listed Corporation*

***Stephen A. Paradies**, Filipino, 70 years old*

Mr. Paradies is a Director of ICTSI* since December 24, 1987. He is also the Chairman of the Board Risk Oversight Committee; and a member of the Audit Committee, Nomination Sub-Committee, Remuneration Sub-Committee, and Environmental, Social and Governance Sub-Committee of ICTSI*.

Concurrently, he is a Director of Apex Mining Co. Inc.,* Prime Infra Capital Inc., Prime Metro BMD Corp., Negros Electric and Power Co. and Sureste Properties, Inc.; the Chairman of Napagapa Beverages, Inc. and MORE Electric & Power Corp.; and a Trustee of Bloomberry Cultural Foundation, Inc.

Mr. Paradies served as the Group Chief Financial Officer, Senior Vice President and Corporate Information Officer of Aboitiz Equity Ventures, Inc.; and was a Director of UnionBank of the Philippines.*

He has received his Bachelor of Science Degree, Major in Business Management, from the Santa Clara University, California, USA.

**Publicly Listed Corporation*

Andres Soriano III, American, 72 years old

Mr. Soriano is a Director of ICTSI* since July 1992. He is also the Chairman of the Remuneration Sub-Committee of ICTSI*.

Concurrently, he is the Chairman and Executive Officer of A. Soriano Corporation*; the Chairman and President of Anscor Consolidated Corp.; and the Chairman of The Andres Soriano Foundation, Inc., Phelps Dodge International Philippines, Inc., Phelps Dodge Philippines Energy Products Corp., Seven Seas Resorts and Leisure, Inc., and Pamalican Resort, Inc.

Mr. Soriano served as President and Chief Operating Officer of San Miguel Corporation; and was subsequently, the Chairman and Chief Executive Officer of San Miguel Corporation. He was also the Chairman of Coca-Cola (Philippines), Coca-Cola Amatil (Australia), and Nestle (Philippines).

He received his Bachelor of Science degree in Economics, majoring in Finance and International Business, from Wharton School of Finance and Commerce, University of Pennsylvania, USA in 1972.

Publicly-listed Corporation

The following will be elected as executive officers of the Company during the upcoming Organizational Board Meeting (see the Executive Officer's Information profiles below):

***Christian Martin R. Gonzalez**, Filipino, 48 years old*

Mr. Gonzalez is the Executive Vice President, Chief Compliance Officer and Chief Sustainability Officer of ICTSI*. He is the Global Corporate Head of ICTSI Group. Prior to his current role, he was appointed as the Vice President and Head of Asia Pacific Region and MICT.

When he first joined the ICTSI Group he worked in various operations departments before he was appointed as the Assistant Manager for Special Projects of ICTSI Ltd. He was then named MICT Operations Manager. Thereafter, he was designated as the Chief Operating Officer and later Chief Executive Officer of MICTSL. Mr. Gonzalez was appointed as the Head of ICTSI's Business Development for Asia Region. He was also appointed as the President of ICTSI Foundation.

Concurrently, he is the Chairman and President of Intermodal Terminal Holdings, Inc., IW Cargo Handlers, Inc., Manila Harbor Center Port Services, Inc., Sevilla Brokerage Incorporated, and Subic Bay International Terminal Holdings, Inc.; Chairman of Asiastar Consultants Limited, ICTSI Georgia Corp., ICTSI Honduras Ltd., ICTSI Ltd., ICTSI Subic, Inc., International Container Terminal Holdings, Inc., Mindanao International Container Terminal Services, Inc., Subic Bay International Terminal Corporation, Victoria International Container Terminal, Yantai International Container Terminal Ltd.; Director and President of Bauan International Port, Inc., Cordella Property Holdings, Inc., ICTSI Asia Pacific Business Services, Inc.; Director of Abbotsford Holdings, Inc., Davao Integrated Port and Stevedoring Services Corp., ICTSI (Hong Kong) Limited, ICTSI Africa Headquarters (PTY) Ltd., ICTSI DR Congo S.A., ICTSI Far East Pte. Ltd., ICTSI Project Delivery Services Pte. Ltd., ICTSI South Asia Pte. Ltd., ICTSI South Pacific Limited, PT Makassar Terminal Services, Sociedad Puerto Industrial Aguadulce SA, and South Cotabato Integrated Port Services, Inc.; Vice Chairman and President of Manila North Harbour Port, Inc.; Director and Vice President of ICTSI Rio; and the President Commissioner of PT ICTSI Jasa Prima Tbk*.

Outside ICTSI Group, Mr. Gonzalez is concurrently a Director of Bloomberry Resorts Corporation*, Sureste Properties, Inc., and Prime Infrastructure Capital, Inc.

Mr. Gonzalez is a graduate of *Instituto de Estudios Superiores de la Empresa* (IESE) Business School, the graduate school of management of the University of Navarra, in Barcelona, Spain, where he received his Bilingual Master's in Business Administration. He is also a graduate of Business Administration from Pepperdine University in California, USA.

Publicly-listed Corporation

***Caroline C. Causon**, Filipino, 46 years old*

Ms. Causon is the Senior Vice President, Global Corporate Planning and Financial Services of the ICTSI* Group effective July 1, 2023. She was the Vice President, Head of Financial Planning and Budgeting prior to her current role.

Concurrently, she is the Chairman and President of Abbotsford Holdings, Inc.; Chairman of Global Procurement Ltd.; Director and President of ICTSI Ltd., ICTHI, and Operadora Portuatia Centroamericana S.A. DE C.V.; Director and Secretary of ICTSI Oregon, Inc.; and Director of Aviation Concepts Technical Services, Inc., Batumi International Container Terminal LLC, Cordilla Property Holdings, Inc., Falconer Aircraft Management, Inc., ICTSI Georgia Corp., ICTSI D.R. Congo, IW Cargo Handlers, Inc., IWI Container Terminal Holdings, Inc., and Manila North Harbour Port, Inc.

Prior to ICTSI, she handled various senior assurance and financial advisory roles at SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) and Manabat Sanagustin & Co. (a member firm of KPMG International).

Ms. Causon is a CFA Charterholder and a Certified Public Accountant. She graduated from the University of Santo Tomas with a degree in Bachelor of Science in Accountancy in 1999. She also attended the Management Development Program of the Asian Institute of Management in 2008.

*Publicly-listed Corporation

***Emilio Manuel V. Pascua**, Filipino, 46 years old*

Mr. Pascua is the Chief Financial Officer effective January 18, 2023, and Chief Risk Officer effective July 1, 2023, of ICTSI*. He joined the Company in 2013 as Director of Corporate Finance. He was appointed as Director, Global Mergers and Acquisitions in 2020 and was promoted to Vice President, Global Mergers and Acquisitions in 2021. Prior to joining ICTSI, Mr. Pascua held various positions in projects and business development in the container terminal industry as well as infrastructure project financing.

Concurrently, he is the Chairman of ICTSI Honduras Ltd.; Deputy Chairman of ICTSI Georgia Corp., ICTSI Ltd., and International Container Terminal Holdings, Inc.; Director and President of South Cotabato Integrated Port Services, Inc.; Director and Treasurer of ICTSI Subic, Inc., International Container Terminal Holdings, Inc., Subic Bay International Holdings, Inc., and Subic Bay International Terminal Corporation; Director and Secretary of Operadora Portuaria Centroamericana S.A. DE C.V.; Director of Aeolina Investment Limited, Aviation Concepts Technical Services, Inc., CGSA B.V., CGSA Transportadora S. L., CMSA B.V., Contecon Guayaquil SA, Contecon Manzanillo S.A. DE C.V., Crixus Limited, ICTSI (Hong Kong) Limited, ICTSI (M.E.) DMCC, ICTSI Africa B.V., ICTSI Americas B.V., ICTSI Americas B.V. – Branch, ICTSI Durban DMCC, ICTSI EMEA B.V., ICTSI Far East Pte. Ltd., ICTSI Global Holdings BV, ICTSI Mauritius Limited, ICTSI Oceania B.V., ICTSI Project Delivery Services Pte. Ltd., ICTSI Santos DMCC, ICTSI South Pacific Limited, ICTSI Treasury B.V., ICTSI Tuxpan B.V., Manila North Harbour Port, Inc., Motukea International Terminal Ltd., Royal Capital, B.V., Sociedad Puerto Industrial Aguadulce SA, South Pacific International Container Terminal Ltd., SPIA Columbia B.V.; and Commissioner of PT East Java Development, and PT ICTSI Jasa Prima Tbk*.

Mr. Pascua received a Masters in Business Administration from the Wharton School, University of Pennsylvania in 2003 and is a graduate of the Ateneo de Manila University with a Bachelor of Arts in Management Economics.

**Publicly Listed Corporation*

***Antonio G. Coronel**, Filipino, 73 years old*

Mr. Coronel is the Vice President, Logistics and Supply Chain of ICTSI*.

When he first joined the ICTSI Group in 1988, he worked as Purchasing Manager and was then appointed as the General Manager of ICTSI Asia Pacific Business Services, Inc. from 2015 to 2020. He was also appointed as Senior Director and Global Procurement Head from 2020 to April 2022.

Concurrently, he is a Director and the General Manager of ICTSI Asia Pacific Business Services, Inc.; and the President and a Director of Catalyst Logistics Incorporated and Sevilla Brokerage Incorporated.

He is a recipient of the 2008 Gawad Sinop Awardee, Philippine Institute for Supply Management/ Foundation of the Society of Fellows in Supply Management (PISM/SOFSM).

Mr. Coronel is a Certified Purchasing Manager – Institute of Supply Management, a Certified Logistics and Supply Professional – Asia Pacific Logistics Federation; and a Diplomate in Supply Management, SOFSM. He also seats as a Board Director of the Association of Construction Equipment Lessors, Inc.

Mr. Coronel is a graduate of University of the Philippines where he received his degrees in Master of Business Administration and Bachelor of Science in Metallurgical Engineering.

**Publicly-listed Corporation*

***Arlyn L. McDonald**, Filipino,* 46 years old

Ms. McDonald was appointed as the Vice President, Global Financial Controller of ICTSI* on July 10, 2023.

She was the Chief Financial Officer of Manila International Container Terminal, Global Financial Reporting Director, and Regional Chief Financial Officer for Europe, Middle East, and India of ICTSI*.

Concurrently, she is a Director of International Container Terminal Holdings, Inc.; Treasurer and Vice President for Finance for Catalyst Logistics Incorporated; and Treasurer for Sevilla Brokerage Incorporated.

Prior to ICTSI she was a Senior Director for Assurance and Professional Practice in SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited); and was also seconded to New York for two years to work with SGV Affiliate, Ernst & Young.

Ms. McDonald has a Bachelor of Science major in Business Administration and Accountancy (Magna Cum Laude) from the University of the Philippines. She placed fourth in the Philippine Certified Public Accountant Board Examinations in May 2000.

**Publicly-listed Corporation*

***Arnie D. Tablante**, Filipino, 51 years old*

Mr. Tablante was appointed as the Treasurer of ICTSI*on September 15, 2021. Prior to such role, he was the Risk and Capital Director of ICTSI*.

Concurrently, he is a Director and the Treasurer of Abbotsford Holdings, Inc., Cavite Gateway

Terminal, Cordilla Properties Holdings, Inc., Falconer Aircraft Management, Inc., IW Cargo Handlers, Inc., and South Cotabato Integrated Port Services, Inc.; Director of Aeolina Investments Limited, Crixus Limited, ICTSI Far East Pte. Ltd., Laguna Gateway Inland Container Terminal, Inc., Motukea International Terminal Ltd., and Pakistan International Container Terminal Ltd.; and Treasurer of Aviation Concepts Technical Services, Inc.

Prior to joining ICTSI, he was already a seasoned banker, having been connected with UnionBank of the Philippines.

Mr. Tablante received his Master's Degree in Business Administration from the Asian Institute of Management, and holds a Bachelor of Science degree in Industrial Management Engineering from the De La Salle University.

**Publicly Listed Corporation*

***Rafael T. Durian**, Filipino, 90 years old*

Atty. Durian has been the ICTSI*'s Corporate Secretary since 1987. He is also the Corporate Secretary and a Director of Razon Industries, Inc., Sureste Realty Corp. and Provident Management Group, Inc.

Atty. Durian earned his Bachelor of Laws degree from San Beda College and is a member of the Integrated Bar of the Philippines. He was a Partner at Cruz Durian Alday & Cruz-Matters Law Office.

*Publicly-listed Corporation

***Silverio Benny J. Tan**, Filipino, 67 years old*

Atty. Tan is a retired partner, former managing partner, and now Of Counsel of the law firm of Picazo Buyco Tan Fider & Santos.

He is a Director and Corporate Secretary of Razon & Co. Inc., Prime Strategic Holdings, Inc., Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., Cyland Corp., Trident Water Company Holdings Inc., and Negros Perfect Circles Food Corp. He is a Director of MORE Electric and Power Corporation, Celestial Corporation, Skywide Assets Ltd., and Dress Line Holdings Inc. and its subsidiaries. He is the Corporate Secretary of Apex Mining Company Inc.* and its subsidiaries, Itogon Suyoc Resources Inc., Monte Oro Resources and Energy Inc., Bloomberry Resorts Corporation* and its subsidiaries including Sureste Properties, Inc., Bloomberry Resorts and Hotels Inc., Bloomberry Cruise Terminals Inc., Prime Infrastructure Capital Corporation, Manila Water Company, Inc.*, Lakeland Village Holdings Inc., Devoncourt Estates Inc., Pilipinas Golf Tournaments, Inc., Bloomberry Cultural Foundation Inc., and several subsidiaries of Razon & Co. Inc. and Prime Strategic Holdings Inc. He is a Trustee of the University of the Philippines Visayas Foundation Inc.

Atty. Tan holds a Bachelor of Laws (Cum Laude), from the University of the Philippines – College of Law and a Bachelor of Arts in Political Science (Cum Laude), from the University of the Philippines Iloilo College. Atty. Tan placed third in the 1982 Philippine Bar exams.

**Publicly-listed Corporation*

***Benjamin M. Gorospe III**, Filipino, 56 years old*

Atty. Gorospe was elected as the Assistant Corporate Secretary of ICTSI* on September 17, 2013. He is also the Global Head for Tax and Regional Legal Manager for the Americas of ICTSI*.

Atty. Gorospe is a Director and the Corporate Secretary of Davao Integrated Port and Stevedoring Services Corp., Mindanao International Container Terminal Services, Inc., and Cordilla Properties Holdings, Inc.; the Assistant Secretary of International Container Terminal Holdings, Inc., Global Procurement Ltd., ICTSI Ltd., ICTSI Honduras Ltd., and ICTSI Georgia Corp.; a Corporate Secretary of Falconer Aircraft Management, Inc.; and a Director of ICTSI Far East Pte. Ltd., ICTSI South Asia Pte. Ltd., Tungsten RE Ltd., and Consultports S.A. de C.V.

Atty. Gorospe joined ICTSI* in 2003 as a Tax Manager. Prior to this, he worked with the Tax Department of SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) for five years and with its Audit Department for one year.

Atty. Gorospe completed his law degree at the University of the Philippines, Diliman. He is also a Certified Public Accountant. He graduated from Xavier University with a degree of Bachelor of Science in Commerce, major in Accounting.

**Publicly-listed Corporation*

Regional Heads and Global Corporate Officers for the ICTSI group of companies

***Anders Kjeldsen,** Danish, 54 years old*

Mr. Kjeldsen is the Senior Vice President, Regional Head – Latin America of the ICTSI Group. Prior to joining ICTSI, he served as Head of Latin America portfolio for APM Terminals until January 2017. Before moving to Latin America, he was appointed as portfolio Chief Operation Officer for Global Ports Investment PLC. (GPI PLC.) in Russia for three years.

Mr. Kjeldsen is a Director of Contecon Guayaquil, S.A. and Tecon Suape, S.A.; the President of TecPlata S.A., ICTSI Rio; and the Chairman of Terminal Maritima de Tuxpan S.A. de C.V.

Prior to his role in GPI PLC, Mr. Kjeldsen was Chief Executive Officer of APM Terminals West Med where he was responsible for a total of 5 million TEU capacity, being the business units in Algeciras and Tangier. He joined the A.P. Moller-Maersk Group in 1991. During his career, he worked in most disciplines of the container terminal industry. He has been involved in the port business in most parts of the world, including Denmark, Germany, Netherlands, Spain, Russia and Latin America.

Mr. Kjeldsen is an officer from the Danish Army and undertook several executive development programs at Wharton and IMD.

***Hans-Ole Madsen,** Danish, 58 years old*

Mr. Madsen is the Senior Vice President, Regional Head – Europe and Middle East and Africa of the ICTSI Group.

Concurrently, he is a Director and the Chairman of ICTSI DR Congo S.A. and Pakistan International Container Terminal Ltd.; a Director and the Deputy Chairman of Adriatic Gate Container Terminal; a Director of Baltic Container Terminal Ltd., Batumi International Container Terminal LLC, International Container Terminal Services Nigeria Ltd. and Madagascar International Container

Terminal Services, Ltd.; a Director and Manager of ICTSI (M.E.) DMCC.; and a Director, Manager and Legal Representative of ICTSI Middle East DMCC.

Mr. Madsen has more than 30 years of international experience within the port, shipping, and logistics industry.

Humberto Godfried Wieske*, Dutch, 60 years old*

Mr. Wieske is the Senior Vice President and Head of Global Commercial of the ICTSI Group. He is a Director of Victoria International Container Terminal and Yantai International Container Terminal Ltd.

Before joining ICTSI, he held various senior positions within APM Terminals including Global Head of Key Client Management Asia Carriers of APM Terminals based in Hongkong. And prior to this, Chief Commercial Officer APM Terminals for the Asia Pacific Region as well as Africa Middle India
Sub-Continent region. He represented APM Terminals in various boards including, ACT Aqaba Container Terminal in Jordan, APMT Port of Bahrain, SAGT South Asia Gate Way Terminals in Colombo, Sri Lanka, SETV Abidjan Ivory Coast, DIT Douala Cameron, and MPS in Tema, Ghana.

Mr. Wieske started his career in shipping in the Netherlands before joining former Container Shipping Company Sea Land Service Inc., and earned his B.A. Economics degree in J. van Zwijndregt in Hague, the Netherlands.

Nathan J. Clarke*, Australian, 42 years old*

Mr. Clarke is the Vice President, Head of Global Engineering – Infrastructure and Project Delivery of the ICTSI Group effective January 1, 2020.

Mr. Clarke joined ICTSI's Global Engineering team as a project manager in 2011 and has since held several positions including Regional Infrastructure Manager (Asia-Pacific) and Director of Port Planning. Prior to this, Mr. Clarke served with engineering consultancy firm AECOM Technologies, Inc. as a maritime engineer from 2004, working on numerous port projects around Australia and the Asia-Pacific region.

Mr. Clarke holds a Bachelor of Engineering (Project Engineering and Management) with 1st Class Honours from the University of Sydney, Australia, and holds a Master of Business Administration (Project Management) degree with Distinction from Charles Sturt University, Australia.

Michael Robin Cruickshanks, *British, 66 years old*

Mr. Cruickshanks is the Vice President, Global Corporate Human Resources of the ICTSI Group.

Mr. Cruickshanks has extensive experience within the field of human resources in the industries of investment banking and logistics. Prior to ICTSI, Mr. Cruickshanks was the HR advisor to National Commercial Bank in Jeddah, Saudi Arabia. He also worked for global Swiss-based logistics company, Panalpina World Transport, in the role of Global Head of Compensation and Benefits, covering 16,000 plus employees in over 90 countries. Mr. Cruickshanks also held the position of Managing Director, Compensation and Benefits for the Dutch investment bank, Rabobank International. From 1993 to 1999, he was based in Madrid, Spain and New York, USA for Santander Investment to serve as Global Head of Compensation and Benefits as well as parallel HR generalist role supporting front line staff.

Mr. Cruickshanks holds a BSc (Honours) degree in Zoology from Newcastle University as well as post-graduate Diploma in Business Information Technology.

***Brian Mark Hibbert**, British, 56 years old*

Mr. Hibbert was appointed as Global Chief Information Officer of the ICTSI Group on October 1, 2018 after heading operational technology within the Group for several months.

Concurrently, he is a Director for Sevilla Brokerage Incorporated and Victoria International Container Terminal.

Prior to joining ICTSI, Brian served as Head of Operations Technology and Transformation Leader in a global capacity for APM Terminals and as Vice President of Product Management for web-based logistics start-up International Asset Systems, Inc. in Oakland, California, USA. Brian also served in multiple leadership roles between 1995 to 2008 as a member of the original pioneering team that grew Navis LLC, a terminal systems provider, into the market leading position it maintains today.

Brian was educated in the United Kingdom at Palmers College and later studied Product Management and Marketing at Caltech in Pasadena, California. He graduated from the APM Terminals Magnum program held in conjunction with Esade of Barcelona in 2013.

***Damien Samuel Huppert,** French, 47 years old*

Mr. Huppert is Vice President, Head of Global Procurement of ICTSI Group. Mr. Huppert has extensive experience within the field of purchasing and supply chain across multiple industries.

Prior to his current role, Mr. Huppert served as Purchasing Director at numerous class-leading companies such as Imerys, United Technologies, GE Vernova, BorgWarner and Eaton. His assignments spread across the United States, Europe and Asia.

Mr. Huppert is currently a French Foreign Trade Advisor, an official affiliation with the French Ministry of Finance.

Mr. Huppert holds a Master's Degree in Purchasing and Supply Chain Management from HEC Business School as well as a Master's Degree in Mechanical Engineering from Arts et Métiers Paris Tech. Mr. Huppert is a regular lecturer at Toulouse Business School.

***Johan Swart**, South African, 64 years old*

Mr. Swart is Vice President, Head of Global Engineering – Equipment Maintenance of the ICTSI Group effective March 6, 2019.

Prior to his current role, Mr. Swart served as Vice President for Maintenance at Global Container Terminals in Canada. From 2008 to 2015, he was Head of Engineering at APM Terminals in Ghana and Nigeria. He also spent 30 years working for Transnet Port Terminals in Cape Town, holding several positions such as Container Crane Commissioning Electrician, Technical Assistant - Electrical Engineering Container Cranes, Senior Technical Supervisor - Electrical Engineering Container Lifting Equipment and Technical Manager - Electrical and Mechanical.

Mr. Swart holds a National Technical Certificate in Electrical Engineering from Maitland Technical College South Africa and a Diploma in Electrical Engineering at Transnet Port Terminals, South Africa, among other certifications.

***Vivien F. Miñana**, Filipino, 59 years old*

Ms. Miñana was appointed in 2006 as the Vice President and Senior Administration Officer of the ICTSI Group and ICTSI Ltd. Prior to her appointment in 2006, she was the Vice President and Controller of ICTSI and ICTSI Ltd. from 2000 to 2006.

A Certified Public Accountant, Ms. Miñana received her Masters Degree in Business Management from the Asian Institute of Management in Manila, and is a graduate of Bachelor of Science in Accounting from the De La Salle University, Manila.

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting, and until their respective successors have been elected and qualified.

Except for the Chairman, Enrique K. Razon Jr., all Directors are nominees as they do not have shareholdings sufficient to elect themselves to the Board.

Nominees for Independent Directors/Nomination Committee

In line with established procedures, a formal nomination of an Independent Director is signed by an incumbent Director and submitted to the Corporate Secretary. The Corporate Secretary, guided by the Bylaws, Revised Manual on Corporate Governance, and the RCC, forwards the same to the Nomination Committee. In accordance with its Revised Manual on Corporate Governance, the Nominations Committee passes upon the qualifications of the nominee and the process includes an examination of the nominee's business background and company affiliations. The Nominations Committee ascertains that the nominee does not possess any of the disqualifications to serve as an Independent Director of ICTSI as provided in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

Cesar A. Buenaventura, Carlos C. Ejercito and Chief Justice Diosdado M. Peralta (ret.) were nominated as Independent Directors of ICTSI. There are no other nominees for independent directors. Cesar A. Buenaventura was nominated by Jose C. Ibazeta, an incumbent Director. Messrs. Buenaventura and Ibazeta are not related. Carlos C. Ejercito and Chief Justice Diosdado M. Peralta (ret.) were nominated by the Chairman, Enrique K. Razon Jr. Chief Justice Peralta, Messrs. Ejercito and Razon are not related.

Section 10, Article I of ICTSI's Bylaws provide non-controlling shareholders a right to nominate candidates for the Board of Directors. The amendment of ICTSI's Bylaws to incorporate the provisions of SRC Rule 38 (as amended) was approved by the SEC on June 23, 2010.

The Nomination Sub-Committee is composed of Jose C. Ibazeta (Chairman), Stephen A. Paradies, and Carlos C. Ejercito.

None of the directors has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies, or practices.

Significant Employees

No person who is not an executive officer of ICTSI is expected to make a significant contribution to ICTSI.

Family Relationships

Stephen A. Paradies is the brother-in-law and Christian Martin R. Gonzalez is the nephew of Chairman and President, Enrique K. Razon Jr. There is no other family relationship up to the fourth civil degree either by consanguinity or affinity among the directors and officers listed in this report.

Involvement in Certain Legal Proceedings

ICTSI is not aware of any of legal cases which occurred during the past five years that are material to an evaluation of the ability or integrity of any of its directors, executive officers or controlling person, including:

(a) Any bankruptcy petition filed by or against any business of which a director, executive officer or controlling partner was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;

(b) Any conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently, or temporarily enjoining, barring, suspending or otherwise limiting the nominee's involvement in any type of business, securities, commodities, or banking activities; and

(d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Due to the nature of the ICTSI Group's business, it is involved in various legal proceedings, both as plaintiff and defendant, from time to time. Most of the outstanding litigation involves subrogation claims under which insurance companies have brought claims against the operator, shipping lines and/or brokerage firms for reimbursement of their payment of insurance claims for damaged equipment, facilities and cargoes. Except as discussed below, ICTSI is not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated, and its Board has no knowledge of any proceedings pending or threatened against the ICTSI Group, or any facts likely to give rise to any litigation, claims or proceedings, which might materially affect its financial position or business. Management and its legal counsels believe that the ICTSI Group has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions and proceedings, if any, will not have material adverse impact on the ICTSI Group's consolidated financial position and results of operations.

ICTSI

In 1997, Paramount Company (Private) Limited (PCL) filed a case against ICTSI before the High Court of Sindh (HCS) for the sum of US$17.4 million as damages as well as a 10% shareholding in Karachi International Container Terminal Limited (KICTL). PCL asserted that it was ousted from the Consortium with ICTSI and American President Lines Limited (APL) even after having obtained the approvals for the establishment of KICTL, to which PCL alleged to be entitled to receive 10% shareholding in KICTL.

ICTSI filed an application for the matter to be referred to arbitration (Arbitration Application) per its Equity Linked Security Agreement with PCL in 1995. The court, in an order dated

December 16, 1998, fixed Singapore as the venue for arbitration. After dismissal of PCL's last appeal on March 17, 2022 contesting the arbitration venue, PCL was given the opportunity to file a fresh application of new venue, from Singapore to Karachi, while alleging new circumstances in an Initial Suit. The court has yet to set a new date for the hearing of the case.

PICT

1.) The Trustees of the Port of Karachi (KPT) filed a civil suit against PICT in 2006 before the HCS claiming a sum of US$1.49 million along with the interest, as default payment of wharfage and penalty thereon, for the alleged mis-declaration of the category of goods on the import of ship-to-shore cranes and RTGs in 2004. On April 24, 2017, HCS passed the judgment and decree in favor of PICT and ordered that KPT is not entitled to the amount of wharfage charges claimed by it. In June 2017, KPT filed an appeal before the Divisional Bench of HCS. PICT's management and its legal counsels believe that the claim has no merit.

2.) PICT is involved in several tax proceedings. However, PICT's management and its legal counsels believe that the said cases will be decided in favor of PICT.

3.) PICT's existing Concession Agreement with KPT is for a period of 21 years until June 17, 2023. Per the Concession Agreement and on the precedence where KPT provided another container terminal with an early extension in concession term and infrastructure expansion at Karachi Port, PICT took up the matter with KPT and other relevant government offices of Pakistan. For prudence and to safeguard its interest in obtaining equal and fair treatment, PICT instituted a legal suit before the HCS where it obtained an interim injunction/stay order for status quo (Stay Order) in December 2021. The Stay Order restrained KPT from terminating the Concession Agreement, and from inviting bids and awarding contracts relevant to terminal operation.

In March 2023, HCS dismissed the interim order and also observed that PICT has no justification to continue occupying the terminal beyond June 17, 2023. HCS further pronounced that in case right of first refusal is exercised by PICT, it would be in the nature of re-occupation and re-commencement of fresh terms as agreed. PICT thereafter filed an appeal before the larger bench of HCS to set aside the order and restrain KPT from interfering in the operations. After various hearings, in June 2023, the larger bench of HCS dismissed PICT's appeal.

TSSA

1.) In 2015, Custom Enclosure Atlântico Terminais SA (CE) and Suata Serviço Unificado de Armazenagem e Terminal Alfandegado SA (SUATA) filed a civil case against TSSA questioning the legality of imposing charges for the Segregation Service (Terminal Handling Charge 2, THC2). CE and SUATA alleged that the THC2 is already included in the amount paid in the Terminal Handling Charge (THC) rate. Pending litigation, the court ordered TSSA to suspend the collection of the THC2. TSSA questioned the court's competence to judge on the matter, in view of the absence of the necessary notification from the Regulatory Agency (ANTAQ) to enter the dispute. The case is pending for the court's decision. TSSA will file a request for annulment of the order suspending the collection of THC2 in light of a new ANTAQ law 34/2019, which allows the collection of THC2.

2.) TSSA filed an Annulment Action with Urgent Injunction Request to nullify the Brazilian Administrative Council for Economic Defense (the Brazil Competition Authority, CADE) decision in an administrative case wherein CADE ruled that (1) TSSA's collection of the Segregation and Delivery Service of Containers - SSE or Terminal Handling Charge 2 (THC2) is illegal, and (2) TSSA should pay a fine in the amount of BRL9.1 million (US$1.9 million). The CADE decision pointed out that charging the THC2 fee would provide an unjustifiable and illegal competitive advantage in the bonded storage market.

On February 18, 2021, the preliminary injunction requested by TSSA was granted. This suspended the enforceability of the CADE decision guaranteeing TSSA's ability to continue with the retroactive collection of the services provided and not invoiced, as well as future collection of the THC2 until further final judgment of the case.

3.) In 2016, CE and SUATA filed a civil action against TSSA questioning the legality of charging fees connected with the ISPS Code, which according to CE and SUATA, is a service integrated in the port activity and cannot be charged separately. TSSA's defense is that the ISPS Code was established by international demand, after the attacks on September 11, 2001, and that the amount collected is for extraordinary security costs continually implemented by TSSA to meet international counter-terrorism requirements levied on the importer or exporter.

A preliminary injunction was granted enjoining TSSA from charging fees connected with the ISPS Code. On December 15, 2020, the decision prohibited TSSA from charging the ISPS Code, but found it legitimate to charge the entire past period. TSSA appealed and awaiting judgment by the Pernambuco Court of Justice. With the appeal, the effects of the decision are suspended and TSSA continues to collect the ISPS Code charges.

4.) TSSA filed an Annulment Action with Urgent Injunction Request to suspend the enforcement of the decision of CADE against TSSA in an administrative proceeding to (i) refrain from charging fees connected with the ISPS Code to CE and other import companies, and other fees to reimburse costs incurred in complying with safety standards, and (ii) pay a fine in the amount of BRL7.2 million (US$1.5 million).

On September 14, 2021, an award confirming preliminary injunction in favor of TSSA was issued. The award ruled that the collection of ISPS Code tariff is (i) legal and legitimate, (ii) there is competence of the private debt agent for negotiations regarding port tariffs, (iii) there was non-inclusion of the ISPS charges in box rates, (iv) it is a prevision of international regulations, and (v) there was no violation of Competition Law. The CADE appealed and there is no judgment as at February 28, 2024.

TICT

On December 28, 2012, TICT filed a Notice of Termination of its 10-year Investment Agreement with Tartous Port General Company (TPGC) on the grounds of "unforeseen change of circumstances" and "Force Majeure". In early 2013, TPGC submitted to arbitration TICT's termination notice. On April 1, 2014, the arbitration panel decided in favor of TPGC. While the award has become executory on April 20, 2015, management and its legal counsels believe that TPGC will not be able to successfully enforce the award outside of Syria. An attempt to implement the above-mentioned foreign judgment was made in Iraq before the Karkh Court of First Instance based on the provisions of Foreign Judgment Execution Law as well as the Riyadh Agreement for Judicial Cooperation. The implementation case was eventually dismissed in a judgment dated March 13, 2023.

ICTSI Oregon

Due to labor disruptions caused by International Longshore and Warehouse Union and ILWU Local 8 (collectively "ILWU") in Portland, Oregon from June 2012 and continuing over several years, ICTSI Oregon filed a claim in federal court for damages caused by the ILWU's unlawful secondary activity under the National Labor Relations Act. The claim went to trial, and a jury verdict awarded damages to ICTSI Oregon in the total sum of US$93.6 million. ILWU then filed a motion for judgment as a matter of law and for a new trial which was denied by the district court except issues on damages conditioned that ICTSI Oregon will accept reduced damages. On March 19, 2020, ICTSI Oregon notified the district court of its decision to decline acceptance of the reduced judgment and to instead proceed to retrial.

While the district court has scheduled the case for a two-week jury trial to commence on February 26, 2024, on September 30, 2023, ILWU l filed a Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Northern District of California.

On February 2, 2024, ILWU and ICTSI Oregon jointly announced that a settlement of all legal claims had been reached. The settlement resolves all of ICTSI Oregon's claims in the case on which it will receive payment of $20.5 million. The settlement arises from the parties' participation in several days of mediation during ILWU's chapter 11 bankruptcy case, which will be voluntarily dismissed as part of the terms of the settlement.

ICTSI Rio

1.) ICTSI Rio filed a case questioning the legality of a portion of its Lease Agreement Contract (Contract) with the Companhia Docas do Rio de Janeiro – CDRJ (Port Authority) which requires ICTSI Rio to pay the Port Authority for not achieving the minimum container handling goals (MMC). ICTSI Rio pointed out that the Port Authority failed to fulfill its obligation to provide adequate infrastructure to the Port of Rio de Janeiro to allow ICTSI Rio to meet its movement goals under the Contract. In 2016 and 2017, ICTSI Rio was heavily impacted by the delay in the dredging works of the access channel to the Port of Rio de Janeiro, which was the responsibility of the Port Authority. ICTSI Rio requested the cancellation of the collection carried out by the Port Authority related to the invoices of MMC for the years 2016 and 2017 amounting to BRL22.8 million (US$4.7 million). It was also requested that the Port Authority refund to ICTSI Rio the amount of BRL16.8 million (US$3.5 million) paid in advance.

In July 2022, in order to resolve the conflict, a virtual conciliation hearing was commenced and discussions with the Port Authority were resumed. Efforts to reach for an agreement continued after the replacement of the president of the Port Authority in October 2023.

ISPL, SPICT and MITL

ICTSI South Pacific, along with SPICT and MIT, filed and obtained a favorable Stay Order in the National Court on December 21, 2023, against Independent Consumer and Competition Commission (ICCC), preventing Stevedoring and Handling recommendations set out in the ICCC Final Report and Price Order from coming into effect on January 1, 2024. The report is based on the decision of the ICCC (1) to conduct a review of stevedoring and cargo handling services pursuant to the Prices Regulation Act; (2) to make Price Control Orders pursuant to the Prices Regulation Act; and (3) to refuse to extend the time for the plaintiffs to make submissions to it as to why it could not and should not make the intended Price Control Orders in respect of the services provided by SPICTL and MITL. The judicial review will be conducted in March or April 2024.

Certain Relationships and Related Transactions

Transactions with Related Parties

The table below summarizes transactions with related parties for the last three years, as disclosed in ICTSI's consolidated financial statements:

Related Party	Relationship	Nature of Transaction	2021 Transaction Amount [i]	2021 Outstanding Receivable (Payable) Balance	2022 Transaction Amount [i]	2022 Outstanding Receivable (Payable) Balance	**2023 Transaction Amount [i]**	**2023 Outstanding Receivable (Payable) Balance**
					(In Millions)			
SPIA Spain S.L.								
SPIA	Joint venture	Interest-bearing loans (Note 9) [ii]	US$–	US$150.44	US$–	US$139.75	**US$–**	**US$139.75**
		Interest income (converted into interest-bearing loan) (Note 9) [ii]	–	61.79	–	57.59	**9.11**	**66.70**
		Interest receivable [ii]	13.18	6.53	12.46	5.96	**13.68**	**6.18**
YICT								
YPH	Non-controlling shareholder	Trade transactions [iv]	0.91	(0.05)	0.45	(0.04)	**0.90**	**(0.11)**
YPHT	Common shareholder	Outsourced services	5.70	0.59	5.96	0.90	**5.35**	**0.93**
Yantai Port Group (YPG)	Common shareholder	Port fees [iii]	3.62	1.00	3.71	1.00	**3.43**	**0.83**
		Trade transactions [iv]	2.17	(0.14)	2.47	(0.08)	**2.10**	**–**
SCIPSI								
Asian Terminals, Inc.	Non-controlling shareholder	Management fees	0.17	(0.02)	0.13	(0.01)	**0.15**	**0.01**
AGCT								
Luka Rijeka D.D. (Luka Rijeka)	Non-controlling shareholder	Provision of services [v]	0.54	–	0.78	(0.28)	**1.28**	**(0.11)**
PICT								
Premier Mercantile Services (Private) Limited	Non-controlling Shareholder	Stevedoring and storage charges [vi]	3.22	(0.13)	–	–	**–**	**–**
		Container handling revenue [vi]	0.03	–	–	–	**–**	**–**
Marine Services (Private) Limited, Portlink International (Private) Limited, and AMI Pakistan (Private) Limited	Common shareholder	Container handling revenue [vii]	0.10	–	–	–	**–**	**–**
Bilal Associates (Pvt) Limited	Common shareholder	Stevedoring and storage charges [vi]	0.03	(0.03)	0.36	(0.01)	**0.28**	**–**
		Container handling revenue [vi]	0.01	–	0.08	–	**0.02**	**–**
Bay West (Pvt) Ltd	Common shareholder	Container handling revenue [vi]	–	–	–	–	**0.04**	**–**
LGICT								
NCT Transnational Corp.	Non-controlling shareholder	Management fees	0.49	(0.17)	0.45	(0.07)	**0.32**	**(0.07)**
		Maintenance and repairs	0.11	(0.05)	0.11	(0.03)	**0.09**	**(0.03)**
		Trade transactions	0.02	(0.01)	0.02	(0.01)	**–**	**–**
IDRC								
Ledya SARL	Non-controlling shareholder	Management fees	3.39	(0.30)	3.60	–	**3.60**	**(0.90)**
		Loans[viii]	–	–	–	–	**3.06**	**–**
(Forward)								
Parent Company								
Prime Metro BMD Corporation	Common shareholder	Construction services [ix]	13.05	(1.49)	3.32	(0.13)	**6.68**	**(2.02)**
		Dredging services [ix]	–	–	2.31	–	**2.55**	**(0.01)**
		Sublease[x]	0.45	0.27	–	0.09	**–**	**0.08**
Prime Metro Power Holdings Corporation	Common shareholder	Reimbursement of operating expenses	0.07	0.07	0.02	0.08	**0.01**	**0.07**
		Sublease[x]	0.16	(0.01)	–	(0.01)	**–**	**(0.01)**
Prime Metroline Infrastructure Holdings Corporation	Common shareholder	Reimbursement of operating expenses	US$0.02	US$–	US$0.09	US$0.04	**US$0.04**	**US$0.01**
		Sublease[x]	0.68	0.14	–	0.07	**–**	**(0.04)**
		Sale of asset[xi]	–	–	–	–	**0.75**	**0.56**
FAMI	Joint Venture	Reimbursement of operating expenses	0.03	0.34	0.04	0.42	**0.01**	**0.45**
		Management fees	1.33	(0.25)	0.28	(0.19)	**1.79**	**(0.31)**
PSHI	Common shareholder	Acquisition of shares of stock	51.24	–	–	–	**–**	**–**
IW Cargo Handlers, Inc.								
ACTSI	Common shareholder	Sale of asset [xii]	–	–	–	–	**17.20**	**17.20**
ROHQ								
MNHPI (consolidated effective September 8, 2022)	Common shareholder	Professional fees	0.25	–	0.33	–	**–**	**–**

(i) *Amount of transactions do not include payments, collections and foreign exchange movements.*

(ii) *On October 1, 2018, IEBV assigned to SPIA Spain S.L. all its outstanding interest-bearing loans, including interest converted into 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.*

(iii) *YICT is authorized under the Joint Venture Agreement to collect port charges levied on cargoes, port construction fees and facility security fee 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 statement 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 sheet.*

(iv) *Trade transactions include utilities, rental and other transactions paid by YICT to YPH and YPG.*

(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 statement 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, Bilal Associates (Pvt) Limited, and Bay West (Pvt) Ltd to render stevedoring and other services (i.e. storage and container handling service), 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) *In April 2023, IDRC entered into a shareholder loan agreement with Ledya SARL. The loan was settled in June 2023.*

(ix) *ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction of port facilities.*

(x) *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.*

(xi) *ICTSI and Prime Metroline Infrastructure Holdings Corporation entered into an agreement for the sale of certain leasehold improvements.*

(xii) *On December 12, 2023, IW Cargo Handlers, Inc. and ACTSI entered into a deed of absolute sale for the sale of a transportation equipment and related accessories.*

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

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2021, 2022 and 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid to the Chairman of the Board and President, and four (4) highest paid executive officers named below, as a group, for 2023 amounted to US$2.8 million (2022: US$3.7 million). The estimated amount of compensation expected to be paid in 2024 to the Chairman of the Board and President and four (4) highest paid executive officers as a group, amounted to US$3.2 million.

Name and Principal Position	Year	Salary	Bonus and Others[1]	Total[2]
Enrique K. Razon, Jr. *Chairman of the Board and President*				
Christian R. Gonzalez *Executive Vice President, Chief Compliance Officer and Chief Sustainability Officer*				
Caroline C. Causon[3] *Senior Vice President, Global Corporate Planning and Financial Services*				
Emilio Manuel V. Pascua[4] *Senior Vice President, Chief Financial Officer and Chief Risk Officer*				
Arnie D. Tablante *Vice President and Treasurer*				
Chairman of the Board and President and four (4) highest paid executive officers, as a group	2024 (Estimate)	US$0.5M	US$2.7M	US$3.2M
	2023 (Actual)	0.5M	2.3M	2.8M
	2022 (Actual)	0.4M	3.3M	3.7M
All officers and Directors, as a group, unnamed[5]	2024 (Estimate)	1.3M	16.1M	17.4M
	2023 (Actual)	1.3M	15.9M	17.2M
	2022 (Actual)	1.4M	12.9M	14.3M

[1]*Mainly includes non-cash compensation based on Stock Incentive Plan paid out of the allocated Treasury Shares of ICTSI*
[2]*Includes total compensation paid in the Philippines by the registrant and its subsidiaries*
[3]*Appointed to the new position effective July 1, 2023*
[4]*Elected as Chief Financial Officer on January 18, 2023, and appointed as Chief Risk Officer effective July 1, 2023*
[5]*Including four (4) highest paid executive officers*

The members of the Board of Directors receive directors' fees as compensation in accordance with the Company's By-Laws. There are no material terms of any other arrangements or contracts where any director of ICTSI was compensated or is to be compensated, directly or indirectly, in 2022, 2023 or in the coming year, for any service provided as a director.

Named executive officers are covered by Letters of Appointment with the Company stating therein their respective terms of employment.

There are no existing compensatory plans or arrangements, including payments to be received from ICTSI by any named executive officer from a change-in-control of the Company, except for the automatic vesting of awarded shares under the Stock Incentive Plan referred to below.

Certain officers were granted awards under the Stock Incentive Plan (SIP) in 2021, 2022 and 2023. Discussion on the SIP is further disclosed in Note 20, *Share-based Payment Plan*, to the 2023 Annual Audited Consolidated Financial Statements.

Item 7. Independent Public Accountants

The principal external auditor is the SyCip Gorres Velayo & Co. (SGV & Co.), a member firm of Ernst & Young (EY) Global Limited. The Group has engaged Mr. Roel E. Lucas, partner of SGV & Co., for the audit of the Group's books and accounts in 2023.

The appointment of the partner-in-charge will be in compliance with SEC Rule 68, Paragraph 3 (b)(iv) and SEC Memorandum Circular No. 8, Series of 2003, which require the rotation of the external auditor every five (5) years and a two-year cooling off period in the re-engagement of the same signing partner or individual auditor.

The reappointment of SGV & Co. as the Company's external auditors is part of the agenda for this year's annual stockholders' meeting.

A representative of the external auditor is expected to be present at the annual stockholders' meeting and will have an opportunity to make a statement if he or she so desires. The representative will also be available to respond to appropriate questions from the stockholders.

External Audit Fees and Services

Amounts received or due and receivable by the Group's external auditors relating to professional services rendered for the last three years are as follows (in thousands):

	2021	2022	2023
Audit Fees	$1,469.3	US$1,511.2	**US$1,511.9**
Audit-related Fees	406.2	54.3	**46.1**
Tax Fees	238.9	239.0	**220.0**
Other Fees	87.7	167.1	**78.4**

Audit Fees include the audit of the Group's annual financial statements.

Audited-related Fees include the review of interim financial statements and issuance of comfort letters for the capital market raising transactions of the Group.

Tax fees paid to SGV & Co./EY are for tax compliance, tax advisory services and transfer-pricing studies.

Other fees include due diligence services related to business development, sustainability reporting, studies, and other various one-time engagements.

The Audit Committee makes recommendations to the Board concerning the external auditors and pre-approves audit plans, scope, and frequency before the conduct of the external audit. The Audit Committee reviews the nature of the non-audit related services rendered by the external auditors and the appropriate fees paid for these services.

The reappointment of SGV & Co. as the Company's external auditors was approved by the stockholders in a meeting held on April 20, 2023.

Changes in and Disagreements with Accountants of Accounting and Financial Disclosure

There were no changes or disagreements with ICTSI's external auditors, SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited), on accounting and financial statement disclosures.

Item 8. Compensation Plans

ICTSI is centered on empowering, motivating and energizing its employees' talents. The Company continues to improve and develop competencies in the people working for its success.

An Employees Stock Option Plan ("ESOP") was established in 1991 under which shares from authorized but unissued capital stock were set aside for subscription by directors, officers, and employees. A Stock Option Committee composed of three (3) directors determined the number of shares to which a particular recipient was entitled. The subscription price under the ESOP was 95% of the issue price in the initial public offering of the Company and is subject to revision by the Stock Option Committee from time to time.

In January 2007, the Board approved the amendment of ESOP to convert it into a restricted stock plan called the "Stock Incentive Plan" (the "SIP"). The amendment of the ESOP into an SIP was approved by the stockholders at a special meeting held in March 2007.

Under the SIP, shares from our treasury will be granted to a participant by a resolution of the Stock Incentive Committee. The Committee determines who and how many will be the awarded shares under the SIP.

ICTSI currently has no stock options, warrants or rights plan.

Descriptions and explanations of the above transactions are further disclosed in Note 20, *Share-based Payment Plan*, to the Annual Audited Consolidated Financial Statements.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Otherwise for Exchange
There are no authorization or issuance of securities otherwise for exchange to disclose.

Item 10. Modification or Exchange of Securities
There are no modification or exchange of securities to disclose.

Item 11. Financial and Other Information
There are no financial and other information to disclose.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters
There are no mergers, consolidations, acquisitions, and similar matters to disclose.

Item 13. Acquisition or Disposition of Property
There are no acquisition or disposition of property to disclose.

Item 14. Restatement of Accounts
There is no restatement of accounts to disclose.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

i. Approval of the minutes of the annual stockholders' meeting held on April 20, 2023, covering the following matters:

- Approval of the minutes of the annual meeting of the stockholders held on April 21, 2022;
- Approval of the 2022 Audited Financial Statements
- Election of Directors, including Independent Directors
- Approval/Ratification of Acts, Contracts, Investments and Resolutions of the Board of Directors and Management since the 2022 Annual Stockholders' Meeting
- Appointment of external auditor

Copy of the minutes of the stockholders' meeting is available in the Company website Minutes of the April 20, 2023 ICTSI ASM

ii. Ratification of all Acts, Contracts, Investments and Resolutions of the Board of Directors and Management since the last Annual Stockholders' Meeting.

As a matter of corporate policy, Management seeks the ratification by the Stockholders of all acts, contracts, investments and resolutions of the Board of Directors and Management since April 20, 2023, the date of the last Annual Stockholders' Meeting. These are reflected in the minutes of the meetings of the Board of Directors, in the regular reports and disclosures to the Securities and Exchange Commission and to the Philippine Stock Exchange, and in the 2023 Annual Report and the Report of the Chairman.

The affirmative vote of a majority of the votes cast on this matter is necessary for the ratification of all acts,contracts, investments and resolutions of the Board of Directors and Management, which include the following highlights:

a. Election of the members of the Board of Directors for the ensuing year
b. Ratification of the following acts of the Board of Directors and Management beginning April 20, 2023 until December 2023:
    - Election of Key Officers
    - Appointment of Chairman and Members of the Board Committees
    - Availment, amendment, and renewal of credit, risk, and term loan facilities with various banks and other treasury transactions
    - Guarantees and loan facilities of subsidiaries in various banks

- Appointment of Attorneys-in-Fact for various transactions
- Awarding of shares under Stock Incentive Plan
- Shareholders' Agreement with San Miguel Holdings, Inc.
- Capital infusion to its subsidiaries as deposit for future subscription
- Declaration of regular and special cash dividends
- Participation in the bid for a greenfield investment for a private port in Cambodia
- Participation in the bid for the development, management and operation of any ports in the Republic of Kenya
- Participation in the bid for the development, management and operation of the Baseport - Iloilo Commercial Port Complex
- Plans to use the dividends received from the Company's foreign subsidiaries to fund, among others, the Company's working capital requirements and dividend distributions
- Engagement of Good Governance Advocates and Practitioners of the Philippines as external facilitator of the Annual Corporate Governance Assessment for Board of Directors for the year ended 2022
- Establishment of the Board Charter
- Appointment of Mr. Emilio Manuel V. Pascua as Chief Rik Officer, concurrent to his role as Chief Finance Officer
- Appointment of Ms. Caroline C. Causon as Vice President – Global Corporate Planning and Financial Services
- Appointment of Ms. Arlyn L. McDonald as Vice President - Global Financial Controller
- Review and approval of the Company's Purpose and Values
- Review and approval of the Board of Directors and Executive Officers' remuneration
- Board meeting schedule for the year 2024
- Election of external auditor and fixing of its remuneration

iii. **Approval of the 2023 Audited Consolidated Financial Statements**

The annual consolidated financial statements of ICTSI and subsidiaries as of and for the year ended December 31, 2023, and the accompanying notes to annual consolidated financial statements (referred to as"Consolidated Financial Statements") prepared by ICTSI and audited by SGV & Co., the independent auditors appointed by the stockholders, will be submitted for approval of the Stockholders at the Annual Stockholders' Meeting.

The Consolidated Financial Statements have been meticulously prepared in conformity with the Financial Reporting Standards reflecting the amounts based on the best estimates and informed judgment of the management with an appropriate consideration to materiality the same being the Company management's responsibility.

In this regard, management maintains a comprehensive system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized. Management likewise discloses to ICTSI's audit committee and to its external auditors: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors thoroughly reviews the consolidated financial statements before such statements are approved and submitted to the stockholders of ICTSI.

SGV & Co. have examined the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and have expressed their opinion on the fairness of presentation upon completion of such examination in the Report to the Stockholders and Board of Directors of ICTSI and subsidiaries.

The affirmative vote of majority of the votes cast on this proposal will constitute approval of the Consolidated Financial Statements.

Requirement under Section 49 of Revised Corporation Code

(a) ICTSI has an effective shareholder voting mechanism which is included in the Company's Bylaws and Manual on Corporate Governance and SEC Form 20-IS.

During the virtual annual stockholders' meeting held on April 20, 2023 via https://ictsi.com/2023asm, only Stockholders of record were entitled to notice and to vote at the Annual Stockholders' Meeting. The common stock and preferred B stock voted on matters scheduled to be taken up at the Annual Meeting with each share being entitled to cast one (1) vote. The Stock Transfer Services, Inc. validated the votes during the Proxy Validation Date. Validation of proxies was done by the Corporate Secretary and persons designated by the Corporate Secretary who were under his supervision and control, in accordance with the procedure and guidelines set out in the ICTSI's Bylaws and Rule 20(11)(b) of the Amended Implementing Rules and Regulations of the Securities Regulation Code.

(b) The stockholders were given the opportunity to ask questions. The Chairman opened the floor to entertain questions from the stockholders and the moderator, Atty. Tan, read the question asked by a stockholder.

(c) and (d) The following are the matters discussed during the 2023 Annual Stockholders' Meeting with voting results:

Agenda Items	Voting Results		
	Approving	Dissenting	Abstaining
Approval of the Minutes of the Annual Meeting of Stockholders Held on April 21, 2022	2,356,912,172	-	160
Approval of the 2022 Audited Financial Statements	2,356,271,219	-	641,113
Approval/Ratification of Acts, Contracts, Investments and Resolutions of the Board of Directors and Management since the 2022 Annual Stockholders' Meeting	2,354,352,891	1,730,588	828,853
Appointment of External Auditor	2,349,931,761	6,980,572	-

(e) The following directors were elected during the 2023 Annual Stockholders' Meeting with voting results:

Name of Directors	In favor	Against	Abstain
Enrique K. Razon Jr.	2,248.137,468	48,563,489	57,300,547
Cesar A. Buenaventura*	1,958,241,218	40,667,579	354,781,527
Carlos C. Ejercito*	2,151,157,322	38,813,779	163,719,223
Chief Justice Diosdado M. Peralta (ret.)*	2,341,247,686	10,501,100	1,941,508
Jose C. Ibazeta	2,097,126,632	48,385,349	208,178,393
Stephen A. Paradies	2,224,541,321	47,998,549	102,762,915
Andres Soriano III	2,213,890,936	48,222,179	91,577,359

*****_Independent Director_

Stockholders holding a total of 2,358,881,246 shares or 86.34% are present in person, registered to vote in absentia, or by proxy during the Annual stockholders meeting held on April 20, 2023.

The following directors, officers, and representatives from the auditors, were present online in the meeting and were prepared to respond to any questions from the stockholders during the meeting:

Directors:

Enrique K. Razon Jr.	Chairman and President
Cesar A. Buenaventura	Independent Director
Carlos C. Ejercito	Independent Director
Chief Justice Diosdado M. Peralta (ret.)	Independent Director
Jose C. Ibazeta	Non-Executive Director
Stephen A. Paradies	Non-Executive Director
Andres Soriano III	Non-Executive Director

Key Officers, Management and other representatives:

Christian Martin R. Gonzalez	Executive Vice President, Chief Sustainability Officer and Chief Compliance Officer
Sandy A. Alipio	Senior Vice President and Chief Risk Officer
Emilio Manuel V. Pascua	Chief Financial Officer
Caroline C. Causon	Vice President, Head of Financial Planning and Budgeting
Arnie D. Tablante	Vice President and Treasurer
Jose Manuel M. de Jesus	Vice President, Regulatory Affairs
Silverio Benny J. Tan	Assistant Corporate Secretary
Benjamin Edison M. Gorospe III	Assistant Corporate Secretary
Narlene A. Soriano	Director, Head of Global Public Relations
Arthur Quintin R. Tabuena	Head of Investors Relations
Lirene C. Mora	Director, Global Corporate Legal Affairs
Catherine C. Castro	Head of Internal Audit
Martin C. Guantes	For Sycip Gorres Velayo and Co.

Stockholders:

Individuals Stockholders:
Enrique K. Razon Jr
Arnie D. Tablante
Arthur Quintin R. Tabuena
Aurello Agustin Gallardo
Ninobla
Agnes Pajilan
Caroline C. Causon
Catherine D. Panilla
Chief Justice Diosdado M. Peralta (ret.)
Emilio Manuel V. Pascua
Gawriil June Sullano
Jose Joel M. Sebastian
Jose Manuel De Jesus
Julius J. Sanvictores
Lirene C. Mora
Phillip Marsham
Reynaldo Mark Cruz Jr.
Stephen A. Paradies

Corporate Stockholders:
The Hongkong and Shanghai Banking Corporation (HSBC 10)
The Hongkong and Shanghai Banking Corporation (HSBC 20)
Deutsche Bank AG Manila Branch
Standard Chartered Bank (Sun Life Grepa Financial, Inc.)
Standard Chartered Bank (Obo Plu-Prulink Equity Fund)
Standard Chartered Bank (Various Non-Resident Foreign Corporation)
Standard Chartered Bank (Obo Nomura TB/Baring ITM)
Citibank (CITIOMNIFOR)
Citibank (CITIOMNILOC)
Citibank (CITIFAOSUNLIFE)
Citibank (CITIFAOPHILAM)

(f) Material information on the current stockholders and voting rights were provided during the meeting. The Assistant Corporate Secretary informed the stockholders that stockholders as of record date of March 10, 2023 were entitled to vote in this meeting. Stockholders representing 2,358,881,246 shares, out of 2,732,202,018 outstanding shares, or 86.34% of total outstanding shares, were present in person, registered to vote in absentia, or by proxy in this meeting.

(g) **Annual Corporate Governance Assessment**

One of the evaluations implemented through the Office of the Compliance Officer is the Annual Corporate Governance Assessment ("ACG Assessment"). Each member of the Board assesses their individual and group performance based on the CG Manual as well as the Integrated Annual Corporate Governance Report and ASEAN Corporate Governance Scorecard. The assessment criteria include the following:

i. Annual Board Self-Assessment
- Board composition
- Board efficiency and importance
- Board meetings and participation

ii. Individual Director's Self Rating
- Independence, participation, and expertise

iii. Committee Member's Self-Assessment
- Committee Composition
- Committee meetings and participation
- Committee functions and processes

To assess the leadership, integrity, diligence and corporate governance practice of the Management, the Board makes a similar assessment for the Chairman of the Board, President, as well as the head of other control functions, such as the Chief Risk Officer, Compliance Officer, and Head of Internal Audit.

The evaluation results are presented to all those concerned for any necessary recommendations to further improve the corporate governance in the Company.

(h) On the Directors' disclosure on self-dealing, Directors, Officers, and controlling shareholders are required to report their dealings in Company shares within three (3) business days from the date of the ICTSI share-related transactions. ICTSI discloses to the PSE and SEC the ownership (direct and indirect) and any acquisition or disposal of ICTSI securities by ICTSI Directors, Officers and controlling shareholders pursuant to the PSE Revised Disclosures and the Securities Regulations Code. Directors and Officers are likewise prohibited from buying or selling ICTSI securities during the period within which material non-public information is obtained and up to two (2) full trading days after the price sensitive information is disclosed. The Company also discloses purchases of its shares from the market within the same day or before the start of the next trading day. On *related party transactions*, see discussion on Certain Relationship and Related Party Transactions in Page 30 above. On compensation, see discussion on *Compensation of Directors and Executive Officers* in page 32 above.

(i) The members of the Board of Directors receive directors' fees as compensation in accordance with the Company's By-Laws. There are no material terms of any other arrangements or contracts where any director of ICTSI was compensated or is to be compensated, directly or indirectly, in 2022, 2023 or in the coming year, for any service provided as a director.

Item 16. Matters Not Required to be Submitted

There are no matters not required to be submitted to be disclosed.

Item 17. Amendment of Charter, Bylaws or Other Documents

There is no amendment of charter, bylaws, or other documents to be disclosed.

Item 18. Other Proposed Action
None

Item 19. Voting Procedures

The following matters require the following votes:

Subject Matter	Votes Required
Approval of Minutes of the Annual Stockholders' Meeting	Majority of the votes cast
Approval of the 2023 Audited Financial Statements	Majority of the votes cast
Ratification of all acts, contracts, investments and resolutions of the Board of Directors and Management	Majority of the votes cast
Election of Directors	The top seven (7) nominees with the most number of votes are elected
Reappointment of SGV & Co. as the Company's external auditors	Majority of the votes cast

Please also refer to **Appendix "A"** of the Notice of Meeting for the ICTSI Annual Stockholders' Meeting Requirements and Procedure for Participation by Remote Communication and Voting *In Absentia.*

Undertaking to Provide Annual Report

A copy of the 2023 ICTSI Annual Report on SEC Form 17-A for the fiscal year ended December 31, 2023, as filed with the Securities and Exchange Commission, will be sent to any stockholder at the address he indicates or through email, without charge upon written request addressed to:

The Corporate Secretary
International Container Terminal Services, Inc.
3F ICTSI Administration Building
Manila International Container Terminal
MICT South Access Road, Port of Manila
1012 Manila, Philippines

Or through an email to bgorospe@ictsi.com, copy legalgroup@ictsi.com and investor@ictsi.com.

Item 20. Proxies

There are no matters regarding proxies to be disclosed.

Attached herewith are the following:
Annex "A" is the Management Report of the Company;
Annex "B" is the Audited Financial Statements of the Company as of December 31, 2023.
Annexes "C," "C-1," and "C-2" are the notarized Certificate of Independent Director of Messrs. Cesar A. Buenaventura, Carlos C. Ejercito, and Diosdado M. Peralta.
Annex "D" is the Certification that no directors or officers are connected with any government agencies or instrumentalities.

Part IV. SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct.

This report is signed in the City of Manila on March 11, 2024.

For and on behalf of the Board of Directors By:

BENJAMIN EDISON M. GOROSPE III
Assistant Corporate Secretary

Schedule 1 – Proxy Form

Instructions for submission of attached Proxy Form

1. Submission of the Proxy

(a) The proxy form must be completed, signed, and dated by the shareholder or his duly authorized representative.

(b) If the shares of stock are owned by two or more joint owners, the proxy form must be signed by all of the joint owners.

(c) If the shares of stock are owned in an "and/or" capacity, the proxy form must be signed by either one of the owners.

(d) If the shares of stock are owned by a corporation, association, or partnership, the proxy form must be accompanied by a certification, signed by a duly authorized officer, partner or representative of such corporation, association, or partnership, to the effect that the person signing the proxy form has been authorized by the governing body or has the power pursuant to its Bylaws, constitutive documents or duly approved policies of such corporation, association, or partnership, for such purpose.

(e) A proxy form given by a broker or dealer in respect of shares of stock carried by such broker or dealer for the account of a customer must be supported by a sworn certification that the same is given with the express prior authorization of such customer.

(f) If any customer of a broker or dealer who is the beneficial owner of shares of stock executes a sub-proxy, the broker or dealer shall certify that the signature on the sub-proxy is the true and genuine signature of its customer.

2. Revocation of Proxy

An owner of shares of stock who has given a proxy has the power to revoke it by a written instrument duly signed and dated, which must be received at ICTSI's principal office not later than 5:00 p.m. on April 5, 2024. A proxy is also considered revoked if an individual stockholder registers to attend the virtual Annual Stockholders' Meeting.

3. Validation of Proxies

Proxy validation will be held at the Executive Lounge, 4/F ICTSI Administration Building, South Access Road, MICT, Port of Manila on April 12, 2024, at 10:00 a.m. Validation of proxies will be done by the Office of the Corporate Secretary and SGV & Co., in accordance with the procedure and guidelines set out in the ICTSI's Bylaws and Rule 20.11.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. PROXY

The undersigned (the "Principal" hereby constitutes and appoints [Name of Proxy] or in his absence, the Chairman of the meeting, as his/her attorney-in-fact and proxy (the "Proxy"), so that the Proxy or any other person empowered by the Proxy, shall have, without need of further authorization from the Principal, full power, and authority to represent and vote all of the shares of stock of the Principal in INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. (the "Corporation") or shares at the annual stockholders' meetings of the Corporation on April 18, 2024, or any adjournment thereof, on the following matters, as fully and to all intents and purposes as such Principal might do if present and acting in person.

Agenda Item	**Choose one option below**		
1. Approval of the Minutes of the Annual Stockholders' Meeting held on April 20, 2023	□ YES	□ NO	□ ABSTAIN
2. Approval of the 2023 Audited Financial Statements	□ YES	□ NO	□ ABSTAIN
3. Approval/ratification of acts, contracts, investments and resolutions of the Board of Directors and Management since the last Annual Stockholders' Meeting	□ YES	□ NO	□ ABSTAIN
	Choose one option below for each candidate		
4. Election of Directors	YES (The candidate will be given the votes corresponding to the total number of shares voting)	For cumulative voting, please indicate the number of votes to be given to each candidate (provided that the total votes given to all candidates shall not exceed 7 times the number of shares voting)	ABSTAIN (no vote will be given)
i. Enrique K. Razon Jr.	□ YES		□ ABSTAIN
ii. Cesar A. Buenaventura	□ YES		□ ABSTAIN
iii. Carlos C. Ejercito	□ YES		□ ABSTAIN
iv. Chief Justice Diosdado M. Peralta (Ret.)	□ YES		□ ABSTAIN
v. Jose C. Ibazeta	□ YES		□ ABSTAIN
vi. Stephen A. Paradies	□ YES		□ ABSTAIN
vii. Andres Soriano III	□ YES		□ ABSTAIN
	Choose one option below		
5. Appointment of External Auditors	□ YES	□ NO	□ ABSTAIN

Note: If the proxy form is returned without indicating the intended vote on any of the above matters, the Proxy shall vote on said matters in a way that the Proxy shall deem fit.

IN WITNESS WHEREOF, this proxy has been executed by the Principal on the date and place indicated below.

____
Signature over Printed Name of Principal
Date signed:
Place signed:

ANNEX "A"

Management Report

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 audited consolidated financial statements and related notes as at and for the year ended December 31, 2023. References to "ICTSI", "the Company", and "Parent Company" pertain to ICTSI Parent Company, while references to "the Group" pertain to ICTSI and its subsidiaries.

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 3,500,000 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 at February 28, 2024, the Group is involved in 32 terminal operations, including concessions and port development projects in 19 countries worldwide. There are nine (9) terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), four (4) in Brazil (including an intermodal rail ramp terminal and a Customs-bonded facility), two (2) in Papua New Guinea (PNG); and one (1) each in China, Indonesia, Ecuador, Poland, Georgia, Madagascar, Croatia, Honduras, Mexico, Iraq, Argentina, Democratic Republic (DR) of the Congo, Colombia, Australia, Cameroon and Nigeria; and a development project 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; *ceased commercial operations on June 30, 2022*) and Hijo International Port, Davao del Norte, Philippines (HIPS; *until August 31, 2022*)
  - 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; *became a subsidiary effective September 8, 2022; previously a joint venture*)
- Manila - Manila Harbour Center Port Services, Inc, Manila, Philippines (MHCPSI)
- Indonesia - Makassar Port Container Terminal, Makassar, South Sulawesi, Indonesia (MTS; *ceased commercial operations on January 31, 2023*); Port of Tanjung Priok, Jakarta, Indonesia (OJA; *until February 1, 2024*); and Tanjung Pakis Lamongan Public Terminal, East Java, Indonesia (EJMT; *starting August 16, 2022*)
- 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; *concession contract ended June 17, 2023*)
  - 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 (OMT)

- Americas
  - Brazil - Suape Container Terminal, Suape, Brazil (TSSA), Terminal de Contêineres; Port of Rio de Janeiro City, Brazil (ICTSI Rio); Floriano Intermodal Terminal, Barra Mansa, Rio de Janeiro State, Brazil (IRB Logistica); and CLIA Pouso Alegre, Minas Gerais, Brazil
  - 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; *a joint venture*)
  - Honduras - Puerto Cortés, Republic of Honduras (OPC)

Results of Operations and Key Performance Indicators

Results of Operations

The following table shows a summary of the results of operations for the year ended December 31, 2023 as compared with the same period in 2022 and 2021 as derived from the accompanying audited consolidated financial statements:

Audited Consolidated Statements of Income

In thousands, except % change data	For the Years Ended December 31 2021	2022	**2023**	% Change *2021 vs 2022*	% Change *2022 vs 2023*
Gross revenues from port operations	US$1,865,021	US$2,242,992	**US$2,388,326**	20.3	6.5
Revenues from port operations, net of port authorities' share	1,662,382	2,021,388	**2,168,318**	21.6	7.3
Total income (net revenues, interest, and other income)	1,722,539	2,095,894	**2,259,871**	21.7	7.8
Total expenses (operating, financing, and other expenses)	1,120,580	1,265,770	**1,512,329**	13.0	19.5
EBITDA[1]	1,139,057	1,409,273	**1,505,614**	23.7	6.8
EBIT[2]	892,063	1,142,555	**1,211,182**	28.1	6.0
Net income attributable to equity holders of the parent	428,569	618,465	**511,530**	44.3	(17.3)
Earnings per share					
Basic	US$0.181	US$0.287	**US$0.238**	58.3	(17.3)
Diluted	0.181	0.287	**0.237**	58.3	(17.3)

[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 lease payments that are capitalized as concession assets under IFRIC 12, *Service Concession Agreements* and right-of-use assets under PFRS 16, *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 consolidated net income attributable to equity holders of the parent for the year:

EBITDA Computation

In thousands, except % change data	For the Years Ended December 31 2021	2022	**2023**	% Change *2021 vs 2022*	% Change *2022 vs 2023*
Net income attributable to equity holders of the parent	US$428,569	US$618,465	**US$511,530**	44.3	(17.3)
Non-controlling interests	48,974	59,002	**69,596**	20.5	18.0
Provision for income tax	124,416	152,658	**166,416**	22.7	9.0
Income before income tax	601,959	830,125	**747,542**	37.9	(9.9)
Add (deduct):					
Depreciation and amortization	246,994	266,718	**294,432**	8.0	10.4
Interest and other expenses	350,261	386,937	**555,193**	10.5	43.5
Interest and other income	(60,157)	(74,507)	**(91,553)**	23.9	22.9
EBITDA	US$1,139,057	US$1,409,273	**US$1,505,614**	23.7	6.8

Key Performance Indicators

The five (5) 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.

2023 Compared with 2022

Gross moves per hour per crane ranged to 12.3 to 30.0 moves per hour in 2023 from 12.0 to 31.1 moves per hour in 2022. Crane availability ranged to 66.8 percent to 99.7 percent in 2023 from 52.9 percent to 98.8 percent in 2022. Berth utilization was at 25.2 percent to 72.6 percent in 2023 and 22.3 percent to 77.9 percent in 2022.

2022 Compared with 2021

Gross moves per hour per crane ranged to 12.0 to 31.1 moves per hour in 2022 from 15.4 to 31.6 moves per hour in 2021. Crane availability ranged to 52.9 percent to 98.8 percent in 2022 from 82.2 percent to 99.3 percent in 2021. Berth utilization was at 22.3 percent to 77.9 percent in 2022 and 25.7 percent to 70.8 percent in 2021.

2021 Compared with 2020

Gross moves per hour per crane ranged to 15.4 to 31.6 moves per hour in 2021 from 16.0 to 32.5 moves per hour in 2020. Crane availability ranged to 82.2 percent to 99.3 percent in 2021 from 78.0 percent to 97.7 percent in 2020. Berth utilization was at 25.7 percent to 70.8 percent in 2021 and 21.8 percent to 74.5 percent in 2020.

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.

Comparison of Operating Results for the Years Ended December 31, 2022 and 2023

TEU Volume

The below table presents the volume (in TEU) handled by the Group for the years ended December 31, 2022 and 2023:

Volume

	For the Years Ended December 31		
	2022	**2023**	% Change
Asia	6,129,900	**6,570,833**	7.2
Americas	3,429,002	**3,653,516**	6.5
EMEA	2,657,288	**2,524,865**	(5.0)
	12,216,190	**12,749,214**	4.4

The Group's consolidated volume increased by 4.4 percent to 12,749,214 TEUs for the year ended December 31, 2023 from 12,216,190 TEUs handled for the same period in 2022 mainly due to the contribution of MNHPI that was consolidated starting September 2022; improvement in trade activities, and new and additional services at certain terminals; partially tapered by the impact of expiration of the concession contract at PICT; termination of cargo handling operations at MTS; and slowdown in trade activities at certain few terminals. Excluding MNHPI and discontinued operations (PICT, MTS and

DIPSSCOR), consolidated volume would have increased by 1.6 percent for the year ended December 31, 2023.

Volume from the Asia segment, consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia, increased by 7.2 percent to 6,570,833 TEUs for the year ended December 31, 2023 from 6,129,900 TEUs for the same period in 2022 mainly due to the contribution of MNHPI; partially tapered by lower trade volumes at VICT, certain Philippine terminals and OJA; and the termination of cargo handling operations at MTS. Excluding the contribution of MNHPI, and impact of discontinued operations at MTS and DIPSSCOR, volume from the Asia segment would have decreased by 5.1 percent for the year ended December 31, 2023. The Asia operations accounted for 50.2 percent and 51.5 percent of the consolidated volume for the years ended December 31, 2022 and 2023, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras and Argentina, increased by 6.5 percent to 3,653,516 TEUs for the year ended December 31, 2023 from 3,429,002 TEUs for the same period in 2022 mainly due to improvement in trade activities, and new and additional services at CGSA, CMSA and ICTSI Rio; partially tapered by lower trade volume at OPC. The Americas operations accounted for 28.1 percent and 28.7 percent of the consolidated volume for the years ended December 31, 2022 and 2023, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Pakistan, Georgia, Croatia, Madagascar and Nigeria, decreased by 5.0 percent to 2,524,865 TEUs for the year ended December 31, 2023 from 2,657,288 TEUs for the same period in 2022 mainly due to expiration of the concession contract at PICT; partially tapered by volume growth due to market recovery at BGT. Excluding the contribution of PICT, volume from the EMEA segment would have increased by 11.2 percent for the year ended December 31, 2023. The EMEA operations accounted for 21.7 percent and 19.8 percent of the Group's consolidated volume for the years ended December 31, 2022 and 2023, respectively.

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; (4) Equity share in net profit of joint ventures; and (5) Other income.

The table below illustrates the consolidated total income for the years ended December 31, 2022 and 2023:

Total Income

	For the Years Ended December 31		
(In thousands, except % change data)	2022	**2023**	% Change
Gross revenues from port operations	US$2,242,992	**US$2,388,326**	6.5
Port authorities' share in gross revenues	221,604	**220,008**	(0.7)
Net revenues	2,021,388	**2,168,318**	7.3
Interest income	39,052	**57,977**	48.5
Foreign exchange gain	14,471	**10,489**	(27.5)
Equity share in net profit of joint ventures	1,987	**–**	(100.0)
Other income	18,996	**23,087**	21.5
	US$2,095,894	**US$2,259,871**	7.8

For the year ended December 31, 2023, net revenues stood at 95.9 percent of the total consolidated income while interest income, foreign exchange gain, and other income accounted for 2.6 percent, 0.5 percent and 1.0 percent, respectively. For the same period in 2022, net revenues stood at 96.4 percent of the total consolidated income while interest income, foreign exchange gain, equity share in net profit of joint ventures, and other income accounted for 1.9 percent, 0.7 percent, 0.1 percent and 0.9 percent, respectively.

Gross Revenues from Port Operations

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

The below table illustrates the consolidated gross revenues for the years ended December 31, 2022 and 2023:

Gross Revenues from Port Operations

	For the Years Ended December 31		
(In thousands, except % change data)	2022	**2023**	% Change
Asia	US$1,015,533	**US$1,042,432**	2.6
Americas	759,825	**855,615**	12.6
EMEA	467,634	**490,279**	4.8
	US$2,242,992	**US$2,388,326**	6.5

The Group's consolidated gross revenues from port operations increased by 6.5 percent to US$2,388.3 million for the year ended December 31, 2023 from US$2,243.0 million for the same period in 2022 mainly due to the contribution of MNHPI; tariff adjustments, volume growth and higher revenues from ancillary services and general cargo business at certain terminals; and favorable translation impact mainly of Mexican Peso (MXN)- and Iraqi Dinar (IQD)-based revenues at CMSA and ICTSI Iraq, respectively, and Brazilian Real (BRL)-based revenues at TSSA and ICTSI Rio; partially tapered by the expiration of the concession contract at PICT; slowdown in trade activities and lower revenue from ancillary services largely at VICT and MICT; and unfavorable translation impact mainly of Philippine Peso (PHP)-, Nigerian Naira (NGN)- and Australian Dollars (AUD)-based revenues at Philippine terminals, OMT and VICT, respectively. Excluding the contribution of MNHPI, and impact of new businesses [EJMT, SBI (acquired in December 2022), CM Logista (started operations in August 2022, CLI (started operations in July 2023) and CLIA Pouso Alegre (acquired in September 2023)] and discontinued businesses (PICT, MTS, DIPSSCOR and HIPS), consolidated gross revenues would have increased by 5.5 percent for the year ended December 31, 2023.

Gross revenues from the Asia segment increased by 2.6 percent to US$1,042.4 million for the year ended December 31, 2023 from US$1,015.5 million for the same period in 2022 mainly due to the contribution of MNHPI; higher revenues from ancillary services and general cargo business, and tariff adjustments at certain Philippine terminals; partially tapered by slowdown in trade activities lower revenue from ancillary services largely at VICT and MICT; and unfavorable translation impact mainly of PHP- and AUD-based revenues at Philippine terminals and VICT, respectively. Excluding the contribution of MNHPI, and impact of new (EJMT, SBI and CLI) and discontinued (DIPSSCOR, MTS and HIPS) businesses, gross revenues of Asia segment would have decreased by 3.5 percent for the year ended December 31, 2023. The Asia operations captured 45.3 percent and 43.7 percent of the consolidated gross revenues for the years ended December 31, 2022 and 2023, respectively.

Gross revenues from the Americas segment increased by 12.6 percent to US$855.6 million for the year ended December 31, 2023 from US$759.8 million for the same period in 2022 mainly due to volume growth, better cargo mix, tariff adjustments and higher revenue from ancillary services at certain terminals; contribution of new businesses at IRB Logistica; and favorable translation impact of MXN-based revenues at CMSA, and BRL-based revenues at TSSA and ICTSI Rio. Excluding the contribution of new businesses (CLIA Pouso Alegre and CM Logista), gross revenues of Americas segment would have increased by 12.4 percent for the year ended December 31, 2023. The Americas operations accounted for 33.9 percent and 35.8 percent of the consolidated gross revenues for the years ended December 31, 2022 and 2023, respectively.

Gross revenues from the EMEA segment increased by 4.8 percent to US$490.3 million for the year ended December 31, 2023 from US$467.6 million for the same period in 2022 mainly due to volume growth driven by market recovery at ICTSI Iraq, including favorable translation impact of IQD-based revenues; tariff adjustments and increase in trade activities at MICTSL and IDRC; partially tapered by the expiration of the concession contract at PICT; and unfavorable translation impact mainly of NGN-based revenues at OMT. Excluding PICT, gross revenues of EMEA segment would have increased by 14.4 percent for the year ended December 31, 2023. The EMEA operations stood at 20.8 percent and 20.5 percent of the consolidated gross revenues for the years ended December 31, 2022 and 2023, respectively.

Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities by certain terminals, other than the minimum guaranteed variable fees or in-substance fixed fees that were capitalized as part of concession rights and right-of-use assets, and amortized on a straight-line basis over the term of the concession, marginally decreased by 0.7 percent to US$220.0 million for the year ended December 31, 2023 from US$221.6 million for the same period in 2022 as a result of lower volume and revenues at some of these terminals.

Interest Income, Foreign Exchange Gain, Equity Share in Net Profit of Joint Ventures and Other Income

Consolidated interest income increased by 48.5 percent to US$58.0 million for the year ended December 31, 2023 from US$39.1 million for the same period in 2022 mainly due to higher interest earned from short-term deposits and government-issued debt securities at certain terminals.

Foreign exchange gain decreased by 27.5 percent to US$10.5 million for the year ended December 31, 2023 from US$14.5 million for the same period in 2022 mainly due to the unfavorable 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.

Equity share in net profit of joint ventures amounted to nil for the year ended December 31, 2023 from US$2.0 million for the same period in 2022 mainly due to the consolidation of MNHPI effective September 2022, that contributed positive equity share in net earnings as a joint venture prior to its consolidation.

Other income increased by 21.5 percent to US$23.1 million for the year ended December 31, 2023 from US$19.0 million for the same period in 2022. Other income includes the Group's rental income, gain from disposals of assets and settlement of claims, and sundry income accounts.

Total Expense

The table below shows the breakdown of total expenses for the years ended December 31, 2022 and 2023:

Total Expenses

	For the Years Ended December 31		
(In thousands, except % change data)	2022	**2023**	% Change
Manpower costs	US$299,779	**US$329,115**	9.8
Equipment and facilities-related expenses	166,228	**167,837**	1.0
Administrative and other operating expenses	146,108	**165,752**	13.4
Total cash operating expenses	612,115	**662,704**	8.3
Depreciation and amortization	266,718	**294,432**	10.4
Interest expense and financing charges on borrowings	126,471	**140,333**	11.0
Interest expense on concession rights payable	62,699	**64,519**	2.9
Interest expense on lease liabilities	119,722	**133,793**	11.8
Equity share in net loss of joint ventures	–	**9,809**	100.0
Foreign exchange loss and other expenses	78,045	**206,739**	164.9
Total expenses	US$1,265,770	**US$1,512,329**	19.5

Total cash operating expenses of the Group increased by 8.3 percent to US$662.7 million for the year ended December 31, 2023 from US$612.1 million for the same period in 2022 mainly due to the costs contribution of MNHPI, and of new businesses at IRB Logistica; government-mandated and contracted salary rate adjustments, including benefits; increases in repairs and maintenance, professional fees, including business development-related costs, and transportation and travel; volume-driven increase in contracted services; and unfavorable foreign exchange effect mainly of MXN-based expenses at CMSA; partially tapered by the expiration of the concession contract at PICT, and termination of cargo handling operations at DIPSSCOR and MTS; decrease in power costs mainly at MICT; continuous cost optimization measures implemented; and favorable foreign exchange effect mainly of NGN-, PHP-, Pakistani Rupee (PKR)- and AUD-based expenses at OMT, Philippine terminals, PICT and VICT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), consolidated cash operating expenses would have increased by 7.8 percent for the year ended December 31, 2023.

Manpower Costs

Manpower costs increased by 9.8 percent to US$329.1 million for year ended December 31, 2023 from US$299.8 million for the same period in 2022 primarily due to the costs contribution of MNHPI, and of new businesses at IRB Logistica; government-mandated and contracted salary rate adjustments, including benefits, at certain terminals; volume-driven increase in contracted services; and unfavorable foreign exchange effect mainly of MXN-based manpower costs at CMSA; partially tapered by continuous cost optimization measures implemented; favorable foreign exchange effect mainly of NGN-, AUD-, PKR- and PHP-based manpower costs at OMT, VICT, PICT and Philippine terminals, respectively; and expiration of concession contract at PICT, and termination of cargo handling operations at DIPSSCOR and MTS. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), consolidated manpower costs would have increased by 9.4 percent for the year ended December 31, 2023.

Manpower costs accounted for 49.0 percent and 49.7 percent of consolidated cash operating expenses for the years ended December 31, 2022 and 2023, respectively.

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 1.0 percent to US$167.8 million for the year ended December 31, 2023 from US$166.2 million for the same period in 2022 mainly due to the costs contribution of MNHPI, and of new businesses at IRB Logistica; increase in equipment repairs and maintenance at certain terminals; and unfavorable foreign exchange effect mainly of MXN-based equipment and facilities-related expenses at CMSA; partially tapered by the expiration of the concession contract at PICT, and termination of cargo handling operations at MTS and DIPSSCOR; decrease in power costs, fuel, and equipment rentals at certain terminals, mainly at MICT; and favorable foreign exchange effect mainly of NGN- and PKR-based equipment and facilities-related expenses at OMT and PICT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), consolidated equipment and facilities-related expenses would have marginally increased by 0.8 percent for the year ended December 31, 2023.

Equipment and facilities-related expenses represented 27.1 percent and 25.3 percent of consolidated cash operating expenses for the years ended December 31, 2022 and 2023, respectively.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 13.4 percent to US$165.8 million for the year ended December 31, 2023 from US$146.1 million for the same period in 2022 driven by increases in professional fees, including business development-related costs, transportation and travel, taxes linked to revenues, sponsorships, and security costs; and the costs contribution of MNHPI; partially tapered by the general impact of continuous cost optimization measures implemented. Excluding contribution of MNHPI, and new and discontinued businesses, consolidated administrative and other operating expenses would have increased by 12.1 percent for the year ended December 31, 2023.

Administrative and other operating expenses stood at 23.9 percent and 25.0 percent of consolidated cash operating expenses for the years ended December 31, 2022 and 2023, respectively.

Depreciation and Amortization

Depreciation and amortization expense increased by 10.4 percent to US$294.4 million for the year ended December 31, 2023 from US$266.7 million for the same period in 2022 mainly driven by the cost contribution of MNHPI; acquisition of additional fixed assets and expansion projects at number of terminals, mainly at MICT; unfavorable translation impact of MXN-based depreciation and amortization charges at CMSA; increase in right-of-use asset as a result of remeasurement of lease liability at TSSA, and new leases of equipment at IRB Logistica; partially tapered by favorable translation impact of NGN-, AUD- and PKR-based depreciation and amortization charges at OMT, VICT and PICT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses, depreciation and amortization expense would have increased by 4.7 percent for the year ended December 31, 2023.

Interest and Financing Charges on Borrowings

Interest and financing charges on borrowings increased by 11.0 percent to US$140.3 million for the year ended December 31, 2023 from US$126.5 million for the same period in 2022 primarily due to short-term and/or long-term loans availed at ICTSI Parent, ICTSI Ltd. and IGFBV; higher floating interest rate at MHCPSI; partially tapered by repayment of loan at ITBV in January 2023.

Interest Expense on Concession Rights Payable

Interest expense on concession rights payable increased by 2.9 percent to US$64.5 million for the year ended December 31, 2023 from US$62.7 million for the same period in 2022 mainly due to the cost contribution of MNHPI; and remeasurement of concession rights payable at CGSA. Excluding contribution of MNHPI and PICT, interest expense on concession rights payable would have marginally decreased by 0.6 percent for the year ended December 31, 2023.

Interest Expense on Lease Liabilities

Interest expense on lease liabilities increased by 11.8 percent to US$133.8 million for the year ended December 31, 2023 from US$119.7 million for the same period in 2022 mainly due to the renewal of the concession contract at BCT; remeasurement of lease liabilities at CMSA and TSSA, including unfavorable translation impact of MXN- and BRL-based interest expenses, respectively; contract extension at OMT; and partially tapered by favorable translation impact of AUD-based interest expense at VICT.

Equity Share in Net Loss of Joint Ventures

Equity share in net loss of joint ventures amounted to US$9.8 million for the year ended December 31, 2023 mainly from equity share in net losses of SPIA and FAMI.

Foreign Exchange Loss and Other Expenses

Foreign exchange loss and other expenses increased to US$206.7 million for the year ended December 31, 2023 from US$78.0 million for the same period in 2022 mainly due to the nonrecurring loss on impairment amounting to $165.3 million, mainly upfront fee previously paid to Sudanese Government, and goodwill attributed to PICT; and higher foreign exchange loss arising from the unfavorable translation impact of certain currencies against US dollar.

EBITDA and EBIT

Consolidated EBITDA increased by 6.8 percent to US$1,505.6 million for the year ended December 31, 2023 from US$1,409.3 million for the same period in 2022 mainly due to higher revenues, partially tapered by the increase in cash operating expenses. EBITDA margin increased to 63.0 percent in 2023 from 62.8 percent in 2022. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), EBITDA would have increased by 5.3 percent for the year ended December 31, 2023.

Meanwhile, consolidated EBIT increased by 6.0 percent to US$1,211.2 million for the year ended December 31, 2023 from US$1,142.6 million for the same period in 2022 mainly due to higher EBITDA, partially tapered by increase in depreciation and amortization charges. EBIT margin decreased to 50.7 percent in 2023 from 50.9 percent in 2022. Excluding contribution of MNHPI, and new and discontinued businesses (mainly PICT), EBIT would have increased by 5.4 percent for the year ended December 31, 2023.

Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax decreased by 9.9 percent to US$747.5 million for the year ended December 31, 2023 from US$830.1 million for the same period in 2022 primarily due to US$165.3 million nonrecurring loss on impairment of upfront fee previously paid to Sudanese Government, and goodwill attributed to PICT; and increases in depreciation and amortization, and interests on loans, lease liabilities and concession rights payable; partially tapered by higher operating income, and interest earned from short-term investments and deposits; and lower COVID-19-related costs. Excluding impact of nonrecurring loss on impairment, contribution of MNHPI, and new and discontinued businesses, consolidated income before income tax would have increased by 8.3 percent.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 37.0 percent and 31.3 percent in 2022 and 2023, respectively.

Consolidated provision for current and deferred income taxes increased by 9.0 percent to US$166.4 million for the year ended December 31, 2023 from US$152.7 million for the same period in 2022 mainly due to the higher taxable income at certain terminals, and contribution of MNHPI. Effective income tax rate in 2022 and 2023 stood at 18.4 percent and 22.3 percent, respectively. Excluding impact of nonrecurring loss on impairment, effective income tax rate would have been 18.0 percent and 18.2 percent in 2022 and 2023, respectively.

Net Income

Consolidated net income decreased by 14.2 percent to US$581.1 million for the year ended December 31, 2023 from US$677.5 million for the same period in 2022 mainly due to US$165.3 million nonrecurring loss on impairment of upfront fee previously paid to Sudanese Government, and goodwill attributed to PICT. The ratio of consolidated net income to gross revenues from port operations stood at 30.2 percent and 24.3 percent in 2022 and 2023, respectively. Excluding impact of nonrecurring loss on impairment, contribution of MNHPI, and new and discontinued businesses, consolidated net income would have increased by 8.6 percent.

Consolidated net income attributable to equity holders decreased by 17.3 percent to US$511.5 million for the year ended December 31, 2023 from US$618.5 million for the same period in 2022. Excluding impact of nonrecurring loss on impairment, contribution of MNHPI, and new and discontinued businesses, consolidated net income attributable to equity holders would have increased by 8.4 percent.

Basic earnings per share decreased to US$0.238 in 2023 from US$0.287 in 2022. Diluted earnings per share decreased to US$0.237 in 2023 from US$0.287 in 2022.

Comparison of Operating Results for the Years Ended December 31, 2021 and 2022

TEU Volume

The below table presents the volume (in TEU) handled by the Group for the years ended December 31, 2021 and 2022:

Volume

	For the Years Ended December 31		
	2021	**2022**	% Change
Asia	5,128,783	**6,129,900**	19.5
Americas	3,377,135	**3,429,002**	1.5
EMEA	2,657,555	**2,657,288**	(0.0)
	11,163,473	**12,216,190**	9.4

The Group's consolidated volume increased by 9.4 percent to 12,216,190 TEUs for the year ended December 31, 2022 from 11,163,473 TEUs handled for the same period in 2021 primarily due to consolidation of MNHPI starting September 2022; volume growth and improvement in trade activities as economies continue to recover from the impact of the COVID-19 pandemic and lockdown restrictions; and new shipping lines and services at certain terminals. Excluding MNHPI, OMT (started commercial operations in May 2021) and DIPSSCOR (ceased commercial operations on June 30, 2022), consolidated volume would have increased by 5.3 percent.

Volume from the Asia segment, consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia, increased by 19.5 percent to 6,129,900 TEUs for the year ended December 31, 2022 from 5,128,783 TEUs for the same period in 2021 mainly due to the contribution of MNHPI; strong volume growth and recovery at MICT; higher vessel calls at OJA; new services at VICT; and increased trade activities at YICT; slightly tapered by termination of cargo handling services at DIPSSCOR. Excluding MNHPI and DIPSSCOR, volume of Asia segment would have increased by 11.1 percent in 2022. The Asia operations accounted for 45.9 percent and 50.2 percent of the consolidated volume for the years ended December 31, 2021 and 2022, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras and Argentina, increased by 1.5 percent to 3,429,002 TEUs for the year ended December 31, 2022 from 3,377,135 TEUs for the same period in 2021 mainly due to increased trade activities at OPC; partially tapered by decrease in trade volume at CGSA; and reduced vessel calls at TSSA. The Americas operations accounted for 30.3 percent and 28.1 percent of the consolidated volume for the years ended December 31, 2021 and 2022, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Pakistan, Georgia, Croatia, Madagascar and Nigeria, remained flat at 2,657,288 TEUs for the year ended December 31, 2022 from 2,657,555 TEUs for the same period in 2021 primarily due to the offsetting impact of the decrease in trade activities at PICT and BCT; tapered by increased trade volume at AGCT; market recovery at ICTSI Iraq; and contribution of OMT. Excluding the contribution of OMT, volume of EMEA segment would have decreased by 1.1 percent. The EMEA operations accounted for 23.8 percent and 21.7 percent of the Group's consolidated volume for the years ended December 31, 2021 and 2022, respectively.

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; (4) Equity share in net profit of joint ventures; and (5) Other income.

The table below illustrates the consolidated total income for the years ended December 31, 2021 and 2022:

Total Income

	For the Years Ended December 31		
(In thousands, except % change data)	2021	**2022**	% Change
Gross revenues from port operations	US$1,865,021	**US$2,242,992**	20.3
Port authorities' share in gross revenues	202,639	**221,604**	9.4
Net revenues	1,662,382	**2,021,388**	21.6
Interest income	22,213	**39,052**	75.8
Foreign exchange gain	8,109	**14,471**	78.5
Equity share in net profit of joint ventures	–	**1,987**	100.0
Other income	29,835	**18,996**	(36.3)
	US$1,722,539	**US$2,095,894**	21.7

For the year ended December 31, 2022, net revenues stood at 96.4 percent of the total consolidated income while interest income, foreign exchange gain, equity share in net profit of joint ventures, and other income accounted for 1.9 percent, 0.7 percent, 0.1 percent and 0.9 percent, respectively. For the same period in 2021, net revenues stood at 96.5 percent of the total consolidated income while interest income, foreign exchange gain, and other income accounted for 1.3 percent, 0.5 percent and 1.7 percent, respectively.

Gross Revenues from Port Operations

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

The below table illustrates the consolidated gross revenues for the years ended December 31, 2021 and 2022:

Gross Revenues from Port Operations

	For the Years Ended December 31		
(In thousands, except % change data)	2021	**2022**	% Change
Asia	US$836,614	**US$1,015,533**	21.4
Americas	602,509	**759,825**	26.1
EMEA	425,898	**467,634**	9.8
	US$1,865,021	**US$2,242,992**	20.3

The Group's consolidated gross revenues from port operations increased by 20.3 percent to US$2,243.0 million for the year ended December 31, 2022 from US$1,865.0 million for the same period in 2021 mainly due to volume growth and market recovery; favorable container mix; tariff adjustments at certain terminals; new contracts with shipping lines and services; higher revenues from ancillary services; and contribution of MNHPI and new businesses, mainly MHCPSI (acquired in June 2021), OMT and IRB Logistica (started commercial operations in July 2021); partially tapered by decline in trade activities at PICT; and unfavorable translation impact mainly of the depreciation of Philippine peso (PHP)- and Australian dollar (AUD)-based revenues at Philippine terminals and VICT, respectively, and Euro (EUR)-based revenues at MICTSL and AGCT. Excluding MNHPI, and new businesses (MHCPSI, OMT, IRB Logistica, EJMT, CM Logista and SBI) and discontinued businesses (DIPSSCOR and HIPS), consolidated gross revenues would have increased by 17.3 percent.

Gross revenues from the Asia segment increased by 21.4 percent to US$1,015.5 million for the year ended December 31, 2022 from US$836.6 million for the same period in 2021 mainly due to volume growth; improvement in trade activities and tariff adjustments at certain terminals; higher revenues from ancillary services; and contribution of MNHPI and MHCPSI; partially tapered by unfavorable translation impact of the depreciation of PHP- and AUD-based revenues at Philippine terminals and VICT, respectively. Excluding MNHPI, and new and discontinued businesses, gross revenues of Asia segment would have increased by 16.1 percent. The Asia operations captured 44.9 percent and 45.3 percent of the consolidated gross revenues for the years ended December 31, 2021 and 2022, respectively.

Gross revenues from the Americas segment increased by 26.1 percent to US$759.8 million for the year ended December 31, 2022 from US$602.5 million for the same period in 2021 mainly due to increase in revenues from ancillary services; tariff adjustments, new services and increase in trade activities at certain terminals; contribution of IRB Logistica; and favorable translation impact of the appreciation of Brazilian real (BRL)-based revenues at TSSA and ICTSI Rio. Excluding new businesses, mainly IRB Logistica, gross revenues of Americas segment would have increased by 25.1 percent. The Americas operations accounted for 32.3 percent and 33.9 percent of the consolidated gross revenues for the years ended December 31, 2021 and 2022, respectively.

Gross revenues from the EMEA segment increased by 9.8 percent to US$467.6 million for the year ended December 31, 2022 from US$425.9 million for the same period in 2021 primarily due to volume growth, tariff adjustments and market recovery at certain terminals; increase in revenues from ancillary services; and contribution of OMT; partially tapered by decline in trade activities at PICT; and unfavorable translation impact of the depreciation of EUR-based revenues at MICTSL and AGCT, Polish zloty (PLN)-based revenues at BCT and Pakistani rupee (PKR)-based revenues at PICT. Excluding the contribution of OMT, gross revenues of EMEA segment would have increased by 7.8 percent. The EMEA operations stood at 22.8 percent and 20.8 percent of the consolidated gross revenues for the years ended December 31, 2021 and 2022, respectively.

Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities by certain terminals, other than the minimum guaranteed variable fees or in-substance fixed fees that were capitalized as part of concession rights and right-of-use assets, and amortized on a straight-line basis over the term of the concession, increased by 9.4 percent to US$221.6 million for the year ended December 31, 2022 from US$202.6 million for the same period in 2021 as a result of higher volume and revenues at some of these terminals.

Interest Income, Foreign Exchange Gain, Equity Share in Net Profit of Joint Ventures, and Other Income

Consolidated interest income increased by 75.8 percent to US$39.1 million for the year ended December 31, 2022 from US$22.2 million for the same period in 2021 mainly due to higher interest earned from short-term deposits and government-issued debt securities at certain terminals.

Foreign exchange gain increased by 78.5 percent to US$14.5 million for the year ended December 31, 2022 from US$8.1 million for the same period in 2021 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.

Equity share in net profit of joint ventures amounted to US$2.0 million for the year ended December 31, 2022 mainly due to the Company's share in net earnings of MNHPI (prior to consolidation in September 2022); partially tapered by share in net losses at SPIA and FAMI.

Other income decreased by 36.3 percent to US$19.0 million for the year ended December 31, 2022 from US$29.8 million for the same period in 2021 mainly due to the non-recurring gain from insurance proceeds in 2021. Other income includes the Group's rental, dividend income and sundry income accounts.

Total Expenses

The table below shows the breakdown of total expenses for the years ended December 31, 2021 and 2022:

Total Expenses

	For the Years Ended December 31		
(In thousands, except % change data)	2021	**2022**	% Change
Manpower costs	US$268,453	**US$299,779**	11.7
Equipment and facilities-related expenses	127,625	**166,228**	30.2
Administrative and other operating expenses	127,248	**146,108**	14.8
Total cash operating expenses	523,326	**612,115**	17.0
Depreciation and amortization	246,994	**266,718**	8.0
Interest expense and financing charges on borrowings	118,484	**126,471**	6.7
Interest expense on concession rights payable	58,255	**62,699**	7.6
Interest expense on lease liabilities	114,298	**119,722**	4.7
Foreign exchange loss and other expenses	59,223	**78,045**	31.8
Total expenses	US$1,120,580	**US$1,265,770**	13.0

Total cash operating expenses of the Group increased by 17.0 percent to US$612.1 million for the year ended December 31, 2022 from US$523.3 million for the same period in 2021 primarily due to costs contribution of MNHPI and new businesses, mainly MHCPSI, OMT and IRB Logistica; increase in equipment and facilities-related expenses, mainly fuel and power; government-mandated and contracted salary rate adjustments, including benefits; contracted services in relation to volume; and unfavorable foreign exchange effect of BRL-based expenses at ICTSI Rio and TSSA; partially tapered by continuous cost optimization measures implemented; and favorable foreign exchange effect mainly of PHP-, PKR-, AUD- and PLN-based expenses at Philippine terminals, PICT, VICT and BCT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses, consolidated cash operating expenses would have increased by 12.4 percent.

Manpower Costs

Manpower costs increased by 11.7 percent to US$299.8 million for year ended December 31, 2022 from US$268.5 million for the same period in 2021 primarily due to costs contribution of MNHPI, and new businesses, mainly OMT, MHCPSI and IRB Logistica; government-mandated and contracted salary rate adjustments, including benefits, and increase in headcount relative to volume at certain terminals; and higher contracted services and overtime as a result of the volume increase at certain terminals; partially tapered by continuous cost optimization measures implemented; and favorable foreign exchange effect mainly of PHP-, AUD-, PKR- and PLN-based manpower costs at Philippine terminals, VICT, PICT and BCT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses, consolidated manpower costs would have increased by 7.7 percent.

Manpower costs accounted for 51.3 percent and 49.0 percent of consolidated cash operating expenses for the years ended December 31, 2021 and 2022, respectively.

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 30.2 percent to US$166.2 million for the year ended December 31, 2022 from US$127.6 million for the same period in 2021 mainly due to increase in prices and consumption of fuel and power driven by volume and revenue growth; costs contribution of MNHPI and new businesses, mainly IRB Logistica, OMT and MHCPSI; increase in repairs and maintenance, and equipment rental driven by volume and revenue growth; partially tapered by favorable foreign exchange effect mainly of PHP-, PKR- and PLN-based equipment and facilities-related expenses at Philippine terminals, PICT and BCT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses, consolidated equipment and facilities-related expenses would have increased by 23.3 percent.

Equipment and facilities-related expenses represented 24.4 percent and 27.1 percent of consolidated cash operating expenses for the years ended December 31, 2021 and 2022, respectively.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 14.8 percent to US$146.1 million for the year ended December 31, 2022 from US$127.2 million for the same period in 2021 primarily due to costs contribution of MNHPI and new businesses, mainly MHCPSI; costs of relocating port equipment, higher provisions for claims and losses, taxes and licenses, transportation and travel due to easing up of restrictions, and donations; partially tapered by decrease in professional fees; general impact of continuous cost optimization measures implemented; and favorable foreign exchange effect mainly of PHP-, Argentine peso (ARS)-, AUD- and PKR-based administrative and other operating expenses at Philippine terminals, Tecplata, VICT and PICT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses, consolidated administrative and other operating expenses would have increased by 11.4 percent.

Administrative and other operating expenses stood at 24.3 percent and 23.9 percent of consolidated cash operating expenses for the years ended December 31, 2021 and 2022, respectively.

Depreciation and Amortization

Depreciation and amortization expense increased by 8.0 percent to US$266.7 million for the year ended December 31, 2022 from US$247.0 million for the same period in 2021 mainly driven by cost contributions of MNHPI and new businesses, mainly MHCPSI, OMT and IRB Logistica; increase in right-of-use assets at CMSA and TSSA, and concession rights asset at ICTSI Rio as a result of remeasurement of lease liabilities and concession rights payable, respectively, including unfavorable translation impact of BRL-based depreciation and amortization charges at TSSA and ICTSI Rio; and higher depreciation and amortization charges at certain terminals; partially tapered by favorable translation impact of AUD-, PKR- and Chinese Renminbi (RMB)-based depreciation and amortization charges at VICT, PICT and YICT, respectively. Excluding contribution of MNHPI, and new and discontinued businesses, depreciation and amortization expense would have increased by 2.6 percent.

Interest and Financing Charges on Borrowings

Interest and financing charges on borrowings increased by 6.7 percent to US$126.5 million for the year ended December 31, 2022 from US$118.5 million for the same period in 2021 primarily due to issuance of senior notes at ITBV in November 2021; short-term loans availed at ICTSI Parent in the second and third quarter of 2022; and contribution of MHCPSI; partially tapered by the repayment of loans at VICT in December 2021. Excluding contribution of MHCPSI, interest and financing charges on borrowings would have increased by 5.7 percent.

Interest Expense on Concession Rights Payable

Interest expense on concession rights payable increased by 7.6 percent to US$62.7 million for the year ended December 31, 2022 from US$58.3 million for the same period in 2021 mainly due to the remeasurement of concession rights payable at ICTSI Rio, MITL, SPICTL and CGSA, including unfavorable translation impact of BRL-based interest expense at ICTSI Rio; and cost contribution of MNHPI. Excluding contribution of MNHPI, interest expense on concession rights payable would have increased by 5.5 percent.

Interest Expense on Lease Liabilities

Interest expense on lease liabilities increased by 4.7 percent to US$119.7 million for the year ended December 31, 2022 from US$114.3 million for the same period in 2021 mainly due to remeasurement of lease liabilities at CMSA and TSSA, including unfavorable translation impact of BRL-based interest expense at TSSA; and equipment leases starting third quarter of 2022 associated with the new businesses at IRB Logistica; partially tapered by favorable translation impact of AUD-based interest expense at VICT. Excluding contribution of new businesses, mainly IRB Logistica, interest expense on lease liabilities would have increased by 3.9 percent.

Foreign Exchange Loss and Other Expenses

Foreign exchange loss and other expenses increased by 31.8 percent to US$78.0 million for the year ended December 31, 2022 from US$59.2 million for the same period in 2021 mainly due to the increase in COVID-19-related costs, nonrecurring loss on impairment of non-current assets and derecognition of tax assets that are not expected to be utilized at certain terminals.

EBITDA and EBIT

Consolidated EBITDA increased by 23.7 percent to US$1,409.3 million for the year ended December 31, 2022 from US$1,139.1 million for the same period in 2021 mainly due to higher revenues, partially tapered by the increase in cash operating expenses. EBITDA margin increased to 62.8 percent in 2022 from 61.1 percent in 2021. Excluding contribution of MNHPI, and new and discontinued businesses, EBITDA would have increased by 20.9 percent.

Meanwhile, consolidated EBIT increased by 28.1 percent to US$1,142.6 million for the year ended December 31, 2022 from US$892.1 million for the same period in 2021 mainly due to higher EBITDA, partially tapered by increase in depreciation and amortization charges. EBIT margin increased to 50.9 percent in 2022 from 47.8 percent in 2021. Excluding contribution of MNHPI, and new and discontinued businesses, EBIT would have increased by 25.9 percent.

Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased by 37.9 percent to US$830.1 million for the year ended December 31, 2022 from US$602.0 million for the same period in 2021 primarily due to higher operating income; partially tapered by increase in depreciation and amortization charges, interests on loans, lease liabilities and concession rights payable, and nonrecurring impairment losses. Excluding contribution of MNHPI, and new and discontinued businesses, income before income tax would have increased by 36.9 percent.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 32.3 percent and 37.0 percent in 2021 and 2022, respectively.

Consolidated provision for current and deferred income taxes increased by 22.7 percent to US$152.7 million for the year ended December 31, 2022 from US$124.4 million for the same period in 2021 mainly due to higher taxable income at certain terminals; partially tapered by the unfavorable impact on the net deferred tax assets at Philippine terminals in 2021 as a result of enactment of CREATE in the Philippines; and the impact of income tax incentive granted at ICTSI Iraq. Effective income tax rate in 2021 and 2022 stood at 20.7 percent and 18.4 percent, respectively.

6.4.6 Net Income

Consolidated net income increased by 41.9 percent to US$677.5 million for the year ended December 31, 2022 from US$477.5 million for the same period in 2021. Excluding contribution of MNHPI, new and discontinued businesses, and non-recurring items, consolidated net income would have increased by 39.5 percent in 2022. The ratio of consolidated net income to gross revenues stood at 25.6 percent and 30.2 percent in 2021 and 2022, respectively.

Consolidated net income attributable to equity holders increased by 44.3 percent to US$618.5 million for the year ended December 31, 2022 from US$428.6 million for the same period in 2021. Excluding contribution of MNHPI, new and discontinued businesses, and non-recurring items, net income attributable to equity holders would have increased by 43.2 percent.

Basic and diluted earnings per share increased to US$0.287 in 2022 from US$0.181 in 2021.

Comparison of Operating Results for the Years Ended December 31, 2020 and 2021

TEU Volume

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

Table 6.11 Volume

	For the Years Ended December 31		
	2020	**2021**	% Change
Asia	4,701,070	**5,128,783**	9.1
Americas	3,092,480	**3,377,135**	9.2
EMEA	2,399,834	**2,657,555**	10.7
	10,193,384	**11,163,473**	9.5

The Group's consolidated volume increased by 9.5 percent to 11,163,473 TEUs for the year ended December 31, 2021 from 10,193,384 TEUs handled for the same period in 2020 primarily due to volume growth and improvement in trade activities as economies recover from the impact of the COVID-19 pandemic and lockdown restrictions; and new contracts with shipping lines and services at certain terminals. Excluding the contribution of a new business, OMT, consolidated volume would have increased by 8.9 percent in 2021.

Volume from the Asia segment consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia increased by 9.1 percent to 5,128,783 TEUs for the year ended December 31, 2021 from 4,701,070 TEUs for the same period in 2020 mainly due to strong volume growth and recovery at MICT and certain Philippine terminals; increased trade activities at YICT; recoveries at SPICTL and MITL; and slightly tapered by reduced vessel calls at OJA and VICT. The Asia operations accounted for 46.1 percent and 45.9 percent of the consolidated volume for the years ended December 31, 2020 and 2021, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras, and Argentina, increased by 9.2 percent to 3,377,135 TEUs for the year ended December 31, 2021 from 3,092,480 TEUs for the same period in 2020 mainly due to new shipping lines and services, and increase in import volume at CMSA; recovery and increased trade activities at OPC and TSSA; partially tapered by reduced vessel calls at CGSA and ICTSI Rio. The Americas operations accounted for 30.3 percent of the consolidated volume for both years ended December 31, 2021 and 2020, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Pakistan (previously part of Asia segment), Georgia, Croatia, Madagascar and Nigeria, reported a 10.7 percent increase to 2,657,555 TEUs for the year ended December 31, 2021 from 2,399,834 TEUs for the same period in 2020 mainly due to recovery and increased trade activities at IDRC; contribution of new business, OMT; new services and increased trading activities at PICT; higher trade volumes at BCT; partially tapered by the impact of the pandemic resulting in decreased vessel calls and trade volumes at ICTSI Iraq. Excluding the contribution of OMT, volume from the EMEA segment would have increased by 7.9 percent in 2021. The EMEA operations accounted for 23.5 percent and 23.8 percent of the Group's consolidated volume for the years ended December 31, 2020 and 2021, respectively.

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 years ended December 31, 2020 and 2021:

Total Income

	For the Years Ended December 31		
(In thousands, except % change data)	2020	**2021**	% Change
Gross revenues from port operations	US$1,505,500	**US$1,865,021**	23.9
Port authorities' share in gross revenues	175,038	**202,639**	15.8
Net revenues	1,330,462	**1,662,382**	24.9
Interest income	19,289	**22,213**	15.2
Foreign exchange gain	4,891	**8,109**	65.8
Other income	16,264	**29,835**	83.4
	US$1,370,906	**US$1,722,539**	25.6

For the year ended December 31, 2021, net revenues stood at 96.5 percent of the total consolidated income while interest income, foreign exchange gain, and other income accounted for 1.3 percent, 0.5 percent and 1.7 percent, respectively. For the same period in 2020, net revenues stood at 97.0 percent of the total consolidated income while interest income, foreign exchange gain, and other income accounted for 1.4 percent, 0.4 percent and 1.2 percent, respectively.

Gross Revenues from Port Operations

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

The below table illustrates the consolidated gross revenues for the years ended December 31, 2020 and 2021:

Gross Revenues from Port Operations

	For the Years Ended December 31		
(In thousands, except % change data)	2020	**2021**	% Change
Asia	US$695,411	**US$836,614**	20.3
Americas	448,570	**602,509**	34.3
EMEA	361,519	**425,898**	17.8
	US$1,505,500	**US$1,865,021**	23.9

The Group's consolidated gross revenues from port operations increased by 23.9 percent to US$1,865.0 million for the year ended December 31, 2021 from US$1,505.5 million for the same period in 2020 mainly due to volume growth and recovery; favorable container mix; tariff adjustments at certain terminals; new contracts with shipping lines and services; higher revenues from ancillary services; contribution of new businesses mainly, OMT and MHCPSI; and net favorable impact of foreign exchange at certain terminals; partially tapered by decline in trade activities at certain terminals primarily due to the impact of COVID-19 pandemic. Excluding contribution of new businesses, OMT, MHCPSI, KMT (started commercial operations in October 2020) and IRB Logistica, consolidated gross revenues would have increased by 20.9 percent in 2021.

Gross revenues from the Asia segment increased by 20.3 percent to US$836.6 million for the year ended December 31, 2021 from US$695.4 million for the same period in 2020 mainly due to volume growth; improvement in trade activities and tariff adjustments at certain terminals; favorable translation impact of the appreciation of AUD- and RMB-based revenues at VICT and YICT, respectively, and contribution of new business, MHCPSI; partially tapered by decrease in volume at OJA and decline in trade activities at certain terminals primarily due to the impact of COVID-19 pandemic. The Asia operations captured 46.2 percent and 44.9 percent of the consolidated gross revenues for the years ended December 31, 2020 and 2021, respectively. Excluding contribution of MHCPSI, gross revenues of Asia segment would have increased by 17.8 percent.

Gross revenues from the Americas segment increased by 34.3 percent to US$602.5 million for the year ended December 31, 2021 from US$448.6 million for the same period in 2020 mainly due to volume growth; new services and contracts with shipping lines and increase in revenues from ancillary services mainly at CMSA; volume recovery and increase in revenues from ancillary services at OPC; tariff adjustments at certain terminals; and favorable translation impact of the appreciation of Mexican Peso (MXN)-based revenues at CMSA; partially tapered by unfavorable translation impact of the depreciation of BRL-based revenues at TSSA and ICTSI Rio . The Americas operations accounted for 29.8 percent and 32.3 percent of the consolidated gross revenues for the years ended December 31, 2020 and 2021, respectively. Excluding contribution of IRB Logistica, gross revenues from the Americas segment would have increased by 34.2 percent in 2021.

Gross revenues from the EMEA segment increased by 17.8 percent to US$425.9 million for the year ended December 31, 2021 from US$361.5 million for the same period in 2020 primarily due to recovery and volume growth, and higher ancillary services at IDRC; contribution of new businesses, OMT and KMT; new services and increased trade activities at PICT; recovery at BCT; favorable container mix, new services and tariff adjustments at certain terminals; combined with favorable translation impact of the appreciation of EUR-based revenues at MICTSL and AGCT; partially tapered by decreased volume together with unfavorable translation impact of the depreciation of Iraqi Dinar (IQD)-based revenues at ICTSI Iraq. The EMEA operations stood at 24.0 percent and 22.8 percent of the consolidated gross revenues for the years ended December 31, 2020 and 2021, respectively. Excluding contributions of OMT and KMT, gross revenues from the EMEA segment would have increased by 10.3 percent in 2021.

Port Authorities' Share in Gross Revenues

Port authorities' share in gross revenues, which represents the variable fees paid to Port Authorities by certain terminals, other than the minimum guaranteed variable fees or in-substance fixed fees that were capitalized as part of concession rights and right-of-use assets, and amortized on a straight-line basis over the term of the concession, increased by 15.8 percent to US$202.6 million for the year ended December 31, 2021 from US$175.0 million for the same period in 2020 mainly as a result of volume growth, stronger revenues at these terminals, and contribution of new businesses, OMT and KMT.

Interest Income, Foreign Exchange Gain, and Other Income

Consolidated interest income increased by 15.2 percent to US$22.2 million for the year ended December 31, 2021 from US$19.3 million for the same period in 2020 mainly due to interest earned from short-term deposits and government-issued debt securities at certain terminals.

Foreign exchange gain increased by 65.8 percent to US$8.1 million for the year ended December 31, 2021 from US$4.9 million for the same period in 2020 mainly due to the favorable translation impact of certain currencies against US dollar.

Other income increased by 83.4 percent to US$29.8 million for the year ended December 31, 2021 from US$16.3 million for the same period in 2020 mainly due to non-recurring gain from insurance proceeds in 2021, gain on sale of equipment and tax refund granted in the form of tax credits in 2021. Other income includes the Group's rental, dividend income, and other sundry income accounts.

Total Expenses

The table below shows the breakdown of total expenses for the years ended December 31, 2020 and 2021:

Total Expenses

	For the Years Ended December 31		
(In thousands, except % change data)	2020	**2021**	% Change
Manpower costs	US$239,632	**US$268,453**	12.0
Equipment and facilities-related expenses	102,018	**127,625**	25.1
Administrative and other operating expenses	111,983	**127,248**	13.6
Total cash operating expenses	453,633	**523,326**	15.4
Depreciation and amortization	230,137	**246,994**	7.3
Interest expense and financing charges on borrowings	109,693	**118,484**	8.0
Interest expense on concession rights payable	52,870	**58,255**	10.2
Interest expense on lease liabilities	97,402	**114,298**	17.3
Equity share in net loss of joint ventures and an associate	12,269	–	(100.0)
Foreign exchange loss and other expenses	220,129	**59,223**	(73.1)
Total expenses	US$1,176,133	**US$1,120,580**	(4.7)

Total cash operating expenses of the Group increased by 15.4 percent to US$523.3 million for the year ended December 31, 2021 from US$453.6 million for the same period in 2020 mainly due to reduced costs in 2020 as a result of the pandemic, increase in equipment and facilities-related expenses and contracted services in relation to volume growth; contribution of new businesses; and unfavorable foreign exchange effect of AUD-, MXN- and RMB-based expenses at VICT, CMSA and YICT, respectively; partially tapered by continuous cost optimization measures; and favorable foreign exchange effect of IQD-based expenses at ICTSI Iraq, ARS-based expenses at Tecplata, and BRL-based expenses at ICTSI Rio and TSSA. Excluding contribution of new businesses, consolidated cash operating expenses would have increased by 11.9 percent.

Manpower Costs

Manpower costs increased by 12.0 percent to US$268.5 million for year ended December 31, 2021 from US$239.6 million for the same period in 2020 primarily due to cost contribution of new businesses; higher contracted services as a result of volume increase; government-mandated and contracted salary rate adjustments at certain terminals; and unfavorable foreign exchange effect of AUD-, MXN- and RMB-based manpower costs at VICT, CMSA and YICT, respectively; partially tapered by favorable foreign exchange effect of IQD- and ARS-based manpower costs at ICTSI Iraq and Tecplata, respectively, and BRL-based manpower costs at ICTSI Rio and TSSA. Excluding contribution of new businesses, consolidated manpower costs would have increased by 8.5 percent.

Manpower costs accounted for 52.8 percent and 51.3 percent of consolidated cash operating expenses for the years ended December 31, 2020 and 2021, respectively.

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 25.1 percent to US$127.6 million for the year ended December 31, 2021 from US$102.0 million for the same period in 2020 mainly due to increase in prices and consumption of fuel and power driven by volume and revenue growth; increase in repairs and maintenance and equipment rentals driven by increase in volume; cost contribution of new businesses; and unfavorable foreign exchange effect of RMB-, MXN- and AUD-based equipment and facilities-related expenses at YICT, CMSA and VICT, respectively; partially tapered by favorable foreign exchange effect of IQD- and ARS-based equipment and facilities-related expenses at ICTSI Iraq and Tecplata, respectively, and BRL-based equipment and facilities-related expenses at TSSA and ICTSI Rio. Excluding contribution of new businesses, consolidated equipment and facilities-related expenses would have increased by 20.9 percent.

Equipment and facilities-related expenses represented 22.5 percent and 24.4 percent of consolidated cash operating expenses for the years ended December 31, 2020 and 2021, respectively.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 13.6 percent to US$127.2 million for the year ended December 31, 2021 from US$112.0 million for the same period in 2020 mainly due to cost contribution of new businesses; increases in information technology-related expenses; taxes and licenses, and provisions for claims and losses; and unfavorable foreign exchange effect of AUD-, MXN-, RMB-based administrative and other operating expenses at VICT, CMSA and YICT, respectively; partially tapered by continuous cost optimization measures implemented; and favorable foreign exchange effect of IQD- and ARS-based administrative and other operating expenses at ICTSI Iraq and Tecplata, respectively, and BRL-based administrative and other operating expenses at ICTSI Rio and TSSA. Excluding contribution of new businesses, consolidated administrative and other operating expenses would have increased by 10.9 percent.

Administrative and other operating expenses stood at 24.7 percent and 24.3 percent of consolidated cash operating expenses for the years ended December 31, 2020 and 2021, respectively.

Depreciation and Amortization

Depreciation and amortization expense increased by 7.3 percent to US$247.0 million for the year ended December 31, 2021 from US$230.1 million for the same period in 2020 mainly due to cost contribution of new businesses pertaining to amortization of right-of-use assets recognized at OMT and capitalized port fees at KMT, and acquisition of MHCPSI; increase in right-of-use assets at CMSA and TSSA, and concession rights asset at CGSA as a result of remeasurement of lease liabilities and concession rights; unfavorable translation impact of MXN-, AUD- and RMB-based depreciation and amortization charges at CMSA, VICT and YICT, respectively; and higher depreciation and amortization charges due to equipment acquisitions at certain terminals; partially tapered by lower amortization expense 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 5.0 percent.

Interest and Financing Charges on Borrowings

Interest and financing charges on borrowings increased by 8.0 percent to US$118.5 million for the year ended December 31, 2021 from US$109.7 million for the same period in 2020 primarily due to the issuance of senior notes at ICTSI Parent and ITBV in June 2020 and November 2021, respectively; and contribution of a new business, MHCPSI; partially offset by various repayment of loans during the year. Excluding contribution of new businesses, mainly MHCPSI, interest and financing charges on borrowings would have increased by 6.4 percent.

Interest Expense on Lease Liabilities

Interest expense on lease liabilities increased by 17.3 percent to US$114.3 million for the year ended December 31, 2021 from US$97.4 million for the same period in 2020 mainly due to remeasurement of lease liabilities at CMSA and TSSA; and unfavorable translation impact of MXN- and AUD-based interest expense at CMSA and VICT, respectively. Excluding contribution of new businesses, mainly OMT and IRB Logistica, interest expense on lease liabilities would have increased by 17.1 percent.

Interest Expense on Concession Rights Payable

Interest expense on concession rights payable increased by 10.2 percent to US$58.3 million for the year ended December 31, 2021 from US$52.9 million for the same period in 2020 mainly due to remeasurement of concession rights payable at CGSA and ICTSI Rio in January 2021 and March 2021, respectively; and recognition of concession rights payable at a new terminal, KMT in October 2020. Excluding contribution of KMT, interest expense on concession rights payable would have increased by 9.2 percent.

Equity Share in Net Loss of Joint Ventures and An Associate

Equity in net loss of joint ventures and an associate favorably decreased to US$0.4 thousand for the year ended December 31, 2021 from US$12.3 million for the same period in 2020 mainly due to the Company's share in the higher net earnings of MNHPI, including 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 lower net loss at SPIA in 2021.

Foreign Exchange Loss and Other Expenses

Foreign exchange loss and other expenses decreased by 73.1 percent to US$59.2 million for the year ended December 31, 2021 from US$220.1 million for the same period in 2020 mainly due to lower non-recurring impairment charges in 2021 of US$6.7 million as compared to the impairment losses on concession rights of Tecplata and other nonfinancial assets in 2020 of US$180.3 million; lower

COVID-19-related and restructuring costs; and decrease in foreign exchange losses arising from the favorable translation impact of certain currencies against US dollar; partially offset by the losses on write-off of debt issuance costs associated with the prepayment of loan facilities and termination of interest rate swap arrangements at VICT.

EBITDA and EBIT

Consolidated EBITDA increased by 29.9 percent to US$1,139.1 million for the year ended December 31, 2021 from US$876.8 million for the same period in 2020 mainly due to higher revenues; and contribution of new terminals, mainly OMT and MHCPSI; partially tapered by increase in cash operating expenses. EBITDA margin increased to 61.1 percent in 2021 from 58.2 percent in 2020. Excluding contribution of new businesses, EBITDA would have increased by 26.8 percent.

Meanwhile, consolidated EBIT increased by 37.9 percent to US$892.1 million for the year ended December 31, 2021 from US$646.7 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 47.8 percent in 2021 from 43.0 percent in 2020. Excluding contribution of new businesses, EBIT would have increased by 34.5 percent.

Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased to US$602.0 million for the year ended December 31, 2021 from US$194.8 million for the same period in 2020 primarily due to higher operating income; lower non-recurring impairment charges in 2021; and decrease in equity in net loss of joint ventures and an associate; partially tapered by increase in depreciation and amortization; and higher interests on loans, concession rights payable, and lease liabilities and non-recurring losses on write-off of debt issuance costs associated with the prepayment of loan facilities and termination of interest rate swap arrangements at VICT. Excluding contribution of new businesses and non-recurring items, consolidated income before income tax would have increased by 60.1 percent in 2021. The ratio of consolidated income before income tax to consolidated gross revenues stood at 12.9 percent and 32.3 percent in 2020 and 2021, respectively.

Consolidated provision for current and deferred income taxes increased to US$124.4 million for the year ended December 31, 2021 from US$55.1 million for the same period in 2020 mainly due to revenue-driven higher taxable income at certain terminals, expiration of income tax holiday at Parent Company in July 2020, and unfavorable impact at effectivity date of the enactment of CREATE at Philippine terminals; tapered by the reduction in income tax rate in line with CREATE at Philippine terminals. Effective income tax rate in 2020 and 2021 stood at 28.3 percent and 20.7 percent, respectively.

Net Income

Consolidated net income increased to US$477.5 million for the year ended December 31, 2021 from US$139.6 million for the same period in 2020. Excluding contribution of new businesses and non-recurring items, consolidated net income would have increased by 49.0 percent in 2021. The ratio of consolidated net income to gross revenues stood at 9.3 percent and 25.6 percent in 2020 and 2021, respectively.

Consolidated net income attributable to equity holders increased to US$428.6 million for the year ended December 31, 2021 from US$101.8 million for the same period in 2020. Excluding contribution of new businesses and the non-recurring items, net income attributable to equity holders would have increased by 51.6 percent in 2021.

Basic and diluted earnings per share increased to US$0.181 in 2021 from US$0.020 in 2020.

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, Mexican peso, Australian dollars, Brazilian reais, Euro, Nigerian naira and Iraqi dinar may adversely affect the Group's reported levels of revenues and profits.

Russia-Ukraine and Israel-Hamas Conflict
On February 24, 2022, Russia launched a military attack on Ukraine that escalated an ongoing conflict that began in 2014.

On October 8, 2023, Israel officially declared war against the Palestinian militant group Hamas in relation to a surprise attack by Hamas. This declaration has triggered a potential escalation in the ongoing conflict, posing a threat to the stability of the region.

These events set several uncertainties with the potential to disrupt businesses and institutions and poses threat to world trade and economies, in general. The continuing effect of the situation on business and institutions could result in business continuity interference, trade disruptions, rising prices of basic commodities including oil and power, among others. The Group has no exposure to investments in Ukraine, Russia or Israel.

The scale and duration of the developments and events remain uncertain as at February 28, 2024. It is not possible to estimate the overall impact of the wars' near-term and longer effects. The Group will continue to closely monitor the progress of these situations.

Financial Position

Consolidated Balance Sheets

	As at December 31				
(In thousands, except % change data)	2021	2022	**2023**	% Change *2021 vs 2022*	% Change *2022 vs 2023*
Total assets	US$6,266,460	US$7,053,620	**US$7,244,859**	12.6	2.7
Current assets	897,547	1,264,798	**1,212,086**	40.9	(4.2)
Total equity	1,511,579	1,726,672	**1,905,168**	14.2	10.3
Total equity attributable to equity holders of the parent	1,321,688	1,428,580	**1,592,742**	8.1	11.5
Total interest-bearing debt*	2,150,641	2,470,867	**2,171,989**	14.9	(12.1)
Current liabilities	496,117	1,265,830	**715,617**	155.1	(43.5)
Total liabilities	4,754,881	5,326,948	**5,339,691**	12.0	0.2
Current assets/total assets	14.3%	17.9%	**16.7%**		
Current ratio	1.81	1.00	**1.69**		

**Includes loans payable, current and non-current portion of long-term debt*

Total assets increased by 2.7 percent to US$7.2 billion as at December 31, 2023 from US$7.1 billion as at December 31, 2022 primarily due to the increase in right-of-use asset at BCT as a result of renewal of concession contract; and capital expenditures arising from ongoing expansion works and/or acquisition of terminal equipment mainly at CMSA, MICT, VICT, IDRC, ICTSI Rio, EJMT and OMT; and favorable impact on the translation of certain foreign operations' accounts; partially tapered by decrease in cash and cash equivalents mainly due to payment of dividends and repayment of loans. Noncurrent assets stood at 82.1 percent and 83.3 percent of the total consolidated assets as at December 31, 2022 and 2023, respectively.

Current assets decreased by 4.2 percent to US$1,212.1 million as at December 31, 2023 from US$1,264.8 million as at December 31, 2022 mainly due to the decrease in cash and cash equivalents attributable to payment of dividends and medium-term notes that was due in January 2023 and other borrowings; funding of capital expenditures; and payment of interest on lease liabilities, borrowings and concession rights payable; partially tapered by the cash generated from operations and availments of loans; and favorable impact on the translation of certain foreign operations' accounts. Current assets accounted for 17.9 percent and 16.7 percent of the total consolidated assets of the Group as at December 31, 2022 and 2023, respectively. Current ratio stood at 1.00 and 1.69 as at December 31, 2022 and 2023, respectively.

Total equity increased by 10.3 percent to US$1.9 billion as at December 31, 2023 from US$1.7 billion as at December 31, 2022 primarily due to the net income generated for the period; tapered by the declaration of dividends.

Total liabilities remains at US$5.3 billion as at December 31, 2023 and 2022 primarily due to offsetting impact of the increase in lease liabilities mainly from the renewal of concession contract at BCT, as well as the net availment of loans at ICTSI Parent, ICTSI Ltd and VICT; and net unfavorable impact on the translation of certain foreign operations' accounts; tapered by the payments of notes at ITBV in January 2023 amounting to US$394.0 million, net payment of loans at ICTSI Middle East DMCC and IGFBV, and scheduled repayments of long-term debt at MHCPSI. Financial leverage, the ratio of total interest-bearing debt to total assets, stood at 35.0 percent and 30.0 percent as at December 31, 2022 and December 31, 2023, respectively.

Meanwhile, current liabilities decreased to US$715.6 million as at December 31, 2023 from US$1,265.8 million as at December 31, 2022 mainly due to payment of notes at ITBV in January 2023 amounting to US$394.0 million; and payment of short-term loans at ICTSI Parent.

Material Variances Affecting the Balance Sheet

Balance sheet accounts as at December 31, 2023 with variances of plus or minus 5.0 percent against December 31, 2022 balances are discussed, as follows:

Noncurrent Assets

1. Property and equipment increased by 11.5 percent to US$1.8 billion as at December 31, 2023 mainly due to the capital expenditures arising from expansion works and/or acquisition of terminal equipment at CMSA, VICT, IDRC, EJMT, ICTSI Rio and OMT; tapered by the depreciation charge for the period, and unfavorable impact on the translation of certain foreign operations' accounts.
2. Right-of-use assets increased by 26.6 percent to US$916.4 million as at December 31, 2023 mainly due to the renewal of concession contract at BCT; remeasurement of lease liabilities at TSSA and VICT (including additional leased space); and favorable impact on the translation of certain foreign operations' accounts.

3. Investments in and advances to joint ventures and an associate increased by 8.5 percent to US$271.5 million as at December 31, 2023 mainly due to advances made to joint ventures during the year.
4. Following are the derivative assets and liability recognized in the consolidated balance sheets pertaining to the interest rate swaps at IGFBV and at ICTSI Parent (and foreign currency forward):

	Derivative Asset (Liability)		
(In thousands, except % change data)	December 31, 2022	**December 31, 2023**	% Change
Interest Rate Swaps:			
Derivative Assets			
Noncurrent (classified under "Other noncurrent assets" account)	US$8,457,515	**US$4,186,513**	(50.5)
Current	6,471,720	**10,198,303**	57.6
Derivative Liability			
Noncurrent (classified under "Other noncurrent liabilities" account)	–	**(10,316,934)**	100.0
Foreign Currency Forward:			
Derivative Assets			
Current	US$1,156,578	**US$–**	(100)

The changes on derivative assets and liabilities pertains to lower market valuation on the interest rate swap arrangements recognized in equity at IGFBV, and on the new interest rate swap arrangements at ICTSI Parent; and the settlement of the foreign currency forward in April 2023 at ICTSI Parent.
5. Other noncurrent assets decreased by 44.5 percent to US$195.9 million as at December 31, 2023 primarily due to the US$154.7 million impairment of upfront fee previously paid to Sudanese Government.

Current Assets

6. Cash and cash equivalents decreased by 14.6 percent to US$716.1 million as at December 31, 2023 mainly due to payment of dividends, medium-term notes that was due in January 2023, and other borrowings; deployment of cash to fund capital expenditures; and payment of interest on lease liabilities, borrowings and concession rights payable; partially tapered by cash generated from operations and from borrowings; and favorable impact on the translation of certain foreign operations' accounts.
7. Receivables increased by 15.6 percent to US$182.5 million as at December 31, 2023 primarily due to higher revenues from port operations at most of the terminals.
8. Spare parts and supplies increased by 5.6 percent to US$55.8 million as at December 31, 2023 mainly due to acquisition of spare parts associated with operational requirements.
9. Prepaid expenses and other current assets increased by 19.3 percent to US$247.5 million as at December 31, 2023 mainly due to placement of short-term investments at CMSA with maturity ranging from more than three months to 12 months; higher balance of prepaid taxes at certain terminals; and favorable impact on the translation of certain foreign operations' accounts.

Equity

10. Retained earnings increased by 16.3 percent to US$799.7 million as at December 31, 2023 mainly due to the net income generated for the period amounting to US$511.5 million; partially tapered by dividends declared during the period amounting to US$370.3 million and distribution to holders of perpetual capital securities amounting to US$29.0 million.
11. Other comprehensive loss decreased by 22.2 percent to US$154.4 million as at December 31, 2023 mainly due to net favorable exchange differences on translation of foreign operations' accounts.

Noncurrent Liabilities

12. Noncurrent portion of long-term debt increased by 17.5 percent to US$2.0 billion as at December 31, 2023 mainly due to the availment of loans at ICTSI Parent in September 2023 and VICT's fourth and fifth funding received in March and October 2023.
13. Noncurrent portion of lease liabilities increased by 18.3 percent to US$1.6 billion as at December 31, 2023 as a result of the renewal of concession contract at BCT, as well as remeasurement of lease liabilities at TSSA and VICT (including additional leased space); and the unfavorable impact on the translation of certain foreign operations' accounts.
14. Other noncurrent liabilities increased by 29.1 percent to US$47.2 million as at December 31, 2023 mainly due to lower market valuation of noncurrent derivative liabilities at ICTSI Parent.

Current Liabilities

15. Loans payable decreased by 58.6 percent to US$139.6 million as at December 31, 2023 due to net payment of loans at ICTSI Parent, IGFBV and ICTSI Middle East DMCC; partially offset by net availment of short-term loans at ICTSI Ltd.
16. Accounts payable and other current liabilities increased by 5.0 percent to US$412.1 million as at December 31, 2023 mainly due to volume driven increase in operating expenses; and increase in output and other taxes payable mainly driven by higher revenues.
17. Current portion of long-term debt decreased by 90.4 percent to US$42.4 million as at December 31, 2023 mainly due to the payment of notes at ITBV in January 2023 amounting to US$394.0 million.
18. Current portion of lease liabilities increased by 63.7 percent to US$41.9 million as at December 31, 2023 due to higher fixed and minimum guaranteed variable fees scheduled for payment in the next twelve months.
19. Income tax payable increased 14.4 percent to US$65.0 million as at December 31, 2023 mainly due to revenue-driven higher taxable income at certain terminals.

Balance sheet accounts as at December 31, 2022 with variances of plus or minus 5.0 percent against December 31, 2021 balances are discussed, as follows:

Noncurrent Assets

1. Intangibles increased by 15.9 percent to US$2.4 billion as at December 31, 2022 mainly due to additions through business combination of MNHPI including additions of port infrastructure largely at ICTSI, ICTSI Iraq and CGSA, tapered by net unfavorable impact on the translation of certain foreign operations' accounts.
2. Property and equipment increased by 9.6 percent to US$1.7 billion as at December 31, 2022 mainly due to the capital expenditures arising from expansion works and/or acquisition of terminal equipment at VICT, CMSA, IDRC and OMT; and acquisition of land in the Philippines and in Brazil for new projects; tapered by the depreciation charge for the period and unfavorable impact on the translation of certain foreign operations' accounts.
3. Right-of-use assets increased by 9.0 percent to US$723.8 million as at December 31, 2022 mainly due to the remeasurement of lease liabilities at CMSA, TSSA, VICT and OMT; tapered by the amortization charge for the period and unfavorable impact on the translation of certain foreign operations' accounts.
4. Investment properties decreased by 8.9 percent to US$5.8 million as at December 31, 2022 mainly due to the unfavorable impact on the translation of certain foreign operations' accounts.
5. Investments in and advances to joint ventures and an associate decreased by 44.3 percent to US$250.3 million as at December 31, 2022 mainly due to the consolidation of MNHPI effective September 8, 2022. Prior to consolidation, the investment in MNHPI was accounted for following the equity method as an investment in joint venture.
6. Deferred tax assets increased by 16.3 percent to US$392.9 million as at December 31, 2022 mainly due to the higher deferred tax benefit on unrealized foreign exchange loss at the Parent Company

and addition due to consolidation of MNHPI; tapered by the utilization of income tax benefit from net operating loss carry-over at VICT.

7. Following are the derivative assets and liabilities recognized in the consolidated balance sheets pertaining to the interest rate swap at IGFBV and foreign currency forward at Parent Company:

	Derivative Asset (Liability)		
(In thousands, except % change data)	December 31, 2021	**December 31, 2022**	% Change
Interest Rate Swaps:			
Noncurrent	(US$7,766,630)	**US$8,457,515**	208.9
Current	(5,560,328)	**6,471,720**	216.4
Foreign Currency Forward:			
Current	US$–	**US$1,156,578**	100.0

The changes on derivative assets and liabilities pertain to unrealized mark-to market gains on interest rate swap arrangements recognized in equity and unrealized mark-to-market loss on foreign currency forward contract charged to profit or loss.

8. Other noncurrent assets increased by 9.2 percent to US$353.0 million as at December 31, 2022 primarily due to higher advances to suppliers and contractors, and deposits made in relation to investments and other projects; tapered by unfavorable impact on the translation of certain foreign operations' accounts, and nonrecurring loss on impairment including tax assets that are not expected to be utilized at certain terminals.

Current Assets

9. Cash and cash equivalents increased by 27.6 percent to US$838.9 million as at December 31, 2022 mainly due cash generated from operations; partially tapered by payment of dividends; redemption of perpetual capital securities including distributions; deployment of cash to fund capital expenditures; debt servicing; and placement of funds to short-term investments that are not classified as cash equivalents.
10. Receivables increased by 17.0 percent to US$157.9 million as at December 31, 2022 primarily due to higher revenues from port operations at most of the terminals.
11. Spare parts and supplies increased by 25.4 percent to US$52.9 million as at December 31, 2022 mainly due to addition through the consolidation of MNHPI; and acquisition of spare parts associated with operational requirements and purchase of additional terminal equipment.
12. Prepaid expenses and other current assets increased to US$207.5 million as at December 31, 2022 mainly due to placement of short-term investments at CMSA with maturity ranging from more than three months to 12 months; and higher balance of restricted cash at VICT for debt servicing and capital expenditures.

Equity

13. Treasury shares increased to US$40.0 million as at December 31, 2022 mainly due to acquisition of additional shares in 2022; partially tapered by share-based employee incentive payments.
14. Retained earnings increased by 98.6 percent to US$687.4 million as at December 31, 2022 mainly due to the net income generated for the period amounting to US$618.5 million; partially tapered by dividends declared during the period and distribution to holders of perpetual capital securities.
15. Perpetual capital securities decreased by 26.7 percent to US$583.2 million as at December 31, 2022 mainly due to redemption of perpetual capital securities with a carrying value of US$212.1 million.
16. Equity attributable to non-controlling interests increased by 57.0 percent to US$298.1 million as at December 31, 2022 mainly due to the recognition of non-controlling interests upon consolidation of MNHPI and net income attributable to non-controlling interests for the period; partially tapered by cash dividends declared to non-controlling interests during the period.

Noncurrent Liabilities

17. Noncurrent portion of long-term debt decreased by 18.1 percent to US$1.7 billion as at December 31, 2022 mainly due to the reclassification of the loans at ITBV that will be due within the next 12 months amounting to US$394.0 million, net of debt issuance cost, from non-current to current; repayment of loans at certain terminals; and favorable impact on the translation of certain foreign operations' accounts; partially tapered by availment of loans at VICT and IDRC.
18. Deferred tax liabilities increased by 43.4 percent to US$262.3 million as at December 31, 2022 mainly due to the addition through the consolidation of MNHPI; recognition of deferred tax on derivative assets and undistributed cumulative earnings of subsidiaries; and revaluation of deferred tax liability items.
19. Noncurrent portion of lease liabilities increased by 6.0 percent to US$1.3 billion as at December 31, 2022 as a result of remeasurement of lease liabilities at CMSA, TSSA, VICT and OMT; tapered by reclassification of the portion scheduled for payment in the next 12 months to current liabilities, and favorable impact on the translation of certain foreign operations' accounts.
20. Other noncurrent liabilities decreased by 12.7 percent to US$36.5 million as at December 31, 2022 mainly due to change in mark-to market value position on interest rate swap arrangements at IGFBV from liability as at December 31, 2021 to asset as at December 31, 2022, tapered by the addition through consolidation of MNHPI.

Current Liabilities

21. Loans payable increased to US$337.0 million as at December 31, 2022 due to the availment of short-term loans at ICTSI Parent, ICTSI Ltd., IGFBV and ICTSI Middle East DMCC; partially offset by payments at ICTSI Iraq.
22. Accounts payable and other current liabilities increased by 21.9 percent to US$392.3 million as at December 31, 2022 mainly due to addition through the consolidation of MNHPI and timing of payment of operating expenses; partially tapered by favorable impact on the translation of certain foreign operations' accounts.
23. Current portion of long-term debt, net of debt issuance costs increased to US$439.9 million as at December 31, 2022 mainly due to the reclassification of the loans at ITBV that will be due within the next 12 months amounting to US$394.0 million, net of debt issuance cost, from non-current to current.
24. Current portion of concession rights payable increased by 27.2 percent to US$14.2 million as at December 31, 2022 due to higher fixed and minimum guaranteed variable fees scheduled for payment in the next 12 months.
25. Current portion of lease liabilities decreased by 12.4 percent to US$25.6 million as at December 31, 2022 due to lower lease fees scheduled for payment in the next 12 months.
26. Income tax payable increased 22.3 percent to US$56.8 million as at December 31, 2022 mainly due to revenue-driven higher taxable income at certain terminals.

Liquidity and Capital Resources

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

Liquidity

The table below shows the Group's consolidated cash flows for the years ended December 31, 2021, 2022 and 2023:

Consolidated Cash Flows

	For the Year Ended December 31				
(In thousands, except % change data)	2021	2022	**2023**	% Change *2021 vs 2022*	% Change *2022 vs 2023*
Net cash provided by operating activities	US$947,188	US$1,275,097	**US$1,300,459**	34.6	2.0
Net cash used in investing activities	(146,384)	(518,342)	**(317,984)**	254.1	(38.7)
Net cash used in financing activities	(867,068)	(569,257)	**(1,120,212)**	(34.3)	96.8
Effect of exchange rate changes on cash	(10,974)	(6,152)	**14,901**	(43.9)	(342.2)
Net increase (decrease) in cash and cash equivalents	(77,238)	181,346	**(122,836)**	(334.8)	(167.7)
Cash and cash equivalents, beginning	734,832	657,594	**838,940**	(10.5)	27.6
Cash and cash equivalents, end	US$657,594	US$838,940	**US$716,104**	27.6	(14.6)

Consolidated cash and cash equivalents amounted to US$657.6 million, US$838.9 million, and US$716.1 million as at December 31, 2021, 2022 and 2023, respectively, and consisted mainly of cash generated from operations; partially tapered by net cash used in financing and investing activities.

Net cash generated from operating activities amounted to US$947.2 million, US$1,275.1 million, and US$1,300.5 million for the year ended December 31, 2021, 2022 and 2023, respectively, mainly driven by positive results of operations.

Net cash used in investing activities for the year ended December 31, 2023 amounted to US$318.0 million and consisted mainly of capital expenditures of US$336.3 million, including advances to contractors and suppliers but excluding capitalized borrowing costs. The capital expenditures for the period ended December 31, 2023 included mainly ongoing expansions and/or acquisition of equipment at CMSA, MICT, VICT, IDRC, ICTSI Rio, EJMT and OMT. For the year ended December 31, 2022, net cash used in investing activities amounted to US$518.3 million and consisted mainly of capital expenditures of US$386.3 million, including advances to contractors and suppliers, and concession-related deposit at MICTSL but excluding capitalized borrowing costs, mainly for ongoing expansions and/or acquisition of equipment at VICT, MICT, IDRC, CMSA and OMT; and the acquisition of land in the Philippines and in Brazil for new projects. Meanwhile, net cash used in investing activities for the year ended December 31, 2021 amounted to US$146.4 million that consisted mainly of capital expenditures of US$165.0 million, including advances to contractors and suppliers, mainly for the acquisition of port facilities and equipment at OMT and ongoing expansions at MICT, IDRC, VICT and CMSA, and infrastructure and equipment upgrades at CGSA; and acquisition of MHCPSI.

Net cash used in financing activities for the year ended December 31, 2023 amounted to US$1,120.2 million that consisted mainly of payment of dividends amounting to US$428.2 million; and payment of principal, as well as payments of interests on loans, lease liabilities and concession rights payable. For the year ended December 31, 2022, net cash used in financing activities consisted mainly of payment of dividends amounting to US$299.0 million; the redemption of perpetual capital securities, including distributions totaling US$251.6 million; and payment of principal and interests on loans, lease liabilities and concession rights payable; partially tapered by the availments of short-term loans mainly at ICTSI Parent, ICTSI Ltd., IGFBV and ICTSI Middle East DMCC, and long-term loans at VICT and IDRC. Meanwhile, net cash used in financing activities in 2021 included payment for the redemption and repurchase of perpetual capital securities, including distributions to security holders totaling

US$544.9 million, payment of dividends, repayment of loans at VICT, IDRC, IGFBV, SPICTL and CGSA, and acquisition of 10.00% non-controlling interest in IDRC amounting to US$20.0 million and 15.88% non-controlling interest in PICT amounting to US$15.7 million; tapered by cash received from issuances of new senior notes at ITBV and VICT amounting to $300.0 million and $210.4 million, respectively.

Capital Resources

The table below illustrates the Group's capital sources as at December 31, 2021, 2022 and 2023:

Capital Sources

	As at December 31				
(In thousands, except % change data)	2021	2022	**2023**	% Change *2021 vs 2022*	% Change *2022 vs 2023*
Loans payable	US$5,033	US$337,020	**US$139,563**	6,596.2	(58.6)
Current portion of long-term debt	76,836	439,894	**42,389**	472.5	(90.4)
Long-term debt, net of current portion	2,068,771	1,693,954	**1,990,037**	(18.1)	17.5
Total short and long-term debt	2,150,640	2,470,868	**2,171,989**	14.9	(12.1)
Equity	1,511,579	1,726,672	**1,905,168**	14.2	10.3
	US$3,662,219	US$4,197,540	**US$4,077,157**	14.6	(2.9)

<u>*2023 versus 2022*</u>
The Group's total debt and equity capital decreased by 2.9 percent as at December 31, 2023 primarily due to dividends declared during the period; distribution to holders of perpetual capital securities; and repayment of loans; tapered by the net income generated during the period, and availments of loans.

<u>*2022 versus 2021*</u>
The Group's total debt and equity capital increased by 14.6 percent as at December 31, 2022 primarily due to net income generated during the period, and availments of short term loans mainly at ICTSI Parent, ICTSI Ltd., IGFBV and ICTSI Middle East DMCC; tapered by redemption of perpetual capital securities with an aggregate carrying value of US$212.2 million; dividends declared during the period; distribution to holders of perpetual capital securities; and repayment of loans.

Debt Financing

The table below provides the breakdown of the Group's outstanding loans as at December 31, 2023:

Table 6.18 Outstanding Loans

(In thousands)	Company	Final Maturity	Interest Rate	Amount
Long-Term Debt				
Medium-Term Note (MTN) Programme				
Secured US Dollar Bond	ITBV	2025	Fixed	US$390,038
Senior Notes				
Unsecured US Dollar Bond	Parent	2030	Fixed	394,209
Secured US Dollar Bond	ITBV	2031	Fixed	291,894
US dollar and Foreign Currency-denominated Term Loans and Securities				
Unsecured US Dollar Term Loan	Parent	2029	Fixed[(a)]	US$297,851
Secured AUD Bond	VICT	2039	Fixed	270,261
Secured US Dollar Term Loan	IGFBV	2026	Fixed[(a)]	257,212
Secured PHP Term Loan	MHCPSI	2029[(b)]	Floating	87,790
Secured US Dollar Term Loans	IDRC	2025	Fixed	18,000
Secured PGK Term Loan	SPICTL	2024-2026	Floating	9,916
Secured PGK Term Loan	MITL	2024-2026	Floating	4,503
Secured US Dollar Term Loans	CGSA	2027	Fixed	5,481
Secured NGN Term Loan	ICTSI Nigeria	2028	Floating	2,717
Secured BRL Term Loans	CLIA Pouso Alegre	2024-2027	Fixed	738
				2,030,610
Short-Term Debt				
USD Loan[(c)]	ICTSI Ltd.	2024	Fixed	134,200
PGK Loan[(d)]	MITL	2024	Floating	2,681
PGK Loan[(e)]	SPICTL	2024	Floating	2,681
				139,562
Total Debt				2,170,172
Effect of business combination [(c)]				1,817
Carrying Value of Debt				2,171,989
Less current portion and short-term [(c)]				181,952
Long-term debt, net of current portion				**US$1,990,037**

[(a)] *Under interest rate swap agreements*
[(b)] *Restructured and refinanced on April 11, 2022 by a Php6.35 billion loan with a final maturity date of March 14, 2029.*
[(c)] *Includes the carrying value of the difference between the fair value and the book value of the debt at business combination*

The table below is a summary of debt maturities, gross of unamortized debt issuance cost, of the Group as at December 31, 2023:

Outstanding Debt Maturities

(In thousands)	Amount
2024	US$42,753
2025	438,356
2026	275,553
2027	65,374
2028 and onwards	1,238,809
Total	US$2,060,845

The duration of the Group's long-term debt was extended by the liability management exercises (LME) undertaken by the Group including the recent LME, project finance loan refinancing at VICT, and loan restructuring at MHCPSI executed in November 2021, December 2021 and April 2022, respectively. In addition, the Group refinanced US$300.0 million of its short-term and 18-month term loans to a six-year term loan. As a result of these transactions, 77% of the Group's long-term debt will mature in 2026 and beyond.

Discussion on outstanding loans is further disclosed in Note 16, *Long-term Debt* and Note 18, *Loans Payable* to the 2023 Annual Audited Consolidated Financial Statements.

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 December 31, 2023, 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 December 31, 2023, except as discussed above.

Equity Financing

<u>Perpetual Capital Securities</u>
RCBV engaged in a series of financial transactions involving the issuance, redemption, and consolidation of Senior Guaranteed Perpetual Capital Securities ("Securities") with interest rates ranging from 4.875 percent to 6.25 percent. These Securities are unconditionally and irrevocably guaranteed by ICTSI and were used to refinance existing debts, fund capital expenditures, and support general corporate purposes.

As at December 31, 2023 the carrying value of the perpetual capital securities amounted to US$583.2 million. For further details, please refer to Note 15, *Equity* to the 2023 Annual Audited Consolidated Financial Statements

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.

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, MXN, AUD, BRL 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 was 57.3 percent and 58.3 percent of gross revenues for the periods ended December 31, 2022 and 2023, 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 below table provides the currency breakdown of the Group's revenue for the year ended December 31, 2023:

Revenue Currency Profile

Subsidiary	USD/EUR Composition	Local Currency
ICTSI	46% USD	54% PHP
SBITC/ICTSI Subic	39% USD	61% USD
MICTSI	16% USD	84% PHP
SCIPSI		100% PHP
LGICT	22% USD	78% PHP
BIPI		100% PHP
CGT		100% PHP
MNHPI		100% PHP
MHCPSI29%		
USD71% PHPSBI		100% PHP
CLI		100% PHP
VICT		100% AUD
PNG		100% PGK
YICT		100% RMB
OJA	71% USD	29% IDR
PTMTS		100% IDR
EJMT		100% IDR
CMSA	20% USD	80% MXN
CM Logista		100% MXN
CGSA	100% USD	
OPC	100% USD	
TSSA		100% BRL
ICTSI Rio	46% USD	54% BRL
IRB Logistica		100% BRL
CLIA Pouso Alegre		100% BRL
Tecplata	100% USD	
ICTSI Iraq	64% USD	36% IQD
IDRC	100% USD	
MICTSL	100% EUR	
BCT	65% USD/5% EUR	30% PLN
AGCT	100% EUR	
BICTL	100% USD	
KMT		100% XAF*
PICT	81% USD	19% PKR
ICTSI Nigeria	50% USD	50% NGN

**XAF pegged to the EURO*

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.

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.

Consolidated Financial Statements

The Group's 2023 consolidated financial statements and accompanying notes are incorporated herein by reference. See Annex B of the SEC Form 20-IS.

Changes in and Disagreements with Accountants of Accounting and Financial Disclosure

There were no changes or disagreements with ICTSI's external auditors, SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited), on accounting and financial statement disclosures.

8.1 Information on Independent Accountant

The principal external auditor is the SyCip Gorres Velayo & Co. (SGV & Co.), a member firm of Ernst & Young (EY) Global Limited. The Group has engaged Mr. Roel E. Lucas, partner of SGV & Co., for the audit of the Group's books and accounts in 2023.

8.2 External Audit Fees and Services

Amounts received or due and receivable by the Group's external auditors relating to professional services rendered for the last three years are as follows (in thousands):

	2021	2022	2023
Audit Fees	US$1,469.3	US$1,511.2	**US$1,511.9**
Audit-related Fees	406.2	54.3	**46.1**
Tax Fees	238.9	239.0	**220.0**
Other Fees	87.7	167.1	**78.4**

Audit Fees include the audit of the Group's annual financial statements.

Audited-related Fees include the review of interim financial statements and issuance of comfort letters for the capital market raising transactions of the Group.

Tax fees paid to SGV & Co./EY are for tax compliance, tax advisory services and transfer-pricing studies.

Other fees include due diligence services related to business development, sustainability reporting, studies and other various one-time engagements.

The Audit Committee makes recommendations to the Board concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit. The Audit Committee reviews the nature of the non-audit related services rendered by the external auditors and the appropriate fees paid for these services.

Directors and Executive Officers

Please refer to Item 5 of the SEC Form 20-IS.

Estimated Capital Expenditures and Sources of Financing

The Group's capital expenditures for 2024 are expected to be approximately US$450.0 million. The estimated capital expenditure budget will be utilized mainly for the ongoing expansion projects at CMSA, MICT and IDRC; last tranche of concession extension fees at MICTSL; development of EJMT; new project at VICT; equipment acquisitions and upgrades; and for maintenance requirements. The Group expects to fund these capital expenditures through a combination of available cash, internally-generated funds, third party loans and other fund raising activities, if necessary.

Compliance with Leading Practice on Corporate Governance

The Company's foundation of corporate governance was established in the Manual of Corporate Governance (CG Manual) which was originally submitted to the Philippine Securities and Exchange Commission in 2011. The CG Manual was further revised and updated in 2014 and 2017. It essentially involves balancing the interests of many stakeholders and provides the framework for attaining strategic objectives through a combination of internal and external mechanisms such as the structure of the Board of Directors, the oversight it exercises over Management, and the formulation of sound policies and controls.

The responsibility in evaluating the compliance by ICTSI with the CG Manual and the applicable rules and regulations of regulatory agencies is vested by the Board of Directors upon the Compliance Officer. From 2016 until January 18, 2023, Mr. Rafael D. Consing, Jr., Senior Vice President, Chief Financial Officer, concurrently served as Compliance Officer. Following the retirement of Mr. Consing, the Board of Directors then appointed Mr. Christian R. Gonzalez, Executive Vice President as the Chief Compliance Officer on January 18, 2023.

CG Manual Compliance Monitoring

In line with this, the Company's Chief Compliance Officer, measures the Company's compliance with the Manual of Corporate Governance, through, among others, the following:

a. Annual review by the Board of Directors of ICTSI's Purpose and Values;
b. Annual Board Self-Assessment;
c. Evaluation by the Board of Directors of the corporate governance performance of the Chairman of the Board, President, Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit; and
d. Evaluation by the Board and Senior Management of the compliance with the leading practices on corporate governance through the submission of the Integrated Annual Corporate Governance (IACGR) and accomplishment of the ASEAN Corporate Governance Scorecard (ACGS).

One of the evaluations implemented through the Office of the Compliance Officer is the Annual Corporate Governance Assessment (ACG Assessment). Each member of the Board assesses their individual and group performance based on the CG Manual as well as the IACGR and ACGS. The Board also makes a similar assessment for the Chairman of the Board, President, Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit. The evaluation results are presented to all those concerned for any necessary recommendations to further improve corporate governance in the Company.

Full Compliance

The Company has not deviated from its CG Manual.

To further enhance ICTSI's adherence to principles and practices of good corporate governance, the Company has taken the following measures in 2023:

a. Assessment by an independent third-party evaluator for the 2022 Annual Corporate Governance Assessment;
b. Appointment of Mr. Emilio Manuel V. Pascua as the Chief Risk Officer, concurrent to his role as CFO, on June 27, 2023;
c. Approval by the Board of the establishment of a Board Charter, as recommended by CG committee, on August 10, 2023;
d. Engagement of services of the SEC accredited training provider, Institute of Corporate Directors, for the 2023 Advanced Corporate Governance Training held on December 7, 2023 and attended by the Board of Directors, Chief Compliance Officer, Chief Risk Officer, Corporate Secretary and Assistant Corporate Secretaries and the Senior Management of the Company;
e. Updated the annual attestation by the Chief Executive Officer or Terminal Manager and the Chief Financial Officer of each ICTSI subsidiary that the subsidiary abides with the following:
    (i) ICTSI's purposes and value;
    (ii) implements the directives of ICTSI's Manual on Corporate Governance and Code of Business Conduct adopting Anti-Bribery Compliance Policy and Procedure, Fraud Reporting, Diversity and Equal Opportunities, Conflict of Interest, suitable framework for whistleblowing;
    (iii) conforms with all the applicable Information Technology-related standards, including those relating to data privacy and protection;
    (iv) has established corporate disclosure policies and procedures in coordination with ICTSI's Investor Relations Office;
    (v) has comprehensive treasury management policy;
    (vi) implements and complies with all laws that foster and afford protection to labor and promotion of social legislation;
    (vii) complies with all Environmental laws;
    (viii) maintains appropriate accounting policies and management actions for internal control over Financial Reporting (ICFR) – Control Evaluation Template;
    (ix) has identified all major risks at the entity level (ERM) for the Company and has developed appropriate management actions that will mitigate the impact of these risks on business operations at the level of risk appetite set by management;
    (x) treats all shareholders fairly and equitably; recognizes, protects, and facilitates the exercise of their rights; and encourages active shareholder participation;
    (xi) respects the rights of its stakeholders;
    (xii) exerted measures to avoid dealing with entities with economic sanctions;
    (xiii) implements policies, programs and procedures that encourage its employees to actively participate in the realization of the Company's goals and in its governance;
    (xiv) is socially responsible in all its dealings with its immediate communities and ensures that its interactions serve the environment and stakeholders in a positive and progressive manner; and
    (xv) follows and implements the directives of the ICTSI CG Manual; and
f. Webinars across the ICTSI Group to continually ensure the proper adoption of the ICTSI Group Policies, including, but not limited to, the Code of Business Conduct, Anti-Bribery Policy, Principles on Human Capital and Diversity, and Equal Opportunity Policy.

Recognition and Awards in 2023

September 2023: ICTSI was recognized by *Alpha Southeast Asia* as having the Best Annual Report in the Philippines, among the Most Organized Investor Relations and Best Strategic Corporate Social Responsibility during the 13th Annual Corporate Institutional Investor Poll 2023 (Southeast Asia).

June 2023: *Corporate Governance Asia* recognizes ICTSI as having Asia's Best CSR and one of the Best Investor Relations Companies in the Philippines during the 13th Asian Excellence Award. Key ICTSI officers were likewise recognized, including Chairman and President Enrique K. Razon Jr. as

Asia's Best CEO (Investor Relations); former Senior Vice President and Chief Financial Officer Rafael D. Consing Jr. as Asia's Best CFO (Investor Relations); and Treasury Director and Head of Investor Relations Arthur R. Tabuena as Best Investor Relations Professional.

February 2023: ICTSI was recognized by the *Institute of Corporate Directors* as one of the leading publicly-listed companies (PLCs) in the Philippines based on the ASEAN Corporate Governance Scorecard (ACGS).

February 2023: ICTSI was recognized for its Leadership in Sustainable Environment, Social and Governance during the *Future CFO Excellence Awards* held in Singapore.

Business of Issuer Overview

ICTSI is an international operator of common user container terminals serving the global container shipping industry whose principal business includes the operation, management, development and acquisition of container terminals focusing on facilities with total annual throughputs ranging from 50,000 TEUs to 3,500,000 TEUs. The primary mechanism for the operation of these terminals is long-term concession agreements with local port authorities and governments through ICTSI and its subsidiaries. As at February 28, 2024, the Group is involved in 32 terminal operations, including concessions and port development projects, in 19 countries worldwide. The Group has nine (9) terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), four (4) in Brazil (including an intermodal rail ramp terminal and a Customs-bonded facility), two (2) in Papua New Guinea (PNG), and one (1) each in China, Indonesia, Ecuador, Poland, Georgia, Madagascar, Croatia, Honduras, Mexico, Iraq, Argentina, Colombia, Democratic Republic (DR) Congo, Australia, Cameroon and Nigeria; and a development project in Tuxpan, Mexico. In 2021, 2022 and 2023, the Group handled consolidated throughput of 11,163,473 TEUs, 12,216,190 TEUs and 12,749,214 TEUs, respectively.

The Group provides different services in each of the ports operated based on the nature of business and industry of the country of operations and the general needs of customers including shipping lines, cargo owners and port users. The Group primarily handles international containerized cargoes, which include cargoes shipped in containers for international import or export. The Group's customer base mainly includes shipping lines and cargo owners. The Group also provides a number of ancillary services such as storage, container stripping and stuffing, inspection, weighing, and services for refrigerated containers or reefers, as well as roll-on/roll-off and anchorage services to non-containerized cargoes or general cargoes on a limited basis.

These services fall into three general categories:

On-vessel. This refers to all work performed on board a ship. This includes the loading and unloading of cargoes, rigging gears, opening and closing hatches, securing cargo stored on board, and shifting cargo to and from vessels;

Off-vessel. This refers to the services involved in moving containers from container yards to the gate. This includes the receiving, handling, checking and delivery of containers over piers, wharves, transit sheds, warehouses and open storage areas, and the transfer of containers from the tail of a consignee's transportation unit; and

Other Services. At some terminals, maintenance services to ships that are docked in the harbor for which the port operator receives berthing and harbor fees from shipping lines are provided. ICTSI also offers ancillary services relating to its core services, such as container and truck weighing, use of reefer outlets to provide power to refrigerated containers and extended storage.

The fee structure for the Group's services varies across the terminals it operates based upon local regulations and practices. In some terminals, such as MICT, the Company charges shipping lines fees for on-vessel charges and charges cargo owners separately for off-vessel services. The PPA sets different tariffs for on-vessel and off-vessel services. In other jurisdictions, the Group charges only the shipping lines or the cargo owners who have separate arrangements among themselves. ICTSI mostly charges cargo owners on a cash-on-delivery basis. Containers are not allowed to leave the port facility until actual cash payment has been made and confirmed received. Shipping lines may be granted credit lines of up to 30 days.

For the three years ended December 31, 2021, 2022 and 2023, the percentage contribution of foreign operations or operations outside the Republic of the Philippines to revenues from cargo handling services and net income attributable to equity holders of the parent are as follows:

	2021	2022	**2023**
Gross revenues	67.6%	66.7%	**66.1%**
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)[1]	70.9%	70.7%	**69.5%**
Net income attributable to equity holders of the parent[2]	59.3%	67.0%	**64.0%**

[1] *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'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 Philippine Financial Reporting Standards (PFRS).*

[2] *Net income attributable to equity holders of the parent includes impairment losses on goodwill and other nonfinancial assets of US$6.7 million, US$16.0 million and US$165.3 million in 2021, 2022 and 2023, respectively. Excluding the impact of the impairment losses, contribution of foreign operations would have been 59.9%, 67.8% and 72.8% in 2021, 2022 and 2023, respectively.*

Competition

Some of the terminals in the Group's portfolio are faced with competition as a result of open capacity in the same port community or proximity or duplication in the same supply chain.

ICTSI's main customer base consists of the (Container) Shipping Lines and the Beneficial Cargo Owners (BCOs) including 'End Users'. Traditionally, the Shipping Lines have the main buying power in terms of terminal selection. At the same time, there is a growing trend with the BCOs increasing their influence in the supply chain selection of vendors, terminals, and associated land side services. Therefore, the Group is engaging selectively with both parties, with both short- and long-term commitments ensuring we optimize our portfolio and mitigate any dependence on a single or cluster of clients.

Asia

The Manila South Harbor, operated by Asian Terminals Inc. (ATI) is MICT's main competitor in the international marine container service market in Manila. The PPA's tariffs are applied uniformly to both MICT and ATI. In 2023, MICT has an estimated market share of 70% of the international container traffic in Manila. Other terminals under the ICTSI Group operations in the Philippines are dominant in their respective markets or operate without direct competition in their immediate market.

After the Company's acquisition of 51% of Yantai International Container Terminals, Limited (YICT) and divestment of its holdings in Yantai Rising Dragon International Container Terminal, Ltd. (YRDICTL) in July 2014, higher yielding international container cargo in the Port of Yantai has been handled exclusively by YICT. YICT faces competition for international cargo with other ports in the region.

Meanwhile, domestic cargo has been handled exclusively by YRDICTL. In November 2020, Yantai Port Holdings (YPH) moved all of its domestic trade services to YICT through an outsourcing agreement, making YICT as the sole terminal operator at the Zhifu Bay Port Area in Yantai, China.

VICT has established itself as a major player at the Port of Melbourne and competes with Dubai Ports World (DP World) and Patrick Terminals. The container market is spread rather equally amongst the three terminal operators in Melbourne. In 2023, VICT handled approximately 27% of the container volume in Melbourne, whereas DP World and Patrick Terminals handled 30% and 43%, respectively.

Motukea International Terminal Limited (MITL) in Motukea and South Pacific International Container Terminal Limited (SPICTL) in Lae, are the two main container terminals in Papua New Guinea and operate exclusively within their respective markets in Motukea and Lae, respectively.

East Java Multipurpose Terminal (EJMT) is currently servicing barges, handling primarily coal and limestone cargoes. EJMT competes directly with Maspion Port and two other ports in East Java. EJMT captured 43% of the barge operations in East Java whereas Maspion Port and the two other ports have 53% and 4% market share, respectively.

Americas

The Group has eight operating terminals and one concession in the Americas: Tecon Suape, S.A. (TSSA); Contecon Guayaquil S.A. (CGSA); Tecplata, S.A. (Tecplata); Sociedad Puerto Industrial Aguadulce, S.A. (SPIA); CMSA; Operadora Portuaria Centroamericana, S.A. (OPC); ICTSI Rio Brasil (ICTSI Rio); IRB Logistica; and TMT. The latter, TMT in Tuxpan Mexico where the management continues to negotiate options including concession terms and evaluating the long-term plans for the land.

Ever since the container handling services discontinued at the Port of Recife, TSSA in Suape enjoys limited competition. Other neighboring ports are at least 800 kilometers away. In 2023, TSSA captured 100% market share in the state of Pernambuco while having 39% market share in the Northeastern region of Brazil.

CGSA is located at the port of Guayaquil, which serves as Ecuador’s main international trading gateway. The port is connected to the main terrestrial highways of Ecuador and has good access to other principal cities in the country. CGSA’s main competitor at the Port of Guayaquil is Terminal Portuario Guayaquil (TPG), operated by the Chilean company SAAM, acquired by Hapag Lloyd in 2022. In addition, DP World opened a greenfield container terminal at the Port of Posorja in October 2019, which is 120 kilometers away from the City of Guayaquil. In 2023, CGSA has an estimated market share of 41% of the traffic at the port while TPG, DPWorld and Bananapuerto captured 35%, 13% and 11%, respectively.

Due to the rolling concession extensions of the legacy terminals in Buenos Aires, the market continues to enjoy significantly open capacity. It did not help that the political and economic environment of the country remained poor. Under these circumstances, the volume throughput in TecPlata continues to be miniscule.

The Port of Buenaventura in Colombia, where SPIA is located, handles approximately 44% of the country’s foreign trade. In 2023, SPIA is estimated to have handled 43% of the volume whereas the other two competing terminals, Buenaventura Container Terminal (TCBUEN), operated by a major shipping line, and Buenaventura Regional Port Society (SPRBUN) captured 27% and 30%, respectively.

CMSA’s entry into the Manzanillo market was to address the congestion in the port and the competitor’s inability to further expand their capacity to absorb the growing demand. CMSA has an estimated 34% market share in 2023.

Puerto Cortes is the dominant gateway in Honduras. OPC is an exclusive operator in Puerto Cortes for both container and general cargo. Puerto Cortes also serves as an alternative gateway to the markets in Guatemala and Nicaragua. OPC faces limited competition from Puerto Castilla due to the competitor's small capacity. OPC handled an estimated 100% of all container traffic in Honduras in 2023.

ICTSI Rio, a terminal in Rio de Janeiro, Brazil, is competing with Brazil's main port in Santos. In 2023, ICTSI Rio have captured an estimated market share of 35% whereas two main competitors, MultiRio, operated by a major shipping line, and Sepetiba Tecon handled 51% and 14%, respectively.

Europe, Middle East and Africa (EMEA)

The Group has eight operating terminals in the EMEA region: BCT; MICTSL; Batumi International Container Terminal LLC (BICTL); Adriatic Gateway Container Terminal (AGCT); ICTSI Iraq; IDRC; Kribi Multipurpose Terminal (KMT); and ICTSI Nigeria.

The main competition faced by BCT comes from the adjacent terminal – Gdynia Container Terminal (GCT) operated by another global port operator, Hutchison Port, and Baltic Hub Container Terminal [BHCT, formerly Deepwater Container Terminal (DCT)], in neighboring Gdansk operated by another global port operator – Port of Singapore (PSA). Traditionally, the two terminals in Gdynia serve the intra-Europe and Transatlantic trades. On the other hand, BHCT which is recently commissioned as a deepwater terminal has become the main service provider to the long-haul Asia trade, and subsequently serves as a transshipment hub for the majority of the Baltic markets. Including the large transshipment volume handled by BHCT, BCT's share among the three terminals in 2023 is estimated to be at 18%, whereas DCT and GCT handled 70% and 12%, respectively.

MICTSL does not have any major competitor in the Madagascar container market.

BICTL's main competition comes from the nearby located port of Poti in Georgia. In 2023, BICTL captured estimated 16% of the market, with Poti Sea Port, operated by a major shipping line handling the balance.

AGCT is the smallest of the three main container terminals in the Adriatic catering to the immediate markets in the area as well as Central Europe. In 2023, AGCT captured 18% of the market, whereas Koper and Trieste handled 48% and 34%, respectively.

Since the Group developed its presence in the market, ICTSI Iraq has established itself as Iraq's leading terminal operator in both containers and general cargoes. The container terminal competition consists of Basra Multipurpose Terminal (BMT), operated by a major shipping line, Gulftainer, and CMA CGM. In 2023, ICTSI Iraq captured 49% of the market whereas BMT, Gulftainer and CMA CGM handled 29%, 14% and 8% of the containerized volume, respectively.

IDRC handled 76% of the container volume at the Port of Matadi in the Democratic Republic of Congo in 2023. The balance was handled by the terminal operated by a government-owned and operated terminal, Societe Commerciale des Transports et des Ports (SCTP).

KMT is a general cargo terminal and is facing competition from mainly the traditional ports in the region. In 2023, KMT captured approximately 15% of the non-containerized market, whereas the traditional terminals in Douala captured the rest of the volume.

A number of gateways in the Gulf of Guinea cater to the Nigerian and neighboring markets, including some landlocked countries. These include the container terminals in Lagos, Onne where OMT is located, Port Harcourt, Warr, and Cotonou in Benin. OMT's main competition comes from neighboring terminal – West Africa Container Terminal (WACT), operated by APM Terminals, and to a much lesser extent

Ports and Terminal Operators Nigeria Limited (PTOL). In 2023, OMT secured 37% of the market, whereas WACT and PTOL handled 60% and 3%, respectively.

Key Competitive Strengths

The following favorable conditions have allowed ICTSI to remain a strong brand despite the competitive environment:

Global diverse footprint

As a global port operator, ICTSI owns and/or operates ports in 19 countries across three regions namely Asia, the Americas and EMEA (Europe, Middle East & Africa). In 2023, the contribution by region in terms of consolidated volume and gross revenue from port operations for Asia was 51.5% and 43.7%, respectively; 28.7% and 35.8%, respectively, for the Americas; and 19.8% and 20.5%, respectively for EMEA.

Owing to further consolidation in the container shipping segment, the combined market share of the top 10 container shipping lines increased from 68% in 2014 to more than 76% in 2023. Yet, no single customer contributed to more than 10% of the Group's consolidated gross revenues in 2023, 2022 and 2021. The Group's business units are strategically located in mostly emerging markets and serve all the global, as well as most of the major regional container shipping companies. The Group believes that its diversified and global port network mitigates the effect of regional or area-specific economic downturns on its business and results of operations.

Leading market positions in key targeted markets

The Group's major terminals enjoy leading positions in their respective geographic markets. In addition, most of its major terminals are strategically located in emerging markets with strong growth and profit potentials, including Asia, EMEA and Americas. The Group's terminals mainly serve as end-destination ports for distinct markets and cargo catchment areas. The Company believes that its strong market position in the regions where it operates allows it to enhance operating efficiencies and maximize throughput, which increases profitability. The Group dominates in the Philippines, the Brazilian state of Pernambuco, Madagascar, Yantai in China, Honduras, Iraq, DR Congo and Papua New Guinea. At these terminals, there are limited opportunities for competition from other port operators, or ports or terminals within the same port community. This can be amongst other, due to high barriers to entry. Some of these barriers include the limited number of opportunities for suitable port or terminal sites to serve the same market, government controls and regulations, as well as the usually high terminal construction costs. This means that there are limitations on substitutes for the Group's services, which provides confidence in the Group's ability to price in a way that it can ensure strong margins. The Group's concessions are mostly a result from Government initiatives to privatize the port and terminals in order to enhance the efficiency to facilitate the trade of the respective countries. Many of these ports and terminals are located in emerging markets, which generally exhibit stronger growth than the more developed markets; thus, the Group believes that its leading position in these markets will allow it to directly capture organic growth in line with the economic growth of these markets. Furthermore, all of the Group's concession agreements are long-term agreements that ensure continued benefits from long-term GDP growth trends.

Experienced and dynamic management team

The Group's management team has extensive experience in the container terminal and container shipping sectors. Management structure is decentralized with extensive authority delegated to the regional operating units where management teams are closest to their customers and have the most comprehensive knowledge for the regulatory, labor and other key operating conditions prevailing in their respective jurisdictions. The decentralized structure also allows a lean and flat management team, which reduces administrative costs. Meanwhile, senior management at the corporate level focuses on providing overall strategy, direction and oversight, as well as managing key global functions such as information technology, engineering, treasury and finance. The Group has strong financial controls over each operating entity through standardized monthly reporting, annual budget process, regular financial and operating audits, control over external sourcing of funds and capital, insurance coverage and risk management.

Established track record of improving operational efficiency and performance

The Group has made substantial investments in terminal facilities and will continue to invest further to enhance handling capacity and operating efficiency, modernizing information technology systems, and expanding and rehabilitating civil works. The Group also provides its know-how through enhanced training and improved work processes to streamline labor practices and rationalize commercial strategies. The Group has received commendations and recognition for its success in improving cargo handling and assisting in the development of private sector. The Group has been cited by the World Bank for its success in public-private partnerships in South America, Africa and Europe.

Strong and stable cash flows and strong capital structure

The Group believes that terminals provide stable cash flows because of its globally diversified operations and long-term concession agreements, which have an average remaining term of approximately 19 years. In addition, the Group's terminals focus on end-destination cargo, which accounts for substantially all of the Group's consolidated throughput volume. The Group believes that its focus on end-destination cargo limits concentration risk to individual container shipping lines in that if a shipping line that calls at one of its terminals ceases to operate, the cargo intended for that particular destination will simply transfer to another shipping line that is still calling in that terminal. An example of the Group's stable cash flow is that even at the height of the global pandemic, the Group's terminals continued to operate and revenue collections were unhampered as the terminals undertook measures to ensure that the customers are able to settle their invoices. Specifically, ICTSI was able to migrate to 100% online transactions to eliminate face-to-face interactions. As at December 31, 2023, the Group's total indebtedness was US$2,172.0 million and its total indebtedness to total equity ratio (interest-bearing debt over total equity, as shown in the consolidated balance sheet) was 1.14 times, providing head room for future financial leverage. The Group believes that its cash flows and debt structure will provide it with a solid platform to pursue investment opportunities, supported by its active balance sheet management strategies and liability management initiatives which have helped streamline its debt maturity profile and interest payment schedules significantly.

Demonstrated ability to control operating costs

Lastly, the Group has continuously demonstrated its ability to control operating costs effectively, which allows the Group to generate profitable margins in both weak and strong economic environments. Cost containment measures are continuously enforced all throughout the Group. These programs may include process automation, equipment upgrades, migration to online transactions and projects to improve labor efficiencies. An example is the migration to online transactions for its customers eliminating the need to maintain on-site counters. The Group also moved internal activities online whenever possible which reduced the need for physical meetings and conferences resulting to lower travel-related costs. The Group also leverages on the knowledge and experience sharing across ports to reduce costs and improve processes.

Principal Suppliers

The Group is neither dependent on a single nor a few suppliers, of which the loss of any or more would have a material adverse effect on its operations, nor has existing major supply contracts.

Customers

Consistent with the past strategies, ICTSI's portfolio mainly caters to the gateway markets (both import and export).

Similarly, the Group's customer engagement remained robust, both locally, serving the local communities, as well as internationally ensuring our terminals continued facilitation of global containerized trade without interruption. This is supported by a more digital and efficient journey for the Group's customers, as the Group continues to invest in information technology infrastructure, contributing to a more digital and efficient customer journey and further enhancing the overall customer experience.

Furthermore, the Group maintains terminal service as well as service level agreements with several shipping lines specifying service and performance standards. The Group continues to maintain high-level relationships with its existing and potential customers, as it believes that this engagement is necessary to continually anticipate changes in a very dynamic shipping industry. This ensures alignment with the Group's strategies.

Related Parties

Related party transactions are discussed in Part IV, Item 12 of this report, and in Note 23, *Related Party Transactions*, to the 2023 Annual Audited Consolidated Financial Statements.

Intellectual Property, Licenses, Contracts and Agreements

The "ICTSI" name and logo are registered trademarks with the Intellectual Property Office in the Philippines, and several other jurisdictions through the Madrid Protocol. The Company also possesses copyrights for certain proprietary software systems. The Group sees to it that its rights for the design, source codes, and use of these software systems are secured at all times to ensure continued use and support from vendors.

The Company also entered into global agreements for third party software licenses or services, for the use of the Group. The Company charges royalty fees on an arm's-length basis to certain subsidiaries for the use of the Company's intellectual properties, such as brand and technical know-how, in the subsidiaries' port operations.

Please refer also to Note 25, *Significant Contracts and Agreements*, to the 2023 Annual Audited Consolidated Financial Statements for detailed discussion of the Group's contracts and agreements to operate, manage and develop the terminals.

Government Regulations and Licenses

The Group's operations are subject to a variety of laws and regulations promulgated by the national and local government of each jurisdiction in which it operates. Rights and obligations under the concession agreements are discussed in Note 25, *Significant Contracts and Agreements*, to the 2023 Annual Audited Consolidated Financial Statements. The Group believes that it is in compliance, in all material aspects, with applicable government regulations in each jurisdiction in which it operates. The Group is not aware of any governmental proceedings or investigations to which it might become a party and which may have a material adverse effect on the Group's properties and operations.

Various governmental and quasi-governmental agencies and regulatory bodies require the holding of certain licenses, concessions and permits with respect to port and port-related operations. For example, the PPA regulates all port operations in the Philippines, except for ports in Misamis Oriental and Subic, which are regulated by PHIVIDEC Industrial Authority and Subic Bay Metropolitan Authority (SBMA), respectively. Services and fees being offered to the port users may be controlled and approved by the respective regulatory agency. Overseas operations are conducted under valid licenses, concessions, permits or certificates granted by the applicable regulatory body in that jurisdiction.

The Group maintains regular dialogue with local government and regulatory authorities through its management teams or representatives in each jurisdiction, to ensure compliance with the requirements and conditions for obtaining and maintaining the aforementioned licenses, concessions, permits or certificates.

As at December 31, 2023, there are no pending requests for government approval for any of the Group's principal activities, except (1) those arising from new or ongoing bids to operate, manage or develop ports, which the Group's Business Development Offices undertake; (2) application for HOA by SCIPSI with the PPA; and (3) 25-year foreshore lease agreement (FLA) for BIPI with the DENR.

Development Activities Expenses

Amount spent during the last three years on business development activities pursuing future port acquisitions are as follows (amounts in millions):

	Amounts	% of Revenues
2021	US$3.3	0.17%
2022	3.7	0.16%
2023	6.0	0.25%

Insurance

The Group is determined to continue its first-class comprehensive insurance program to ensure that it maintains the insurance policies to protect its physical assets, liabilities, as well as its employees. The Group's main insurance programs are its Global Port All Risk Property Policy, which covers the Group's handling equipment and terminal infrastructure from damage and loss due to, among others, natural catastrophe perils such as earthquake, seaquake, flood, named windstorm, tsunami, volcanic eruption and tornado, physical damage, and additional coverage for strikes, riots, labor disturbances and civil commotion; Terminal Operator's Liability Program (TOL), which embodies and exceeds the standard terms of insurance coverage for port properties and terminal operators' liability for all its operations globally. Coverage includes, but is not limited to, liabilities for cargo damage, uncollected cargo, unintended and unexpected pollution and disposal costs, third party property damage and third-party liability; Political Violence Insurance (PV) which includes cover against acts of terrorism, riots, strikes, civil unrest, war and/or civil war, etc.; and Employee Benefits programs which cover among others the health care needs of its employees in the countries in which it operates and other insurance programs as reasonably needed by its terminals and personnel. Through continued thorough risk management and safety practices, the Group believes that its insurance coverage is more than adequate to cover all normal risks associated with the operation of its business and is consistent with industry standards.

Safety, Quality, Maintenance and Compliance with Environmental Laws

Equipment Inspection and Maintenance

To help ensure equipment reliability and support operational efficiency, the Group provides regular inspection and maintenance of its equipment and facilities. It has established formal procedures for periodic maintenance and inspection of equipment in line with international best practices (e.g., reliability-centered maintenance or RCM), manufacturers' recommendations, and ICTSI's Equipment Maintenance Philosophy. Formal corporate policies are issued to address maintenance of the critical components such as the structure, hoisting mechanisms, elevators, twist locks, safety devices interlocks, brakes, and load path crane components. On a regular basis, the Group commissions structural professional consultants to provide testing of equipment, such as crane structures. Purchase of wire ropes is always accompanied by load test certificates. Wire ropes and twist locks installed on different container handling equipment are monitored and tested for defects through visual and Non-destructive Test (NDT) inspections and discarded from usage based on established discard criteria. Periodical load test in cranes is also performed.

On a regular basis, Global Engineering audits the compliance of the corporate policies and best maintenance practices.

All these activities are recorded and maintained as part of the Group's Asset Management System.

The Group continually strives to develop and promote the best maintenance practices for the port industry. Standardization of computerized asset and inventory management systems are being implemented.

Quality, Health and Safety, Environmental Management Systems, and Compliance with Environmental Laws

Ensuring the health and well-being of all its stakeholders remains the Group's top priority. As the terminals continue to enhance control measures for their critical health, safety and environment (HSE) risks in their operational activities, the Group's injury frequency rate has steadily declined for the past two years with its severity rate also improving quite significantly in 2023 compared to previous year.

Supplementing the terminals' various HSE initiatives that were deployed in prior year, global safety campaigns on slips/trips/falls prevention and hand injury prevention were also ramped up in 2023 to help address the safety hotspots in tasks associated with its vessel operations.

Additionally, a number of the Groups' terminals have maintained external certifications on their HSE management systems such as (a) International Ship and Port Facility Security Code; (b) ISO 9001:2015 *Quality Management Systems*; (c) ISO 14001:2015 *Environmental Management Systems*; (d) ISO 45001:2018 *Occupational Health and Safety Management Systems*; (e) ISO 28000:2007 *Supply Chain Security Management Systems*; (f) ISO 27001:2013 *Information Security Management*; (g) ISO 14064-3:2019 *Declaration of Inventory and Neutrality of Carbon Emissions*; and (h) Business Alliance for Secure Commerce.

The amount invested by the Group to implement its various HSE programs and injury prevention initiatives for the past three years (in addition to costs incurred in response to COVID-19 pandemic situation) are as follows: US$6.4 million in 2021, US$7.0 million in 2022 and US$10.4 million in 2023, out of which US$1.3 million, US$1.5 million and US$2.3 million in 2021, 2022 and 2023, respectively, represent costs of compliance with environmental laws.

Employees

The Group has a total of 9,302, 10,182 and 9,865 permanent employees as at December 31, 2021, 2022 and 2023, respectively. The Group generally does not hire contractual employees as the Group believes that it can achieve greater efficiency with a dedicated staff of employees who are familiar with the Group's internal systems. The following table shows the number of employees by activity and location:

	As at December 31		
	2021	2022	**2023**
Employees by Activity			
Operations	6,333	6,903	**6,714**
Engineering	1,335	1,479	**1,372**
Finance, administration and others	1,634	1,800	**1,779**
Total	9,302	10,182	**9,865**
Employees by Geographic Region			
Asia	4,216	4,953	**4,966**
Americas	2,849	2,972	**3,260**
EMEA	2,237	2,257	**1,639**
Total	9,302	10,182	**9,865**

The increase in number of employees in 2022 was mainly due to the additions at MNHPI as a result of MNHPI's consolidation to the Group effective September 2022, and i-Tracker business at IRB Logistica that started operations in July 2022. Whereas the decrease in number of employees in 2023 was mainly due to the expiration of concession contract at PICT in June 2023 partially tapered by further absorption of manpower of i-Tracker business by IRB Logistica in February 2023 and acquisition of CLIA Pouso Alegre in September 2023. The Group does not anticipate any major change or increase in its labor force in the ensuing 12 months from its existing operating terminals. There are no current or known threats from employees to engage in any work stoppage across all terminals.

A large portion of these employees are union members. As at December 31, 2021, 2022 and 2023, approximately 48.81%, 48.37% and 58.05%, respectively, of the labor force are unionized. The above percentages are based on total permanent employee headcount regardless of whether an employee is entitled and eligible to join a union or not. The Group has collective bargaining agreements (CBA) in many of the ports in which it operates.

Asia

MICT. On April 26, 2019, ICTSI and the Nagkakaisang Manggagawa sa Pantalan ng ICTSI –National Federation of Labor Unions (NMPI-NAFLU), the bargaining unit for MICT workers, renewed its CBA for another five years effective up to April 25, 2024.

A five-year CBA between ICTSI and Anchorage Labor Union-ICTSI-NAFLU (ALU-ICTSI-NAFLU), the bargaining unit for the MICT Anchorage Division, was also signed on March 15, 2019, effective until March 14, 2024.

Both CBAs contain provisions on employee benefits to union members such as: wage increases; rice and meal allowances; paid leaves; medical, dental, and hospitalization benefits; life insurance; profit-sharing; retirements; uniforms; welfare, education and access to a calamity fund; and union leave with pay. The CBAs also provide a venue for settling grievances.

MNHPI. On April 27, 2023, MNHPI and Waterfront Workers' Union - North Harbor (WWU-NH) signed a renewal contract for the CBA effective February 1, 2023 to January 31, 2028 which covers all the regular rank-and-file port workers. The CBA contains provisions on employee benefits such as leaves (vacation and sick leaves, union leaves, work-connected illness/injury leaves, paternity and maternity leaves, bereavement leaves, indefinite leaves), wage increase, emergency loans, educational assistance, life and accident insurance, Christmas bonus and gift, rice, welfare fund, hospitalization benefit, and retirement pay.

MNHPI and WWU-NH continue to have industrial peace, good and harmonious Union-Management relations, as manifested by the absence of work stoppages, strikes and preventive mediation cases.

MHCPSI. In January 2022, MHCPSI officially recognized Manila Harbor Center Port Services Inc. - National Federation of Labor Union (MHCPSI-NAFLU) as the sole and exclusive bargaining agent for all the rank-and-file employees, upon signing of a five year CBA effective from April 6, 2022 until April 5, 2027.

The CBA will serve its purpose in establishing the terms and conditions of work such as: payment of wages, check-off of union dues, hours of work and other benefits, medical, dental and hospitalization benefits, life insurance, burial benefit, rotation system, union leave and other benefits; to foster good management-labor relations; to enforce discipline and exact efficiency in the performance of duties by employees and to ensure peaceful adjustment and settlement of all grievances, disputes and differences which may arise.

MICTSI. On March 21, 2020, a CBA was signed between MICTSI and MICTSI Labor Union - Federation of Democratic Labor Organization (MICTSILU-FDLO) with a term of five years ending on March 20, 2025. The parties agree to renegotiate the economic provisions of the agreement, solely on the wage increase for the fourth and fifth year, before end of third year anniversary.

After a progressive series of negotiations, MICTSI and MICTSI Supervisor Union - Federation of Democratic Labor Organization (MICTSISU-FDLO) entered into a new five-year CBA on October 28, 2021, that is effective from September 1, 2021 to August 31, 2026. The parties agree to renegotiate the economic provisions of the agreement, solely on the wage increase for the fourth and fifth year, before end of third year anniversary.

Other salient provisions of the CBA include wage increases, leave applications, hours of work, medical and hospitalization benefits, optional retirement program, education fund contribution, group life insurance, bereavement assistance, company uniform, rice subsidy, production incentive bonus, Christmas package and signing bonus. Other matters relative to the unions are periodically discussed in the Labor Management Council, consisting of representatives from the management of MICTSI, MICTSILU-FDLO and MICTSISU-FDLO.

SCIPSI. On August 14, 2019, the management of SCIPSI entered into a CBA with PRO-LABOR Champ Movement in Makar (PCM-M). The CBA was ratified on August 20, 2019, and was registered with the DOLE on August 28, 2019. The CBA is valid for a period of five years or until August 15, 2024.

YICT. The right to unionize is guaranteed for the employees of YICT. All employees are unionized by law.

VICT. On July 2, 2021, VICT entered into a new Enterprise Agreement (EA) with the Construction, Forestry, Mining, Maritime and Energy Union (Maritime Union of Australia division) and was endorsed by the Fair Work Commission on July 22, 2021, valid until March 2025. The new EA primarily covers rates of pay, working hours, and leave entitlements for operational and engineering employees of VICT. Following the signing of EA, all previous Industrial Relations-related legal cases have been discontinued.

MITL and SPICTL. MITL and SPICTL renewed a modern and innovative agreement called the ICTSI South Pacific and the National Maritime and Workers Union Award of 2023 as witnessed by Employers Federation and the Department of Labour. The agreement was signed on November 10, 2023 and published by the Industrial Registrar, effective for a period of three years or until replaced by a new agreement.

The agreement regulates employment contracts, normal and overtime hours, remuneration conditions including timing and rates of increases, employment groups such as guaranteed wage earners, permanent and casual workers, vacation and shift schedules, health and safety requirements, retirement, and conditions for termination of employment contracts.

There are no labor unions in Subic Bay International Terminal Corporation (SBITC), ICTSI Subic, Inc. (ISI), BIPI, Cavite Gateway Terminal (CGT), Laguna Gateway Inland Container Terminal, Inc. (LGICT), Sevilla Brokerage Incorporated (SBI), CLI, OJA and EJMT.

Americas

CGSA. CGSA has a unionized Works Council since October 2008 and a CBA was signed initially on July 16, 2009. As at February 28, 2024, renewal of the CBA covering the period January 1, 2023 to December 31, 2024 is currently under review and pending approval of the Ministry of Labor.

Besides the benefits that any worker is entitled to by law, CBA secures for the employees some additional benefits such as in-out transportation, food service and uniform.

There have been no cases of strikes or walkouts since CGSA took over operations in 2007.

TSSA. The administrative and maintenance employees of TSSA are represented by the Sindicato dos Auxiliares de Administracao de Aramazens Gerais do Estado de Pernambuco (SINDAGE). The CBA with SINDAGE is renewed every two years and was last signed in June 2023.

For many years, there has been no major labour disturbances such as strikes, slowdown, boycott or mass absences. The employees receive benefits such as dental, health insurance, food service, support for professional development, leaves and transportation services. Occasional workers at the customs inspections area and all other operations personnel, both represented by occasional labour unions, have entered into a CBA with TSSA. The CBA relating to customs inspections area workers and all other operations personnel will expire in February 2025 and June 2025, respectively.

CMSA. CMSA has a Collective Work Contract (CWC) signed in November 2010 with the Union de Estibadores y Jornaleros del Pacifico, which is part of the Confederacion Regional Obrero Mexicana (CROM). CROM has not had a strike since it was founded. The CWC is effective until year 2044 and extendible based on any extension on the concession agreement with the ASIPONA formerly API.

Salaries are reviewed annually while a comprehensive review of salaries and benefits is done every two years. CMSA is committed to give benefits in addition to those required by the Mexican Labor Law, such as 5% savings fund, transportation, uniforms, scholarships, contributions in the case of death of workers, sports support and life insurance. There is an additional compensation of 16.23% of salary paid to the union to support the administration expenses and retirement fund of the workers.

OPC. In December 2022, OPC signed a new CBA with all employees effective January 2023 to December 2025. The collective agreement stipulates employees' benefits like pension, medical and life insurance, trainings, employee engagement, vacation bonus, meal subsidy, special leaves, and salary loans, among others.

TecPlata. There are two Framework CBA that are in force and are applicable to TecPlata. These are (1) CCT 431/05, that is applicable to each port that conforms to the Commercial Private Ports Chamber and Port Union Federation; and (2) the agreement between La Plata Port Chamber and La Plata Stevedores Union.

CCT 431/05 was signed on June 1, 2005 and will expire once both parties decide to subscribe to a new CBA that will replace or substitute the agreement. It contains provisions on employee benefits to union members such as working day conditions, salary conditions, productivity incentives, meal allowance, paid leaves and union leave with pay. Salary increase is negotiated and agreed annually between both parties.

The agreement between La Plata Port Chamber and La Plata Stevedores Union is renewed annually and it establishes the annual salary increase and wage conditions for on call workers.

In September 2022, TecPlata and La Plata Stevedores Union signed a CBA establishing specific conditions for TecPlata's stevedores, such as working day conditions and salary conditions, among others.

ICTSI Rio. In January 2024, CBA between ICTSI Rio and Longshoremen was renewed effective January 2024 to January 2026. The CBA contains provisions on benefits for loose dock workers of the longshoremen category, such as crew, rostering, overtime compensation, vacation allowance, medical and dental benefits, and other economic provisions.

On October 6, 2023, signed a separate two-year CBA with Stevedoring valid until October 6, 2025. The CBA establishes the provisions for hiring stevedoring workers by demand, and following the similar benefits of CBA signed with Longshoremen.

IRB Logistica. IRB Logistica's CBA was renewed on May 1, 2023 and is effective until April 30, 2024. The CBA regulates employment contracts, overtime, supplements, vacations, salary increases or reductions, other benefits, health requirements, and security and conditions of termination of employment contracts. There have been no cases of strikes or stoppages since IRB Logistica took over operations in July 2021.

EMEA

BCT. In 2008, an agreement on salary regulations was signed between the Labor Union - Strike Committee and BCT Management Board.

Renegotiation on the CBA began in 2009 but was suspended at the insistence of the union. The Remuneration and Work Regulations addressed the outstanding issues of the CBA.

MICTSL. MICTSL assumed the CBA concluded by the previous port operator. In 2010, MICTSL adopted its own collective agreement by taking over some of the provisions of the previous CBA and integrating the social specificities of the Company.

In 2015, the CBA has been renegotiated to better consider the socio-economic context and to align the clauses with the legal framework.

The CBA regulates the Company's relationship with its staff in various aspects, including trade unions, the right to strike, staff representatives, the works council, the principles applied to hiring, the execution of contracts. The CBA also defines the obligations of the port operator in terms of medical care, housing allowances and leave, index salary scale on which the calculation of the applicable salaries is based.

Under the collective agreement and applicable employment regulations, union representatives may only be dismissed after the employer has successfully petitioned the labor inspectorate to do so. The collective agreement stipulates that there should be no reduction in acquired benefits.

The application of the CBA will continue by tacit renewal unless a revision, modification, or amendment is initiated by one of the parties following the procedure and modalities laid down.

AGCT. On December 9, 2021, AGCT's CBA was signed and remains effective until end of 2025. The CBA regulates employment contracts, overtime, add-ons, vacations, salary increases or decreases, other benefits, health and safety requirements, and conditions for termination of employment contracts. There have been no cases of strikes or walkouts in 2023.

IDRC. There is no labor union in IDRC but there is a framework in place for communication and grievances with elected labor representatives.

KMT. There is no labor union yet in KMT and there is no CBA signed with the limited number of employees of KMT. The employee benefits are based on the minimum requirements of the collective agreement for maritime carriers, freight forwarders and transport auxiliaries as well as the national collective agreement for port handling. These collective agreements regulate employment and working conditions in the port industry and specify the manner of executing the employment contracts, as well as the minimum benefits pertaining to overtime, bonuses, salary grades, salary changes, other benefits, promotions, trainings, union membership, termination and retirement, among others.

ICTSI Nigeria. In 2023, ICTS Nigeria finalized the CBA with the two unions: (1) Maritime Workers' Union of Nigeria (MWUN), valid until April 30, 2025; and (2) Senior Staff Association of Statutory Corporations and Government Owned Companies (SSASCGOC), valid until June 30, 2025.

ICTSI Iraq and BICTL. There are no labor unions in ICTSI Iraq and BICTL.

Risks Relating to the Group's Business

The outbreak, or threatened outbreak, of any severe communicable disease, such as the COVID-19 pandemic in 2020, could have a material adverse effect on the Group's business, financial condition and results of operations.

The outbreak of COVID-19, which was declared a global pandemic by organizations such as the World Health Organization in the first quarter of 2020, has severely affected the global economy. Several nations and territories, including areas where the Group operates, have imposed strict quarantine measures, social distancing rules, closure of work sites, restaurants, bars and non-essential services, and even complete lockdowns of certain populations or areas.

The Group's businesses experienced, as with other businesses particularly reliant on global trade, a general decline in the volume of containers due to disruptions in supply chains across the globe, as well as decreased demand due to the movement restrictions and slowdown of business activities. A similar global health crisis, which may necessitate the re-introduction of movement restrictions, may cause global trade volumes to decrease and have a material adverse effect on the Group's business and results of operations.

The Group's business is influenced by global and regional economic trends that affect the trades in which it operates.

Maritime transport remains the backbone of globalized trade and the manufacturing supply chain, as more than four fifths of world merchandise trade by volume is carried by sea and as such facilitated by the ports. In 2021, this fact has been even more palpable as disruption in maritime transport has also disrupted supply chains across the globe. Inevitably, the port sector as one of the main actors is not immune to significant global and regional economic developments. A large share of the globalized containerized trade continues to be consolidated across the major East-West trade arteries, namely Asia-Europe, the Trans-Pacific and Transatlantic. However, 60% of global containerized trade occurring on non-main lane trade routes (other routes), secondary routes involving emerging countries' trade are increasingly important. With a strong footprint in the emerging markets, the Group's risk exposure remains more isolated from global trade shift patterns such as the trade tensions because of overreliance on import demand from China.

The Group operates in a number of emerging markets that have experienced economic and political instability.

The Group operates mainly in emerging markets, many of which have experienced political and economic instability in the past and may be continuing up to the present. Many of the countries where the Group operates or may operate in the future continue to face significant budget deficits, limited foreign currency reserves, volatile exchange rates, and highly regulated and less sophisticated banking sectors. Common to many of these markets where ICTSI operates, including in the Philippines, continue to experience a high government turnovers, political scandals, terror attacks and civil strife. There is no assurance that the political environment in these countries will improve and become more stable, and that the future governments will be able to adopt economic policies to sustain economic growth.

The Group is dependent on concessions and other key contracts to conduct its business.

The conduct of the Group's business is restricted within the terms of the concession and other key contracts that put a limit to its operational and strategic options. ICTSI and subsidiaries usually only obtain the right, subject to certain conditions, to operate, manage and develop terminals for a set period of time. These contracts contain provisions that allow the relevant port authority to suspend, cancel or terminate the contract on specified grounds, including noncompliance with the terms of the contract and, in certain instances, the occurrence of a "change in control" of ICTSI without the consent of the relevant port authority or if the relevant port authority determines that the public interest may be better served by the cancellation of the contract in accordance with its regulations. Hence, there can be no assurance that further challenges in the Group's operations will not be raised or that its concessions will not be terminated for public policy reasons. Also, these concessions and key contracts may limit the ability of the Group to raise tariffs that it charges to customers. The Group's major contracts and agreements are disclosed in Note 25, *Significant Contracts and Agreements*, to the 2023 Annual Audited Consolidated Financial Statements.

The Group is limited in its ability to raise the tariffs billable to customers in most terminals.

The aforementioned contracts and agreements may prescribe maximum tariffs that the Group can charge or bill shipping lines and customers and either prohibit any changes in those tariffs without prior approval of the relevant port authority or subject the tariffs to an automatic adjustment mechanism. At certain terminals, tariff increases have recently been implemented in phases causing timing differences when the Group petitioned for an increase and the actual increase in tariff. In countries in which tariffs are not prescribed, such as Poland, Brazil, Australia and DR Congo, the Group is still limited in its ability to raise tariffs by market norms, competition and local demand.

The Group faces competition at its domestic and international terminals on factors such as location, facilities, supporting infrastructure, service and price.

Competition is heightened at domestic and international terminals on factors such as location, facilities, supporting infrastructure, service and price. The Group's competitors may offer lower tariffs than what its own terminal offers in a certain location; or have greater financial resources with which to develop the ports that they operate to provide better access and improved facilities, structure and services. One of the strategies that the Group employs is to acquire terminals in emerging markets, then improve operations and grow volume organically. If trading volume increases, competitors may begin to target these same markets. Increased competition from existing and future competitors may result in a reduction in the Group's market share in locations where it operates, a decrease in volume of containers it handles, or increased price competition which could result in possible declines in the Group's cash flows, operating margins and profitability.

The Group's failure to effectively manage its existing container terminal operations and growth as a result of rapid expansion and development may adversely impact the Group's business.

The Group's rapid expansion, especially overseas, limits its resources and could pose challenges for managing existing terminals and pursuing ambitious growth. It has presented, and will continue to present significant challenges for the Group's management, operational and administrative systems, and its ability to maintain effective systems of internal controls. The Group may not successfully integrate new acquisitions to meet its efficiency and performance standards, nor keep existing facilities up to those same standards. The Group needs to constantly develop and adjust management and administrative responsibilities to match market conditions, and its growth and expansion strategies. The Group's continued development into a global terminal operator requires it to identify new qualified personnel with widespread knowledge of its industry and the countries in which it operates. Failure to identify suitable personnel for these management and administrative positions may adversely affect the Group's ability to manage its growth and continue to pursue its growth strategy and eventually impact its business, results of operations and financial condition.

The Group's results of operations and financial condition may be adversely affected by exchange rate fluctuations.

Because of the geographic diversity of the Group's business, it receives revenue and incurs expenses in a variety of currencies. Its revenues are primarily in U.S. dollar, Philippine peso, Mexican peso, Australian dollar, Brazilian real and Euros while its expenses are generally in local currencies. The Group attempts to operationally hedge its foreign exchange exposure by matching its revenues and expenses whenever possible and, from time to time, engages in hedging activities to mitigate residual foreign exchange cash flow exposures. The Group is subject to translation risks whereby changes in exchange rates impact its reported revenues in U.S. dollar terms. Because the Group reports its financial statements in U.S. dollars, increases in the value of the U.S. dollar against the currencies in which it receives revenues in its international operations, such as Philippine peso, Mexican pesos, Australian dollar, Brazilian real and Euros, could restrict its revenue growth in U.S. dollar terms and vice versa. Continued fluctuations in the value of the U.S. dollar against its other subsidiaries' functional currencies could cause the Group's revenues to decrease in U.S. dollar terms and distort comparisons of its results of operations and financial condition across periods.

The Group's business has high dependence upon key personnel with special skills that are not readily available in the market.

In order for the Group to maintain its operating and performance standards, it highly leverages on the continued service of key personnel. The Group has a relatively small management team which makes it more dependent on senior personnel than some of its larger competitors. With the rapid growth of the container terminal industry, competition for skilled senior employees becomes intense and there are limited numbers of qualified candidates. The Group's business and results of operations may be adversely affected if any of the existing key personnel leaves their position and the Group fails to find a similarly competent replacement.

The Group is subject to the risk of system failures.

The Group's business is highly reliant on complex information technology and automated systems to handle its terminal operations for high productivity and efficient handling of containers. Any systems failure may result in delayed or hindered terminal operations. These events may adversely affect the achievement of the Group's planned business growth and results of operations.

The Group's facilities could be exposed to unforeseen catastrophic events over which it has little or no control and the impact of climate change risks

The Group's facilities could be exposed to effects of natural disasters and other potentially catastrophic events, such as major accidents, acts of God, terrorist attacks, armed conflicts and hostilities. To cite, the Philippines is vulnerable to typhoons, earthquakes and other major natural disasters, which could suspend MICT's operations temporarily or damage or destroy key equipment. Since operations at MICT have historically provided the majority of the Group's revenues from port operations, occurrence of a catastrophic event affecting the Philippines could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, the Group is facing a range of risks related to climate change that may impact the Group's operations, financial performance, and strategic objectives. Some of the key areas of concern are rising sea levels and extreme weather events, regulatory and legal risks, supply chain disruptions, and insurance and financial risks.

The Group is subject to regulations that govern operational, environmental and safety standards.

Lastly, the Group's terminal services are conducted under licenses, concessions, permits or certificates granted by applicable regulatory bodies in the countries in which it operates. Various environmental and safety standards may also be enforced by each jurisdiction in which the Group operates. Failure to comply with relevant laws and regulations may result in financial penalties or administrative or legal proceedings against the Group, including revocation or suspension of the Group's concessions or licenses, which may adversely impact results of operations and financial condition.

Henceforth, the Group has established an Enterprise Risk Management program to assess and ensure that the potential impact and likelihood of any of these risks are minimized and will not adversely impact the Group's business as a whole through an established risk assessment, communication, mitigation and monitoring process. These business risks, however, might result to financial statement risks for which the Group identifies and includes as part of its financial risk management objectives and policies. These risk factors are further discussed in Part III, Item 6 of this report and in Note 28, *Financial Risk Management Objectives and Policies*, to the 2023 Annual Audited Consolidated Financial Statements.

Properties Principal Facilities

Asia

Philippines – MICT. MICT provides a full range of container cargo handling services to shipping lines transporting international containerized cargo to and from the Port of Manila with an estimated handling capacity of 3,350,000 TEUs per year after the completion of Berth 7. In January 2021, ICTSI completed the development of additional 150 meters of Berth 7 and 5.5 hectares of container yard, which were required under the concession contract with the PPA. This created a 600-meter continuous berth together with the adjacent Berth 6 to accommodate over 8,000-TEU capacity vessels. MICT occupies a total land area of 105.2 hectares, of which 100.6 hectares have been developed and includes seven berths. MICT also has a 1,850-meter long wharf that can accommodate six to seven ships, depending on the ships' sizes.

Adjacent to the MICT wharf is a container yard, with a total stacking capacity of 73,000 TEUs, 3,672 TEUs of which are refrigeration-ready with reefer plugs. MICT has two gates: both inbound and outbound have seven lanes. The terminal is fully equipped with security features recommended by the United States Homeland Security Agency, including a closed-circuit television surveillance system capable of facial and vehicle license plate recognition and intrusion detection.

Development of Berth 8 commenced in the last quarter of 2022. Phases 1 and 2 of the development will add 300 meters of berth and an additional 5.3 hectares of yard or yard capacity of about 200,000 TEUs, and are expected to be completed in the last quarter of 2024 and in 2027, respectively.

As at December 31, 2023, MICT has a total of 17 quay cranes (QCs) complemented by 48 rubber tire gantries (RTGs), of which 44 are hybrid, 12 empty container handlers (ECHs), three reach stackers (RSs), 23 forklifts, 83 terminal tractors and 88 terminal trailers.

Philippines – Manila North Harbor. MNHPI has a concession contract with the PPA for the development, management, operation and maintenance of Manila North Harbor. MNHPI commenced commercial operations on April 12, 2010. MNHPI is committed to modernize and develop Manila North Harbor to transform it to a premier maritime hub. MNHPI provides cargo handling services for containerized and break-bulk cargoes to shipping lines and tramp vessel operators plying the domestic routes. Overall, the port facility can accommodate up to 2,200,000 TEUs of containerized cargoes, 2,000,000 metric tons of break-bulk cargoes and 1,460,000 passengers per year.

The 60.96-hectare land area is divided into three terminals namely, Container Terminal, Multi-Purpose Terminal and Ro-Ro Terminal. These terminals work in synergy to optimize the port operations. MNHPI has total quay length of 5,758 meters equivalent to 36 berthing positions, and handles an average of about 4,200 vessel calls per year.

MNHPI completed the Phase 1 of the Development Program and this provided modern port facilities including a modern Container Terminal, Ro-Ro Terminal, a modern Passenger Terminal Complex and One-Stop Processing Centers, allowing efficient processing of transactions between shipping lines, MNHPI, PPA and other government agencies.

As at December 31, 2023, MNHPI also has a fleet of modern cargo handling equipment which include eight QCs, 27 RTGs, 18 RSs, nine ECHs and 15 heavy forklifts, among others. Ancillary facilities were also built such as six weighbridges, the power center equipped with two 2.5 MVA (2MW) generator sets for back-up power, and the reefer facility with 264 plugs.

China – Port of Yantai. YICT's terminal covers an area of 76.7 hectares with four berthing positions of 14 to 17 meters in depth and occupying a total length of 1,300 meters. The estimated handling capacity of YICT is 1,300,000 TEUs per year. As at December 31, 2023, YICT has seven QCs that handle loading and unloading of cargoes with the support from two ECHs, three RTGs, five RSs, 12 prime movers, 23 forklifts, 20 rail mounted gantries (RMGs) and 33 chassis.

Australia – Port of Melbourne. On May 2, 2014, ICTSI, through its subsidiary in Australia, VICT, signed a contract with Port of Melbourne (POM) for the design, construction, commissioning, maintenance, operation and financing of Melbourne's Webb Dock new international container terminal and empty container park. The contract grants a lease concession until 2040. Phase 1 of the terminal comprised of a berth of 330 meters fitted with three neo-Panamax ship-to-shore cranes, 23.8 hectares of yard with fully automated operations from gate to quayside. Phase 2 of the terminal comprised of a 330-meter berth fitted with additional two neo-Panamax ship-to-shore cranes and 11.5 hectares of yard.

On August 3, 2021, POM committed to carry out berth extension works adding 71 meters to the existing quay together with a designated hard stand area behind the extended quay that will collectively add 6,821.3 square meters to the original leased area. The POM expansion works commenced in March 2022 and were completed in December 2023.

On September 15, 2021, VICT received the approval from the POM for the commencement of the development of the first of two sub-phases of the Phase 3 expansion plan (Phase 3A). Phase 3A includes the addition of two super-post-Panamax ship-to-shore cranes with a 22-container outreach, six automated container carriers (ACCs), six automated stacking cranes (ASCs), and the construction of three-yard modules (with 325 ground slots). Phase 3A development was completed in December 2023. The Phase 3A expansion increased annual capacity up to an estimated 1,250,000 TEUs.

As at December 31, 2023, VICT operates with seven QCs, one RS, 26 ASCs, 17 ACCs, three forklifts and two prime movers.

Americas

Ecuador – Guayaquil Container and Multipurpose Terminal. CGSA is the exclusive operator of a container and multipurpose terminal in the Port of Guayaquil, Ecuador. The total land area of the terminal is 133.52 hectares, of which 92.5 hectares is developed. The total berth length is 1,717.5 meters with 10 berthing positions including a tugboat berth with 10.5 meters of depth. The estimated handling capacity of CGSA is 1,400,000 TEUs per year with 3,819 reefer plugs to accommodate the demand for the containerization of bananas.

In 2019, two of the quay cranes have been extended (in terms of boom and height), Berths 1 to 1C have been reinforced and such same berths now have a depth of 13.5 mean low water spring that allow the terminal to receive 366 length overall (LOA) vessels. As at December 31, 2023, CGSA has six QCs and three MHCs that are supported by 23 RTGs, six RSs, six ECHs, 44 forklifts and a huge fleet of transportation equipment that handle the movement of containerized cargoes at the terminal.

Brazil – Suape Container Terminal. TSSA is the exclusive operator of the container terminal in the port in Suape, Brazil until the earlier of (a) throughput of 250,000 boxes (approximately 400,000 TEUs) for three consecutive years or (b) after the first 15 years of the concession. The terminal covers a developed area of 39.4 hectares and undeveloped area of 2.5 hectares. TSSA has a 660-meter long two-berth wharf, a 30-hectare container yard, 576 reefer plugs, a 4,900-square meter CFS and seven weighing scale. The estimated handling capacity of TSSA is 700,000 TEUs per year.

TSSA has completed the build-out of the infrastructure of the Suape Container Terminal, including the acquisition of equipment and the development of civil works, such as yard expansions. As at December 31, 2023, TSSA has four QCs, 12 RTGs, five RSs, four ECHs, 18 forklifts, 32 prime movers and 44 chassis that complement the servicing of all movements of containerized cargoes inside the terminal.

Mexico – Port of Manzanillo. In June 2010, ICTSI signed a 34-year concession for the development and operation of the TEC-II at the Port of Manzanillo in Mexico. ICTSI established CMSA to operate the Port of Manzanillo. The port development project covers about 77 hectares with 1,080 meters of seafront. The development of the container terminal will be done in three phases. Phase 1 has a berth length of 720 meters with two berthing positions with a depth of 16 meters and yard capacity of 967,000 TEUs.

Phase 2 involved the construction of 180 meters of additional berth, and acquisition of two QCs and four RTGs with increased yard capacity of 1,571,000 TEUs.

Phase 3A development started in December 2022 which comprises the construction of 180 meters of additional berth, and acquisition of two QCs and five RTGs. Phase 3A development is expected to be completed in December 2024 and will increase yard capacity to 1,774,000 TEUs.

As at December 31, 2023, the estimated handling capacity of CMSA is 1,400,000 TEUs with eight QCs supported by eight RSs, nine ECHs, 29 RTGs, 27 forklifts, 65 prime movers and 65 chassis.

Honduras – Puerto Cortés. On February 1, 2013, ICTSI won and was awarded the contract for the Design, Financing, Construction, Maintenance, Operation and Exploitation of the Specialized Container and General Cargo Terminal of Puerto Cortés in the Republic of Honduras for a period of 30 years through a public hearing held in Tegucigalpa, Honduras. OPC started its commercial operations in December 2013. The terminal has a 826-meter pier with three berthing positions and depth from 12 meters to 14 meters, 19.9-hectare container yard, 1,744 reefer plugs, a 7,600-square meter CFS and has an estimated annual capacity of 1,000,000 TEUs. As at December 31, 2023, OPC has three QCs, four MHCs, three ECHs, 19 RSs, 27 forklifts, 52 prime movers and 67 chassis.

EMEA

Poland – Port of Gdynia. BCT has an existing lease contract to operate the Container Terminal in Gdynia, Poland. The terminal covers an area of 57 hectares and its facilities include a 790-meter long wharf with five berths (four of which are for container loading and unloading operations and one of which is equipped with a hydraulic ramp for roll-on roll-off operations), a container stacking yard, a cargo handling zone, two warehouses and a rail facility with three rail tracks. The estimated handling capacity of BCT is 1,200,000 TEUs per year. As at December 31, 2023, BCT has five QCs, two MHCs, two RMGs, five RSs, 18 RTGs, 26 forklifts, 32 chassis, 32 prime movers and two straddle carriers.

Iraq – Port of Umm Qasr. On April 10, 2014, 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 a 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 a period of 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.

The Port covers an area of 78.2 hectares, 5.5 hectares of which is still undeveloped. The Port has six berths with length of 1,100 meters and depth of up to 14 meters. As at December 31, 2023, the estimated handling capacity of ICTSI Iraq is 1,200,000 TEUs with seven QCs, nine ECHs, 10 RTGs, 23 forklifts, 13 RSs, 34 chassis and 29 prime movers.

Other Properties Owned by ICTSI and Subsidiaries

Location	**Descriptions/Owner**	**Encumbrance**
Cabuyao, Laguna, Philippines	20-hectare property that was original site of the inland container depot project/IWI Container Terminal Holdings, Inc. (IWI CTHI)[1]	None
Calamba, Laguna, Philippines	25-hectare property which is the site of LGICT's one-stop inland container terminal/ICTSI	None
Bauan, Batangas, Philippines	20-hectare (approximately) property in Batangas acquired from AG&P in December 1997/BIPI[2]	None
Tanza, Cavite, Philippines	6-hectare property located in Tanza, Cavite acquired by CGT[1] from Capital Resources Corporation and the Heirs of Francisco Joaquin for use in the gateway terminal business of CGT.	1 of the 62 TCTs (1,113sqm of the total 63,513sqm area)
Tondo, Manila, Philippines	10-hectare lot used for storage within the 79-hectare Manila Harbour Centre complex/MHCPSI	None
Tondo, Manila, Philippines	3.2-hectare property located within Manila Harbor Centre complex leased to MHCPSI to be used for port services, management and operations business/ICTSI	None
Gdynia, Poland	3.5-hectares of lot with a building owned by BCT was acquired from local real estate company. These properties are being leased to third parties.	None
Central Matadi, DR Congo	18.41-hectares of land owned by IDRC, 10.47-hectares of which is where the existing terminal is built, while 7.94-hectares is being developed as part of the Phase 2 terminal expansion.	10.47-hectares was mortgaged to Rawbank DRC
Tuxpan, Mexico	29.1 hectares of land where the maritime container terminal in the Port of Tuxpan, Mexico was planned to be constructed.	None

[1] *100% owned by ICTSI*
[2] *100% owned by IWI CTHI*

Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

Principal Market where Company's common equity is traded: Philippine Stock Exchange

As at the latest practicable trading date on February 29, 2024, the share prices of ICTSI were:

	In US Dollar	*In Philippine Peso*
Opening	US$5.04	₱283.0
High	5.19	291.4
Low	5.04	283.0
Closing	5.14	289.0

* *Amounts expressed in Philippine peso have been translated to USD using the closing exchange rate quoted from the Bankers Association of the Philippines as at the end of February 29, 2024.*

The high and low share prices for each quarter within the last two years are:

Calendar Period	**Price/Common Share***			
	gh		**w**	
	In US Dollar	*In Philippine Peso*	*In US Dollar*	*In Philippine Peso*
2022				
Quarter 1	US$4.494	₱232.50	US$3.732	₱193.09
Quarter 2	4.202	231.00	3.274	180.00
Quarter 3	3.314	194.30	2.671	156.60
Quarter 4	3.713	207.00	2.915	162.50
2023				
Quarter 1	US$4.046	₱219.93	US$3.578	₱194.53
Quarter 2	3.967	219.00	3.524	194.50
Quarter 3	3.836	217.00	3.507	198.40
Quarter 4	4.457	246.80	3.603	199.50

* *Amounts expressed in Philippine peso have been translated to USD using the closing exchange rates quoted from the Bankers Association of the Philippines as at end of each quarter in 2022 and 2023.*

Holders

The number of common stockholders of record as at the latest practicable date on December 31, 2023 was 1,338. Common shares issued and outstanding as at the same date were 2,045,177,671 shares (including 13,189,068 treasury shares). While Preferred A and B shares outstanding as at the same date were 3,800,000 shares and 700,000,000 shares, respectively.

As at December 31, 2023, the public ownership level of the Company is at 51.28% based only on outstanding common shares (excluding 13,189,068 treasury shares). The public ownership level of the Company is at 38.14% if both issued and outstanding common shares (including treasury shares) and Preferred B voting shares are considered.

The following are the Company's top 20 registered common stockholders as at December 31, 2023:

Name		No. of Shares Held	% of Total*
1.	PCD Nominee Corporation (Filipino)	909,150,810	44.45%
2.	PCD Nominee Corporation (Non-Filipino)	680,842,095	33.29%
3.	Bravo International Port Holdings, Inc.	279,675,000	13.67%
4.	Achillion Holdings, Inc.	80,000,000	3.91%
5.	Sureste Realty Corporation	23,016,176	1.13%
6.	A. Soriano Corporation	18,850,637	0.92%
7.	Enrique Razon	18,143,687	0.89%

8.	Enrique K. Razon Jr. As Voting Trustee	15,936,201	0.78%
9.	Razon Industries, Inc.	3,758,133	0.18%
10.	Stephen Paradies	3,087,473	0.15%
11.	Felicia S. Razon	868,725	0.04%
12.	Cosme Maria De Aboitiz	527,343	0.03%
13.	Ma. Consuelo R Medrano &/or Victorino S Medrano Jr	250,000	0.01%
14.	Jose Sy Ching	220,000	0.01%
15.	Silverio J. Tan	200,000	0.01%
16.	Ma. Socorro S. Gatmaitan	196,000	0.01%
17.	Alberto Mendoza &.or Lawrence Mendoza	192,457	0.01%
18.	Cbna Mla Obo Ac 6011800001	170,870	0.01%
19.	Ma. Henrietta R. Santos	155,053	0.01%
20.	Alberto Mendoza &/or Jeanie C. Mendoza	149,687	0.01%

**Percentage ownerships were computed based on the total number of issued and outstanding common shares of 2,045,177,671 (including 13,189,068 treasury shares.*

Security Ownership of Certain Beneficial Owners and Management

Beneficial Owners

The following are known to the registrant to be, directly or indirectly, the record or beneficial owner of more than five percent (5%) of its voting securities as of December 31, 2023:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage*
Common	PCD Nominee Corporation (Non-Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	The Hongkong & Shanghai Banking Corp. Ltd. – Clients' Acct. – 5/F HSBC Centre 3058 Fifth Avenue, West Bonifacio Global City, Taguig, Metro Manila Represented by Kathy Dela Torre, Senior Vice President and Head, HSBC Securities Services and Bettina Tuazon, Vice President Client Services, only hold legal title as custodian in favor of various clients, and is not the beneficial owner of the lodged shares.	Foreign	285,421,209	10.45%
Common	PCD Nominee Corporation (Non-Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	Standard Chartered Bank Philippines- Clients' Acct. – 20/F Ayala Triangle Gardens Tower Two (ATG T2), Paseo de Roxas corner Makati Avenue, Makati City, Metro Manila Represented by Irving Del Rosario, Head of Securities Services Operations, only hold legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares.	Foreign	259,652,768	9.50%
Common	PCD Nominee Corporation (Filipino) Philippine Central Depository, Inc.	AB Capital Securities, Inc., Units 1911-1912, 19/F, PSE Tower, 5th Avenue corner 28th St., Bonifacio Global City, Taguig, Metro Manila	Filipino	489,952,672	17.93%

	29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	Represented by Lamberto M. Santos Jr., President; Ericsson C. Wee, First Vice, President;, only hold legal title as custodian in favor of various clients, and is not the beneficial owner of the lodged shares.			
Common	Bravo International Port Holdings, Inc. 104 H.V. dela Costa St., 17-19 Floors Liberty Center Salcedo Village, Makati, Metro Manila	Bravo International Port Holdings, Inc. represented by Enrique K. Razon, Jr., its President	Filipino	279,675,000	10.24%
Preferred B	Achillion Holdings, Inc. 104 H.V. dela Costa St., 17-19 Floors Liberty Center Salcedo Village, Makati, Metro Manila	Achillion Holdings, Inc. represented by Enrique K. Razon, Jr., its President	Filipino	700,000,000	25.62%

** Percentage ownerships were computed using total number of issued and outstanding common shares, preferred B voting shares of 2,731,988,603 (which excludes treasury shares and preferred A non-voting shares) as at December 31, 2023).*

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Citizenship	Amount and nature of beneficial ownership (D) Direct and (I) Indirect		Percentage [1]
Common & Preferred B	Enrique K. Razon Jr.[2]	Filipino	1,682,230,747	D & I	61.58%[3]
Common	Stephen A. Paradies	Filipino	4,346,603	D & I	0.16%
Common	Jose C. Ibazeta	Filipino	1,544,260	D	0.06%
Common	Andres Soriano III	American	650,481	D & I	0.02%
Common	Christian R. Gonzalez	Filipino	513,985	D	0.02%
Common	Silverio Benny J. Tan	Filipino	273,000	D	0.01%
Common	Antonio G. Coronel	Filipino	192,578	D	0.01%
Common	Arlyn L. McDonald	Filipino	78,753	D	0.00%
Common	Arnie D. Tablante	Filipino	55,832	D & I	0.00%
Common	Emilio Manuel V. Pascua	Filipino	54,384	D	0.00%
Common	Benjamin M. Gorospe III	Filipino	49,378	D	0.00%
Common	Diosdado M. Peralta	Filipino	30,450	D	0.00%
Common	Cesar Buenaventura	Filipino	20,001	D	0.00%
Common	Caroline C. Causon	Filipino	9,448	D	0.00%
Common	Rafael T. Durian	Filipino	1,000	D	0.00%
Common	Carlos C. Ejercito	Filipino	10	D	0.00%

[1] Percentage ownerships were computed using total number of issued and outstanding common and preferred B voting shares of 2,731,988,603 (which excludes treasury shares and preferred A non-voting shares) as at December 31, 2023.
[2] Shares in the name of Enrique K. Razon, Jr. and Razon Group.
[3] The percentage ownership of Enrique K. Razon, Jr. and the Razon Group is at 61.49% if based on the total number of issued and outstanding common shares, preferred B voting shares and preferred A non-voting shares of 2,735,788,603 (which excludes treasury shares) as at December 31, 2023.

Dividends and Dividend Policy

The details of ICTSI's declaration of cash dividends are as follows:

	2021	**2022**	**2023**
Date of Board approval	March 15, 2021; August 6, 2021	March 3, 2022	**March 6, 2023**
Cash dividends (regular) per share	US$0.069 (₱3.38)	US$0.106 (₱5.56)	**US$0.156 (₱8.56)**
Cash dividends (special) per share	US$0.032 (₱1.62)	US$0.008 (₱0.44)	**US$0.026 (₱1.44)**
Record date	March 30, 2021; August 20, 2021	March 18, 2022	**March 20, 2023**
Payment date	April 12, 2021; September 1, 2021	March 28, 2022	**March 28, 2023**

Dividends may be declared only out of the unrestricted retained earnings. A board resolution is required for declaration of dividends. In addition, approval of stockholders representing at least two-thirds of the outstanding capital stock is required for the payment of stock dividends. Dividends are payable to all common stockholders, on the basis of outstanding shares held by them, each share being entitled to the same unit of dividend as any other share. Dividends are payable to stockholders whose names are recorded in the stock and transfer book as at the record date fixed by the Board. Preferred A shareholders are entitled to dividends at rates to be fixed by the Board. As at December 31, 2023, the Board has not set the dividend rate for Preferred A shares. On the other hand, Preferred B shareholders shall earn no dividends.

Moreover, retained earnings were reduced by distributions paid out by Royal Capital B.V. (RCBV), a subsidiary of ICTSI, to holders of Securities aggregating US$67.3 million in 2021, US$35.4 million in 2022 and US$29.0 million in 2023. Please refer also to Note 15, *Equity*, to the 2023 Audited Annual Consolidated Financial Statements.

Of the net consolidated retained earnings of US$346.2 million, US$687.4 million and US$799.7 million, as at December 31, 2021, 2022 and 2023, respectively, undistributed cumulative earnings of subsidiaries in retained earnings position amounting to US$1,310.4 million, US$1,455.3 million, and US$1,842.7 million as at December 31, 2021, 2022 and 2023, respectively, are not available for dividend distribution. As at December 31, 2023, the retained earnings of the Parent Company is restricted for dividend declaration to the extent of the cost of treasury shares held amounting to US$43.8 million.

The appropriated retained earnings of the Parent Company amounted to nil in 2021, 2022 and 2023.

As at December 31, 2023, the unappropriated retained earnings of the Parent Company that is available for dividend declaration amounted to US$471.6 million

Recent Sale of Unregistered Securities

There is no sale of unregistered securities in 2021, 2022 and 2023.

Description of Registrant's Securities

ICTSI's capital stock is comprised of common and preferred shares. Common shares are listed and traded in the Philippine Stock Exchange. Preferred shares comprising of Preferred A and B shares are not traded. Details and movement in the shares of stock of ICTSI are disclosed in Note 15, *Equity*, to the 2023 Audited Annual Consolidated Financial Statements.

The stockholders of ICTSI, in a special stockholders meeting held on August 11, 2010, approved the creation of a class of voting low par value preferred shares. The stockholders representing at least 2/3 of the outstanding capital stock of ICTSI approved the amendment of the articles of incorporation of ICTSI to reclassify the existing 1,000,000,000 authorized Preferred Shares with a par value of US$0.048 (₱1.00) per share into: (a) 993,000,000 Preferred A Shares with a par value of US$0.048 (₱1.00) per share, inclusive of the outstanding Preferred Shares, and (b) 7,000,000 Preferred shares which were further reclassified into 700,000,000 Preferred B Shares with a par value of US$0.0002 (₱0.01). The creation of a class of low par value voting preferred shares was authorized by the Board on June 18, 2010.

The Preferred A shares, which were subscribed to by International Container Terminal Holdings, Inc., are non-voting, entitled to dividend at rates to be fixed by the Board, non-cumulative, convertible to common shares under such terms to be provided by the Board, redeemable at such price and terms determined by the Board and have preference over common shares in the distribution of the assets of the Parent Company (see Note 15.3 to the 2023 Audited Annual Consolidated Financial Statements). As at February 28, 2024, the Board has not fixed the dividend rate and terms of conversion of Preferred A shares.

The Preferred B shares were issued to Achillion Holdings, Inc. (Achillion). As at February 28, 2024, Preferred B shares have the following features: voting; issued only to Philippine Nationals; not convertible into common shares; earn no dividend and redeemable at the option of the Board.

ANNEX "B"

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

					1	4	7	2	1	2

C O M P A N Y   N A M E

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
ictsi.ir@ictsi.com	8245-4101	09285031362

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,338	04/15	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Arlyn L. McDonald	alacanienta@ictsi.com	8245-4101	09178454608

CONTACT PERSON's ADDRESS

3F ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

International
Container Terminal
Services, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of International Container Terminal Services, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as of and for the years ended December 31, 2021, 2022 and 2023, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, have audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Enrique K. Razon, Jr.	**Emilio Manuel V. Pascua**	**Arlyn L. McDonald**
Chairman and President	Senior Vice President, Chief Financial Officer, and Chief Risk Officer	Vice President, Global Financial Controller

Signed this 28th day of February 2024.

SUBSCRIBED AND SWORN to before me this 28th day of February 2024 affiants personally appeared before me, exhibiting to me their respective government issued identification cards with photographs as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Enrique K. Razon, Jr.	P6820100A	19 April 2018	Manila
Emilio Manuel V. Pascua	P5670006A	18 January 2018	Manila
Arlyn L. McDonald	P9344651B	25 March 2022	Manila

Doc. No. 80
Page No. 2
Book No. 44
Series of 2024.

ATTY. MANUEL A. RODRIGUEZ II
Notary Public-Until Dec. 31, 2024
Notarial Commission No. 2023-062
2nd Floor Midland Plaza Hotel, Adriatico St., Ermita Mla
IBP No. 2[illegible]143-Nov. 3, 2022 for 2023-Pasig City
PTR NO. 0822025 - Jan. 3, 2023-Manila
MCLE NO. VII-0005642- 12/3/2021-until 2025 Roll NO. 687[illegible]

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
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Tel: (632) 8891 0307
Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building, Manila International
Container Terminal South Access Road, Manila

Opinion

We have audited the consolidated financial statements of International Container Terminal Services, Inc. (ICTSI) and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2021, 2022 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, 2022 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill and Nonfinancial Assets with Impairment Indicators

Under PFRSs, the Group is required to annually perform an impairment test of the carrying amounts of its goodwill. When indicators of impairment exist, the Group is also required to test for impairment its other nonfinancial assets. The impairment testing is significant to our audit because the carrying amount of goodwill and nonfinancial assets with impairment indicators of certain subsidiaries aggregating to US$168.1 million as of December 31, 2023 is material to the consolidated financial statements. In addition, management's assessment process involves significant judgment and estimation based on assumptions which are affected by market or economic conditions in the country where the cash-generating unit (CGU) operates. For value-in-use calculation of certain CGUs, the assumptions used in the forecasted free cash flows include forecasted revenue growth, earnings before interest, tax, depreciation and amortization (EBITDA) margins at the CGU level, capital expenditures and weighted average cost of capital.

The Group's disclosures about the impairment testing of goodwill and other nonfinancial assets are included in Notes 3, 10 and 11 to the consolidated financial statements.

Audit Response

We involved our internal specialist to assist us in evaluating the assumptions and methodologies used by the Group in determining recoverable amount, which is the higher of value-in-use and fair value less costs of disposal. For the value-in-use calculation of CGUs, the assumptions used in the forecasted free cash flows include revenue growth, EBITDA margins at the CGU level, capital expenditures and weighted average cost of capital. We reviewed the bases and assumptions for estimates of free cash flows, particularly those relating to the forecasted revenue growth and EBITDA margins at the CGU level, by comparing against historical performance of the CGU, or comparable country, regional or global market data or against the historical performance of other subsidiaries of the Group in the region. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of the goodwill and other nonfinancial assets. We also tested the mathematical accuracy of the calculation.

Recognition and Measurement of Deferred Income Taxes

The Group operates port terminals in nineteen (19) countries through several domestic and foreign subsidiaries that are governed by varying and complex income tax laws and regulations. Accordingly, management's assessment process for the recognition and measurement of deferred tax assets and liabilities involves the exercise of significant judgments and estimations using assumptions that are sensitive to future market or economic conditions as well as the forecasted performance of the relevant subsidiaries in the Group. As of December 31, 2023, the Group recognized deferred tax assets amounting to US$408.7 million and deferred tax liabilities amounting to US$273.5 million.

The Group's disclosures about deferred tax assets and liabilities are included in Notes 3 and 22 to the consolidated financial statements.

Audit Response

We involved our internal specialists in the countries where the Group's port terminals are located to review management's recognition and calculations of deferred taxes. We reviewed the management's assessment on the availability of future taxable income in reference to financial forecasts and tax planning strategies to support the realizability of the amounts recognized. We evaluated management's forecasts by comparing revenue growth and EBITDA margins. We reviewed the bases and assumptions for estimates of future taxable income, in particular those relating to the forecasted revenue growth and EBITDA margins, which we compared against historical performance and available comparable market data. We also reviewed the timing of the reversal of future taxable and deductible temporary differences. We also reviewed the bases for recognition of deferred tax liabilities on undistributed cumulative earnings of certain subsidiaries by reviewing the historical and forecasted dividend declaration made by those subsidiaries.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended December 31, 2023 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20 IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2023, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Roel E. Lucas.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10079958, January 6, 2024, Makati City

February 28, 2024

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	As at December 31		
	2021	2022	**2023**
ASSETS			
Noncurrent Assets			
Intangibles (Notes 1, 5 and 25)	US$2,077,304,536	US$2,407,343,955	**US$2,389,063,462**
Property and equipment (Notes 1, 6, and 16)	1,510,840,297	1,655,697,582	**1,845,693,951**
Right-of-use assets (Notes 1, 7 and 25)	664,266,147	723,831,838	**916,366,357**
Investment properties (Note 8)	6,374,130	5,809,337	**5,633,749**
Investments in and advances to joint ventures and associate (Notes 1, 9 and 23)	449,201,522	250,265,699	**271,502,661**
Deferred tax assets (Note 22)	337,753,614	392,885,603	**408,653,279**
Other noncurrent assets (Notes 1, 10, 27 and 28)	323,172,170	352,988,089	**195,859,476**
Total Noncurrent Assets	5,368,912,416	5,788,822,103	**6,032,772,935**
Current Assets			
Cash and cash equivalents (Notes 1, 12, 27 and 28)	657,593,529	838,939,670	**716,104,043**
Receivables (Notes 1, 13, 27 and 28)	135,012,389	157,911,285	**182,507,225**
Spare parts and supplies (Note 1)	42,166,135	52,868,258	**55,822,377**
Prepaid expenses and other current assets (Notes 1, 14, 27 and 28)	62,775,308	207,450,090	**247,454,041**
Derivative assets (Notes 27 and 28)	–	7,628,298	**10,198,303**
Total Current Assets	897,547,361	1,264,797,601	**1,212,085,989**
	US$6,266,459,777	US$7,053,619,704	**US$7,244,858,924**
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Capital stock:			
Preferred stock (Note 15)	US$236,222	US$236,222	**US$236,222**
Common stock (Note 15)	67,330,188	67,330,188	**67,330,188**
Additional paid-in capital (Notes 15 and 20)	572,814,879	573,980,749	**577,430,605**
Cost of shares held by subsidiaries (Note 15)	(72,492,481)	(72,492,481)	**(72,492,481)**
Treasury shares (Notes 15 and 20)	(12,481,187)	(39,991,203)	**(38,330,159)**
Excess of consideration over the carrying value of non-controlling interests acquired or disposed (Notes 1 and 15)	(171,875,534)	(172,684,906)	**(169,922,520)**
Retained earnings (Note 15)	346,227,001	687,449,513	**799,685,565**
Perpetual capital securities (Note 15)	795,224,279	583,162,965	**583,162,965**
Other comprehensive loss - net (Notes 9, 10, 15, 24 and 27)	(203,295,485)	(198,410,686)	**(154,358,265)**
Total equity attributable to equity holders of the parent	1,321,687,882	1,428,580,361	**1,592,742,120**
Equity Attributable to Non-controlling Interests (Note 15)	189,891,121	298,091,602	**312,425,668**
Total Equity	1,511,579,003	1,726,671,963	**1,905,167,788**
Noncurrent Liabilities			
Long-term debt - net of current portion (Notes 1, 6, 16, 27 and 28)	2,068,771,450	1,693,953,701	**1,990,036,959**
Concession rights payable - net of current portion (Notes 1, 25, 27 and 28)	711,846,090	740,188,980	**742,334,740**
Lease liabilities - net of current portion (Notes 1, 7, 25 and 28)	1,253,371,229	1,328,112,398	**1,571,022,387**
Deferred tax liabilities (Notes 1 and 22)	182,930,636	262,345,660	**273,522,534**
Other noncurrent liabilities (Notes 1, 17, 24, 27 and 28)	41,844,164	36,517,230	**47,157,301**
Total Noncurrent Liabilities	4,258,763,569	4,061,117,969	**4,624,073,921**
Current Liabilities			
Loans payable (Notes 18, 27 and 28)	5,032,970	337,020,000	**139,562,649**
Accounts payable and other current liabilities (Notes 1, 19, 23, 27 and 28)	321,863,798	392,329,036	**412,135,523**
Current portion of long-term debt (Notes 1, 6, 16, 27 and 28)	76,836,083	439,893,717	**42,389,052**
Current portion of concession rights payable (Notes 1, 25, 27 and 28)	11,188,766	14,227,765	**14,682,499**
Current portion of lease liabilities (Notes 1, 7, 25 and 28)	29,223,519	25,585,758	**41,877,334**
Income tax payable (Notes 1 and 22)	46,411,741	56,773,496	**64,970,158**
Derivative liabilities (Notes 17, 27 and 28)	5,560,328	–	**–**
Total Current Liabilities	496,117,205	1,265,829,772	**715,617,215**
Total Liabilities	4,754,880,774	5,326,947,741	**5,339,691,136**
	US$6,266,459,777	US$7,053,619,704	**US$7,244,858,924**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2021	2022	**2023**
INCOME			
Gross revenues from port operations (Notes 4 and 25)	US$1,865,020,500	US$2,242,991,855	**US$2,388,326,383**
Interest income (Notes 12 and 23)	22,213,250	39,052,181	**57,976,544**
Foreign exchange gain (Note 28)	8,109,442	14,471,422	**10,489,189**
Equity in net profit of joint ventures and an associate - net (Note 9)	–	1,986,758	**–**
Other income (Notes 1 and 21)	29,834,168	18,995,870	**23,087,457**
	1,925,177,360	2,317,498,086	**2,479,879,573**
EXPENSES			
Port authorities' share in gross revenues (Notes 1, 7, 21 and 23)	202,638,705	221,604,018	**220,008,757**
Manpower costs (Notes 20, 23 and 24)	268,452,620	299,779,275	**329,115,205**
Equipment and facilities-related expenses (Notes 7 and 23)	127,624,643	166,227,979	**167,836,512**
Administrative and other operating expenses (Notes 7 and 23)	127,247,842	146,107,794	**165,752,389**
Depreciation and amortization (Notes 5, 6, 7 and 8)	246,993,685	266,717,816	**294,431,515**
Interest expense and financing charges on borrowings (Notes 16 and 18)	118,483,773	126,470,885	**140,332,636**
Interest expense on concession rights payable	58,255,441	62,698,820	**64,518,959**
Interest expense on lease liabilities (Note 7)	114,298,044	119,722,451	**133,793,311**
Equity in net loss of joint ventures and an associate - net (Note 9)	350	–	**9,808,724**
Foreign exchange loss (Note 28)	7,164,303	6,473,690	**17,186,101**
Impairment losses on goodwill and other nonfinancial assets (Notes 5, 10 and 11)	6,701,426	16,013,234	**165,303,485**
Other expenses (Notes 21 and 23)	45,357,429	55,557,666	**24,249,937**
	1,323,218,261	1,487,373,628	**1,732,337,531**
CONSTRUCTION REVENUE (EXPENSE) (Note 25)			
Construction revenue	61,944,312	61,520,936	**65,270,968**
Construction expense	(61,944,312)	(61,520,936)	**(65,270,968)**
	–	–	**–**
INCOME BEFORE INCOME TAX	601,959,099	830,124,458	**747,542,042**
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 22)			
Current	139,857,135	176,547,020	**176,007,041**
Deferred	(15,440,479)	(23,889,387)	**(9,591,354)**
	124,416,656	152,657,633	**166,415,687**
NET INCOME	US$477,542,443	US$677,466,825	**US$581,126,355**
Attributable To			
Equity holders of the parent	US$428,568,591	US$618,464,708	**US$511,529,938**
Non-controlling interests	48,973,852	59,002,117	**69,596,417**
	US$477,542,443	US$677,466,825	**US$581,126,355**
Earnings Per Share (Note 29)			
Basic	US$0.181	US$0.287	**US$0.238**
Diluted	0.181	0.287	**0.237**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2021	2022	**2023**
NET INCOME FOR THE YEAR	US$477,542,443	US$677,466,825	**US$581,126,355**
OTHER COMPREHENSIVE INCOME (LOSS)			
Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations' financial statements (Note 15)	(34,297,719)	(27,708,042)	**51,067,754**
Net change in unrealized mark-to-market values of derivatives (Notes 15 and 27)	24,289,950	29,412,771	**(12,109,652)**
Net unrealized mark-to-market gain on financial assets at FVOCI (Notes 10 and 15)	394,483	335,578	**396,624**
Net unrealized gain removed from equity and transferred to profit or loss (Note 27)	5,766,664	–	**91,721**
Share of other comprehensive income (loss) of joint ventures (Notes 9 and 15)	(8,972,613)	(14,686,719)	**1,876,729**
Income tax relating to components of other comprehensive loss (Note 27)	(4,861,888)	(4,145,874)	**3,033,798**
	(17,681,123)	(16,792,286)	**44,356,974**
Items not to be reclassified to profit or loss in subsequent periods			
Share of other comprehensive income of joint ventures (Notes 9 and 15)	46,764	124,037	**20,310**
Remeasurement gains (losses) on defined benefit plans - net of tax (Notes 15 and 24)	(420,211)	178,002	**(964,905)**
	(373,447)	302,039	**(944,595)**
	(18,054,570)	(16,490,247)	**43,412,379**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	US$459,487,873	US$660,976,578	**US$624,538,734**
Attributable To			
Equity holders of the parent	US$410,341,902	US$623,349,507	**US$555,582,359**
Non-controlling interests	49,145,971	37,627,071	**68,956,375**
	US$459,487,873	US$660,976,578	**US$624,538,734**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021, 2022 AND 2023

	Attributable to Equity Holders of the Parent (Note 15)												
	Preferred Stock	Common Stock	Additional Paid-in Capital	Preferred Shares Held by a Subsidiary	Common Shares Held by a Subsidiary	Treasury Shares	Excess of Consideration over the Carrying Value of Non-controlling Interests acquired or disposed	Retained Earnings	Perpetual Capital Securities	Other Comprehensive Loss – net	Total	Attributable to Non-controlling Interests	Total Equity
Balance at December 31, 2020	US$236,222	US$67,330,188	US$570,438,593	(US$72,492,481)	(US$11,182,979)	(US$4,431,257)	(US$147,925,144)	US$216,934,369	US$1,246,777,033	(US$185,068,796)	US$1,680,615,748	US$181,003,826	US$1,861,619,574
Net income for the year	–	–	–	–	–	–	–	428,568,591	–	–	428,568,591	48,973,852	477,542,443
Other comprehensive income (Note 15)	–	–	–	–	–	–	–	–	–	(18,226,689)	(18,226,689)	172,119	(18,054,570)
Total comprehensive income for the year	–	–	–	–	–	–	–	428,568,591	–	(18,226,689)	410,341,902	49,145,971	459,487,873
Cash dividends (Note 15)	–	–	–	–	–	–	–	(205,881,257)	–	–	(205,881,257)	(28,461,788)	(234,343,045)
Share-based payments (Note 20)	–	–	5,713,209	–	–	–	–	–	–	–	5,713,209	–	5,713,209
Issuance of treasury shares for share-based payments (Notes 15 and 20)	–	–	(3,336,923)	–	–	3,336,923	–	–	–	–	–	–	–
Acquisition of ICTSI shares held by a subsidiary (Note 15.3)	–	–	–	–	11,182,979	(11,386,853)	–	–	–	–	(203,874)	–	(203,874)
Acquisition/disposal of NCI (Note 15.4)	–	–	–	–	–	–	(23,950,390)	–	–	–	(23,950,390)	(11,796,888)	(35,747,278)
Redemption and repurchase of perpetual capital securities (Note 15)	–	–	–	–	–	–	–	(32,202,064)	(451,552,754)	–	(483,754,818)	–	(483,754,818)
Distributions on perpetual capital securities (Note 15)	–	–	–	–	–	–	–	(61,192,638)	–	–	(61,192,638)	–	(61,192,638)
Balance at December 31, 2021	US$236,222	US$67,330,188	US$572,814,879	(US$72,492,481)	US$–	(US$12,481,187)	(US$171,875,534)	US$346,227,001	US$795,224,279	(US$203,295,485)	US$1,321,687,882	US$189,891,121	US$1,511,579,003
Balance at December 31, 2021	US$236,222	US$67,330,188	US$572,814,879	(US$72,492,481)	US$–	(US$12,481,187)	(US$171,875,534)	US$346,227,001	US$795,224,279	(US$203,295,485)	US$1,321,687,882	US$189,891,121	US$1,511,579,003
Net income for the year	–	–	–	–	–	–	–	618,464,708	–	–	618,464,708	59,002,117	677,466,825
Other comprehensive income (Note 15)	–	–	–	–	–	–	–	–	–	4,884,799	4,884,799	(21,375,046)	(16,490,247)
Total comprehensive income for the year	–	–	–	–	–	–	–	618,464,708	–	4,884,799	623,349,507	37,627,071	660,976,578
Cash dividends (Note 15)	–	–	–	–	–	–	–	(237,686,841)	–	–	(237,686,841)	(62,666,114)	(300,352,955)
Share-based payments (Note 20)	–	–	5,466,020	–	–	–	–	–	–	–	5,466,020	–	5,466,020
Issuance of treasury shares for share-based payments (Notes 15 and 20)	–	–	(4,300,150)	–	–	4,300,150	–	–	–	–	–	–	–
Acquisition of treasury shares (Note 15)	–	–	–	–	–	(31,810,166)	–	–	–	–	(31,810,166)	–	(31,810,166)
Acquisition/disposal of NCI (Note 15.4)	–	–	–	–	–	–	(809,372)	–	–	–	(809,372)	(2,206,025)	(3,015,397)
Consolidation of MNHPI (Note 1.4)	–	–	–	–	–	–	–	–	–	–	–	136,123,613	136,123,613
Disposal of HIPS (Note 1.5)	–	–	–	–	–	–	–	–	–	–	–	(678,064)	(678,064)
Redemption of perpetual capital securities (Note 15)	–	–	–	–	–	–	–	(10,528,677)	(212,061,314)	–	(222,589,991)	–	(222,589,991)
Distributions on perpetual capital securities (Note 15)	–	–	–	–	–	–	–	(29,026,678)	–	–	(29,026,678)	–	(29,026,678)
Balance at December 31, 2022	US$236,222	US$67,330,188	US$573,980,749	(US$72,492,481)	US$–	(US$39,991,203)	(US$172,684,906)	US$687,449,513	US$583,162,965	(US$198,410,686)	US$1,428,580,361	US$298,091,602	US$1,726,671,963
Balance at December 31, 2022	**US$236,222**	**US$67,330,188**	**US$573,980,749**	**(US$72,492,481)**	**US$–**	**(US$39,991,203)**	**(US$172,684,906)**	**US$687,449,513**	**US$583,162,965**	**(US$198,410,686)**	**US$1,428,580,361**	**US$298,091,602**	**US$1,726,671,963**
Net income for the year	–	–	–	–	–	–	–	**511,529,938**	–	–	**511,529,938**	**69,596,417**	**581,126,355**
Other comprehensive income (Note 15)	–	–	–	–	–	–	–	–	–	**44,052,421**	**44,052,421**	**(640,042)**	**43,412,379**
Total comprehensive income for the year	–	–	–	–	–	–	–	**511,529,938**	–	**44,052,421**	**555,582,359**	**68,956,375**	**624,538,734**
Cash dividends (Note 15)	–	–	–	–	–	–	–	**(370,267,208)**	–	–	**(370,267,208)**	**(59,387,555)**	**(429,654,763)**
Share-based payments (Note 20)	–	–	**6,175,103**	–	–	–	–	–	–	–	**6,175,103**	–	**6,175,103**
Issuance of treasury shares for share-based payments (Notes 15 and 20)	–	–	**(2,725,247)**	–	–	**2,725,247**	–	–	–	–	–	–	–
Acquisition of treasury shares (Note 15.1)	–	–	–	–	–	**(1,064,203)**	–	–	–	–	**(1,064,203)**	–	**(1,064,203)**
Acquisition/disposal of NCI (Note 15.4)	–	–	–	–	–	–	**2,762,386**	–	–	–	**2,762,386**	**(1,397,386)**	**1,365,000**
Acquisition of CLIA Pouso Alegre (Note 1.4)	–	–	–	–	–	–	–	–	–	–	–	**6,162,632**	**6,162,632**
Distributions on perpetual capital securities (Note 15)	–	–	–	–	–	–	–	**(29,026,678)**	–	–	**(29,026,678)**	–	**(29,026,678)**
Balance at December 31, 2023	**US$236,222**	**US$67,330,188**	**US$577,430,605**	**(US$72,492,481)**	**US$–**	**(US$38,330,159)**	**(US$169,922,520)**	**US$799,685,565**	**US$583,162,965**	**(US$154,358,265)**	**US$1,592,742,120**	**US$312,425,668**	**US$1,905,167,788**

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2021	2022	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	US$601,959,099	US$830,124,458	**US$747,542,042**
Adjustments for:			
Depreciation and amortization (Notes 5, 6, 7 and 8)	246,993,685	266,717,816	**294,431,515**
Interest expense on:			
Borrowings (Notes 16 and 18)	118,483,773	126,470,885	**140,332,636**
Lease liabilities (Note 7)	114,298,044	119,722,451	**133,793,311**
Concession rights payable	58,255,441	62,698,820	**64,518,959**
Loss (gain) on:			
Sale of a subsidiary (Note 1.5)	–	(2,238,020)	**–**
Disposal of property and equipment – net	(1,140,608)	(174,928)	**1,628,370**
Write-off of debt issuance costs and other non-cash expenses (Notes 16 and 21)	4,127,604	13,382,990	**–**
Interest income (Notes 12 and 23)	(22,213,250)	(39,052,181)	**(57,976,544)**
Impairment losses on goodwill and nonfinancial assets (Notes 5, 10 and 11)	6,701,426	16,013,234	**165,303,485**
Share-based payments (Notes 15 and 20)	4,658,910	5,622,324	**6,268,329**
Unrealized foreign exchange loss (gain)	4,740,489	(2,551,806)	**6,606,006**
Equity in net loss (profit) of joint ventures and an associate - net (Note 9)	350	(1,986,758)	**9,808,724**
Dividend income	(4,619)	(3,774)	**(4,534)**
Unrealized mark-to-market gain on derivatives	–	(1,156,578)	**–**
Operating income before changes in working capital	1,136,860,344	1,393,588,933	**1,512,252,299**
Decrease (increase) in:			
Receivables	(18,836,365)	(8,442,106)	**(22,026,495)**
Spare parts and supplies	(4,669,614)	(6,164,644)	**(3,244,021)**
Prepaid expenses and other current assets	6,437,254	4,354,714	**(6,117,697)**
Increase (decrease) in:			
Accounts payable and other current liabilities	(23,845,493)	55,201,612	**(7,217,157)**
Retirement liabilities	135,221	1,550,747	**(571,643)**
Cash generated from operations	1,096,081,347	1,440,089,256	**1,473,075,286**
Income taxes paid	(148,893,744)	(164,992,158)	**(172,615,991)**
Net cash flows provided by operating activities	947,187,603	1,275,097,098	**1,300,459,295**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 6)	(88,908,050)	(237,890,068)	**(207,678,271)**
Intangible assets, including upfront costs deposit (Notes 5 and 10)	(58,679,194)	(100,728,821)	**(74,930,298)**
Subsidiaries (Note 1)	(10,327,920)	–	**(13,881,550)**
Effect of business combination (Note 1.4)	–	18,795,894	**–**
Proceeds from disposal of:			
Property and equipment	2,304,206	2,515,926	**891,516**
A subsidiary (Note 1.5)	–	2,457,007	**–**
Interest received	13,170,151	26,487,794	**44,050,082**
Payments for concession rights	(15,852,803)	(15,242,339)	**(21,334,293)**
Dividends received	4,619	3,774	**4,434**
Decrease (increase) in:			
Other noncurrent assets	10,326,439	(85,325,040)	**(42,026,111)**
Short-term investments and restricted cash	(6,200,000)	(136,742,700)	**(3,475,332)**
Advances to a joint venture	7,778,416	7,326,135	**396,065**
Net cash flows used in investing activities	(146,384,136)	(518,342,438)	**(317,983,758)**

(Forward)

	Years Ended December 31		
	2021	2022	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term borrowings (Note 16)	US$502,659,083	US$89,379,573	**US$432,839,358**
Short-term borrowings (Note 18)	20,089,437	475,336,862	**464,843,618**
Payments of:			
Dividends (Note 15)	(234,172,713)	(299,039,343)	**(428,241,674)**
Redemption and repurchase of perpetual capital securities (Note 15)	(483,754,818)	(222,589,991)	**–**
Interest on lease liabilities and concession rights payable	(165,380,039)	(178,360,627)	**(198,130,404)**
Short-term borrowings (Note 18)	(17,901,985)	(140,114,944)	**(666,842,000)**
Interest on borrowings	(112,491,661)	(115,156,889)	**(119,269,603)**
Long-term borrowings (Note 16)	(253,201,385)	(79,273,544)	**(543,985,586)**
Lease liabilities (Note 7)	(17,975,380)	(33,661,990)	**(32,031,514)**
Distributions on perpetual capital securities (Note 15)	(61,192,638)	(29,026,678)	**(29,026,678)**
Purchase of treasury shares (Note 15)	–	(31,810,166)	**(1,064,203)**
Acquisition of non-controlling interests (Note 15)	(35,747,278)	(3,015,397)	**–**
Decrease in other noncurrent liabilities	(7,794,813)	(1,923,385)	**696,260**
Cost of acquiring ICTSI shares from a subsidiary (Note 15)	(203,874)	–	**–**
Net cash flows used in financing activities	(867,068,064)	(569,256,519)	**(1,120,212,426)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(10,973,654)	(6,152,000)	**14,901,262**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(77,238,251)	181,346,141	**(122,835,627)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	734,831,780	657,593,529	**838,939,670**
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 12)	US$657,593,529	US$838,939,670	**US$716,104,043**

See accompanying Notes to Consolidated Financial Statements.

NOTES TO 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 Parent Company is ICTSI Administration Building, Manila International Container Terminal (MICT) South Access Road, Manila. ICTSI's common shares are publicly traded in the Philippine Stock Exchange (PSE).

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors (the Board) on February 28, 2024.

1.2 Port Operations

ICTSI and its 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 February 28, 2024, the Group is involved in 32 terminal operations, including concessions and port development projects, in 19 countries worldwide. There are nine terminal operations in the Philippines (including an inland container terminal, a barge terminal and combined terminal operations in Subic), four in Brazil (including an intermodal rail ramp terminal and a Customs-bonded facility), two in Papua New Guinea (PNG), one each in China, Indonesia, Ecuador, Poland, Georgia, Madagascar, Croatia, 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, disposed and expired during the last three years are summarized below:

Acquisition and Extension of Concessions
Port of Gdynia, Poland. In December 2022, ICTSI, through its subsidiary, Baltic Container Terminal (BCT), signed a new 30-year lease with the Port Authority of Gdynia S.A. (PAGSA). This new lease extends BCT's operation of the multipurpose terminal at Port of Gdynia in Poland from 2023 up to 2053.

Tanjung Pakis Lamongan Public Terminal, East Java, Indonesia. On July 27, 2022, ICTSI signed a Conditional Share Subscription and Purchase Agreement with Indo Port Holding Pte Ltd. and Eastlog Holding Pte Ltd. to acquire majority share ownership up to 66.67% in PT East Java Development (EJD) (see Note 1.4). EJD holds a concession right to operate a multi-purpose terminal in Lamongan Regency, East Java, Indonesia, effective until December 31, 2065.

Port of Toamasina, Madagascar. On December 10, 2021, Madagascar International Container Terminal Services, Ltd. (MICTSL), which operates the port of Toamasina in Madagascar, signed an amendment to its concession agreement with the Société du Port a gestion Autonome de Toamasina extending the term of the concession by 15 years or until October 2040. ICTSI has held the concession since 2005.

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 Hold-over-Authority (HOA) on a temporary basis over the cargo handling services at Makar Wharf, Port of General Santos. On June 19, 2023, the HOA was issued by the PPA with the validity of twelve months from January 1, 2023 up to December 31, 2023 or upon the award of a new contract by the PPA, whichever is earlier, unless cancelled or revoked for reason by the PPA during the validity of the HOA. As at February 28, 2024, SCIPSI continued to operate and has submitted the letter of intent including the requirements for the issuance of a new HOA.

Disposal and Expiration of Concessions
Jakarta, Indonesia. On January 22, 2024, ICTSI, through its wholly owned subsidiary, ICTSI Far East Pte. Ltd. (IFEL), signed a Conditional Share Sale and Purchase Agreement with PT Sarana Kelola Investa in connection with the sale of 80.19% shares of PT ICTSI Jasa Prima Tbk (IJP) for US$2.0 million, the Company's listed subsidiary in Indonesia which owns PT PBM Olah Jasa Andal (OJA), which in turn has an equipment supply cooperation agreement with PT Pelabuhan Indonesia II (Pelindo II) at the Port of Tanjung Priok in Jakarta, Indonesia. The sale of IJP shares closed on February 1, 2024.

Port of Karachi, Pakistan. The concession agreement between Pakistan International Container Terminal Ltd. (PICT) and Karachi Port Trust (KPT), for a period of 21 years, has expired. In June 2023, ICTSI was informed by KPT that PICT's container terminal concession in Karachi, Pakistan will revert to the port authority effective June 18, 2023. Thereafter, PICT has fully transitioned the terminal operations to the new port operator (see Note 5).

Port of Makassar, Indonesia. The extended term of the cooperation agreement between PT Makassar Terminal Services (MTS) and PT Pelabuhan Indonesia IV (Pelindo IV) for the procurement, installation and operation of container loading and unloading equipment at the Makassar Port Container Terminal, South Sulawesi, Indonesia expired on January 31, 2023. The parties mutually agreed not to renew the cooperation agreement. Immediately thereafter, MTS ceased its operations at the Makassar Port Container Terminal.

Hijo Port, Davao, Philippines. Abbotsford Holdings, Inc. (AHI) entered into a share purchase agreement (SPA) with Hijo Resources Corp. (HRC), with AHI selling all its 65% interest in Hijo International Port Services, Inc. (HIPS) to the latter subject to delivery of a bank guarantee, among other conditions. Effective August 31, 2022, the sale was finalized and concluded by both parties (see Note 1.5).

Port of Davao, Davao, Philippines. On April 21, 2006, the 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 HOA on a temporary basis over the cargo handling services at Sasa Wharf, Port of Davao until the PPA has formally given the port terminal management contract for Port of Sasa to a new operator. In June 2022, ICTSI was informed that a notice was issued by the PPA to the new operator to commence with the work and perform the services under the newly awarded port terminal management contract for Port of Sasa. On June 30, 2022, DIPSSCOR has ceased its operations at Sasa Wharf. Immediately thereafter, DIPSSCOR has fully transitioned the operations at Sasa Wharf to the new operator in coordination with the PPA.

1.3 Subsidiaries, Joint Ventures and Associates

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2021 Direct	2021 Indirect	2022 Direct	2022 Indirect	**2023 Direct**	**2023 Indirect**
Subsidiaries:									
Asia									
International Container Terminal Holdings, Inc. (ICTHI) and Subsidiaries	Cayman Islands	Holding Company	US Dollar	100.00	–	100.00	–	**100.00**	**–**
ICTSI Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Mauritius Ltd.	Mauritius	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Aeolina Investments Limited	British Virgin Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Far East Pte. Ltd. (IFEL)	Singapore	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
New Muara Container Terminal Services Sdn Bhd (NMCTS)	Brunei	Port Management	Brunei Dollar	–	100.00	–	100.00	**–**	**100.00**
PT ICTSI Jasa Prima Tbk (IJP) and Subsidiaries	Indonesia	Maritime infrastructure and logistics	US Dollar	–	80.19	–	80.19	**–**	**80.19**
PT PBM Olah Jasa Andal (OJA) [x]	Indonesia	Port Management	US Dollar	–	80.19	–	80.19	**–**	**80.19**
PT Makassar Terminal Services (MTS)[c]	Indonesia	Port Management	Indonesian Rupiah	–	95.00	–	95.00	**–**	**95.00**
PT Container Terminal System Solutions, Inc.	Indonesia	Software Developer	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI (Hong Kong) Limited (IHKL)	Hong Kong	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Yantai International Container Terminal Ltd. (YICT)	China	Port Management	Renminbi	–	51.00	–	51.00	**–**	**51.00**
Pentland International Holdings, Ltd.	British Virgin Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Georgia Corp. (IGC)	Cayman Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Global Procurement Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Honduras Ltd.	Bermuda	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Ltd. Regional Headquarters	Philippines	Regional Headquarters	Philippine Peso	–	100.00	–	100.00	**–**	**100.00**
Container Terminal de Venezuela Conterven CA (CTVCC)	Venezuela	Holding Company	US Dollar	–	95.00	–	95.00	**–**	**95.00**
Mindanao International Container Terminal Services, Inc. (MICTSI)	Philippines	Port Management	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
Abbotsford Holdings, Inc. (AHI)	Philippines	Holding Company	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
Hijo International Port Services, Inc. (HIPS) [j]	Philippines	Port Management	Philippine Peso	–	65.00	–	–	**–**	**–**
Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR) [m]	Philippines	Port Management	Philippine Peso	–	96.95	–	96.95	**–**	**96.95**
IWI Container Terminal Holdings, Inc. (IWI CTHI)	Philippines	Warehousing	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
IW Cargo Handlers, Inc.	Philippines	Port Equipment Rental	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Container Terminal Systems Solutions Philippines, Inc.	Philippines	Software Developer	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Bauan International Port, Inc. (BIPI) [d]	Philippines	Port Management	Philippine Peso	–	80.00	–	100.00	**–**	**100.00**
ICTSI Subic, Inc. (ICTSI Subic)	Philippines	Port Management	US Dollar	–	90.50	–	90.50	**–**	**90.50**
Subic Bay International Terminal Holdings, Inc. (SBITHI)	Philippines	Holding Company	US Dollar	90.50	–	90.50	–	**90.50**	**–**
Subic Bay International Terminal Corporation (SBITC)	Philippines	Port Management	US Dollar	–	90.50	–	90.50	**–**	**90.50**
Cordilla Properties Holdings, Inc.	Philippines	Holding Company	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
South Cotabato Integrated Port Services, Inc. (SCIPSI)	Philippines	Port Management	Philippine Peso	35.82	14.41	35.82	14.41	**35.82**	**14.41**
Manila Harbor Center Port Services, Inc. (MHCPSI) [e]	Philippines	Port Management	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
ICTSI (M.E.) DMCC (ICTSI Dubai)	United Arab Emirates	BDO	US Dollar	100.00	–	100.00	–	**100.00**	**–**
ICTSI EMEA B.V. (IEBV) [formerly ICTSI Capital B.V.]	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**

(Forward)

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2021 Direct	2021 Indirect	2022 Direct	2022 Indirect	**2023 Direct**	**2023 Indirect**
Royal Capital B.V. (RCBV)	The Netherlands	Holding Company	US Dollar	–	75.00	–	75.00	**–**	**75.00**
ICTSI Cooperatief U.A. (ICTSI Cooperatief) [n]	The Netherlands	Holding Company	US Dollar	1.00	99.00	–	–	**–**	**–**
ICTSI Treasury B.V. (ITBV)	The Netherlands	Holding Company	US Dollar	–	75.00	–	75.00	**–**	**75.00**
ICTSI Americas B.V.(IABV)	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Africa B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
CMSA B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
SPIA Colombia B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
CGSA B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
SPIA Spain S.L.	Spain	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
CGSA Transportadora S.L.	Spain	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Crixus Limited	British Virgin Islands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
VICT	Australia	Port Management	Australian Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Tuxpan B.V.	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Global Finance B.V. (IGFBV)	The Netherlands	Holding Company	US Dollar	–	75.00	–	75.00	**–**	**75.00**
ICTSI Oceania B.V. (IOBV)	The Netherlands	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Asia Pacific Business Services, Inc. (APBS)	Philippines	Business Process Outsourcing	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Ltd. Regional Operating Headquarters (ROHQ)	Philippines	Regional Operating Headquarters	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Project Delivery Services Co. Pte. Ltd. [y]	Singapore	Port Equipment Sale and Rental	US Dollar	–	100.00	–	100.00	**–**	**–**
ICTSI QFC LLC	Qatar	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI South Asia Pte. Ltd. [g]	Singapore	Holding Company	US Dollar	–	100.00	–	–	**–**	**–**
Laguna Gateway Inland Container Terminal, Inc. (LGICT)	Philippines	Port Management	Philippine Peso	–	60.00	–	60.00	**–**	**60.00**
ICTSI Middle East DMCC	United Arab Emirates	Holding Company	US Dollar	100.00	–	100.00	–	**100.00**	**–**
ICTSI Global Holdings B.V. (formerly ICTSI Global Cooperatief U.A.) [n]	The Netherlands	Holding Company	US Dollar	99.00	1.00	99.00	1.00	**100.00**	**–**
Consultports S.A. de C.V.	Mexico	BDO	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
Asiastar Consultants Limited	Hong Kong	Management Services	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Cavite Gateway Terminal (CGT)	Philippines	Port Management	Philippine Peso	–	100.00	–	100.00	**–**	**100.00**
Intermodal Terminal Holdings, Inc. (ITH)	Philippines	Holding Company	Philippine Peso	100.00	–	100.00	–	**100.00**	**–**
ICTSI Americas B.V. (Multinational Headquarters)	Panama	BDO	US Dollar	–	100.00	–	100.00	**–**	**100.00**
International South Pacific, Ltd. (ISPL)	Papua New Guinea	Holding Company	Papua New Guinean Kina	–	100.00	–	100.00	**–**	**100.00**
Motukea International Terminal Ltd. (MITL)	Papua New Guinea	Port Management	Papua New Guinean Kina	–	70.00	–	70.00	**–**	**70.00**
South Pacific International Container Terminal Ltd. (SPICTL)	Papua New Guinea	Port Management	Papua New Guinean Kina	–	70.00	–	70.00	**–**	**70.00**
Tungsten RE Ltd.	Bermuda	Insurance Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
PT East Java Development (EJD) [q]	Indonesia	Port Management	Indonesian Rupiah	–	–	66.67	–	**66.67**	**–**
Manila North Harbour Port, Inc. (MNHPI) [r] *(Subsidiary starting September 8, 2022)*	Philippines	Port Management	Philippine Peso	–	–	50.00	–	**50.00**	**–**
Sevilla Brokerage Incorporated (SBI)[s]	Philippines	Customs Broker	Philippine Peso	–	–	–	80.00	**–**	**80.00**

(Forward)

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2021 Direct	2021 Indirect	2022 Direct	2022 Indirect	**2023 Direct**	**2023 Indirect**
Catalyst Logistics Incorporated (CLI) [f]	Philippines	Freight Forwarder	Philippine Peso	–	–	–	51.00	**–**	**51.00**
ICTSI Africa Headquarters (Pty) Ltd [o]	South Africa	Holding Company	US Dollar	–	–	–	100.00	**–**	**100.00**
ICTSI Durban DMCC [z]	United Arab Emirates	Holding Company	US Dollar	–	–	–	–	**100.00**	**–**
ICTSI Santos DMCC [z]	United Arab Emirates	Holding Company	US Dollar	–	–	–	–	**100.00**	**–**
Europe, Middle East and Africa (EMEA)									
Tartous International Container Terminal, Inc. (TICT)	Syria	Port Management	US Dollar	100.00	–	100.00	–	**100.00**	**–**
Madagascar International Container Terminal Services, Ltd. (MICTSL)	Madagascar	Port Management	Euro	–	100.00	–	100.00	**–**	**100.00**
Baltic Container Terminal Ltd. (BCT)	Poland	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Adriatic Gate Container Terminal (AGCT)	Croatia	Port Management	Euro	–	51.00	–	51.00	**–**	**51.00**
Batumi International Container Terminal LLC (BICTL)	Georgia	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI DR Congo S.A. (IDRC) [f]	DR Congo	Port Management	US Dollar	–	62.00	–	58.00	**–**	**58.00**
ICTSI (M.E.) DMCC Iraq Branch (ICTSI Iraq)	Iraq	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Africa Gateway Terminal (AGT) [a]	Sudan	Port Management	Euro	–	100.00	–	100.00	**–**	**100.00**
Kribi Multipurpose Terminal (KMT)	Cameroon	Port Management	XAF	–	75.00	–	75.00	**–**	**75.00**
International Container Terminal Services Nigeria Ltd. [b]	Nigeria	Port Management	US Dollar	–	75.00	–	75.00	**–**	**75.00**
Pakistan International Container Terminal Ltd. (PICT) [i]	Pakistan	Port Management	Pakistani Rupee	–	80.41	–	80.41	**–**	**80.41**
International Container Terminal Services (FZE)	Nigeria	Port Management	Nigerian Naira	–	75.00	–	75.00	**–**	**75.00**
Americas									
Contecon Guayaquil, S.A. (CGSA)	Ecuador	Port Management	US Dollar	51.00	49.00	51.00	49.00	**51.00**	**49.00**
Contecon Manzanillo S.A. (CMSA)	Mexico	Port Management	Mexican Peso	1.00	99.00	1.00	99.00	**1.00**	**99.00**
Tecon Suape, S.A. (TSSA)	Brazil	Port Management	Brazilian Real	51.00	49.00	51.00	49.00	**51.00**	**49.00**
ICTSI Oregon, Inc.	U.S.A.	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
C. Ultramar, S.A.	Panama	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Future Water, S.A.	Panama	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Kinston Enterprise, Inc.	Panama	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
International Ports of South America and Logistics SA	Uruguay	Holding Company	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Tecplata S.A. (Tecplata)	Argentina	Port Management	US Dollar	–	100.00	–	100.00	**–**	**100.00**
Nuevos Puertos S. A.	Argentina	Holding Company	US Dollar	4.00	96.00	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	**30.00**	**70.00**
Terminal Maritima de Tuxpan S.A. de C.V. (TMT)	Mexico	Port Management	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
CMSA Servicios Portuarios SA De CV (CMSA SP)	Mexico	Manpower Services	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
CMSA Servicios Profesionales Y De Especialistas SA De CV (CMSA SP Especialistas	Mexico	Manpower Services	Mexican Peso	–	100.00	–	100.00	**–**	**100.00**
Logipuerto S.A.	Ecuador	Logistics Solutions Provider	US Dollar	–	100.00	–	100.00	**–**	**100.00**
ICTSI Rio Brasil Terminal 1 S.A. (ICTSI Rio)	Brazil	Port Management	Brazilian Real	–	100.00	–	100.00	**–**	**100.00**
IRB Logistica S.A. (previously IRB Logistica Ltda) [w]	Brazil	Rail Ramp Terminal Management	Brazilian Real	–	100.00	–	100.00	**–**	**70.00**
Contecon Manzanillo Logista SA de CV [k]	Mexico	Logistics Solutions Provider	Mexican Peso	–	–	–	100.00	**–**	**100.00**

(Forward)

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2021 Direct	2021 Indirect	2022 Direct	2022 Indirect	**2023 Direct**	**2023 Indirect**
DF3 Empreendimento S.A (DF3) [l] [w]	Brazil	Real Estate	Brazilian Real	–	–	–	100.00	**–**	**70.00**
IRB Holding Ltda [p]	Brazil	Holding Company	Brazilian Real	–	–	–	100.00	**–**	**100.00**
Armazéns Gerais Sul das Gerais S.A. (CLIA Pouso Alegre) [v]	Brazil	Logistics Solutions Provider	Brazilian Real	**–**	**–**	**–**	**–**	**–**	**60.00**
Rio Logística Multimodal e Participações Ltda (RLMP) [u]	Brazil	Holding Company	Brazilian Real	**–**	**–**	**–**	**–**	**–**	**100.00**
Rio Logística e Participações Ltda [u]	Brazil	Holding Company	Brazilian Real	**–**	**–**	**–**	**–**	**–**	**100.00**
Joint Ventures:									
Sociedad Puerto Industrial Aguadulce SA (SPIA)	Colombia	Port Management	US Dollar	–	49.79	–	49.79	**–**	**49.79**
Falconer Aircraft Management, Inc. (FAMI)	Philippines	Aircraft Management	Philippine Peso	–	49.00	–	49.00	**–**	**49.00**
Aviation Concepts Technical Services, Inc.	Philippines	Aircraft Management	US Dollar	–	49.00	–	49.00	**–**	**49.00**
MNHPI [r] *(Joint venture until September 7, 2022)*	Philippines	Port Management	Philippine Peso	50.00	–	–	–	**–**	**–**
Associate:									
Asiaview Realty and Development Corporation (ARDC)	Philippines	Realty	Philippine Peso	–	49.00	–	49.00	**–**	**49.00**

[a] Established in February 2019 and has not yet started commercial operations as at February 28, 2024
[b] Established in June 2020 and started commercial operations in May 2021; sold 10% stake to minority effective December 31, 2021
[c] Ceased commercial operations effective January 31, 2023
[d] Acquired additional 20% stake on December 23, 2022
[e] Acquired on June 4, 2021
[f] Acquired additional 10% stake in May 2021; sold 4% stake in November 2022
[g] Deregistered from Singapore Accounting and Corporate Regulatory Authority (ACRA) on December 5, 2022
[h] Dissolved effective March 19, 2021
[i] Concession agreement ended on June 17, 2023
[j] Disposed on August 31, 2022
[k] Established in December 2021 and has started commercial operations in August 2022
[l] Acquired on March 10, 2022
[m] Ceased commercial operations effective June 30, 2022.
[n] Effective June 18, 2022, ICTSI Global Cooperatief U.A. was merged with ICTSI Cooperatief U.A, with ICTSI Global Cooperatief U.A. as the surviving entity, and was renamed to ICTSI Global Holdings B.V. effective September 22, 2022
[o] Organized on May 30, 2022
[p] Established on June 21, 2022
[q] Acquired on August 16, 2022
[r] Accounted for as a joint venture until September 7, 2022, and thereafter, as a subsidiary (see Note 1.2)
[s] Acquired 80% shareholdings last October 21, 2022
[t] Incorporated on October 14, 2022 with ICTSI having 51% of the shareholding; started commercial operations in July 2023
[u] Established in September 2023
[v] Acquired 60% shareholdings on September 5, 2023
[w] In July 2023, IRB Holding acquired 70% stake in iTracker Logistica Inteligente Ltda. (iTracker). Effective August 31, 2023, iTracker was merged with IRB Logistica, with IRB Logistica as the surviving entity. On the same date, IRB Logistica disposed 30% stake to noncontrolling interest.
Consequently, as a result of IRB Logistica's disposal of 30% stake to noncontrolling interest, ICTSI's effective ownership stake in DF3 also decreased by 30%.
[x] Disposed effective February 1, 2024
[y] Deregistered from Singapore ACRA on November 6, 2023
[z] Established in October 2023

1.4 Purchase Price Allocation

CLIA Pouso Alegre. On September 5, 2023, ICTSI through its newly incorporated wholly-owned subsidiary in Brazil, Rio Logística e Participações Ltda, completed the acquisition of 60% ownership stake in Armazéns Gerais Sul das Gerais S.A. (CLIA Pouso Alegre), an Integrated Customs Logistics Center entity located in the state of Minas Gerais, Brazil.

The provisional fair values of the identifiable assets and liabilities of CLIA Pouso Alegre at the date of acquisition were:

Assets	
Property and equipment	US$1,724,363
Intangible assets	21,588,414
Other noncurrent assets	2,716
Cash and cash equivalents	600,600
Receivables	240,531
Spare parts and supplies	14,112
Prepaid expenses and other current assets	296,719
	US$24,467,455
Liabilities	
Deferred tax liabilities	US$7,437,143
Borrowings	869,267
Other noncurrent liabilities	191,598
Accounts payable and other current liabilities	414,358
Income tax payable	148,508
	US$9,060,874
Total identifiable net assets at fair value	US$15,406,581
Noncontrolling interests at 40% proportionate share	(6,162,632)
The Group's share in identifiable net assets	9,243,949
Goodwill arising on acquisition	4,809,151
Adjusted purchase consideration satisfied in cash	US$14,053,100
Cash paid at acquisition date	US$14,483,425
Less: Receivable from the seller*	430,325
Adjusted purchase consideration	US$14,053,100
Cash paid at acquisition date	US$14,483,425
Less: Cash and cash equivalents of CLIA Pouso Alegre	600,600
Net cash outflow	US$13,882,825

**Under the Share Purchase Agreement, the purchase consideration will be increased by the final cash and working capital balances exceeding minimum agreed amount and decreased by any loans existing as at the date of acquisition. Accordingly, the Group is entitled to receive BRL2.1 million (US$430 thousand) from the selling stockholder of CLIA Pouso Alegre.*

CLIA Pouso Alegre operates as a bonded facility, providing various integrated logistics services such as storage and transportation of bonded cargo and pharmaceutical inputs. Currently, its operations are conducted on a site spanning 28,000 square meters, including a 4,000 square meter warehouse. CLIA Pouso Alegre is already in the process of expanding its facilities, constructing a new site on a 150,000 square meter area with a 12,000 square meter warehouse.

From the date of business combination until December 31, 2023, CLIA Pouso Alegre contributed US$1.2 million (BRL5.8 million) of gross revenues and US$71.8 thousand (BRL358.7 thousand) net income attributable to equity holders of the Parent. Had the business combination took place on January 1, 2023, the CLIA Pouso Alegre would have contributed US$2.8 million (BRL13.9 million) of gross revenues and US$325.5 thousand (BRL1.7 million) of net income attributable to equity holders of the Parent.

IRB Logistica (iTracker Logistica Inteligente Ltda (iTracker)). In July 2022, ICTSI, through its wholly-owned subsidiaries, IRB Logistica, ICTSI Rio, IABV and IRB Holding, entered into definitive agreements with a local Brazilian logistic operator, Tracker Logistica, to constitute a new logistics and warehousing operation, the "iTracker Project". As part of the Project, in July 2023, IRB Holding acquired 70% stake in iTracker Logistica Inteligente Ltda (iTracker), through offsetting of advances, for a consideration of US$2.7 million.

The provisional fair values of the identifiable assets and liabilities of iTracker at the date of acquisition were:

Assets	
Property and equipment	US$122,191
Intangible assets	342
Cash and cash equivalents	1,275
	US$123,808
Liabilities	
Accounts payable and other current liabilities	US$173
Total identifiable net assets at fair value	US$123,635
Noncontrolling interests at 30% proportionate share	(37,090)
The Group's share in identifiable net assets	86,545
Goodwill arising on acquisition	2,644,474
Purchase consideration by way of offsetting	US$2,731,019

Thereafter, on August 31, 2023, iTracker was merged with IRB Logistica, with IRB Logistica as the surviving entity. On the same date, IRB Logistica disposed 30% stake to noncontrolling interest resulting to a recognition of a negative equity attributable to non-controlling interest of US$0.6 million. Consequently, as a result of IRB Logistica's disposal of 30% stake to noncontrolling interest, ICTSI's effective ownership stake in DF3 also decreased by 30% resulting to a recognition of a negative equity attributable to non-controlling interest of US$0.8 million. In September 2023, IRB Holding transferred all its ownership stake in IRB Logistica to RLMP.

EJD. On July 27, 2022, ICTSI signed a Conditional Share Subscription and Purchase Agreement (CSSPA) with Indo Port Holding Pte Ltd. (IPH) and Eastlog Holding Pte Ltd. to acquire majority share ownership up to 66.67% in EJD, subject to fulfillment of certain conditions.

Upon fulfillment of certain conditions under the CSSPA, ICTSI acquired control over EJD on August 16, 2022. ICTSI held 65% ownership stake in EJD on the said date. In November 2022, ICTSI purchased additional shares from a noncontrolling shareholder representing 1.67% stake in EJD and was accounted for as an equity transaction (see Note 15.4).

The following are the fair values of the identifiable assets and liabilities of EJD as at the date of acquisition:

Assets	
Concession assets	US$8,449,779
Property and equipment	2,240,494
Cash and cash equivalents	4,104,682
Receivables	1,576,253
Prepaid expenses and other current assets	515,142
	US$16,886,350
Liabilities	
Payables	US$12,816,638
Total identifiable net assets at fair value	US$4,069,712
Noncontrolling interests at 35% proportionate share	(1,443,758)
The Group's share in identifiable net assets	2,625,954
Goodwill arising on acquisition	2,549,046
Purchase consideration by way of subscription of shares	US$5,175,000

No adjustments were made to the provisional fair values of the identifiable assets and liabilities of EJD as at the date of business combination.

From the date of acquisition until December 31, 2022, EJD contributed US$0.3 million (IDR5.2 billion) of gross revenues and US$0.3 million (IDR5.0 billion) net loss attributable to equity holders of the Group. Had the business combination took place on January 1, 2022, the Group's gross revenues from port operations would have increased by US$1.2 million (IDR17.8 billion) and net income attributable to equity holders would have decreased by US$0.4 million (IDR5.9 billion).

MNHPI. On September 21, 2017, ICTSI signed an SPA with Petron Corporation for the acquisition of shares representing 34.83% stake in MNHPI. The completion of the SPA was subject to several conditions, one of which was the approval of the acquisition by the PPA. The SPA was completed on October 30, 2017. On September 5, 2018, ICTSI signed an SPA with Harbour Centre Port Terminal, Inc. (HCPTI) for the acquisition of shares representing 15.17% stake in MNHPI. The Philippine Competition Commission and the PPA approved the acquisition of additional shares on March 15, 2019 and April 26, 2019, respectively. With the approval of the PPA, the increase of ICTSI shareholdings in MNHPI from 34.83% to 50% became effective on April 26, 2019.

On September 8, 2022, ICTSI and San Miguel Holdings Corporation (SMHC), co-shareholders in MNHPI, agreed that MNHPI shall be consolidated under ICTSI in accordance with the Philippine Financial Reporting Standards (PFRS). SMHC recognizes that ICTSI is the shareholder who has the ability to direct the relevant operational activities in view of its technical and port management expertise to affect increased returns to the shareholders. SMHC, directly or through its Affiliates, shall provide financial management expertise and support to the operations of the Company.

With ICTSI acquiring control over MNHPI, this transaction was accounted for using the acquisition method under PFRS 3, *Business Combinations,* beginning September 8, 2022. Prior to the business combination, MNHPI was accounted for as a joint venture.

The following are the fair values of the identifiable assets and liabilities of MNHPI as at the date of business combination:

Assets	
Concession assets	US$348,333,531
Right of use assets	2,600,268
Property and equipment	407,001
Other noncurrent assets	8,409,847
Cash and cash equivalents	19,209,905
Receivables	3,630,973
Spare parts and supplies	5,262,308
Prepaid expenses and other current assets	4,933,539
	US$392,787,372
Liabilities	
Concession payable	US$46,739,669
Lease liability	3,470,900
Deferred tax liabilities	48,236,459
Other noncurrent liabilities	3,594,968
Accounts payable and other current liabilities	18,498,150
	US$120,540,146

Fair value of identifiable net assets	US$272,247,226
Noncontrolling interest at 50% proportionate share	(136,123,613)
Goodwill arising on business combination	23,024,841
Fair value of previously held interest	US$159,148,454

There was no consideration transferred on business combination date. Cash and cash equivalents held by MNHPI at date of consolidation was included in cash flow from business combination under investing activities.

No adjustments were made to the provisional fair values of the identifiable assets and liabilities of MNHPI as at the date of business combination.

From the date of business combination until December 31, 2022, MNHPI contributed US$33.2 million (Php1,809.7 million) of gross revenues. Had the business combination took place on January 1, 2022, the Group's gross revenues from operations would have increased by US$61.9 million (Php3,373.3 million).

Manila Harbor Center Port Services, Inc. (MHCPSI). On June 1, 2021, ICTSI signed an SPA with Prime Strategic Holdings, Inc. (PSHI) to acquire 100% of the shares of MHCPSI. MHCPSI operates a 10-hectare international breakbulk and bulk private port facility located at the northern side of the Manila Harbour Centre, Port of Manila. On June 4, 2021, the facilities were transferred to ICTSI management after all conditions precedent have been satisfied and required regulatory approvals have been obtained.

The fair values of the identifiable assets and liabilities of MHCPSI at the date of acquisition were:

Assets	
Property and equipment	US$190,652,008
Cash and cash equivalents	40,911,920
Receivables	1,916,784
Spare parts and supplies	192,339
Prepaid expenses and other current assets	2,400,097
	US$236,073,148
Liabilities	
Long-term debt	US$144,424,108
Deferred tax liabilities	33,121,263
Other noncurrent liabilities	10,623,363
Accounts payable and other current liabilities	8,054,978
Income tax payable	774,000
	US$196,997,712
Total identifiable net assets at fair value	US$39,075,436
Goodwill arising on acquisition	54,040,451
Purchase consideration satisfied in cash and additional consideration* contingent at date of acquisition	US$93,115,887
Cash paid at acquisition date	US$51,239,840
Less cash and cash equivalents of MHCPSI	40,911,920
Net cash outflow	US$10,327,920

**Settled in 2021*

From the date of acquisition until December 31, 2021, MHCPSI contributed US$17.4 million (Php857.8 million) of gross revenues and US$5.7 million (Php282.8 million) net income attributable to equity holders of the Group. Had the business combination took place on January 1, 2021, the Group’s gross revenues from operations would have increased by US$12.9 million (Php634.0 million) and the net income attributable to equity holders would have increased by US$3.3 million (Php160.8 million).

1.5 Sale of Interest in HIPS

AHI entered into an SPA with HRC, with AHI selling all its 162,500 shares or 65% interest in HIPS for a total consideration of Php325.0 million (US$5.8 million) to the latter subject to delivery of a bank guarantee, among other conditions. Effective August 31, 2022, the sale was finalized and concluded by both parties.

Below are the carrying values of assets and liabilities of HIPS at the date of sale:

Assets	
Property and equipment	US$408,913
Cash and cash equivalents	2,611,716
Receivables	46,943
Spare parts and supplies	13,932
Prepaid expenses and other current assets	43,621
	US$3,125,125

(Forward)

Liabilities	
Accounts payable and other current liabilities	US$177,972
Income tax payable	62,083
	US$240,055

Net book value of assets	US$2,885,070
Cumulative translation adjustment	1,343,557
Non-controlling interest	(678,064)
Total book value of net assets attributable to controlling interests	US$3,550,563

Total consideration [(a)]	US$5,788,583
Gain on sale of investment in HIPS, net of tax [(b)]	US$2,238,020

(a) Php325,000,000 translated using the closing rate at the date of sale
(b) Net of capital gains tax amounting to US$474,346

The net gain on the sale of investment in HIPS was included as part of other income (see Note 21.1).

2. Basis of Preparation and Consolidation and Statement of Compliance

2.1 Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) and derivative financial instruments, which have been measured at fair value. The consolidated financial statements are presented in United States dollars (US dollar, USD or US$), the Parent Company's functional and presentation currency. All values are rounded to the nearest US dollar unit, except when otherwise indicated.

2.2 Basis of Consolidation

The 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
- The Group's voting rights and potential voting rights

The Group re-assesses 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 subsidiaries not wholly-owned by the Group (see Note 1.3). An acquisition, transfer or sale of a non-controlling interest is accounted for as an equity transaction (i.e. no gain or loss is recognized in consolidated statements of income).

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 year using uniform accounting policies as those of the Parent Company.

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

2.3 Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with PFRSs.

3. Summary of Material Accounting Policies, Significant Accounting Judgments, Estimates and Assumptions

3.1 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following amended standards as at January 1, 2023. The Group has not early adopted any other pronouncement that has been issued but is not yet effective. Unless otherwise indicated, the adoption of the amended standards do not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments to PAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

  The amendments had no impact on the Group's consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 8.

- Amendments to PAS 12, *International Tax Reform—Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

  The Group adopted and applied the exceptions introduced by PAS 12. Current income tax expense related to Pillar Two income taxes amounted to nil in 2023.

  Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. As at February 28, 2024, the Group is in the process of gathering information and assessing the potential exposure arising from the Pillar Two legislation.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  The amendments had no impact on the Group's consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 12.

3.2 Significant Accounting Judgments, Estimates and Assumptions

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, in addition to those involving estimations, that can have significant effects on the amounts recognized in the consolidated financial statements:

Determination of Control over an Investee Company. Control is presumed to exist when an investor 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. The Group has determined that it has the ability to direct the relevant operational activities of MNHPI in view of its technical and port management expertise to affect increased returns to the shareholders (see Note 1.4).

Determination of Acquisition of Group of Assets as a Business in Accordance with PFRS 3. Management uses judgment in assessing if the group of assets and liabilities acquired would constitute a business. In accordance with PFRS 3, business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.

Functional Currency. Management uses judgment in assessing the functional currency of the Parent Company and its subsidiaries. Each entity in the Group determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity.

Determining the Incremental Borrowing Rate for Lease Liabilities. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Observable inputs such as market interest rates are used as applicable.

Deferred Tax Liabilities. Deferred tax liabilities are recognized for undistributed earnings of subsidiaries in retained earnings position from which the Parent Company projects to receive distributions in the foreseeable future and where these distributions are subject to tax. Deferred taxes were not provided for undistributed earnings of subsidiaries in retained earnings position that are not taxable upon distribution or where the Parent Company has control over the distribution of such earnings in the foreseeable future, as these may be earmarked for reinvestment in foreign port projects or for other reasons. As at December 31, 2021, 2022 and 2023, the Group recognized deferred tax liability relating to the undistributed earnings of subsidiaries amounting to nil, US$10.1 million and US$15.0 million, respectively (see Note 22).

Determination of Uncertainties Over its Income Tax Treatments. The Group applied significant judgement in identifying any uncertainties over its income tax treatments especially that the Group operates in a complex multinational environment. The Group did not have any significant uncertainties over its income tax treatments.

Contingencies. The Group is currently a party in a number of legal cases and negotiations involving cargo, labor, tax, contracts and other issues. The Group's estimate of the probable costs for the resolution of these cases and negotiations has been developed in consultation with outside counsels handling the defense for these matters and is based upon an analysis of probable results. 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 these actions, if any, will not have a material adverse impact on the Group's consolidated financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings. Provision for claims and losses amounted to US$18.5 million, US$19.7 million and US$21.3 million as at December 31, 2021, 2022 and 2023, respectively (see Notes 19 and 26).

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recognition of Construction Revenue. The Group's revenue from construction services relating to IFRIC 12 service concession arrangement is recognized over time using an input method based on actual costs incurred to date relative to the total estimated costs to complete the construction. The estimated costs to complete the construction are mainly based on committed investments for each port development or project as provided in the concession agreement.

The carrying amount of contract assets arising from construction services and included as part of concession rights amounted to US$126.5 million, US$136.2 million and US$63.2 million as of December 31, 2021, 2022 and 2023, respectively.

Impairment of Nonfinancial Assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a discounted cash flow (DCF) model and requires the Group to make an estimate of the expected future cash flows from the asset or cash-generating unit and also to choose a suitable discount rate to calculate the present value of those cash flows. The recoverable amount is sensitive to the discount rate used for the DCF model.

The carrying amounts of intangible assets, goodwill, property and equipment, right-of-use assets, investment properties, investments in joint ventures and associates, and other noncurrent assets are disclosed in Notes 5, 6, 7, 8, 9, and 10 to the consolidated financial statements, respectively.

Estimating Useful Lives. Management determines the estimated useful lives and the related depreciation and amortization charges for its computer software, property and equipment, investment properties based on the period over which these assets are expected to provide economic benefits. Such estimations are based on collective assessment of industry practice, internal technical evaluation, and experience with similar assets. These estimations are reviewed periodically and could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets.

Management will increase the depreciation and amortization charges where useful lives are less than what have previously been estimated. A reduction in the estimated useful lives of these assets will increase recorded expenses and decrease noncurrent assets. The carrying values of computer software, property and equipment, and investment properties are disclosed in Notes 5, 6 and 8 to the consolidated financial statements, respectively.

Defined Benefit Obligation. The determination of the present value of the defined benefit obligation is dependent on the selection of certain assumptions provided by the Group to its actuaries in calculating such amounts. Those assumptions include, discount rate and future salary increases.

Due to its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

The carrying values of defined benefit obligation are disclosed in Note 24 to the consolidated financial statements.

Deferred Tax Assets. Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, taking into consideration effect of significant events on the macroeconomic factors used in developing the assumptions.

Deferred tax assets are disclosed in Note 22 to the consolidated financial statements. Unrecognized deferred tax assets on net operating loss carry-over (NOLCO) and other losses of certain subsidiaries amounted to US$8.2 million, US$9.5 million, and US$9.0 million as at December 31, 2021, 2022 and 2023, respectively. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on these tax losses carried forward.

Measurement of Expected Credit Losses (ECL) for Trade Receivables. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and geography).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The carrying values of receivables and the related allowance for ECL of the Group are disclosed in Note 13.

3.3 Material Accounting Policies

Intangibles
Separately acquired intangible assets are initially recognized at cost.

The Group classifies concession right as an intangible asset when it entitles the Group to charge users in exchange for cargo handling services the Group provides. Such right arises from service concession arrangement within the scope of IFRIC 12, *Service Concession Arrangements*, whereby the grantor (a government entity), controls or regulates the services provided to the customers as well as the prices charged to them. The grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement. The cost of concession right comprises of upfront fees, present value of the fixed concession fees payable to the port authorities, construction cost of port infrastructure and purchase price of port equipment committed to be invested by the Group under the concession contract and borrowing costs, if the concession right takes a substantial time to get ready for its intended use, and adjusted for any subsequent remeasurement of concession rights payable.

Concession rights are subject to impairment assessment. Concession rights are amortized on a straight-line basis over the term of the concession arrangements ranging from 13 to 43 years.

Computer software is amortized on a straight-line basis over five years.

Intangible asset acquired in a business combination is measured at fair value on the acquisition date. Goodwill is measured as described in the accounting policy on *Business Combinations and Goodwill*.

Goodwill and intangible assets not yet brought into use are not amortized but are tested for impairment at least annually or more frequently should impairment indicators exist.

<u>Business Combinations and Goodwill</u>
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed and included as part of "Administrative and other operating expenses" account in the consolidated statement of income.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previously held interest over the net identifiable assets acquired and liabilities assumed.

For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Property and Equipment
Land is measured at cost net of accumulated impairment losses, if any. All other property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes borrowing cost if the asset takes a substantial time to get ready for its intended use.

Depreciation and amortization of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

	Number of Years
Land improvements	7-25 years
Leasehold rights and improvements	5-48 years or terms of the operating contract with port authorities or concessions, whichever is shorter
Port facilities and equipment and spare parts	5-25 years or terms of the operating contract with port authorities or concessions, whichever is shorter
Transportation equipment	3-5 years
Office equipment, furniture and fixtures	3-5 years
Miscellaneous equipment	5 years

Construction in progress is not depreciated until such time the relevant asset is completed and available for operational use.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term ranging from 2 to 48 years. Right-of-use assets are subject to impairment assessment.

Lease Liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, a change in the assessment to purchase the underlying asset or there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Short-term Leases and Leases of Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as Lessor. Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as income in the period in which they are earned.

Investments in Joint Ventures and in an Associate

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in joint ventures and in an associate are accounted for using the equity method. Under the equity method, the investment is initially recognized at cost. The carrying amount of the investment is then adjusted to recognize changes in the Group's share of net assets of the investee since the acquisition date. The consolidated statement of income reflects the Group's share of the results of operations of the investee. Unrealized gains and losses resulting from transactions between the Group and the investee are eliminated to the extent of the interest in the investee.

Impairment of Non-financial Assets

The Group assesses, at each balance sheet date, whether there is an indication that an asset (e.g., property and equipment, investment properties, concession rights, computer software, right-of-use assets, investments in joint ventures, and certain other noncurrent assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on most recent budgets, which generally cover a period of five years. A long-term growth rate is applied to project future cash flows after the fifth year.

Goodwill and intangible assets not yet brought into use are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Measurement of Financial Assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of the Group's trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price, i.e., the amount of consideration the Group is entitled to collect from the customers in exchange for services rendered.

Subsequent Measurement of Financial Assets
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets measured at amortized cost (debt instruments)
- Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are reclassified to profit or loss (debt instruments)
- Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss
- Financial assets measured at fair value through profit or loss

The Group classifies debt financial asset as at amortized cost only if the asset gives rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding and that such asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Group does not have debt instruments at FVOCI.

Financial Assets at Amortized Cost. Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash in banks, cash equivalents, trade receivables, advances and nontrade receivables, receivable from port authorities and short-term investments.

Equity Instruments at FVOCI. The Group has irrevocably elected to measure equity instruments not held for trading at FVOCI. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case, such gain is recognized in OCI. Equity investments at FVOCI are not subject to impairment assessment.

Financial Assets at Fair Value Through Profit or Loss (FVTPL). The Group's financial assets at FVTPL consist of derivative instruments not designated as hedging instruments.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments that meet the investment grade criteria, the Group applies the low credit risk simplification. At every balance sheet date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The Group considers a financial asset in default when contractual payments are 120 days past due. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Initial Recognition and Measurement of Financial Liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent Measurement of Financial Liabilities
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at amortized cost (loans and borrowings)
- Financial liabilities at fair value through profit or loss

Financial Liabilities at Amortized Cost. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on initial recognition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in the consolidated statement of income.

The Group's financial liabilities at amortized cost include long-term debt, loans payable, concession rights payable and lease liabilities.

Financial Liabilities at FVTPL. The Group's financial liabilities at FVTPL consist of derivative instruments not designated as hedging instruments.

Hedge Accounting
The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges. The change in the fair value of a hedging instrument is recognized in the profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the profit or loss.

Cash Flow Hedges. The effective portion of the gain or loss on the hedging instrument is recognized in OCI, whereas any ineffective portion is recognized immediately in the profit or loss. The amount taken to OCI is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a Net Investment. Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI whereas any gains or losses relating to the ineffective portion are recognized in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

Cash does not include restricted cash, which is classified in the consolidated balance sheet either as a current or noncurrent asset depending on the relationship to the asset for which the funds are restricted.

Concession Rights Payable

At the commencement date of the service concession arrangement within the scope of IFRIC 12, the Group recognizes as concession rights payable the present value of concession fee payments to be made over the term of the concession. The concession fee payments include fixed payments and variable payments that depend on an index or a rate. The variable concession payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of the concession fee payments, the Group estimates the discount rate that reflects time value of money and risk assumptions such as own credit risk. Observable inputs such as market interest rates are used as applicable.

The carrying amount of concession rights payable is remeasured if there is a change in future concession fee payments resulting from a change in an index or a rate used to determine those payments.

Accounts Payable and Other Current Liabilities

This account classification includes the following:

Trade Payable. Trade payable represents payable to port authorities other than concession rights pertaining to upfront fees payable in installments and fixed fees, such as accrual of variable portion of port fees and those payable to suppliers and vendors of goods and services.

Accrued Expenses. Accrued expenses are comprised of accruals relating to interest, salaries and benefits, and output and other taxes, among others.

Provisions for Claims and Losses. Provisions for claims and losses pertain to estimated probable losses on cargo, labor-related and other claims from third parties. Provision not settled at the balance sheet date is re-assessed and adjusted, if necessary.

Customers' Deposits. Customers' deposits represent advance payment of customers subject to refund or for future billing applications.

Spare Parts and Supplies

Spare parts and supplies inventories are valued at the lower of cost and net realizable value. Net realizable value is the current replacement cost.

Cost is determined by using the first-in, first-out method. If the cost of spare parts and supplies inventories exceeds its net realizable value, write-downs are made for the differences between the cost and the net realizable value.

Foreign Currencies

Transactions and Balances. Transactions in foreign currencies are initially recorded by each entity at its functional currency ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the entity's functional currency rate of exchange at the balance sheet date.

Foreign currency translation adjustments arising from monetary items are taken to consolidated statement of income and recognized in OCI if they are attributable to the Group's net investment in a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the Group's net investment in that foreign operation.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign Operations. At the reporting date, the assets and liabilities of subsidiaries whose functional currency is not the US dollar are translated into the presentation currency of ICTSI using the Bloomberg closing rate at balance sheet date and their statements of income are translated at the Bloomberg weighted average daily exchange rates for the year. The exchange differences arising from the translation are taken directly and deferred to the consolidated statement of comprehensive income under the "Exchange differences on translation of foreign operations' financial statements" account.

Upon disposal of a foreign operation, the deferred cumulative translation amount relating to the disposed foreign operation is reclassified from OCI to profit or loss.

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments made to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operations and translated at the closing exchange rate at the balance sheet date.

Year-end Exchange Rates

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

	2021		2022		**2023**	
	Closing	Average	Closing	Average	**Closing**	**Average**
Foreign currency to 1 unit of US dollar (USD or US$):						
Argentine peso (AR$)	102.736	95.133	177.132	130.845	**808.475**	**294.709**
Australian dollar (AUD)	1.377	1.331	1.468	1.439	**1.468**	**1.505**
Brazilian real (BRL or R$)	5.571	5.397	5.286	5.168	**4.852**	**4.996**
Central African franc (XAF)	576.501	554.947	612.760	623.925	**594.229**	**606.628**
Chinese renminbi (RMB)	6.356	6.450	6.899	6.737	**7.100**	**7.086**
Colombian peso (COP)	4,064.920	3,749.723	4,850.830	4,256.870	**3,875.340**	**4,319.410**
Croatian kuna (HRK)	6.610	6.368	7.038	7.167	**–**	**–**
Euro (EUR or €)	0.880	0.845	0.934	0.949	**0.906**	**0.925**
Georgian lari (GEL)	3.089	3.217	2.699	2.911	**2.688**	**2.624**
Honduran lempira (HNL)	24.490	24.077	24.675	24.611	**24.741**	**24.662**
Hong Kong dollar (HKD)	7.797	7.773	7.802	7.831	**7.812**	**7.829**
Indonesian rupiah (IDR or Rp)	14,263.000	14,297.000	15,573.000	14,853.000	**15,399.000**	**15,245.000**
Iraqi dinar (IQD)	1,460.000	1,460.000	1,460.000	1,460.000	**1,320.000**	**1,337.165**
Malagasy ariary (MGA)	3,971.610	3,848.260	4,465.690	4,125.060	**4,585.100**	**4,451.860**
Mexican peso (MXN)	20.529	20.286	19.5	20.110	**16.972**	**17.744**
Nigerian naira (NGN)	424.830	407.600	460.820	426.390	**911.680**	**638.740**
Pakistani rupee (PKR or Rs)	176.500	163.048	226.655	205.049	**281.563**	**279.524**
Papua New Guinean kina (PGK)	3.510	3.514	3.524	3.519	**3.730**	**3.589**
Philippine peso (PHP or ₱)	50.999	49.280	55.755	54.488	**55.370**	**55.633**
Polish zloty (PLN)	4.035	3.863	4.375	4.458	**3.936**	**4.200**
Singaporean dollar (SGD)	1.349	1.344	1.340	1.379	**1.320**	**1.343**
United Arab Emirates dirham (AED)	3.673	3.673	3.673	3.673	**3.673**	**3.673**

Starting 2018, Argentina's economy has been considered as hyperinflationary. Accordingly, companies in Argentina whose functional currency is AR$ are required to apply PAS 29, *Financial Reporting in Hyperinflationary Economies*. As at December 31, 2023, the functional currency of Tecplata remains to be US$.

Post-Employment Benefits

Defined Benefit Plans. The liability or asset recognized in the consolidated balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The Group recognizes the following changes in the net defined benefit obligation under Manpower Costs in the consolidated income statement:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements

- Net interest expense or income, which is calculated by applying the discount rate to the net defined benefit liability or asset

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in other comprehensive income in the period in which they arise. Such gains and losses are not reclassified to profit or loss in subsequent periods.

Defined Contribution Plans. Payments to defined contribution plans are recorded as expense in the consolidated statement of income when employees have rendered services entitling them to the contributions. The Group has no further obligations once the contributions have been paid.

Share-based Payments

Certain qualified officers and employees of the Parent Company and subsidiaries receive remuneration for their services in the form of equity shares of the Parent Company (equity-settled transactions).

The cost of equity-settled transactions with officers and employees is measured by reference to the fair value of the equity shares of the Parent Company at the date on which these are granted.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognized for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has transpired and the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for awards that do not ultimately vest because service conditions have not been met.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, which could be based on tariff rates published by port authorities in certain jurisdictions or contractually agreed rates with the customer. The measurement of revenue takes into account contractually defined terms of payment, excluding incentives and output taxes. The Group has concluded that it is the principal in its revenue arrangements because it is the primary obligor who is responsible for providing the services to the customers.

The following specific recognition criteria must also be met before revenue is recognized:

Gross Revenues from Port Operations. Revenue from port operations (stevedoring, arrastre and other cargo handling services) is recognized when the services are rendered. Payment is generally due once services are rendered.

Construction Revenue. Revenue from construction services relating to IFRIC 12 service concession arrangements is recognized over time using an input method based on actual costs incurred to date relative to the total estimated costs to complete the construction. The estimated costs to complete the construction are mainly based on committed investments for each port development or project as provided in the concession agreement. Such revenue is measured at the fair value of the construction services provided.

Expenses
Expenses are recognized as incurred. Expenses constitute the following:

Port Authorities' Share in Gross Revenues. Port authorities' share in gross revenues includes variable fees paid to port authorities as stipulated in the concession agreements.

Manpower Costs. Manpower costs include remunerations and benefits provided by the Group to its officers and employees such as salaries, wages, allowances, and bonuses, among others.

Equipment and Facilities-related Expenses. Equipment and facilities-related expenses include expenses incurred for general repairs and maintenance of the Group's port facilities and other equipment such as consumption of fuel, oil and lubricants, contracted services, power, light and water, and technology and systems development expenses.

Administrative and Other Operating Expenses. Administrative and other operating expenses include costs of administering the business as incurred by administrative and corporate departments such as professional fees, transportation and travel, taxes and licenses, security and janitorial services, insurance and bonds, representation, utilities and general office expenses. This account also includes costs of business development offices in relation to the acquisition of new terminals or projects under exploratory stage.

Income Taxes
Provision for income tax represents the sum of tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting income nor taxable income or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses or NOLCO, to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date to the extent that such tax rates and tax laws are not based on the Pillar Two model rules published by the OECD.

Earnings Per Share

Basic earnings per common share is computed by dividing the adjusted net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during each year after giving retroactive effect to stock dividends declared during the year. The effect of cumulative distributions on subordinated perpetual capital securities classified as equity in accordance with PAS 32, *Financial Instruments: Presentation*, is deducted from net income attributable to equity holders of the Parent Company to arrive at the adjusted amount.

Diluted earnings per common share is computed in the same manner, adjusted for the effect of the shares issuable to qualified officers and employees under the Parent Company's stock incentive plan which are assumed to be exercised at the date of grant.

Where the effect of the vesting of stock under the stock incentive plan is anti-dilutive, basic and diluted earnings per share are stated at the same amount.

Geographical Segments

The Group operates principally in one industry segment which is cargo handling and related services. The Group's operating business is organized and managed separately according to location, namely Asia, Europe, the Middle East and Africa (EMEA), and Americas. Financial information on geographical segments is presented in Note 4 to the consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent assets and liabilities are not recognized in the consolidated financial statements. Contingent assets are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable and recognized in the consolidated balance sheet and the related income in the consolidated statement of income when an inflow of economic benefits is virtually certain. On the other hand, contingent liabilities are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Events after the Balance Sheet Date

Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3.4 Future Changes in Accounting Policies

Pronouncements issued but not yet effective as at December 31, 2023 are listed below. The Group intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, adoption of these pronouncements is not expected to have a significant impact on the consolidated financial statements of the Group.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments must be applied retrospectively.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments must be applied retrospectively.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

- Amendments to PAS 21*, Lack of Exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

When applying the amendments, an entity cannot restate comparative information.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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 cargo handling and related business into three geographical segments:

- Asia - includes Manila International Container Terminal (MICT), BIPI, DIPSSCOR (ceased commercial operations on June 30, 2022), SCIPSI, SBITC, ICTSI Subic, HIPS (until August 31, 2022), MICTSI, LGICT, CGT, MHCPSI, MNHPI (obtained control on September 8, 2022), SBI and CLI in the Philippines; YICT in China; OJA, IJP, MTS (ceased commercial operations on January 31, 2023) and EJD (acquired on August 16, 2022) in Indonesia; VICT in Australia; MITL and SPICTL in PNG; and 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 (concession contract ended on June 17, 2023), ICTSI Nigeria in Nigeria, IDRC in DR Congo, ICTSI Iraq in Iraq, AGT in Sudan; and KMT in Cameroon; and
- Americas - includes TSSA, ICTSI Rio, IRB Logistica and CLIA Pouso Alegre in Brazil (acquired on September 5, 2023), 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.

Management monitors the operating results of each 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 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 of 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 tables below present financial information on geographical segments as at and for the years ended December 31:

	2021			
	Asia	EMEA	Americas	Consolidated
Volume [a]	5,128,783	2,657,555	3,377,135	11,163,473
Gross revenues	US$836,614,273	US$425,897,273	US$602,508,954	US$1,865,020,500
Capital expenditures [b]	80,663,259	55,553,786	28,766,221	164,983,266
Other information:				
Segment assets [c]	3,366,794,654	888,367,997	1,673,543,512	5,928,706,163
Segment liabilities [d]	3,411,248,115	179,313,581	934,976,701	4,525,538,397

	2022			
	Asia	EMEA	Americas	Consolidated
Volume [a]	6,129,900	2,657,288	3,429,002	12,216,190
Gross revenues	US$1,015,533,199	US$467,634,016	US$759,824,640	US$2,242,991,855
Capital expenditures [b]	229,986,141	92,433,772	63,929,170	386,349,083
Other information:				
Segment assets [c]	3,890,617,420	906,610,853	1,863,505,828	6,660,734,101
Segment liabilities [d]	3,775,232,252	180,682,362	1,051,913,971	5,007,828,585

	2023			
	Asia	**EMEA**	**Americas**	**Consolidated**
Volume [a]	**6,570,833**	**2,524,865**	**3,653,516**	**12,749,214**
Gross revenues	**US$1,042,431,959**	**US$490,279,582**	**US$855,614,842**	**US$2,388,326,383**
Capital expenditures [b]	**145,793,115**	**74,157,814**	**116,369,620**	**336,320,549**
Other information:				
Segment assets [c]	**3,781,442,003**	**907,754,784**	**2,147,008,858**	**6,836,205,645**
Segment liabilities [d]	**3,504,606,968**	**317,853,875**	**1,178,737,601**	**5,001,198,444**

[a] *Measured in TEUs.*

[b] *Capital expenditures consist of amount disbursed for the acquisition of port facilities and equipment classified as intangible assets under IFRIC 12 amounting to US$58.7 million, US$100.7 million, and US$74.9 million in 2021, 2022, and 2023, respectively, property and equipment amounting to US$88.9 million, US$237.9 million, and US$207.7 million in 2021, 2022, and 2023, respectively, as shown in the consolidated statements of cash flows, and noncurrent advances to suppliers and contractors amounting to US$17.4 million, US$47.7 million, and US$53.7 million in 2021, 2022, and 2023, respectively.*

[c] *Segment assets do not include deferred tax assets amounting to US$337.8 million, US$392.9 million, and US$408.7 million as at December 31, 2021, 2022 and 2023, respectively.*

[d] *Segment liabilities do not include income tax payable amounting to US$46.4 million, US$56.8 million, and US$65.0 million and, deferred tax liabilities amounting to US$182.9 million, US$262.3 million, and US$273.5 million as at December 31, 2021, 2022 and 2023, 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 consolidated net income attributable to equity holders of the parent for the years ended December 31:

	2021	2022	**2023**
Net income attributable to equity holders of the parent	US$428,568,591	US$618,464,708	**US$511,529,938**
Non-controlling interests	48,973,852	59,002,117	**69,596,417**
Provision for income tax	124,416,656	152,657,633	**166,415,687**
Income before income tax	601,959,099	830,124,458	**747,542,042**
Add (deduct):			
Depreciation and amortization	246,993,685	266,717,816	**294,431,515**
Interest and other expenses [a]	350,260,766	386,936,746	**555,193,153**
Interest and other income [b]	(60,156,860)	(74,506,231)	**(91,553,190)**
EBITDA [c]	US$1,139,056,690	US$1,409,272,789	**US$1,505,613,520**

[a] *Interest and other expenses include the following as shown in the consolidated statements of income: foreign exchange loss; interest expense on concession rights payable and lease liabilities; interest expense and financing charges on borrowings; impairment losses on goodwill and nonfinancial assets; equity in net loss of joint ventures and an associate; and other expenses.*

[b] *Interest and other income include the following as shown in the consolidated statements of income: foreign exchange gain; equity in net profit of joint ventures and an associate; 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 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 port fees and leases 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 32.4 percent, 33.3 percent and 33.9 percent of the consolidated gross revenues from port operations for the years ended December 31, 2021, 2022 and 2023, respectively. Gross revenues from port operations outside the Republic of the Philippines comprised 67.6 percent, 66.7 percent and 66.1 percent of the consolidated gross revenues from port operations for the years ended December 31, 2021, 2022 and 2023, respectively.

5. **Intangibles**

This account consists of:

	2021						
	Concession Rights (Note 25)				Computer Software and Others	Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	Subtotal			
Cost							
Balance at beginning of year	US$332,714,087	US$858,022,207	US$1,950,226,024	US$3,140,962,318	US$74,556,788	US$167,784,832	US$3,383,303,938
Additions	–	18,737,593	57,693,367	76,430,960	1,041,885	–	77,472,845
Disposals	–	–	–	–	(38,126)	–	(38,126)
Transfers from other accounts (Notes 6 and 10)	–	–	4,961,490	4,961,490	3,529,921	–	8,491,411
Effect of business combination (Note 1.4)	–	–	–	–	1,290	54,617,233	54,618,523
Remeasurement	–	27,023,445	–	27,023,445	–	–	27,023,445
Translation adjustments	(1,999,397)	(14,390,528)	(12,626,600)	(29,016,525)	(1,289,108)	(9,791,891)	(40,097,524)
Balance at end of year	330,714,690	889,392,717	2,000,254,281	3,220,361,688	77,802,650	212,610,174	3,510,774,512
Accumulated Amortization and Impairment Losses							
Balance at beginning of year	129,374,599	233,411,406	848,295,806	1,211,081,811	57,622,096	71,332,653	1,340,036,560
Amortization for the year	10,101,228	31,640,834	53,460,544	95,202,606	9,697,510	–	104,900,116
Translation adjustments	(921,478)	(3,115,117)	(5,915,765)	(9,952,360)	(1,143,965)	(370,375)	(11,466,700)
Balance at end of year	138,554,349	261,937,123	895,840,585	1,296,332,057	66,175,641	70,962,278	1,433,469,976
Net Book Value	US$192,160,341	US$627,455,594	US$1,104,413,696	US$1,924,029,631	US$11,627,009	US$141,647,896	US$2,077,304,536

	2022						
	Concession Rights (Note 25)				Computer Software and Others	Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	Subtotal			
Cost							
Balance at beginning of year	US$330,714,690	US$889,392,717	US$2,000,254,281	US$3,220,361,688	US$77,802,650	US$212,610,174	US$3,510,774,512
Additions	–	–	67,452,758	67,452,758	9,538,601	–	76,991,359
Disposals	–	–	–	–	(118,256)	–	(118,256)
Transfers from (to) other accounts (Notes 6 and 10)	–	–	(2,939,015)	(2,939,015)	4,689,497	–	1,750,482
Effect of business combination (Note 1.4)	220,033,453	48,266,651	215,914,637	484,214,741	–	25,436,993	509,651,734
Remeasurement	–	(2,960,184)	–	(2,960,184)	–	–	(2,960,184)
Translation adjustments	(10,272,111)	(1,289,942)	(9,035,229)	(20,597,282)	278,228	(8,834,064)	(29,153,118)
Balance at end of year	540,476,032	933,409,242	2,271,647,432	3,745,532,706	92,190,720	229,213,103	4,066,936,529
Accumulated Amortization and Impairment Losses							
Balance at beginning of year	138,554,349	261,937,123	895,840,585	1,296,332,057	66,175,641	70,962,278	1,433,469,976
Amortization for the year	14,815,298	33,626,532	59,835,079	108,276,909	6,720,976	–	114,997,885
Disposals	–	–	–	–	(115,875)	–	(115,875)
Effect of business combination	36,698,024	18,751,664	71,981,743	127,431,431	–	–	127,431,431
Translation adjustments	(5,836,504)	(4,949,998)	(4,228,069)	(15,014,571)	(666,488)	(509,784)	(16,190,843)
Balance at end of year	184,231,167	309,365,321	1,023,429,338	1,517,025,826	72,114,254	70,452,494	1,659,592,574
Net Book Value	US$356,244,865	US$624,043,921	US$1,248,218,094	US$2,228,506,880	US$20,076,466	US$158,760,609	US$2,407,343,955

	2023						
	Concession Rights (Note 25)				**Computer Software and Others**	**Goodwill**	**Total**
	Upfront Fees	**Fixed Fees**	**Port Infrastructure**	**Subtotal**			
Cost							
Balance at beginning of year	**US$540,476,032**	**US$933,409,242**	**US$2,271,647,432**	**US$3,745,532,706**	**US$92,190,720**	**US$229,213,103**	**US$4,066,936,529**
Additions	**–**	**–**	**67,602,689**	**67,602,689**	**2,135,640**	**–**	**69,738,329**
Disposals	**–**	**–**	**–**	**–**	**(784,532)**	**–**	**(784,532)**
Remeasurement	**–**	**16,029,069**	**–**	**16,029,069**	**–**	**–**	**16,029,069**
Transfers from other accounts (Notes 6 and 10)	**–**	**–**	**820,340**	**820,340**	**545,948**	**–**	**1,366,288**
Effect of business combination (Note 1.4)	**–**	**–**	**–**	**–**	**21,613,713**	**7,453,625**	**29,067,338**
Translation adjustments	**(1,133,773)**	**3,979,435**	**4,065,909**	**6,911,571**	**2,258,274**	**2,848,334**	**12,018,179**
Balance at end of year	**539,342,259**	**953,417,746**	**2,344,136,370**	**3,836,896,375**	**117,959,763**	**239,515,062**	**4,194,371,200**
Accumulated Amortization and Impairment Losses							
Balance at beginning of year	**184,231,167**	**309,365,321**	**1,023,429,338**	**1,517,025,826**	**72,114,254**	**70,452,494**	**1,659,592,574**
Amortization for the year	**22,702,594**	**35,084,150**	**72,814,716**	**130,601,460**	**6,625,888**	**–**	**137,227,348**
Disposals	**–**	**–**	**–**	**–**	**(782,402)**	**–**	**(782,402)**
Impairment loss for the year	–	–	–	–	–	**10,614,546**	**10,614,546**
Effect of business combination (Note 1.4)	**–**	**–**	**–**	**–**	**24,957**	**–**	**24,957**
Translation adjustments	**(1,804,731)**	**(29,933)**	**(1,473,007)**	**(3,307,671)**	**1,900,379**	**38,007**	**(1,369,285)**
Balance at end of year	**205,129,030**	**344,419,538**	**1,094,771,047**	**1,644,319,615**	**79,883,076**	**81,105,047**	**1,805,307,738**
Net Book Value	**US$334,213,229**	**US$608,998,208**	**US$1,249,365,323**	**US$2,192,576,760**	**US$38,076,687**	**US$158,410,015**	**US$2,389,063,462**

Concession Rights

Additions to concession rights in 2021 mainly pertain to the capitalized fixed fees due to extension of concession contract at MICTSL and construction of various civil works and acquisitions of port facilities and equipment in existing terminals in ICTSI, CGSA, ICTSI Iraq, and SPICTL. In 2022, additions to concession rights mainly pertain to the construction of various civil works and acquisitions of port facilities and equipment in ICTSI, CGSA and ICTSI Iraq and additions through consolidation of MNHPI. In 2023, additions to concession rights mainly pertain to construction of various civil works and acquisitions of port facilities and equipment in ICTSI, SPICTL, OPC and CGSA.

Concession rights have remaining amortization periods ranging from 7 to 42 years as of December 31, 2023.

Goodwill

Goodwill arises from the excess of acquisition costs over the share in fair values of net assets at acquisition dates of the following subsidiaries:

	2021	2022	**2023**
ICTSI Rio	US$44,912,241	US$47,337,137	**US$51,565,999**
MHCPSI	51,148,363	46,291,281	**46,613,128**
MNHPI	–	23,185,916	**23,347,120**
AGCT	16,607,827	15,597,202	**16,083,837**
YICT	10,373,074	9,557,340	**9,286,239**
CLIA Pouso Alegre	–	–	**4,926,789**
IRB Logistica	–	–	**2,709,162**
EJD	–	2,426,583	**2,453,041**
PICT	17,224,354	13,412,967	**–**
SBI	–	439,887	**468,248**
Others	1,382,037	512,296	**956,452**
	US$141,647,896	US$158,760,609	**US$158,410,015**

In 2023, the goodwill attributed to PICT's business amounting to US$10.6 million (PKR3.0 billion) was fully impaired and charged to profit or loss as a result of the expiry of PICT's concession effective June 17, 2023 (see Note 1).

6. **Property and Equipment**

This account consists of:

	2021								
	Land and Land Improvements	Leasehold Rights and Improvements	Port Facilities and Equipment	Transportation Equipment	Office Equipment, Furniture and Fixtures	Miscellaneous Equipment	Port Equipment Spare Parts	Construction in Progress	Total
Cost									
Balance at beginning of year	US$143,455,197	US$724,796,089	US$954,473,924	US$73,399,675	US$61,981,721	US$47,647,716	US$4,369,002	US$38,379,708	US$2,048,503,032
Additions	6,315,126	7,524,617	22,826,493	2,183,887	2,545,309	1,262,057	27,386	56,975,810	99,660,685
Disposals	–	(531,066)	(2,932,768)	(10,141,988)	(522,146)	(728,396)	(212,135)	–	(15,068,499)
Effect of business combination	158,291,457	–	–	–	64,964	1,095	–	157,035	158,514,551
Translation adjustments	(14,950,243)	(21,052,479)	(28,929,956)	(405,450)	(1,174,885)	(510,791)	(30,443)	(1,714,963)	(68,769,210)
Transfers from (to) other accounts (Notes 5 and 10)	–	48,066,983	2,568,234	621,822	692,086	(122,493)	(1,172)	(58,992,959)	(7,167,499)
Balance at end of year	293,111,537	758,804,144	948,005,927	65,657,946	63,587,049	47,549,188	4,152,638	34,804,631	2,215,673,060
Accumulated Depreciation and Amortization									
Balance at beginning of year	8,220,003	194,486,239	310,228,563	44,870,286	54,519,536	20,332,915	1,774,549	–	634,432,091
Depreciation and amortization for the year	2,920,849	33,136,386	48,137,910	5,879,277	4,854,829	3,620,779	100,953	–	98,650,983
Disposals	–	(181,824)	(2,414,993)	(10,105,217)	(512,681)	(690,186)	–	–	(13,904,901)
Effect of business combination	–	–	–	–	3,260	71	–	–	3,331
Translation adjustments	(339,331)	(3,625,136)	(9,134,437)	(229,879)	(1,171,718)	260,862	(8,749)	–	(14,248,388)
Transfers from (to) other accounts (Notes 5 and 10)	–	550,255	(321,645)	–	155,579	(484,542)	–	–	(100,353)
Balance at end of year	10,801,521	224,365,920	346,495,398	40,414,467	57,848,805	23,039,899	1,866,753	–	704,832,763
Net Book Value	US$282,310,016	US$534,438,224	US$601,510,529	US$25,243,479	US$5,738,244	US$24,509,289	US$2,285,885	US$34,804,631	US$1,510,840,297

	2022								
	Land and Land Improvements	Leasehold Rights and Improvements	Port Facilities and Equipment	Transportation Equipment	Office Equipment, Furniture and Fixtures	Miscellaneous Equipment	Port Equipment Spare Parts	Construction in Progress	Total
Cost									
Balance at beginning of year	US$293,111,537	US$758,804,144	US$948,005,927	US$65,657,946	US$63,587,049	US$47,549,188	US$4,152,638	US$34,804,631	US$2,215,673,060
Additions	123,048,319	5,183,483	12,552,839	3,287,329	2,242,751	1,709,310	24,649	115,145,774	263,194,454
Disposals	(36,707)	(480,845)	(9,493,500)	(1,727,002)	(1,981,622)	(394,166)	(175,776)	–	(14,289,618)
Effect of business combination	–	–	–	879,487	2,082,378	–	–	2,229,542	5,191,407
Disposal of a subsidiary	–	(51,759)	(2,684,955)	–	(8,317)	(35,900)	–	(256,024)	(3,036,955)
Translation adjustments	(16,537,138)	(28,477,993)	(15,865,413)	(126,508)	(642,429)	(769,698)	(45,199)	(3,201,072)	(65,665,450)
Transfers from (to) other accounts (Notes 5 and 10)	22,063,635	5,716,753	36,987,597	327,536	1,927,479	(174,253)	(38,681)	(38,282,398)	28,527,668
Balance at end of year	421,649,646	740,693,783	969,502,495	68,298,788	67,207,289	47,884,481	3,917,631	110,440,453	2,429,594,566
Accumulated Depreciation and Amortization									
Balance at beginning of year	10,801,521	224,365,920	346,495,398	40,414,467	57,848,805	23,039,899	1,866,753	–	704,832,763
Depreciation and amortization for the year	4,196,729	34,644,127	48,542,254	6,155,000	4,700,134	3,172,175	130,202	–	101,540,621
Disposals	(2,128)	(480,845)	(7,909,459)	(1,652,576)	(1,673,870)	(229,742)	–	–	(11,948,620)
Effect of business combination	–	–	–	720,748	1,823,163	–	–	–	2,543,911
Disposal of a subsidiary	–	(24,001)	(2,584,239)	–	(8,317)	(11,485)	–	–	(2,628,042)
Translation adjustments	(625,474)	(8,535,925)	(10,854,283)	(99,224)	(564,800)	(73,293)	(48,532)	–	(20,801,531)
Transfers from (to) other accounts (Notes 5 and 10)	858,785	153,316	176,205	(335,777)	12,532	(507,179)	–	–	357,882
Balance at end of year	15,229,433	250,122,592	373,865,876	45,202,638	62,137,647	25,390,375	1,948,423	–	773,896,984
Net Book Value	US$406,420,213	US$490,571,191	US$595,636,619	US$23,096,150	US$5,069,642	US$22,494,106	US$1,969,208	US$110,440,453	US$1,655,697,582

	2023								
	Land and Land Improvements	**Leasehold Rights and Improvements**	**Port Facilities and Equipment**	**Transportation Equipment**	**Office Equipment, Furniture and Fixtures**	**Miscellaneous Equipment**	**Port Equipment Spare Parts**	**Construction in Progress**	**Total**
Cost									
Balance at beginning of year	**US$421,649,646**	**US$740,693,783**	**US$969,502,495**	**US$68,298,788**	**US$67,207,289**	**US$47,884,481**	**US$3,917,631**	**US$110,440,453**	**US$2,429,594,566**
Additions	**58,734**	**14,701,797**	**54,588,297**	**6,108,870**	**5,544,582**	**3,490,443**	**–**	**161,244,832**	**245,737,555**
Disposals	**–**	**(6,893,245)**	**(22,032,250)**	**(1,419,457)**	**(2,066,794)**	**(72,437)**	**(44,329)**	**(82,965)**	**(32,611,477)**
Effect of business combination	**–**	**116,380**	**1,846,561**	**140,555**	**106,535**	**–**	**–**	**–**	**2,210,031**
Translation adjustments	**8,353,907**	**9,751,163**	**37,359,086**	**192,687**	**666,540**	**363,140**	**12,132**	**4,632,454**	**61,331,109**
Transfers from (to) other accounts (Notes 5, 8 and 10)	**–**	**4,951,098**	**7,070,531**	**–**	**–**	**–**	**–**	**(13,226,934)**	**(1,205,305)**
Balance at end of year	**430,062,287**	**763,320,976**	**1,048,334,720**	**73,321,443**	**71,458,152**	**51,665,627**	**3,885,434**	**263,007,840**	**2,705,056,479**
Accumulated Depreciation and Amortization									
Balance at beginning of year	**15,229,433**	**250,122,592**	**373,865,876**	**45,202,638**	**62,137,647**	**25,390,375**	**1,948,423**	**–**	**773,896,984**
Depreciation and amortization for the year	**4,063,276**	**33,793,252**	**49,505,384**	**6,585,513**	**4,189,066**	**2,970,181**	**–**	**–**	**101,106,672**
Disposals	**–**	**(6,893,245)**	**(19,987,243)**	**(1,111,392)**	**(2,036,864)**	**(62,847)**	**–**	**–**	**(30,091,591)**
Effect of business combination	**–**	**22,312**	**259,318**	**66,297**	**15,550**	**–**	**–**	**–**	**363,477**
Translation adjustments	**81,369**	**3,266,111**	**9,616,673**	**102,689**	**1,004,381**	**34,274**	**(18,511)**	**–**	**14,086,986**
Balance at end of year	**19,374,078**	**280,311,022**	**413,260,008**	**50,845,745**	**65,309,780**	**28,331,983**	**1,929,912**	**–**	**859,362,528**
Net Book Value	**US$410,688,209**	**US$483,009,954**	**US$635,074,712**	**US$22,475,698**	**US$6,148,372**	**US$23,333,644**	**US$1,955,522**	**US$263,007,840**	**US$1,845,693,951**

Capitalized borrowing costs amounted to US$0.6 million at a capitalization rate of 8.00 percent in 2021, US$0.3 million at a capitalization rate of 8.00 percent in 2022, and US$2.9 million at a capitalization rate of 4.27 percent in 2023. Additions to land and land improvements in 2022 pertain mainly to acquisition of land in the Philippines and in Brazil for new projects. Additions to port facilities and equipment in 2023 mainly pertain to expansion works and/or acquisition of terminal equipment at VICT and IDRC.

Construction in progress is mainly composed of ongoing port development and expansion projects in CMSA and IDRC as at December 31, 2021, IDRC, VICT and CMSA as at December 31, 2022, and CMSA, IDRC and VICT as at December 31, 2023.

Certain property and equipment of VICT with total carrying value of AUD279.2 million (US$202.8 million), and AUD360.8 million (US$246.1 million), and AUD428.6 million (US$292.0 million) as at December 31, 2021, 2022, and 2023, respectively, were pledged as securities for its Senior Secured Notes; parcels of land of IDRC with total carrying value of US$10.2 million as at December 31, 2021, 2022, and 2023, was pledged as collateral for its outstanding loan (see Note 16.2.3).

7. Right-of-use Assets and Lease Liabilities

The concession agreements of CMSA, TSSA, VICT, BCT, BICTL, MICTSI, ICTSI Nigeria, and TMT (until May 2021) lease of terminal facilities in IRB Logistica and 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 and have remaining amortization periods ranging from 1 to 32 years.

Amounts Recognized in the Consolidated Balance Sheets
Set-out below are the reconciliation of the Group's right-of-use assets and lease liabilities during the period:

Right-of-use Assets

	2021	2022	**2023**
Balance at beginning of year	US$612,137,861	US$664,266,147	**US$723,831,838**
Additions	4,455,424	11,288	**164,218,518**
Remeasurement	119,476,968	106,404,486	**28,658,474**
Amortization	(43,062,616)	(49,798,358)	**(56,056,912)**
Effect of business combination (Note 1.4)	–	2,600,268	**–**
Cumulative translation adjustments	(28,741,490)	348,007	**55,714,439**
Balance at end of year	US$664,266,147	US$723,831,838	**US$916,366,357**

Lease Liabilities

	2021	2022	**2023**
Balance at beginning of year	US$1,234,777,473	US$1,282,594,748	**US$1,353,698,156**
Interest expense	114,298,044	119,722,451	**133,793,311**
Payments	(125,099,978)	(145,320,011)	**(165,642,959)**
Additions	4,455,424	11,288	**164,218,518**
Remeasurement	119,476,968	106,404,486	**28,658,474**
Foreign exchange differences	(1,869,629)	(1,819,265)	**11,887,153**
Cumulative translation adjustments	(63,443,554)	(11,366,441)	**86,287,068**
Effect of business combination (Note 1.4)	–	3,470,900	**–**
Balance at end of year	US$1,282,594,748	US$1,353,698,156	**US$1,612,899,721**
Current portion of lease liabilities	US$29,223,519	US$25,585,758	**US$41,877,334**
Lease liabilities - net of current portion	1,253,371,229	1,328,112,398	**1,571,022,387**
Balance at end of year	US$1,282,594,748	US$1,353,698,156	**US$1,612,899,721**

Additions to right-of-use assets and lease liabilities during 2023 mainly pertain to renewal of concession contract at BCT and lease of additional berth space at VICT.

Summarized below are the amounts recognized in the consolidated profit or loss:

	2021	2022	**2023**
Amortization of right-of-use assets	US$43,062,616	US$49,798,358	**US$56,056,912**
Interest expense on lease liabilities	114,298,044	119,722,451	**133,793,311**
Lease expense not included in the measurement of lease liabilities (under Port Authorities' share in gross revenues)	25,570,400	29,094,552	**27,752,083**
Lease expense on short-term leases exempted from PFRS 16 classified under:			
Equipment and facilities-related expenses	1,112,666	1,738,021	**3,121,398**
Administrative and other operating expenses	122,633	55,314	**136,902**
Lease expense on low value assets exempted from PFRS 16 classified under:			
Equipment and facilities-related expenses	–	2,535	**15,874**
Administrative and other operating expenses	–	12,277	**7,459**

Maturity Profile

The undiscounted minimum payments pertaining to lease liabilities as at December 31, 2023 are as follows:

	Amount
2024	US$182,279,326
2025	185,739,766
2026	186,624,488
2027	188,000,106
2028 onwards	2,594,126,848
Total	US$3,336,770,534

Lease Commitments of the Group that are Not Reflected in the Measurement of Lease Liabilities

The Group is exposed to future cash outflows that are not yet reflected in the measurement of the lease liabilities as of December 31, 2023 since the leases have not yet commenced:

	Amount
2024	US$18,309,921
2025	18,776,292
2026	19,247,301
2027	19,723,015
2028 onwards	72,783,907
Total	US$148,840,436

8. Investment Properties

The details of investment properties are as follows:

	2021		
	Land and Improvements	Building and Others	Total
Cost			
Balance at beginning of year	US$12,908,839	US$1,002,069	US$13,910,908
Translation adjustments	(248,664)	(7,717)	(256,381)
Balance at end of year	12,660,175	994,352	13,654,527
Accumulated Depreciation and Amortization			
Balance at beginning of year	6,449,240	457,032	6,906,272
Amortization during the year	373,526	6,444	379,970
Translation adjustments	–	(5,845)	(5,845)
Balance at end of year	6,822,766	457,631	7,280,397
Net Book Value	US$5,837,409	US$536,721	US$6,374,130

	2022		
	Land and Improvements	Building and Others	Total
Cost			
Balance at beginning of year	US$12,660,175	US$994,352	US$13,654,527
Effect of business combination	–	151,951	151,951
Translation adjustments	(342,259)	(1,941)	(344,200)
Balance at end of year	12,317,916	1,144,362	13,462,278
Accumulated Depreciation and Amortization			
Balance at beginning of year	6,822,766	457,631	7,280,397
Amortization during the year	375,124	5,828	380,952
Translation adjustments	(8,408)	–	(8,408)
Balance at end of year	7,189,482	463,459	7,652,941
Net Book Value	US$5,128,434	US$680,903	US$5,809,337

	2023		
	Land and Improvements	**Building and Others**	**Total**
Cost			
Balance at beginning of year	**US$12,317,916**	**US$1,144,362**	**US$13,462,278**
Reclassifications (Note 5)	**114,141**	**(275,124)**	**(160,983)**
Translation adjustments	**26,058**	**602**	**26,660**
Balance at end of year	**12,458,115**	**869,840**	**13,327,955**
Accumulated Depreciation and Amortization			
Balance at beginning of year	**7,189,482**	**463,459**	**7,652,941**
Amortization during the year	**34,876**	**5,707**	**40,583**
Translation adjustments	**682**	**–**	**682**
Balance at end of year	**7,225,040**	**469,166**	**7,694,206**
Net Book Value	**US$5,233,075**	**US$400,674**	**US$5,633,749**

Land and improvements mainly include land held for capital appreciation and land improvements subject to operating leases.

Investment properties of MICT and IWI CTHI located in Laguna, Philippines with a carrying value of US$4.4 million, US$3.7 million and US$3.7 million as of December 31, 2021, 2022 and 2023 have a fair value of ₱2.1 billion (US$37.3 million) as at March 15, 2023 based on a valuation performed by a qualified independent appraiser whose report was dated March 25, 2023.

Fair value of the investment properties was determined using the sales comparison approach. This means that valuations performed by qualified independent appraisers are based on sales of similar or substitute properties, significantly adjusted for differences in the nature, location or condition of the specific property. This valuation approach is categorized as *Level 3* in the fair value hierarchy as at December 31, 2021, 2022 and 2023. The significant unobservable input to the valuation is the price per square meter which ranges from ₱3,900 (US$70.4) to ₱4,200 (US$75.9).

Significant increases or decreases in estimated price per square meter in isolation would result in a significantly higher or lower fair value on a linear basis.

Rental income derived from rental-earning investment properties presented as part of “Other income” account in the consolidated statements of income amounted to US$1.5 million in 2021 and 2022, and US$1.2 million in 2023 (see Note 21.1). There were no restrictions on realizability of investment properties and no significant repairs and maintenance were made to maintain the Group’s investment properties in 2021, 2022 and 2023. The rent agreement covering rental-earning investment properties is renewable at the option of the transacting parties yearly.

Operating expenses related to the investment property amounted to US$0.2 million in 2021, 2022 and US$0.4 million in 2023, which pertains mainly to real property taxes.

9. Investments in and Advances to Joint Ventures and an Associate

This account consists of:

	2021	2022	**2023**
Investments in and advances to joint ventures:			
SPIA	US$259,264,388	US$240,208,234	**US$242,974,846**
MNHPI	176,813,651	–	–
Others	13,123,483	10,057,465	**28,527,815**
Investment in an associate:			
ARDC	7,474,994	7,474,994	**7,474,994**
	456,676,516	257,740,693	**278,977,655**
Less allowance for probable losses	7,474,994	7,474,994	**7,474,994**
	US$449,201,522	US$250,265,699	**US$271,502,661**

Investment in and Advances to Joint Ventures
As at December 31, 2023, investments in joint ventures pertain to the Group’s 49.8 percent ownership interest in SPIA and 49.0 percent investment in FAMI. FAMI was established in March 2018. The advances to joint ventures mainly represent interest-bearing loans used by SPIA to finance the construction of its terminal and its start-up operations in Colombia (see Note 23.1). SPIA started commercial operations in the fourth quarter of 2016.

The movements and details of this account are as follows:

	2021	2022	**2023**
Investment in joint ventures:			
Balance at beginning of year	US$219,296,063	US$200,565,942	**US$29,548,523**
Consolidation of MNHPI (Note 1.4)	–	(158,441,495)	**–**
Share in other comprehensive income (loss)	(8,925,849)	(14,562,682)	**1,897,039**
Conversion of advances to investment	–	–	**9,161,996**
Equity in net (losses) gains during the year	(350)	1,986,758	**(9,808,724)**
Dividends declared by MNHPI	(9,803,922)	–	**–**
Balance at end of year	200,565,942	29,548,523	**30,798,834**
Advances to a joint venture (Note 23.1)	248,635,580	220,717,176	**240,703,827**
	US$449,201,522	US$250,265,699	**US$271,502,661**

The summarized financial information of SPIA as at and for the years ended December 31 follows:

	2021	2022	**2023**
Current assets [(a)]	US$29,893,111	US$23,721,184	**US$55,117,226**
Noncurrent assets	512,309,969	478,921,922	**463,865,946**
Current liabilities	231,914,825	216,023,433	**236,141,871**
Noncurrent liabilities [(b)]	241,209,994	223,181,532	**232,573,280**

(a) Current assets include cash and cash equivalents amounting to US$9.5 million, US$6.3 million, and US$30.4 million as at December 31, 2021, 2022 and 2023, respectively.

(b) Noncurrent liabilities include deferred tax liabilities amounting to US$5.6 million, US$5.2 million, and US$4.9 million as at December 31, 2021, 2022 and 2023, respectively.

	2021	2022	**2023**
Gross revenues from port operations	US$76,341,098	US$91,979,473	**US$81,386,226**
Operating expenses	(27,535,812)	(30,546,133)	**(35,975,475)**
Depreciation and amortization	(35,572,900)	(32,383,878)	**(31,835,816)**
Other income	8,490,187	9,803,236	**8,850,524**
Other expenses [(c)]	(39,059,852)	(37,157,907)	**(34,133,463)**
Provision for income tax	(3,886,999)	(7,334,912)	**(1,462,115)**
Net loss	(US$21,224,278)	(US$5,640,121)	**(US$13,170,119)**

(c) Other expenses include interest expense on concession rights payable amounting to US$1.2 million in 2021, 2022, and 2023 and interest expense on advances from IEBV and PSA amounting to US$26.3 million in 2021, US$12.5 million in 2022, and US$12.3 million in 2023.

The difference between the carrying value of investment in SPIA against the share in net assets of SPIA represents the excess of fair value over the carrying value of the concession rights of SPIA.

ICTSI acquired control over MNHPI beginning September 8, 2022 (see Note 1.4). Prior to the business combination, MNHPI was accounted for as a joint venture.

Investment in an Associate

The Group has 49% stake in ARDC that had already ceased commercial operations. The investment in ARDC was covered with a full allowance for probable losses amounting to US$7.5 million.

10. **Other Noncurrent Assets**

This account consists of:

	2021	2022	**2023**
Advances to suppliers, contractors and others - net	US$249,136,440	US$285,340,649	**US$125,611,366**
Input tax	15,990,544	6,625,610	**4,705,820**
Derivative assets (Note 27)	–	8,457,515	**4,186,513**
Financial assets at FVOCI	3,298,382	3,601,546	**3,999,892**
Restricted cash (Note 16)	12,524,678	243,271	**290,066**
Receivable from port authority - noncurrent portion	2,873,191	–	–
Prepayments and others	39,348,935	48,719,498	**57,065,819**
	US$323,172,170	US$352,988,089	**US$195,859,476**

Advances to Suppliers, Contractors and Others

Advances to suppliers, contractors and others mainly pertain to advance payments for the acquisition of transportation equipment and construction of port facilities, advance payments for future rentals and deposits for acquisitions of investments. As at December 31, 2021, 2022 and 2023, this account includes advances and deposits to suppliers and contractors and for the acquisition of investments amounting to US$64.7 million, US$127.7 million and US$125.6 million, respectively (see Note 1.2).

This also includes the upfront fee that ICTSI was required to pay pursuant to the Concession Agreement signed with the Sea Ports Corporation (SPC) of Sudan to operate, manage and develop the South Port Container Terminal (SPCT) at Port of 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 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 million (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 8, 2019, the Ministry of Finance and Economic Planning of the Republic of the 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 January 13, 2019, ICTSI paid the initial installment of Upfront Fee of EUR410.0 million (US$470.2 million). In February 2019, ICTSI established Africa Gateway Terminal (AGT), a Sudanese entity, to operate the container terminal.

On July 3, 2019, December 14, 2019, November 30, 2022 and February 6, 2023, ICTSI received partial repayments of the Upfront Fee in the amount of EUR195.2 million (US$219.1 million), AED110.2 million (EUR26.8 million or US$29.8 million), EUR1.0 million (US$1.0 million) and EUR0.5 million (US$0.5 million) respectively, based on terms of the Refund Bond.

ICTSI strived to reach out to the Sudanese Government but failed to have a productive discussion since the Sudan war broke out in April 2023. As such, the Group recognized full impairment charge on the remaining balance of the Upfront Fee and other noncurrent assets totaling US$154.7 million as at December 31, 2023.

Notwithstanding the prudence in the accounting impairment charge, ICTSI will continue to pursue the Sudanese government on the remaining balance of the Upfront Fee under the terms of the Refund Bond and the UK High Court ruling in favor of ICTSI.

Input Tax
This account includes prepaid input tax and is expected to be applied against output tax after 12 months from the balance sheet date.

Restricted Cash
Restricted cash pertains mainly to cash deposits placed by the Group as required by concession agreements and special purpose debt service reserves.

Receivable from Port Authority
In 2021, this account pertains to ICTSI Rio's receivable from port authority representing the amount recoverable from Companhia Docas do Rio de Janeiro (CDRJ or the port authority) for the reimbursement of costs disbursed for the expansion works on Terminal 1 of the port of Rio de Janeiro, through offsetting against the monthly fixed and variable fees and/or payments by CDRJ.

Financial Assets at FVOCI

The net movement in unrealized mark-to-market gain on financial assets at FVOCI is as follows:

	2021	2022	**2023**
Balance at beginning of year	US$1,051,323	US$1,445,806	**US$1,781,384**
Change in fair value of financial assets at FVOCI	394,483	335,578	**396,624**
Balance at end of year (Note 15.7)	US$1,445,806	US$1,781,384	**US$2,178,008**

Prepayments and Others

As at December 31, 2022, this account increased mainly due to payment of deposits and/or fees in relation to the concession and lease agreements of MICTSL and BCT, respectively, and will be appropriately reclassified as part of intangibles and right-of-use asset once certain requirements within the concession agreement was met and upon the effectivity of renewal of contract, respectively. As at December 31, 2023, this account further increased mainly due to additional payment made at MICTSL, whereas BCT's deposits/fees were already reclassified to right-of-use assets in 2023.

11. Impairment Testing on Nonfinancial Assets

The Group reviews all assets annually or more frequently to look for any indication that an asset may be impaired. These assets include property and equipment, intangible assets, right-of-use assets, investment property, investments in joint ventures and associates, intangible assets not yet available for use and goodwill, and certain other noncurrent assets. If any such indication exists, or when the annual impairment testing for an asset is required, the Group calculates the asset's recoverable amount. Irrespective of whether there is any indication of impairment, intangible assets not yet available for use and goodwill acquired in a business combination are tested for impairment annually. ICTSI and its subsidiaries used a discounted cash flow analysis to determine value-in-use.

Value-in-use reflects an estimate of the future cash flows the Group expects to derive from the cash-generating unit, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors such as illiquidity that market participants would reflect in pricing the future cash flows the Group expects to derive from the cash-generating unit. The calculation of the value-in-use is based on reasonable and supportable assumptions, the most recent budgets and forecasts and extrapolation for periods beyond budgeted projections. These represent management's best estimate of the economic conditions that will exist over the remaining useful life of the asset.

The recoverable amount of nonfinancial assets of the Group subject to impairment testing has been determined based on value-in-use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period or remaining concession period, taking into consideration effect of significant events on the macroeconomic factors used in developing the assumptions. Projections beyond five years were used for the newly established terminals and/or greenfield projects.

Key assumptions used to determine the value-in-use are discount rates including cost of debt and cost of capital, growth rates, EBITDA margins, working capital and capital expenditure.

Discount Rates
The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group used discount rates based on the industry's WACC. The rates used to discount the future cash flows are based on risk-free interest rates in the relevant markets where the subsidiaries are domiciled taking into consideration the debt premium, market risk premium, gearing, corporate tax rate and asset betas of these subsidiaries. Management assumed discount rates of 5.22 percent to 23.92 percent in 2021, 8.60 to 25.50 percent in 2022, and 7.04 percent to 17.00 percent in 2023.

Growth Rates
Average growth rates in revenues are based on ICTSI's expectation of market developments and the changes in the environment in which it operates. ICTSI uses revenue growth rates ranging from 0.14 percent to 5.88 percent in 2023, based on past historical performance as well as expectations on the results of its strategies. On the other hand, the perpetual growth rate used to compute for the terminal value is based on the forecasted long-term growth of real gross domestic product (GDP) of the economy in which the business operates.

EBITDA Margin
The EBITDA margin represents the operating margin before depreciation and amortization and is estimated based on the margin achieved in the period immediately before the budget period and on estimated future development and growth in the industry and market. Committed operational efficiency programs are taken into consideration. Changes in the outcome of these initiatives may affect future estimated EBITDA margin.

Capital Expenditure
In computing the value-in-use, estimates of future cash flows include future cash outflows necessary to maintain the level of economic benefits expected to arise from the asset in its current condition. Capital expenditures that improve or enhance the asset's performance therefore are not included. However, for the newly established terminals and/or greenfield projects, management takes into consideration the capital expenditures necessary to meet the expected growth in volume and revenues. These expansionary capital expenditures of which the Group has incurred cash outflows, for the newly established terminals are deducted from the future cash flows.

Impairment of Nonfinancial Assets
Loss in respect of the impairment in value of the Group's nonfinancial assets amounting to US$6.7 million, US$16.0 million and US$165.3 million, were recognized in 2021, 2022 and 2023, respectively (see Notes 5 and 10). The impairment charge was a result of lower projected cash inflows arising from the current unfavorable economic conditions.

12. Cash and Cash Equivalents

This account consists of:

	2021	2022	**2023**
Cash on hand and in banks	US$211,046,884	US$398,625,788	**US$422,117,997**
Cash equivalents	446,546,645	440,313,882	**293,986,046**
	US$657,593,529	US$838,939,670	**US$716,104,043**

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.

Interest income derived from interest-earning bank deposits, short-term investments and restricted cash amounted to US$9.0 million, US$26.6 million, and US$44.3 million for the years ended December 31, 2021, 2022, and 2023, respectively.

13. **Receivables**

This account consists of:

	2021	2022	**2023**
Trade	US$112,635,882	US$131,865,507	**US$155,420,425**
Advances and nontrade	30,328,862	37,488,005	**38,203,929**
	142,964,744	169,353,512	**193,624,354**
Less allowance for doubtful accounts	7,952,355	11,442,227	**11,117,129**
	US$135,012,389	US$157,911,285	**US$182,507,225**

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

Advances and nontrade receivables mainly include noninterest-bearing advances to suppliers and vendors that may be applied against payable or collectible within 12 months.

Movements in the allowance for doubtful accounts are summarized below:

		2021	
	Trade	Advances and Nontrade	Total
Balance at beginning of year	US$8,315,298	US$280,622	US$8,595,920
Provision during the year	241,376	21,865	263,241
Write-off	(215,095)	–	(215,095)
Translation adjustments	(691,711)	–	(691,711)
Balance at end of year	US$7,649,868	US$302,487	US$7,952,355

		2022	
	Trade	Advances and Nontrade	Total
Balance at beginning of year	US$7,649,868	US$302,487	US$7,952,355
Provision during the year	51,066	3,365,000	3,416,066
Write-off	(1,501,014)	–	(1,501,014)
Translation adjustments	(239,434)	(210,433)	(449,867)
Effect of business combination	40,214	1,984,473	2,024,687
Balance at end of year	US$6,000,700	US$5,441,527	US$11,442,227

		2023	
	Trade	**Advances and Nontrade**	**Total**
Balance at beginning of year	**US$6,000,700**	**US$5,441,527**	**US$11,442,227**
Provision during the year	**578,980**	**638,250**	**1,217,230**
Write-off	**(250,399)**	**(1,301,726)**	**(1,552,125)**
Translation adjustments	**235,655**	**(225,858)**	**9,797**
Balance at end of year	**US$6,564,936**	**US$4,552,193**	**US$11,117,129**

14. **Prepaid Expenses and Other Current Assets**

This account consists of:

	2021	2022	**2023**
Short-term investments (Note 18)	US$410,418	US$122,248,975	**US$155,639,325**
Restricted cash (Note 16)	6,200,000	24,794,700	**13,406,894**
Prepaid taxes	12,123,690	14,100,226	**29,801,278**
Input tax	21,910,622	24,958,611	**21,744,192**
Prepaid port fees, insurance, bonds and other expenses and deposits	17,828,497	14,611,938	**21,341,848**
Receivable from port authorities	1,804,893	2,207,647	**2,322,489**
Others	2,497,188	4,527,993	**3,198,015**
	US$62,775,308	US$207,450,090	**US$247,454,041**

Short-term Investments
The maturity dates of short-term investments range from more than three months to 12 months.

Restricted Cash
Restricted cash in as at December 31, 2021 pertains mainly to cash deposits placed by ICTSI Iraq as a security to the availment of overdraft facility. Restricted cash as at December 31, 2022 and 2023 pertains to deposits placed as required by special purpose debt service reserves of VICT.

Prepaid Taxes
This account consists of credits granted by the tax authorities, business taxes, and creditable tax withheld which can be applied against tax liabilities in the future. This account increased in 2023 mainly due to prepaid taxes in EJD, MICTSL, and TSSA.

Input Tax
This account includes input tax recognized mainly from the acquisition of terminal equipment and payments of civil works in relation to the construction activities. Such input tax is expected to be applied against output tax within 12 months from the balance sheet date.

Receivable from Port Authorities
This account represents the Group's share in fees collected by the port authorities.

15. **Equity**

The Group was listed with the PSE on March 23, 1992. In its initial public offering, the Parent Company offered its common shares at a price of ₱6.70. As at December 31, 2021, 2022 and 2023, the Parent Company had 1,359, 1,350 and 1,338 shareholders on record, respectively.

15.1 Capital Stock and Treasury Shares

The Parent Company's common shares are listed and traded in the PSE.

The details and movements of ICTSI's capital stock and treasury shares as at December 31 were as follows:

	Number of Shares					
	Authorized			Issued and Subscribed		
	2021	2022	**2023**	2021	2022	**2023**
Preferred A Shares - nonvoting, non-cumulative, ₱1.00 (US$0.048) par value	993,000,000	993,000,000	**993,000,000**	3,800,000	3,800,000	**3,800,000**
Preferred B Shares - voting, non-cumulative, ₱0.01 (US$0.0002) par value	700,000,000	700,000,000	**700,000,000**	700,000,000	700,000,000	**700,000,000**
Common Stock - ₱1.00 (US$0.048) par value	4,227,397,381	4,227,397,381	**4,227,397,381**	2,045,177,671	2,045,177,671	**2,045,177,671**

	Number of Shares		
	Issued and Subscribed		
	2021	2022	**2023**
Treasury Shares			
Balance at beginning of year	(2,406,962)	(6,567,889)	**(14,836,722)**
Acquisitions during the year	(5,970,990)	(10,039,250)	**(306,230)**
Issuance for share-based payments (Note 20)	1,810,063	1,770,417	**1,953,884**
Balance at end of year	(6,567,889)	(14,836,722)	**(13,189,068)**

	Amount Issued and Subscribed		
	2021	2022	**2023**
Preferred Stock	US$236,222	US$236,222	**US$236,222**
Common Stock	US$67,781,529	US$67,781,529	**US$67,781,529**
Subscription Receivable	(451,341)	(451,341)	**(451,341)**
	US$67,330,188	US$67,330,188	**US$67,330,188**
Treasury Shares			
Balance at beginning of year	(US$4,431,257)	(US$12,481,187)	**(US$39,991,203)**
Acquisitions during the year	(11,386,853)	(31,810,166)	**(1,064,203)**
Issuance for share-based payments (Note 20)	3,336,923	4,300,150	**2,725,247**
Balance at end of year	(US$12,481,187)	(US$39,991,203)	**(US$38,330,159)**

Preferred Shares

The Preferred A shares, which were subscribed by ICTHI, are nonvoting, entitled to dividend at rates to be fixed by the Board, non-cumulative, convertible to common shares under such terms to be provided by the Board, redeemable at such price and terms determined by the Board and have preference over common shares in the distribution of the assets of the Parent Company. As at February 28, 2024, the Board has not fixed the dividend rate and terms of conversion of Preferred A shares.

The Preferred B shares were issued to Achillion Holdings, Inc. (Achillion). Preferred B shares have the following features: voting; issued only to Philippine Nationals; not convertible into common shares; earn no dividend and redeemable at the option of the Board.

Achillion is a Philippine corporation owned and controlled by ICTSI's Chairman and President and controlling stockholder, Mr. Enrique K. Razon, Jr. The ICTSI contract with PPA on the operation, management and development of the MICT requires the Razon Group to retain control of ICTSI.

Treasury Shares

Treasury shares came from the acquisition of ICTSI common shares or transfer of ICTSI common shares held by subsidiaries. Part of the treasury shares are subsequently reissued upon vesting of stock awards under the Stock Incentive Plan (SIP) (see Note 20).

On November 26, 2018, the Board of ICTSI approved and authorized the re-purchase from the open market of up to 30 million ICTSI shares, in addition to the number of shares approved and ratified by the BOD on September 16, 2015 initially at 10 million shares and on November 17, 2016 for an additional 20 million shares. The purpose of the said authorizations is to provide management the flexibility to acquire shares from the open market either for the SIP or as and when management deems the price of the shares to be undervalued.

On September 17, 2021, ICTSI acquired 5,970,990 ICTSI shares held by IWI CTHI. The acquisition of ICTSI shares resulted to a decrease in common shares held by subsidiaries by US$11.2 million, and an increase in treasury shares by US$11.4 million, including transaction costs. In 2022, the Company acquired additional 10,039,250 treasury shares totaling US$31.8 million.

ICTSI acquired additional 306,230 shares totaling US$1.1 million in May 2023. As at December 31, 2023, the total number of treasury shares is 13,189,068.

15.2 Additional Paid-in Capital

Additional paid-in capital is increased when ICTSI grants stock awards and these stock awards vest under the SIP. Aggregate increase in additional paid-in capital amounted to US$2.4 million, US$1.2 million, and US$3.4 million in 2021, 2022, and 2023, respectively, as a result of granting and vesting of stock awards (see Note 20).

15.3 Cost of Shares Held by Subsidiaries

Details and movements in preferred and common shares held by subsidiaries as at December 31 are as follows:

	2021		2022		**2023**	
	Number of Shares	Amount	Number of Shares	Amount	**Number of Shares**	**Amount**
Preferred Shares	3,800,000	US$72,492,481	3,800,000	US$72,492,481	**3,800,000**	**US$72,492,481**
Common Shares						
Balance at beginning of year	5,970,990	11,182,979	–	–	–	–
Acquisitions during the year	–	–	–	–	–	–
Sale of shares held by a subsidiary	(5,970,990)	(11,182,979)	–	–	–	–
Balance at end of year	–	–	–	–	–	–
	3,800,000	US$72,492,481	3,800,000	US$72,492,481	**3,800,000**	**US$72,492,481**

As at December 31, 2021, 2022 and 2023, cost of preferred shares held by a subsidiary pertains to preference A shares held by ICTHI.

On September 17, 2021, ICTSI acquired 5,970,990 ICTSI shares held by IWI CTHI. The acquisition of ICTSI shares resulted to a decrease in common shares held by subsidiaries by US$11.2 million, and an increase in treasury shares by US$11.4 million, including transaction costs.

15.4 Non-controlling Interests

On May 25, 2021, ICTSI, through its wholly-owned subsidiary IABV, acquired an additional stake in IDRC increasing ICTSI's effective ownership from 52% to 62%. The difference between the purchase price and carrying value of the non-controlling interest of US$12.0 million was recognized in equity as "Excess of consideration over the carrying value of non-controlling interests acquired or disposed" in the 2021 consolidated balance sheet.

In October 2021, ICTSI, through IML, acquired additional 15.88% equity interest in PICT for PKR2.7 billion (US$15.8 million) and further increased its ownership to 80.41%. The excess of the acquisition costs over the carrying value of the additional interest acquired amounting to US$11.5 million was recognized at transaction date in equity as “Excess of consideration over the carrying value of non-controlling interests acquired or disposed” in the 2021 consolidated balance sheet.

In November 2022, ICTSI, through its wholly-owned subsidiary IAHQ, sold a portion of its stake in IDRC decreasing ICTSI’s effective ownership from 62% to 58%. The difference between the purchase price and carrying value of the non-controlling interest of US$2.9 million was recognized in equity as “Excess of consideration over the carrying value of non-controlling interests acquired or disposed” in the 2022 consolidated balance sheet.

In November 2022, ICTSI acquired 25,000 common shares of EJD, representing 1.67% non-controlling interest, from IPH. This transaction increased ICTSI’s ownership in EJD from 65% to 66.67% (see Note 1.4). The difference between the purchase price and carrying value of the non-controlling interest of US$1.7 million (IDR27.3 billion) was recognized in equity as “Excess of consideration over the carrying value of non-controlling interests acquired or disposed” in the 2022 consolidated balance sheet.

In December 2022, ICTSI through its wholly-owned subsidiary, IWI CTHI, acquired the remaining 20% non-controlling interest in BIPI, from Marubeni Corporation for US$9.2 million (Php507.4 million). After the transaction, BIPI became a wholly-owned subsidiary of IWI CTHI. The difference amounting to US$2.0 million (Php227.9 million), between the purchase price and carrying value of the non-controlling interest, was recognized in equity as “Excess of consideration over the carrying value of non-controlling interests acquired or disposed” in the 2022 consolidated balance sheet.

The significant portion of non-controlling interests pertains to MNHPI, YICT and IDRC representing 85%, 94% and 90% of the total as at December 31, 2021, 2022 and 2023, respectively.

The dividends distributed to non-controlling shareholders are as follows:

	2021	2022	**2023**
IDRC	US$16,800,000	US$28,500,000	**US$27,300,000**
MNHPI	–	10,761,360	**20,317,837**
YICT	2,775,354	3,307,599	**2,769,950**
SPICTL	1,254,586	3,730,119	**2,740,781**
SBITHI	1,577,000	1,643,500	**1,814,500**
PICT	4,592,572	3,169,108	**1,485,967**
MITL	116,580	1,559,203	**1,090,910**
SCIPSI	858,683	858,758	**717,431**
LGICT	–	538,800	**650,172**
ICTSI Nigeria	–	250,000	**500,000**
CMSA	–	59	**7**
AGCT	–	7,882,658	**–**
BIPI	487,013	464,950	**–**
	US$28,461,788	US$62,666,114	**US$59,387,555**

15.5 Retained Earnings

The details of ICTSI's declaration of cash dividends are as follows:

	2021	2022	**2023**
Date of Board approval	March 15, 2021; August 6, 2021	March 3, 2022	**March 6, 2023**
Cash dividends (regular) per share	US$0.069 (₱3.38)	US$0.106 (₱5.56)	**US$0.156 (₱8.56)**
Cash dividends (special) per share	US$0.032 (₱1.62)	US$0.008 (₱0.44)	**US$0.026 (₱1.44)**
Record date	March 30, 2021; August 20, 2021	March 18, 2022	**March 20, 2023**
Payment date	April 12. 2021; September 1, 2021	March 28, 2022	**March 28, 2023**

Retained earnings were reduced by distributions paid out by RCBV to holders of Perpetual Capital Securities discussed in Note 15.6 below aggregating US$67.3 million in 2021, US$35.4 million in 2022 and US$29.0 million in 2023.

Of the net consolidated retained earnings of US$346.2 million, US$687.4 million and US$799.7 million as at December 31, 2021, 2022, 2023, respectively, undistributed earnings of subsidiaries in retained earnings position amounting to US$1,310.4 million, US$1,455.3 million, and US$1,842.7 million as at December 31, 2021, 2022 and 2023, respectively, were not available for dividend distribution. As at December 31, 2023, the retained earnings is restricted for dividend declaration to the extent of the cost of treasury shares held amounting to US$43.8 million.

Total appropriated retained earnings of the Parent Company amounted to nil in 2021, 2022 and 2023. As at December 31, 2023, the unappropriated retained earnings of the Parent Company that is available for dividend declaration amounted to US$471.6 million.

15.6 Perpetual Capital Securities

RCBV engaged in a series of financial transactions involving the issuance, redemption, and consolidation of Senior Guaranteed Perpetual Capital Securities ("Securities") with interest rates ranging from 4.875 percent to 6.25 percent. These Securities are unconditionally and irrevocably guaranteed by ICTSI and were used to refinance existing debts, fund capital expenditures, and support general corporate purposes. Differences between the redemption prices and the carrying values of the Securities were charged to retained earnings.

The Securities are treated as a liability in the financial statements of the Issuer or RCBV since it has the obligation to pay the accumulated distributions should the Guarantor declare dividends to its common stockholders. On the other hand, the Securities are treated as part of equity attributable to equity holders of the parent in the consolidated financial statements of the Group nothing in the terms and conditions of the Securities gives rise to an obligation of the Group to deliver cash or another financial asset in the future as defined by PAS 32. However, should the Issuer decide to exercise its option to redeem the Securities, the Securities shall be treated as a financial liability from the date the redemption option is exercised. Should the Issuer also opt to not defer payment of distributions on a Distribution Payment Date, all distributions in arrears as at that date will be recognized as a financial liability until payment is made.

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

RCBV paid distributions totaling US$67.3 million, US$35.4 million and US$29.0 million to the holders of the Securities in 2021, 2022 and 2023, respectively. Interest expense on Perpetual Capital Securities, which represents cumulative distributions to holders of Perpetual Capital Securities, amounted to US$58.8 million, US$33.4 million and US$29.0 million for the years ended December 31, 2021, 2022 and 2023. However, the interest expense has not been recognized in the consolidated statements of income but instead directly charged against retained earnings since the Perpetual Capital Securities are presented as equity attributable to equity holders of the parent. For purposes of computing earnings per share, the cumulative distributions to holders of Perpetual Capital Securities are deducted from net income attributable to equity holders of the parent (see Note 29).

15.7 Other Comprehensive Loss - net

The details of other comprehensive net loss, net of applicable tax, as at December 31 are as follows:

	2021	2022	**2023**
Cumulative translation adjustments*	(US$191,320,929)	(US$197,653,925)	**(US$157,940,760)**
Unrealized mark-to-market gain (loss) on derivatives (Note 27)	(13,326,958)	11,939,939	**2,955,806**
Unrealized mark-to-market gain on financial assets at FVOCI (Note 10)	1,445,806	1,781,384	**2,178,008**
Business combination revaluation reserve	609,969	609,969	**609,969**
Share of other comprehensive gain (loss) of joint ventures and associates (Note 9)	2,238,112	(12,324,570)	**1,567,100**
Remeasurement loss on defined benefit plans (Note 24)	(2,941,485)	(2,763,483)	**(3,728,388)**
	(US$203,295,485)	(US$198,410,686)	**(US$154,358,265)**

**Cumulative translation adjustments arise from the change in functional currency of the Parent Company and some of its subsidiaries' translation of foreign operations.*

16. Long-term Debt

16.1 Outstanding Balances and Maturities

	Company	Maturity	2021	2022	**2023**
Medium-term Note (MTN) Programme (Note 16.2.1)					
Secured fixed interest USD bond	ITBV	2025	US$772,965,534	US$778,746,319	**US$390,038,269**
Senior Notes[(a)] (Note 16.2.2)					
Unsecured fixed interest USD bond	ICTSI	2030	392,833,873	393,500,389	**394,208,958**
Secured fixed interest US dollar bond	ITBV	2031	290,200,088	291,030,916	**291,894,478**

(Forward)

	Company	Maturity	2021	2022	**2023**
US dollar and Foreign Currency-denominated Term Loans and Securities (Note 16.2.3)					
Unsecured fixed interest USD term loan [(b)]	ICTSI	2029	US$–	US$–	**US$297,850,744**
Secured fixed interest AUD bond	VICT	2039	201,576,720	243,126,579	**270,261,192**
Secured fixed interest US dollar term loan [(b)]	IGFBV	2026	274,602,569	265,907,302	**257,212,034**
Secured floating interest PHP Term loan	MHCPSI	2029 [(c)]	133,669,167	109,812,265	**89,604,863**
Secured fixed interest USD term loans	IDRC	2025	11,670,891	30,000,000	**18,000,000**
Secured floating interest PGK term loan	SPICTL	2024-2026	10,170,492	6,777,423	**9,916,243**
Secured floating interest PGK term loan	MITL	2024-2026	10,738,818	8,095,576	**4,503,001**
Secured fixed interest USD term loans	CGSA	2027	3,857,143	6,850,649	**5,480,520**
Secured floating interest NGN term loan	ICTSI Nigeria	2028	–	–	**2,717,284**
Secured fixed interest BRL term loans	CLIA Pouso Alegre	2024-2027	–	–	**738,425**
Secured floating interest EUR term loan	ICTSI Middle East DMCC	2022	43,322,238	–	**–**
Total			2,145,607,533	2,133,847,418	**2,032,426,011**
Less current portion			76,836,083	439,893,717	**42,389,052**
Long-term debt, net of current portion			US$2,068,771,450	US$1,693,953,701	**US$1,990,036,959**

[(a)] *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.*
[(b)] *See Note 27 to the consolidated financial statements for the details on the related hedge accounting applied by the Group in hedging interest rate risk*
[(c)]*Restructured and refinanced on April 11, 2022 by a Php6.35 billion loan with a final maturity date of March 14, 2029.*

The balances of and movements in unamortized debt issuance costs and premium and discounts as at and for the years ended December 31 are shown below:

	2021	2022	**2023**
Balance at beginning of year	US$43,394,114	US$42,607,374	**US$35,599,500**
Debt issuance costs during the year	11,953,205	1,636,834	**3,722,649**
Amortization during the year	(8,399,939)	(8,256,415)	**(8,750,402)**
Write-off due to prepayment of long-term debt (Notes 16.2 and 21.3)	(4,127,604)	–	**–**
Translation adjustments	(212,402)	(388,293)	**(334,540)**
Balance at end of year	US$42,607,374	US$35,599,500	**US$30,237,207**

Amortization of debt issuance costs is presented as part of "Interest expense and financing charges on borrowings" in the consolidated statements of income.

16.2 Details and Description

16.2.1 MTN Programme

ITBV. The MTN Programme is unconditionally and irrevocably guaranteed by ICTSI ("secured") and is listed on the Singapore Stock Exchange.

16.2.2 Senior Notes

ICTSI. The Senior Notes bear interest of 4.75 percent per annum, payable semi-annually in arrears, maturing on June 17, 2030.

ITBV. The ten-year Senior guaranteed fixed rate notes were issued on November 16, 2021 with an aggregate principal amount of US$300.0 million, maturing on November 16, 2031, at a fixed interest rate of 3.50 percent per annum, payable semi-annually in arrears. The notes are unconditionally and irrevocably guaranteed by ICTSI ("secured").

16.2.3 US dollar and Foreign Currency-denominated Term Loans and Securities

ICTSI. The US$300.0 million loan has been drawn down under the six-year term loan facility agreement, with interest rate based on six-month term SOFR plus an agreed margin. The proceeds of the loan were used to refinance the short-term and long-term loans.

VICT. On December 13, 2021, VICT signed a Note Purchase Agreement with various purchasers for the issuance and sale of Senior Secured Notes with an aggregate principal amount of US$290.5 million (AUD400.0 million), maturing on March 31, 2039, at a fixed interest rate of 4.27 percent per annum, payable semiannually in arrears. The proceeds were used to fund the prepayment of VICT's project finance facilities. The Senior Secured Notes is secured by certain assets of VICT (see Notes 6, 10 and 14) and guaranteed by IOBV ("secured").

ICTSI Global Finance B.V.(IGFBV). The loan was availed in 2019 under the seven-year term loan facility, with interest based on three-month LIBOR plus an agreed margin. Effective January 29, 2023, interest is based on three-month cumulative compounded Secured Overnight Financing Rate (SOFR) plus an agreed margin. The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

MHCPSI. On April 11, 2022, the loan was restructured and refinanced by a US$122.7 million (Php6.4 billion) loan with the same financial institution. The maturity date of the PHP term loan was extended from March 14, 2023 to March 14, 2029. Interest is payable quarterly based on the higher of the prevailing 3-month BVAL plus agreed spread, or the prevailing Central Bank of the Philippines Overnight Reverse Repurchase Rate plus agreed spread. The PHP term loan is solely secured by the continuing suretyship of ICTSI.

IDRC. The loan is secured by certain assets of IDRC (see Note 6).

SPICTL and MITL. On November 27, 2019, SPICTL and MITL signed a loan agreement, which consists of a PGK five-year term loan facility and a PGK revolving loan facility, with interest based on the bank's published Indicator Lending Rate minus an agreed margin. The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

CGSA. The loans are unconditionally and irrevocably guaranteed by ICTSI ("secured").

ICTSI Nigeria. The loan was availed from the five-year term loan facility, with interest based on prevailing market rate. The proceeds were used to finance the development and expansion of the berth including purchase of equipment. The loan is unconditionally and irrevocably guaranteed by IEBV ("secured").

CLIA Pouso Alegre. The loans are secured by certain equipment of CLIA Pouso Alegre with a carrying value of BRL1.7 million (US$0.4 million) as of December 31, 2023, and guaranteed through the Emergency Access Program (PEAC) administered by the Brazilian Development Bank (BNDES).

ICTSI Middle East DMCC. The Euro term loan bears interest rate based on Euro Interbank Offer Rate (EURIBOR) plus an agreed margin and matured on December 20, 2022. The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

16.3 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 December 31, 2023, ICTSI and subsidiaries were in compliance with their loan covenants.

Interest expense for long-term debt, net of amount capitalized as property and equipment, presented as part of "Interest expense and financing charges on borrowings" account in the consolidated statements of income, amounted to US$109.8 million in 2021, US$115.2 million in 2022, and US$119.3 million in 2023 (see Note 6).

17. Other Noncurrent Liabilities

This account consists of:

	2021	2022	**2023**
Retirement liabilities (Note 24)	US$14,256,427	US$17,609,972	**US$19,046,193**
Accrued taxes and others (Note 19)	9,938,953	10,147,289	**10,939,692**
Derivative liability (Note 27)	7,766,630	–	**10,316,934**
Government grant	3,570,577	1,116,649	–
Others	6,311,577	7,643,320	**6,854,482**
	US$41,844,164	US$36,517,230	**US$47,157,301**

Government Grant

On March 29, 2012, BCT and Center for EU Transport Projects (CUPT), a Polish grant authority, signed 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 was a condition precedent to any borrowing under the facility agreement of BCT. In December 2015, BCT finalized capital expenditure projects supported by the EU Grant. The US$19.7 million EU Grant was treated as deferred income and was amortized over the duration of the preceding concession agreement which ended on May 31, 2023. Amortization of deferred income included under "Other income" account in the consolidated statements of income amounted to US$2.4 million in 2021, US$2.5 million in 2022, and US$1.1 million in 2023.

Accrued Taxes and Others

Accrued taxes and others as at December 31, 2023 include the noncurrent portion of customs duties payable in relation to the importation of port equipment in CGSA amounting to US$8.5 million.

Others

Others mainly pertain to the additions in other noncurrent liabilities arising from acquisition of MHCPSI (see Note 1.4).

18. **Loans Payable**

A summary of outstanding balance of loans payable as at December 31 is presented below:

	Company	2021	2022	**2023**
Secured fixed interest USD loan [(a)]	ICTSI Ltd.	US$–	US$110,000,000	**US$134,200,000**
Unsecured floating interest PGK loan [(b)]	SPICTL	–	–	**2,681,325**
Unsecured floating interest PGK loan [(c)]	MITL	–	–	**2,681,324**
Unsecured fixed interest USD loan	ICTSI	–	100,000,000	**–**
Unsecured fixed interest PHP loan	ICTSI	–	62,790,000	**–**
Unsecured fixed interest EUR loan	IGFBV	–	32,115,000	**–**
Unsecured fixed interest EUR loan	ICTSI Middle East DMCC	–	32,115,000	**–**
Secured fixed interest IQD loan [(d)]	ICTSI Iraq	5,032,970	–	**–**
		US$5,032,970	US$337,020,000	**US$139,562,649**

[(a)] *The facility is secured by short-term investments held by CMSA amounting to MXN2.2 billion (US$111.3 million) and MXN2.6 billion (US$155.2 million) as of December 31, 2022 and 2023, respectively.*

[(b)] *The PGK-denominated short-term loan bears interest based on the lending bank's published Indicator Lending Rate minus an agreed margin and matures on May 24, 2024.*

[(c)] *The PGK-denominated short-term loan bears interest based on the lending bank's published Indicator Lending Rate minus an agreed margin and matures on May 30, 2024.*

[(d)] *The loan was secured by a short-term time deposit amounting to US$6.2 million (see Note 14).*

Interest expense incurred related to the loans payable amounted to US$0.3 million in 2021, US$2.7 million in 2022, and US$12.1 million in 2023.

19. **Accounts Payable and Other Current Liabilities**

This account consists of:

	2021	2022	**2023**
Trade (Note 23)	US$171,581,124	US$197,323,205	**US$206,633,780**
Accrued expenses:			
Salaries and benefits	35,683,787	44,414,595	**46,459,838**
Output and other taxes	28,399,222	34,742,447	**40,889,610**
Interest (Notes 16 and 18)	19,059,676	24,082,009	**23,893,273**
Operating expenses and others	19,253,171	27,727,688	**26,150,349**
Customers' deposits	19,510,180	23,339,221	**24,226,792**
Provisions for claims and losses (Note 26)	18,480,698	19,673,523	**21,319,416**
Dividends payable	3,804,111	4,691,812	**5,391,163**
Others	6,091,829	16,334,536	**17,171,302**
	US$321,863,798	US$392,329,036	**US$412,135,523**

Trade payables are noninterest-bearing and are generally settled on 30 to 60-day terms.

Provisions for claims and losses pertain to estimated probable losses in connection with legal cases and negotiations involving cargo, labor, contracts and other issues. The movements in this account follow:

	2021	2022	**2023**
Balance at beginning of year	US$18,381,473	US$18,480,698	**US$19,673,523**
Provision during the year	5,039,807	7,917,220	**8,002,164**
Settlement and reversal during the year (Note 21.1)	(6,155,471)	(6,018,611)	**(7,110,345)**
Translation adjustment	1,214,889	(705,784)	**754,074**
Balance at end of year	US$18,480,698	US$19,673,523	**US$21,319,416**

20. **Share-based Payment 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 as equity-settled transactions, in lieu of cash incentives and bonuses under the SIP. 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 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. As at December 31, 2023, there were 53,817,974 ICTSI common shares granted in aggregate under the SIP since it became effective in 2007. Also, as at December 31, 2023, there are 13,189,068 ICTSI common shares held under treasury, part of which are allotted for the SIP (see Note 15.1).

The grant of shares under the SIP does not require an exercise price to be paid by the awardee. Awardees who resign or are terminated will lose any right to unvested shares. In the event of retirement of an awardee, the unvested shares shall automatically vest in full. In the event of death or total disability of an awardee, the outstanding unvested shares shall vest in full and the shares will be released to the designated heirs of the awardee. A change in control in ICTSI will trigger the automatic vesting of unvested awarded shares. There are no cash settlement alternatives.

The SIP covers permanent and regular employees of ICTSI with at least one-year tenure; officers and directors of ICTSI, its subsidiaries or affiliates; or other persons who have contributed to the success and profitability of ICTSI or its subsidiaries or affiliates.

Stock awards, including DRIP shares, granted by the Stock Incentive Committee to officers and employees of ICTSI and ICTSI Ltd. for the past three years are shown below:

Grant Date	Number of Shares Granted	Fair Value per Share at Grant Date
March 10, 2020	2,122,621	US$1.82 (₱92.00)
April 16, 2020	181,883	US$1.48 (₱75.20)
March 1, 2021	1,976,171	US$2.48 (₱120.50)
April 12, 2021	142,832	US$2.57 (₱124.80)
March 1, 2022	1,643,920	US$4.26 (₱218.00)
March 28, 2022	112,810	US$4.18 (₱218.00)
March 1, 2023	2,238,750	US$3.62 ((₱198.98)
March 28, 2023	197,522	US$3.80 ((₱207.00)

Fair value per share was determined based on the quoted market price of stock at the date of grant.

Movements in the stock awards (number of shares) in 2021, 2022 and 2023 follow:

	2021	2022	**2023**
Balance at beginning of year	3,888,072	4,190,194	**4,176,507**
Stock awards granted	2,119,003	1,756,730	**2,436,272**
Stock awards vested, issued and cancelled	(1,816,881)	(1,770,417)	**(2,327,096)**
Balance at end of year	4,190,194	4,176,507	**4,285,683**

Total compensation expense recognized on the vesting of the fair value of stock awards and presented as part of manpower costs in the consolidated statements of income amounted to US$4.7 million in 2021, US$5.6 million in 2022 and US$6.3 million in 2023, respectively. A corresponding increase in additional paid-in capital, net of applicable tax, was also recognized in the consolidated statements of changes in equity (see Note 15.2).

21. Income and Expenses

21.1 Other Income

This account consists of:

	2021	2022	**2023**
Rental income (Note 8)	US$4,554,708	US$4,614,328	**US$3,419,237**
Gain on settlement of insurance and other claims	5,522,303	569,790	**1,819,405**
Income from amortization of government grant (Note 17)	2,440,295	2,481,775	**1,087,020**
Reversal of accrued taxes and other accruals (Note 19)	5,928,416	826,147	**760,453**
Tax refund	1,315,771	292,340	**328,484**
Gain on disposal of property and equipment	1,376,093	581,085	**210,597**
Mark-to-market gain on derivatives - net (Note 27)	–	1,156,578	**91,721**
Dividend income	4,619	3,774	**4,534**
Gain on disposal of a subsidiary (Note 1.5)	–	2,238,020	**–**
Income from auction of overstaying cargoes and miscellaneous income	8,691,963	6,232,033	**15,366,006**
	US$29,834,168	US$18,995,870	**US$23,087,457**

21.2 Port Authorities' Share in Gross Revenues

This account represents variable port fees of the Group in accordance with the agreements with the port authorities where the Group operates, excluding variable port fees considered as "in-substance fixed payments" that formed part of concession rights and right-of-use assets that are amortized on a straight-line basis over the term of the concession (see Note 25).

21.3 Other Expenses

	2021	2022	**2023**
Management fees (Note 23.1)	US$4,103,845	US$4,455,196	**US$5,051,010**
Write-off of debt issuance costs and other financing charges (Note 16.2.3)	12,137,142	3,292,384	**2,377,620**
Loss on disposal of property and equipment (Note 6)	235,485	406,157	**1,838,967**
Covid-19 related and restructuring and separation costs (Note 19)	11,434,859	14,126,267	**894,150**
Unrecognized taxes and other expenses	17,446,098	33,277,662	**14,088,190**
	US$45,357,429	US$55,557,666	**US$24,249,937**

Restructuring and Separation Costs
Restructuring and separation costs pertain to costs incurred with respect to cost optimization and rationalization in response to market developments in certain terminals.

Unrecognized Taxes and Other Expenses
This includes tax assets that cannot be utilized by certain terminals.

22. Income Tax

The components of recognized deferred tax assets and liabilities are as follows:

	2021	2022	**2023**
Deferred tax assets on:			
Right-of-use asset and lease liability under PFRS 16	US$147,587,527	US$160,196,755	**US$178,854,736**
Unrealized foreign exchange losses	47,110,680	111,427,956	**85,578,716**
NOLCO	63,034,571	54,312,358	**57,193,730**
Intangible assets and concession rights payable under IFRIC 12	34,584,786	43,882,916	**48,088,431**
Accrued retirement cost and other expenses	3,839,934	3,959,625	**6,885,336**
Share-based payments	1,376,933	1,430,651	**1,504,289**
Allowance for doubtful accounts and other provisions	1,355,445	2,136,037	**1,871,132**
Allowance for obsolescence	897,963	753,642	**768,338**
Unrealized mark-to-market loss on derivatives	23,475,899	–	**14,804,555**
Others	14,489,876	14,785,663	**13,104,016**
	US$337,753,614	US$392,885,603	**US$408,653,279**
Deferred tax liabilities on:			
Excess of fair value over book value of net assets of acquired subsidiaries	US$60,848,163	US$96,919,367	**US$100,833,854**
Accelerated depreciation and translation difference between functional and local currency	66,861,496	80,831,850	**87,266,969**
Difference in depreciation and amortization periods of port infrastructure classified as concession rights	30,349,293	34,069,554	**37,687,623**
Undistributed earnings of subsidiaries	–	10,143,648	**14,968,698**
Capitalized borrowing costs	13,905,526	8,774,347	**8,429,825**
Nonmonetary assets	1,402,564	9,168,524	**7,588,451**
Unrealized foreign exchange gains	2,537,892	3,174,378	**3,199,094**
Unrealized mark-to-market gain on derivatives	782	11,654,263	**2,912,045**
Others	7,024,920	7,609,729	**10,635,975**
	US$182,930,636	US$262,345,660	**US$273,522,534**

The Parent Company is subject to income tax based on its Philippine peso books even as its functional currency is US dollars. As a result, the Parent Company's US dollar-denominated net monetary liabilities were translated to Philippine peso giving rise to the recognition of deferred tax asset on net unrealized foreign exchange losses. The deferred tax asset on net unrealized foreign exchange losses amounting to US$44.6 million, US$108.3 million, and US$82.4 million as at December 31, 2021, 2022 and 2023, respectively, mainly pertains to Parent Company.

Deferred tax assets on NOLCO of certain subsidiaries amounting to US$8.2 million, US$9.5 million and US$9.0 million as at December 31, 2021, 2022 and 2023, respectively, were not recognized, as management believes that these subsidiaries may not have sufficient future taxable profits against which the deferred tax assets can be utilized. Deferred tax assets are recognized for subsidiaries when there is expectation of sufficient future taxable profits from which these deferred tax assets can be utilized.

Deferred taxes were not provided for undistributed earnings of subsidiaries in retained earnings position that are not taxable upon distribution or where the Parent Company has control over the distribution of such earnings in the foreseeable future, as these may be earmarked for reinvestment in foreign port projects or for other reasons.

The Group recognized deferred tax asset on actuarial loss in other comprehensive income amounting to US$0.1 million in 2021, US$0.2 million in 2022, and US$0.3 million in 2023.

A reconciliation of income tax expense on income before income tax at the statutory tax rates to provision for income tax for the years presented is as follows:

	2021	2022	**2023**
Income tax expense computed at statutory tax rates applicable to each subsidiary	US$129,982,060	US$171,852,820	**US$189,162,161**
Add (deduct):			
Income tax incentive	(12,441,407)	(20,875,976)	**(34,226,901)**
Nondeductible tax losses of subsidiaries - net	3,126,340	3,433,549	**4,752,844**
Interest income already subjected to final tax	(190,918)	(781,684)	**(1,295,584)**
Unallowable interest expense	2,177,859	2,050,475	**143,229**
Others - net	1,762,722	(3,021,551)	**7,879,938**
Provision for income tax	US$124,416,656	US$152,657,633	**US$166,415,687**

23. Related Party Transactions

23.1 Transactions with the Shareholders and Affiliates

			2021		2022		**2023**	
Related Party	Relationship	Nature of Transaction	Transaction Amount (i)	Outstanding Receivable (Payable) Balance	Transaction Amount (i)	Outstanding Receivable (Payable) Balance	**Transaction Amount (i)**	**Outstanding Receivable (Payable) Balance**
					(In Millions)			
SPIA Spain S.L.								
SPIA	Joint venture	Interest-bearing loans (Note 9) (ii)	US$–	US$150.44	US$–	US$139.75	**US$–**	**US$139.75**
		Interest income (converted into interest-bearing loan) (Note 9) (ii)	–	61.79	–	57.59	**9.11**	**66.70**
		Interest receivable (ii)	13.18	6.53	12.46	5.96	**13.68**	**6.18**
YICT								
YPH	Non-controlling shareholder	Trade transactions (iv)	0.91	(0.05)	0.45	(0.04)	**0.90**	**(0.11)**
YPHT	Common shareholder	Outsourced services	5.70	0.59	5.96	0.90	**5.35**	**0.93**

(Forward)

Related Party	Relationship	Nature of Transaction	2021 Transaction Amount (i)	2021 Outstanding Receivable (Payable) Balance	2022 Transaction Amount (i)	2022 Outstanding Receivable (Payable) Balance	**2023 Transaction Amount (i)**	**2023 Outstanding Receivable (Payable) Balance**
					(In Millions)			
Yantai Port Group (YPG)	Common shareholder	Port fees (iii)	US$3.62	US$1.00	US$3.71	US$1.00	US$**3.43**	US$**0.83**
		Trade transactions (iv)	2.17	(0.14)	2.47	(0.08)	**2.10**	**–**
SCIPSI								
Asian Terminals, Inc.	Non-controlling shareholder	Management fees	0.17	(0.02)	0.13	(0.01)	**0.15**	**0.01**
AGCT								
Luka Rijeka D.D. (Luka Rijeka)	Non-controlling shareholder	Provision of services (v)	0.54	–	0.78	(0.28)	**1.28**	**(0.11)**
PICT								
Premier Mercantile Services (Private) Limited	Non-controlling Shareholder	Stevedoring and storage charges (vi)	3.22	(0.13)	–	–	**–**	**–**
		Container handling revenue (vi)	0.03	–	–	–	**–**	**–**
Marine Services (Private) Limited, Portlink International (Private) Limited, and AMI Pakistan (Private) Limited	Common shareholder	Container handling revenue (vii)	0.10	–	–	–	**–**	**–**
Bilal Associates (Pvt) Limited	Common shareholder	Stevedoring and storage charges (vi)	0.03	(0.03)	0.36	(0.01)	**0.28**	**–**
		Container handling revenue (vi)	0.01	–	0.08	–	**0.02**	**–**
Bay West (Pvt) Ltd	Common shareholder	Container handling revenue (vi)	–	–	–	–	**0.04**	**–**
LGICT								
NCT Transnational Corp.	Non-controlling shareholder	Management fees	0.49	(0.17)	0.45	(0.07)	**0.32**	**(0.07)**
		Maintenance and repairs	0.11	(0.05)	0.11	(0.03)	**0.09**	**(0.03)**
		Trade transactions	0.02	(0.01)	0.02	(0.01)	**–**	**–**
IDRC								
Ledya SARL	Non-controlling shareholder	Management fees	3.39	(0.30)	3.60	–	**3.60**	**(0.90)**
		Loans (viii)	–	–	–	–	**3.06**	**–**
Parent Company								
Prime Metro BMD Corporation	Common shareholder	Construction services (ix)	13.05	(1.49)	3.32	(0.13)	**6.68**	**(2.02)**
		Dredging services (ix)	–	–	2.31	–	**2.55**	**(0.01)**
		Sublease (x)	0.45	0.27	–	0.09	**–**	**0.08**
Prime Metro Power Holdings Corporation	Common shareholder	Reimbursement of operating expenses	0.07	0.07	0.02	0.08	**0.01**	**0.07**
		Sublease (x)	0.16	(0.01)	–	(0.01)	**–**	**(0.01)**
Prime Metroline Infrastructure Holdings Corporation	Common shareholder	Reimbursement of operating expenses	0.02	–	0.09	0.04	**0.04**	**0.01**
		Sublease (x)	0.68	0.14	–	0.07	**–**	**(0.04)**
		Sale of asset (xi)	–	–	–	–	**0.75**	**0.56**
FAMI	Joint Venture	Reimbursement of operating expenses	0.03	0.34	0.04	0.42	**0.01**	**0.45**
		Management fees	1.33	(0.25)	0.28	(0.19)	**1.79**	**(0.31)**
PSHI	Common shareholder	Acquisition of shares of stock	51.24	–	–	–	**–**	**–**
IW Cargo Handlers, Inc.								
ACTSI	Common shareholder	Sale of asset (xii)	–	–	–	–	**17.20**	**17.20**
ROHQ								
MNHPI (consolidated effective September 8, 2022)	Common shareholder	Professional fees	0.25	–	0.33	–	**–**	**–**

(i) Amount of transactions do not include payments, collections and foreign exchange movements.

(ii) On October 1, 2018, IEBV assigned to SPIA Spain S.L. all its outstanding interest-bearing loans, including interest converted into 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.

(iii) 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 statement 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 sheet.

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

(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 statement 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, Bilal Associates (Pvt) Limited, and Bay West (Pvt) Ltd to render stevedoring and other services (i.e. storage and container handling service), 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) *In April 2023, IDRC entered into a shareholder loan agreement with Ledya SARL. The loan was settled in June 2023.*

(ix) *ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction of port facilities.*

(x) *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.*

(xi) *ICTSI and Prime Metroline Infrastructure Holdings Corporation entered into an agreement for the sale of certain leasehold improvements.*

(xii) *On December 12, 2023, IW Cargo Handlers, Inc. and ACTSI entered into a deed of absolute sale for the sale of transportation equipment and related accessories.*

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

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2021, 2022 and 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

23.2 Compensation of Key Management Personnel

Compensation of key management personnel consists of:

	2021	2022	**2023**
Short-term employee benefits	US$1,548,255	US$1,479,571	**US$1,449,844**
Post-employment employee benefits	47,960	32,013	**34,248**
Share-based payments	1,303,187	2,214,296	**1,284,930**
Total compensation to key management personnel	US$2,899,402	US$3,725,880	**US$2,769,022**

24. Retirement Plans

Defined Benefit Plans

The Parent Company, BCT, BIPI, DIPSSCOR (settled in 2022), SBITC, ROHQ, MTS, IJP, OJA, SCIPSI, MICTSL, MICTSI, AGCT, CGSA, CMSA, CMSA SP, CMSA SP Especialistas, ICTSI Iraq and APBS have separate, noncontributory, defined benefit retirement plans covering substantially all of its regular employees. The benefits are based on employees' salaries and length of service.

Defined benefit plans consist of:

	2021	2022	**2023**
Retirement benefit liabilities (presented as "Other noncurrent liabilities")			
Asia	US$5,168,982	US$7,733,855	**US$8,098,191**
EMEA	3,494,953	3,698,340	**3,759,204**
Americas	5,592,492	6,177,777	**7,188,798**
	US$14,256,427	US$17,609,972	**US$19,046,193**

Retirement Benefit Liabilities. The following tables summarize the components of the Group's retirement benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated balance sheets.

	2021	2022	**2023**
Retirement benefits expense:			
Current service cost	US$2,964,206	US$2,719,241	**US$2,280,227**
Net interest cost	147,136	601,255	**629,291**
Past service cost	355,205	134,269	**30,524**
Settlement loss	–	–	**323,524**
	US$3,466,547	US$3,454,765	**US$3,263,566**
Retirement benefit liabilities:			
Present value of defined benefit obligation	US$24,467,525	US$27,211,148	**US$29,751,568**
Fair value of plan assets	(10,211,098)	(9,601,176)	**(10,705,375)**
	US$14,256,427	US$17,609,972	**US$19,046,193**

	2021	2022	**2023**
Changes in the present value of the defined benefit obligation:			
Balance at beginning of year	US$24,625,657	US$24,467,525	**US$27,211,148**
Effect of business combination	–	3,621,259	**–**
Current service cost	2,964,206	2,719,241	**2,280,227**
Interest cost	761,398	1,054,936	**1,107,270**
Actuarial loss (gain)	521,966	(1,628,313)	**929,486**
Past service cost	355,205	134,269	**30,524**
Benefits paid	(2,714,661)	(1,415,913)	**(3,078,528)**
Settlement loss	–	–	**323,524**
Translation adjustment	(1,505,266)	(1,643,954)	**1,015,906**
Change in plan position	(540,980)	(97,902)	**(67,989)**
Balance at end of year	US$24,467,525	US$27,211,148	**US$29,751,568**
Changes in fair value of plan assets:			
Balance at beginning of year	US$9,750,691	US$10,211,098	**US$9,601,176**
Effect of business combination	–	884,690	**–**
Interest income	614,262	453,681	**477,979**
Actuarial gain (loss)	101,755	(1,090,844)	**520,469**
Benefits paid	(1,702,052)	(172,707)	**(2,067,856)**
Actual contributions	2,171,934	235,829	**2,699,696**
Translation adjustment	(725,492)	(920,571)	**(526,089)**
Balance at end of year	US$10,211,098	US$9,601,176	**US$10,705,375**

The Group does not expect significant contributions to the retirement plans of the Parent Company and its subsidiaries in 2023.

The principal assumptions used in determining the Group's defined benefits obligation are shown below (in percentage):

	2021	2022	**2023**
Discount rate			
Asia	3.60% - 6.15%	6.80% - 7.45%	**6.06% - 6.15%**
EMEA	3.40% - 6.08%	3.40% - 5.98%	**3.40% - 10.28%**
Americas	2.96% - 7.61%	5.15% - 9.01%	**5.83% - 9.45%**
Future salary increases			
Asia	2.00% - 6.00%	3.00% - 8.00%	**3.00% - 6.00%**
EMEA	3.00% - 5.00%	5.00% - 7.00%	**3.00% - 5.00%**
Americas	1.05% - 6.00%	2.00% - 5.50%	**1.40% - 5.50%**

A quantitative sensitivity analysis for significant assumptions as at December 31, 2023 is shown below (amounts in millions):

	Discount rate		Future salary increases	
Sensitivity level	-1%	+1%	-1%	+1%
Impact on the net defined benefit obligation	US$1.6	(US$1.4)	(US$1.5)	US$1.7

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected to be made in the future out of the defined benefit plan obligations:

	2021	2022	**2023**
Within the next 12 months	US$3,515,584	US$5,577,336	**US$4,762,567**
Between 2 and 5 years	3,515,584	6,264,347	**5,849,960**
Between 5 and 10 years	6,694,861	9,072,611	**8,741,179**
Beyond 10 years	35,610,235	36,172,501	**40,021,074**
Total expected payments	US$49,336,264	US$57,086,795	**US$59,374,780**

The average duration of the defined benefit plan obligations as at December 31, 2023 is 18.08 years.

The plan assets of Group are being held by various trustee banks. The investing decisions of these plans are made by the respective trustees. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group.

The following table presents the carrying amounts and fair values of the combined assets of the plans less liabilities:

	2021	2022	**2023**
Cash and cash equivalents	US$3,312,562	US$1,403,678	**US$577,966**
Investments in debt securities	926,301	5,608,546	**8,001,950**
Investments in government securities	4,136,578	1,690,787	**1,620,870**
Investments in equity securities	1,862,098	843,163	**430,631**
Others	69,215	62,474	**79,878**
	10,306,754	9,608,648	**10,711,295**
Liabilities	(95,656)	(7,472)	**(5,920)**
	US$10,211,098	US$9,601,176	**US$10,705,375**

The plan assets' carrying amount approximates its fair value since these are either short-term in nature or have been stated at fair values.

The plan assets consist of the following:

- Cash and cash equivalents, which includes regular savings and time deposits;
- Investments in corporate debt instruments, consisting of both short-term and long-term corporate loans, notes and bonds;
- Investments in government securities, consisting of retail treasury bonds; and

- The voting rights over the equity securities are exercised by the authorized officers of the respective subsidiary.

- Investments in equity securities include investment in shares of stock of ICTSI amounting to US$1.5 million, US$1.5 million, and US$1.8 million as at December 31, 2021, 2022 and 2023, respectively. For the years ended December 31, 2021, 2022 and 2023, mark-to-market gain arising from investment in ICTSI shares amounted to US$1.2 million, US$1.0 million, and US$1.4 million, respectively.

- Other financial assets held by these plans are primarily accrued interest income on cash deposits and debt securities held by the plan.

- Liabilities of the plan pertain to trust fee payable and retirement benefits payable.

Defined Contribution Plans
The employees of YICT are members of a state-managed retirement benefit scheme operated by the local government. YICT is required to contribute a specified percentage of its payroll costs to the retirement benefit scheme to fund the benefits.

PICT operates a recognized provident fund scheme for all its eligible employees. Equal monthly contributions are made by PICT and the employees to the fund at a rate of 8.33 percent of the basic salary.

ICTSI Oregon maintains a Safe Harbor 401k plan (401k plan), covering all of its employees, which became effective January 1, 2011. Participants who are eligible can contribute up to 100 percent of their eligible compensation and those who have reached the age of 21 years old are eligible to make contributions following six months of continuous service. All participants in the 401k plan are eligible for matching contributions of 100 percent of each dollar contributed up to 6 percent of a participant's earnings. Participant's voluntary contributions and actual earnings thereon are immediately vested. ICTSI Oregon's matching contributions to the 401k plan are immediately vested and cannot be forfeited.

VICT is required to contribute a certain percentage of its payroll costs to the retirement benefit scheme ("superannuation fund") at least every quarter to fund the benefits.

Contributions made by YICT, PICT ICTSI Oregon and VICT to the plans and recognized as expense under manpower costs totaled US$3.2 million in 2021, US$3.6 million in 2022, and US$3.3 million in 2023.

25. **Significant Contracts and Agreements**

25.1 Concession Contracts

The Group has entered into a number of concession contracts for the operation, development and management of ports (containerized, general cargo or multipurpose terminals), subject to conditions such as payment of upfront fees, fixed fees and variables fees based on TEU volume or revenue from port operations. Certain concession agreements provide for periodic repricing of the fees payable to the port authorities based on an index or a rate, such as inflation rate. Some contracts require the Group to invest on port infrastructures and facilities and to acquire various port equipment. The Group may account for the concession arrangement under IFRIC 12, PFRS 16 or other applicable standards depending on the terms and conditions of the concession agreement. Refer to the Group's significant accounting policies disclosed in Note 3 to the consolidated financial statements. Future cash outflows relating to concession arrangements are presented as cash outflows relating to concession rights payable and lease liabilities disclosed in Note 28 to the consolidated financial statements.

Concession arrangements for ICTSI, MICTSL, CGSA, Tecplata, SBITC, ICTSI Subic, AGCT, OPC, ICTSI Iraq, MICTSL, SPICTL, MNHPI, ICTSI Rio, KMT, EJD and PICT have been accounted for under IFRIC 12. Concession arrangements that have been accounted for under PFRS 16 are disclosed in Note 7 to the consolidated financial statements.

25.2 Shareholders' Agreement (Agreement) with Atlantic, Gulf & Pacific Company of Manila, Inc. (AG&P)

On September 30, 1997, IWI CTHI entered into an Agreement with AG&P forming BIPI. BIPI developed the property acquired from AG&P at Bauan, Batangas into an international commercial port duly licensed as a private commercial port by the PPA.

Simultaneous with the execution of the Agreement, AG&P executed a Deed of Conditional Sale in favor of IWI CTHI conveying to the latter a parcel of land for a total purchase price of ₱632.0 million (equivalent to US$11.7 million as at December 31, 2023). The said land was transferred by IWI CTHI to BIPI under a tax-free exchange of asset for shares of stock.

Notwithstanding the sale and purchase on April 10, 2019 of the 20% stake in BIPI held by AG&P, the unfulfilled obligations under the Agreement shall remain in force.

25.3 Joint Venture Contract on YICT

On July 1, 2014, the Group, through its subsidiary IHKL, acquired 51% of the total equity interest of YICT, forming a joint venture with Yantai Port Holdings (YPH) and DP World having 36.5% and 12.5% ownership interest, respectively. Pursuant to the said joint venture agreement, the Board of YICT shall be comprised of six members, three of which the Group has the right to elect. The Chairman of the Board shall be appointed by the Group and the said Chairman shall be entitled to a casting vote in the event of equality of votes. The Group is also entitled to appoint the General Manager and Financial Controller. The land operated by YICT was contributed by YPH and is valid until August 28, 2043.

YICT is authorized by YPH to collect, on its behalf, the port charges (including port charges levied on cargoes and facilities security fees) in accordance with the state regulations and shall, after retaining 50% of the port charges levied on cargoes (as the fees for maintaining the facilities within the port owned by YICT) and 80% of the facilities security fees (as the fees for maintaining and improving the security facilities within the terminal owned by YICT) collected, pay to YPH the remaining parts no later than the fifteenth (15^{th}) day of the following month.

25.4 Shareholders' Agreement on IDRC

On January 23, 2014, the Group, through its subsidiary, ICTSI Cooperatief, forged a business partnership with SIMOBILE for the establishment and formation of a joint venture company, IDRC. IDRC, which is then 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.

At incorporation, the share capital of IDRC amounted to US$12.5 million represented by 12,500 ordinary voting shares. IDRC was incorporated for an initial term of 99 years, subject to early dissolution or prorogation. ICTSI contributed US$2.0 million cash upon incorporation and the

US$5.5 million cash in tranches while SIMOBILE contributed land valued at US$5.0 million. 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 SCTP SA in exchange for the latter's contribution of technical knowledge, skills and substantial experience in the port and port system in DRC and operation of railroad system and undertaking to facilitate the activities of IDRC and to assist in its relations with the public authorities. SIMOBILE transferred to its subsidiary, SIP Sprl, its 10% ownership in IDRC. After the restructuring, IDRC was owned 52% by ICTSI, 28% by SIMOBILE, 10% by SIP Sprl and 10% by SCTP SA.

Pursuant to the shareholders' agreement, the Board of IDRC shall be comprised of nine members, five of which will be appointed by the Group.

26. **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. The majority of outstanding litigation involves subrogation claims under which insurance companies have brought claims against the operator, shipping lines and/or brokerage firms for reimbursement of their payment of insurance claims for damaged equipment, facilities and cargoes. Except as discussed below, ICTSI is not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated and its Board has no knowledge of any proceedings pending or threatened against the Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect its financial position or business. 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 these legal actions and proceedings, if any, will not have a material adverse impact on the Group's consolidated financial position and results of operations.

ICTSI
In 1997, Paramount Company (Private) Limited (PCL) filed a case against ICTSI before the High Court of Sindh (HCS) for the sum of US$17.4 million as damages as well as a 10% shareholding in Karachi International Container Terminal Limited (KICTL). PCL asserted that it was ousted from the Consortium with ICTSI and American President Lines Limited (APL) even after having obtained the approvals for the establishment of KICTL, to which PCL alleged to be entitled to receive 10% shareholding in KICTL.

ICTSI filed an application for the matter to be referred to arbitration (Arbitration Application) per its Equity Linked Security Agreement with PCL in 1995. The court, in an order dated December 16, 1998, fixed Singapore as the venue for arbitration. After dismissal of PCL's last appeal on March 17, 2022 contesting the arbitration venue, PCL was given the opportunity to file a fresh application of new venue, from Singapore to Karachi, while alleging new circumstances in an Initial Suit. The court has yet to set a new date for the hearing of the case.

PICT
The Trustees of the Port of Karachi (KPT) filed a civil suit against PICT in 2006 before the HCS claiming a sum of US$1.49 million along with the interest, as default payment of wharfage and penalty thereon, for the alleged mis-declaration of the category of goods on the import of ship-to-shore cranes and RTGs in 2004. On April 24, 2017, HCS passed the judgment and decree in favor of PICT and ordered that KPT is not entitled to the amount of wharfage charges claimed by it. In June 2017, KPT filed an appeal before the Divisional Bench of HCS. PICT's management and its legal counsels believe that the claim has no merit.

PICT is involved in several tax proceedings. However, PICT's management and its legal counsels believe that the said cases will be decided in favor of PICT.

PICT's existing Concession Agreement with KPT is for a period of 21 years until June 17, 2023. Per the Concession Agreement and on the precedence where KPT provided another container terminal with an early extension in concession term and infrastructure expansion at Karachi Port, PICT took up the matter with KPT and other relevant government offices of Pakistan. For prudence and to safeguard its interest in obtaining equal and fair treatment, PICT instituted a legal suit before the HCS where it obtained an interim injunction/stay order for status quo (Stay Order) in December 2021. The Stay Order restrained KPT from terminating the Concession Agreement, and from inviting bids and awarding contracts relevant to terminal operation.

In March 2023, HCS dismissed the interim order and observed that PICT has no justification to continue occupying the terminal beyond June 17, 2023. HCS further pronounced that in case right of first refusal is exercised by PICT, it would be in the nature of re-occupation and re-commencement of fresh terms as agreed. PICT thereafter filed an appeal before the larger bench of HCS to set aside the order and restrain KPT from interfering in the operations. After various hearings, in June 2023, the larger bench of HCS dismissed PICT's appeal.

On June 18, 2023, KPT took over the terminal upon the expiry of the Concession Agreement.

<u>TSSA</u>
In 2015, Custom Enclosure Atlântico Terminais SA (CE) and Suata Serviço Unificado de Armazenagem e Terminal Alfandegado SA (SUATA) filed a civil case against TSSA questioning the legality of imposing charges for the Segregation Service (Terminal Handling Charge 2, THC2). CE and SUATA alleged that the THC2 is already included in the amount paid in the Terminal Handling Charge (THC) rate. Pending litigation, the court ordered TSSA to suspend the collection of the THC2. TSSA questioned the court's competence to judge on the matter, in view of the absence of the necessary notification from the Regulatory Agency (ANTAQ) to enter the dispute. The case is pending for the court's decision. TSSA will file a request for annulment of the order suspending the collection of THC2 considering a new ANTAQ law 34/2019, which allows the collection of THC2.

TSSA filed an Annulment Action with Urgent Injunction Request to nullify the Brazilian Administrative Council for Economic Defense (the Brazil Competition Authority, CADE) decision in an administrative case wherein CADE ruled that (1) TSSA's collection of the Segregation and Delivery Service of Containers - SSE or Terminal Handling Charge 2 (THC2) is illegal, and (2) TSSA should pay a fine in the amount of BRL9.1 million (US$1.9 million). The CADE decision pointed out that charging the THC2 fee would provide an unjustifiable and illegal competitive advantage in the bonded storage market.

On February 18, 2021, the preliminary injunction requested by TSSA was granted. This suspended the enforceability of the CADE decision guaranteeing TSSA's ability to continue with the retroactive collection of the services provided and not invoiced, as well as future collection of the THC2 until further final judgment of the case.

In 2016, CE and SUATA filed a civil action against TSSA questioning the legality of charging fees connected with the ISPS Code, which according to CE and SUATA, is a service integrated in the port activity and cannot be charged separately. TSSA's defense is that the ISPS Code was established by international demand, after the attacks on September 11, 2001, and that the amount collected is for extraordinary security costs continually implemented by TSSA to meet international counter-terrorism requirements levied on the importer or exporter.

A preliminary injunction was granted enjoining TSSA from charging fees connected with the ISPS Code. On December 15, 2020, the decision prohibited TSSA from charging the ISPS Code, but found it legitimate to charge the entire past period. TSSA appealed and awaiting judgment by the Pernambuco Court of Justice. With the appeal, the effects of the decision are suspended and TSSA continues to collect the ISPS Code charges.

TSSA filed an Annulment Action with Urgent Injunction Request to suspend the enforcement of the decision of CADE against TSSA in an administrative proceeding to (i) refrain from charging fees connected with the ISPS Code to CE and other import companies, and other fees to reimburse costs incurred in complying with safety standards, and (ii) pay a fine in the amount of BRL7.2 million (US$1.5 million).

On September 14, 2021, an award confirming preliminary injunction in favor of TSSA was issued. The award ruled that the collection of ISPS Code tariff is (i) legal and legitimate, (ii) there is competence of the private agent to negotiate regarding port tariffs, (iii) there was non-inclusion of ISPS charges in box rates, (iv) it is a provision of international regulations, and (v) there was no violation of Competition Law. The CADE appealed and there is no judgment as of February 28, 2024.

TICT
On December 28, 2012, TICT filed a Notice of Termination of its 10-year Investment Agreement with Tartous Port General Company (TPGC) on the grounds of “unforeseen change of circumstances” and “Force Majeure”. In early 2013, TPGC submitted to arbitration TICT’s termination notice. On April 1, 2014, the arbitration panel decided in favor of TPGC. While the award has become executory on April 20, 2015, management and its legal counsels believe that TPGC will not be able to successfully enforce the award outside of Syria. An attempt to implement the above-mentioned foreign judgment was made in Iraq before the Karkh Court of First Instance based on the provisions of Foreign Judgment Execution Law as well as the Riyadh Agreement for Judicial Cooperation. The implementation case was eventually dismissed in a judgment dated March 13, 2023.

ICTSI Oregon
Due to labor disruptions caused by International Longshore and Warehouse Union and ILWU Local 8 (collectively “ILWU”) in Portland, Oregon from June 2012 and continuing over several years, ICTSI Oregon filed a claim in federal court for damages caused by the ILWU’s unlawful secondary activity under the National Labor Relations Act. The claim went to trial, and a jury verdict awarded damages to ICTSI Oregon in the total sum of US$93.6 million. ILWU then filed a motion for judgment as a matter of law and for a new trial which was denied by the district court except issues on damages conditioned that ICTSI Oregon will accept reduced damages. On March 19, 2020, ICTSI Oregon notified the district court of its decision to decline acceptance of the reduced judgment and to instead proceed to retrial.

While the district court has scheduled the case for a two-week jury trial to commence on February 26, 2024, on September 30, 2023, ILWU l filed a Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Northern District of California.

On February 2, 2024, ILWU and ICTSI Oregon jointly announced that a settlement of all legal claims had been reached. The settlement resolves all of ICTSI Oregon's claims in the case on which it will receive payment of $20.5 million. The settlement arises from the parties’ participation in several days of mediation during ILWU’s chapter 11 bankruptcy case, which will be voluntarily dismissed as part of the terms of the settlement.

ICTSI Rio
ICTSI Rio filed a case questioning the legality of a portion of its Lease Agreement Contract (Contract) with the Companhia Docas do Rio de Janeiro – CDRJ (Port Authority) which requires ICTSI Rio to pay the Port Authority for not achieving the minimum container handling goals (MMC). ICTSI Rio pointed out that the Port Authority failed to fulfil its obligation to provide adequate infrastructure to the Port of Rio de Janeiro to allow ICTSI Rio to meet its movement goals under the Contract. In 2016 and 2017, ICTSI Rio was heavily impacted by the delay in the dredging works of the access channel to the Port of Rio de Janeiro, which was the responsibility of the Port Authority. ICTSI Rio requested the cancellation of the collection carried out by the Port Authority related to the invoices of MMC for the years 2016 and 2017 amounting to BRL22.8 million (US$4.7 million). It was also requested that the Port Authority refund to ICTSI Rio the amount of BRL16.8 million (US$3.5 million) paid in advance.

In July 2022, in order to resolve the conflict, a virtual conciliation hearing was commenced and discussions with the Port Authority were resumed. Efforts to reach for an agreement continued after the replacement of the president of the Port Authority in October 2023.

ISPL, SPICTL and MITL
ISPL, along with SPICTL and MITL, filed and obtained a favorable Stay Order in the National Court on December 21, 2023, against Independent Consumer and Competition Commission (ICCC), preventing Stevedoring and Handling recommendations set out in the ICCC Final Report and Price Order from coming into effect on January 1, 2024. The report is based on the decision of the ICCC (1) to conduct a review of stevedoring and cargo handling services pursuant to the Prices Regulation Act; (2) to make Price Control Orders pursuant to the Prices Regulation Act; and (3) to refuse to extend the time for the plaintiffs to make submissions to it as to why it could not and should not make the intended Price Control Orders in respect of the services provided by SPICTL and MITL. The judicial review is expected to be conducted in March or April 2024.

27. Financial Instruments

27.1 Fair Values

Set out below is a comparison of carrying amounts and fair values of the Group's long-term debt and concession rights payable whose fair values are different from their carrying amounts as at December 31:

	2021		2022		**2023**	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	**Carrying Amount**	**Fair Value**
Financial Liabilities						
Long-term debt	US$2,145,607,533	US$2,291,843,465	US$2,133,847,418	US$2,038,570,875	**US$2,032,426,011**	**US$2,007,223,661**
Concession rights payable	723,034,856	898,437,749	754,416,745	757,152,346	**757,017,239**	**841,774,839**

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

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 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 0.67 to 13.60 percent in 2021, 3.42 to 20.77 percent in 2022, and 2.93 to 14.23 percent in 2023.

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

The fair values of derivative assets and liabilities, specifically forward contracts and prepayment options, are calculated using valuation techniques with inputs and assumptions that are based on market observable data and conditions. For cross-currency swap, interest rate swaps, currency forwards and other structured derivatives, fair values are based on counterparty bank valuation.

27.2 Fair Value Hierarchy

The following tables below present the fair value hierarchy of the Group's financial instruments as at December 31:

	2021			
	Amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:				
Derivative assets	US$−	US$−	US$−	US$−
Derivative liabilities	13,326,958	−	13,326,958	−
Financial assets at FVOCI	2,618,336	2,618,336	−	−
Liabilities for which fair values are disclosed:				
Long-term debt	2,291,843,465	1,605,763,580	−	686,079,885
Concession rights payable	898,437,749	−	−	898,437,749

	2022			
	Amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Derivative assets	US$16,085,813	US$−	US$16,085,813	US$−
Financial assets at FVOCI	2,930,600	2,930,600	−	−
Liabilities for which fair values are disclosed:				
Long-term debt	2,038,570,875	1,369,632,420	−	668,938,455
Concession rights payable	757,152,346	−	−	757,152,346

	2023			
	Amount	**Quoted prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets/liabilities measured at fair value:				
Derivative assets	**US$14,384,816**	**US$−**	**US$14,384,816**	**US$−**
Derivative liabilities	**10,316,934**	**−**	**10,316,934**	**−**
Financial assets at FVOCI	**3,326,557**	**3,326,557**	**−**	**−**
Liabilities for which fair values are disclosed:				
Long-term debt	**2,007,223,661**	**1,052,637,000**	**−**	**954,586,661**
Concession rights payable	**841,774,839**	**−**	**−**	**841,774,839**

In 2021, 2022 and 2023, 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.

27.3 Derivative Financial Instruments

ICTSI enters into derivative transactions as economic hedges of certain underlying exposures arising from its foreign currency-denominated loans, revenues and expenses. Such derivatives, which include interest rate swaps and currency forwards, are accounted for either as cash flow hedges or transactions not designated as hedges.

27.4 Hedge Accounting

Interest Rate Swap. 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 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 floating rate of six-month 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. On December 14, 2021, VICT terminated the outstanding interest rate swap due to the payment of the underlying AUD-denominated floating rate loan. The amount deferred in equity representing the effective portion of the change in fair value of the swap amounting to AUD7.7 million (US$5.8 million) at the time of prepayment was transferred to profit and loss and recognized under "Other expenses" account in the 2021 consolidated statement of income.

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 and financing charges on borrowings" account in the 2021 consolidated statement of income.

In April 2019, the Group entered into interest rate swap transactions to hedge the interest rate exposures of the IGFBV's floating rate US$-denominated 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, an annual fixed interest of 2.3981 percent is being paid and floating interest of three-month LIBOR is being received. In 2023, the interest rate swap arrangements were amended and effective January 29, 2023, the average annual fixed interest of 2.1768 percent will be paid, and floating interest based on three-month cumulative compounded SOFR will be received.

The following table presents the market valuation on the outstanding interest rate swap as at December 31:

		Presented in the consolidated balance sheet as:	
	Cumulative Gain (Loss)	Current Derivative Asset (Liability)	Noncurrent Derivative Asset (Liability)
2021	(US$13,326,958)	(US$5,560,328)	(US$7,766,630)
2022	14,929,235	6,471,720	8,457,515
2023	11,264,874	7,078,360	4,186,513

The effective portion of the change in the fair value of the interest rate swap amounting to US$11.2 million, net of US$3.7 million deferred tax; US$21.1 million, net of US$7.2 million deferred tax; and US$2.7 million, net of US$0.9 million deferred tax, for the years ended December 31, 2021, 2022 and 2023, respectively, were taken to equity under other comprehensive income.

In September 2023, ICTSI entered into an interest rate swap transactions to hedge the interest rate exposure of the MBTC floating rate facility maturing in 2029. A total notional amount of US$300.0 million floating rate loan was swapped to a fixed rate. Under the interest rate swap arrangements, an average annual fixed interest of 4.091 percent will be paid, and floating interest based on six-month term SOFR will be received. As at December 31, 2023, the cumulative market valuation loss on the outstanding interest rate swaps amounted to US$7.2 million, reflected in the consolidated balance sheet as derivative asset amounting to US$3.1 million presented as current asset, derivative liability amounting to US$10.3 million presented as noncurrent liability. The effective portion of the change in the fair value of the interest rate swaps amounting to US$5.4 million, net of US$1.8 million deferred tax for the year ended December 31, 2023, was taken to equity as other comprehensive loss.

Translation Hedging. On January 1, 2023, CMSA, whose functional currency is Mexican Peso, designated a total of US$43.5 million of its US dollar bank deposits with Bank Mendes Gans, to hedge its firm commitments to purchase equipment and construct civil works that are denominated in US dollar. Foreign currency translation gains or losses deferred in equity form part of the cost of the port infrastructure and recycled to profit and loss through depreciation. As at December 31, 2023, the net accumulated foreign exchange loss on the US dollar bank deposits totaling US$3.5 million was taken to equity. For the year ended December 31, 2023, foreign exchange loss on the US dollar bank deposits amounting to US$1.9 million associated to the settlement of hedged purchase contracts was reclassified to property and equipment account. No ineffectiveness was recognized in the consolidated statement of income for the year ended December 31, 2023.

On April 1, 2023, ICTSI Nigeria, whose functional currency is NGN, designated its USD-denominated payable amounting to US$24.0 million, to hedge the currency risk on its forecasted USD-denominated revenues. Effective portion of the hedge is deferred in equity whereas any ineffective portion is recognized directly in earnings. Foreign currency translation gains or losses deferred in equity will be recycled to profit and loss upon occurrence of the forecasted revenue. As at December 31, 2023, foreign currency translation loss on the USD-denominated payable aggregating to US$16.4 million was taken to equity as other comprehensive loss, whereas US$1.4 million was recognized to profit and loss for the year ended December 31, 2023.

On June 1, 2023, BCT, whose functional currency is USD, designated its PLN-denominated lease liability related to the new 30-year lease agreement with the Port Authority of Gdynia S.A. (PAGSA) amounting to PLN605.3 million (US$142.9 million), to hedge the currency risk on its forecasted PLN-denominated revenues. Effective portion of the hedge is deferred in equity while any ineffective portion is recognized directly in earnings. Foreign currency translation gains or losses deferred in equity will be recycled to profit and loss upon occurrence of the forecasted revenue. As at December 31, 2023, foreign currency translation loss on the PLN-denominated lease liability designated as cash flow hedge aggregating to US$10.6 million was taken to equity. For the year ended December 31, 2023, foreign exchange loss on PLN-denominated lease liability amounting to US$198.7 thousand was recycled from equity to profit and loss. No ineffectiveness was recognized in the consolidated statement of income for the year ended December 31, 2023.

27.5 Derivative Instruments Not Designated as Hedges

Foreign Currency Forwards. In March 2022, VICT entered into a sell-AUD buy-US$ forward contract with an aggregate notional amount of US$9.0 million. The forward contract was used to hedge the variability of cash flows arising from AUD-denominated payments and was settled on April 27, 2022 resulting to a derivative gain of US$0.1 million (AUD0.2 million).

In September and December 2022, ICTSI entered into sell-US$ buy-PHP forward contracts with aggregate notional amounts of US$30.0 million and US$15.0 million, respectively. The forward contracts are used to hedge the variability of cash flows arising from PHP-denominated liabilities.

As at December 31, 2022, derivative asset amounting to US$1.2 million was presented as current asset. On April 20, 2023, the US$30.0 million forward contract was settled resulting to a realized gain of US$0.9 million. On April 25, 2023, the US$15.0 million forward contract was settled resulting to a realized gain of US$0.2 million.

27.6 Fair Value Changes on Derivatives

The net movements in fair value changes of ICTSI's derivative instruments are as follows:

	2021	2022	**2023**
Balance at beginning of year	(US$43,383,572)	(US$13,326,958)	**US$16,085,813**
Net changes in fair value of derivatives:			
Designated as accounting hedges	24,289,950	29,412,771	**(12,109,652)**
	(19,093,622)	16,085,813	**3,976,161**
Less fair value of settled instruments	(5,766,664)	–	**(91,721)**
Balance at end of year	(US$13,326,958)	US$16,085,813	**US$4,067,882**

The net movement in fair value changes of freestanding derivative instruments designated as cash flow hedges are presented in the consolidated statements of comprehensive income as follows:

	2021	2022	**2023**
Balance at beginning of year	(US$38,521,684)	(US$13,326,958)	**US$11,939,939**
Changes in fair value of cash flow hedges of designated derivatives	24,289,950	29,412,771	**(12,109,652)**
Transferred to consolidated statements of income	5,766,664	–	**91,721**
Tax effects	(4,861,888)	(4,145,874)	**3,033,798**
Balance at end of year (Note 15.7)	(US$13,326,958)	US$11,939,939	**US$2,955,806**

Fair value changes on freestanding derivatives as at December 31 are presented as follows:

	2021	2022	**2023**
Derivative assets (Note 10)	US$–	US$16,085,813	**US$14,384,816**
Derivative liabilities (Note 17)	(13,326,958)	–	**(10,316,934)**
Total	(US$13,326,958)	US$16,085,813	**US$4,067,882**

28. Financial Risk Management Objectives and Policies

The principal financial instruments of the Group comprise mainly of bank loans and cash and cash equivalents. The main purpose of these financial instruments is to raise working capital and major capital investment financing for the Group's port operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

ICTSI has port operations and development projects in 19 countries as at December 31, 2023. Short-term treasury activities are carried out at the subsidiary level, however, overall policy decisions concerning the Group's financial risks are centralized at the Parent Company in Manila. The Board reviews and approves the Group's policies for managing each of these risks, as summarized below, as well as authority limits. Treasury operations are regularly reviewed annually by Internal Audit to ensure compliance with the Group's policies.

ICTSI finances its business activities through a mix of cash flows from operations, long-term loans from banks and the capital markets. It is the Group's policy to minimize the use of short-term loans. The Group's borrowings are in US Dollar, Philippine Peso, Euro, Iraqi Dinar, Papua New Guinean Kina and Australian Dollar at fixed and floating rates of interest. The Group minimizes its currency exposure by matching its currency of borrowing to the currency of operations and functional currency at the relevant business unit whenever possible. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

In the context of PFRS 7, the main risks arising from the normal course of the Group's business are interest rate risk, liquidity risk, foreign currency risk and credit risk.

Working Capital Management

The Parent Company has minimal working capital requirements due to the short cash collection cycle of its business. Working capital requirements are well within the credit facilities established which are adequate and available to the Parent Company to meet day-to-day liquidity and working capital requirements. The credit facilities are regularly reviewed by the Treasury Group to ensure that they meet the objectives of the Group. Most of the foreign operating subsidiaries currently do not access short-term credit facilities as their respective cash flows are sufficient to meet working capital needs.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates 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 following tables set out the carrying amount, by maturity, of the Group's liabilities that are exposed to interest rate risk as at December 31:

2021

	Interest rate	Less than 1 Year to 2 years	>2 Years to 3 years	>3 Years to 4 years	>4 Years to 5 years	Over 5 Years	Total *(In Original Currency)*	Total *(In US Dollar)*	Net Debt*
Liabilities									
Long-term Debt									
Floating Rate:									
Eur Loan	EURIBOR + 1.00% spread	38,225,000	–	–	–	–	EUR38,225,000	US$43,461,700	US$43,322,239
PGK Loan	ANZ ILR* less 6.45%	45,260,000	23,880,000	2,500,000	2,500,000	–	PGK74,140,000	US$21,103,109	US$20,909,311
PHP Loan	3-month BVAL tenor + 2.40% spread	6,650,000,000	–	–	–	–	PHP6,650,000,000	US$130,394,714	US$133,669,166

2022

	Interest rate	Less than 1 Year to 2 years	>2 Years to 3 years	>3 Years to 4 years	>4 Years to 5 years	Over 5 Years	Total *(In Original Currency)*	Total *(In US Dollar)*	Net Debt*
Liabilities									
Long-term Debt									
Floating Rate:									
PGK Loan	ANZ ILR* less 6.45%	47,760,000	2,500,000	2,500,000	–	–	PGK52,760,000	US$14,793,323	US$14,872,997
PHP Loan	3-month BVAL tenor + 1.55% spread + GRT	1,200,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,850,000,000	PHP6,050,000,000	US$108,510,447	US$109,812,331

2023

	Interest rate	**Less than 1 Year to 2 years**	**>2 Years to 3 years**	**>3 Years to 4 years**	**>4 Years to 5 years**	**Over 5 Years**	**Total** ***(In Original Currency)***	**Total** ***(In US Dollar)***	**Net Debt***
Liabilities									
Long-term Debt									
Floating Rate:									
PGK Loan	ANZ ILR* less 6.45%	**56,380,000**	**7,500,000**	**5,000,000**	**5,000,000**	**–**	**73,880,000**	**US$19,809,626**	**US$19,781,891**
PHP Loan	3-month BVAL tenor + 1.55% spread + GRT	**1,600,000,000**	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**	**300,000,000**	**4,900,000,000**	**US$98,428,752**	**US$89,604,967**
NGN Loan	18% per annum, adjustable based on Nigeria money market rate changes	**898,068,241**	**605,865,281**	**724,383,540**	**271,682,938**	**–**	**2,500,000,000**	**US$2,742,190**	**US$2,717,225**

Net of Debt Issuance Costs

Re-pricing of floating rate financial instruments is mostly done monthly, quarterly or semi-annually. Interest on fixed rate financial instruments is fixed until maturity of the instrument. Financial instruments not included in the above tables are either noninterest-bearing, therefore not subject to interest rate risk or have minimal interest rate exposure due to the short-term nature of the account (i.e., cash equivalents).

The sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of ICTSI's income before income tax (through the impact on unhedged floating rate borrowings), at December 31 are as follows (amounts in millions unless otherwise indicated):

		Effect on Profit Before Tax		
	Increase/Decrease in Interest Rates (%)	2021	2022	**2023**
Loans	+1.0	(US$1.9)	(US$1.3)	**(US$1.1)**
	-1.0	1.9	1.3	**1.1**

Liquidity Risk

The Group monitors and maintains a certain level of cash and cash equivalents and bank credit facilities deemed adequate by management to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows. The Group's policy is that not more than 25 percent of borrowings should mature in any 12-month period. 3 percent, 31 percent, and 8 percent of the Group's total borrowings, gross of debt issuance costs as at December 31, 2021, 2022 and 2023 respectively, will mature in the ensuing 12 months. The Group is re-assessing its policy in mitigating liquidity risk in line with the current developments and demands of its rapidly growing business.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31 based on contractual undiscounted payments (amounts in millions unless otherwise indicated).

	2021					
	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	Total
Long-term debt	US$5.0	US$10.4	US$55.1	US$1,210.3	US$904.0	US$2,184.8
Accounts payable and other current liabilities*	186.3	8.4	60.8	–	–	255.5
Other noncurrent liabilities*	–	–	–	9.9	–	9.9
Loans payable	5.0	–	–	–	–	5.0
Derivative liabilities	1.6	1.5	2.5	7.8	–	13.4
Concession rights payable	17.8	18.7	35.5	300.2	1,240.8	1,613.0
Lease liabilities	32.2	33.4	65.3	551.3	2,037.2	2,719.4
Total	US$247.9	US$72.4	US$219.2	US$2,079.5	US$4,182.0	US$6,801.0

**Excludes statutory liabilities, derivative liabilities and provisions for claims and losses.*

	2022					
	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	Total
Long-term debt	US$402.7	US$11.3	US$20.1	US$782.1	US$951.1	US$2,167.3
Accounts payable and other current liabilities*	209.2	26.9	78.5	–	–	314.6
Other noncurrent liabilities*	–	–	–	8.8	–	8.8
Loans payable	110.0	127.0	100.0	–	–	337.0
Derivative liabilities	–	–	–	–	–	–
Concession rights payable	18.8	19.6	36.9	300.9	1,165.9	1,542.1
Lease liabilities	36.5	37.7	70.8	614.7	2,014.9	2,774.6
Total	US$777.2	US$222.5	US$306.3	US$1,706.5	US$4,131.9	US$7,144.4

**Excludes statutory liabilities, derivative liabilities and provisions for claims and losses.*

	2023					
	Less than 3 Months	**3 to 6 Months**	**>6 to 12 Months**	**>1 to 5 Years**	**More than 5 Years**	**Total**
Long-term debt	**US$9.2**	**US$11.7**	**US$21.8**	**US$843.8**	**US$1,174.3**	**US$2,060.8**
Accounts payable and other current liabilities*	**252.9**	**24.5**	**48.3**	**–**	**–**	**325.7**
Other noncurrent liabilities*	**–**	**–**	**–**	**6.9**	**–**	**6.9**
Loans payable	**49.2**	**90.4**	**–**	**–**	**–**	**139.6**
Derivative liabilities	**–**	**–**	**–**	**9.8**	**1.9**	**11.7**
Concession rights payable	**21.0**	**21.5**	**41.1**	**338.6**	**1,170.0**	**1,592.2**
Lease liabilities	**45.0**	**45.9**	**91.3**	**750.8**	**2,403.8**	**3,336.8**
Total	**US$377.3**	**US$194.0**	**US$202.5**	**US$1,949.9**	**US$4,750.0**	**US$7,473.7**

**Excludes statutory liabilities, derivative liabilities and provisions for claims and losses.*

The financial liabilities in the above tables are gross undiscounted cash flows. However, those amounts may be settled using cash on hand and in banks, aggregating US$211.0 million, US$398.6 million, and US$422.1 million as at December 31, 2021, 2022 and 2023, respectively. Furthermore, cash equivalents, amounting to US$446.5 million, US$440.3 million, and US$294.0 million as at December 31, 2021, 2022 and 2023, respectively, may also be used to manage liquidity.

Changes in Liabilities Arising from Financing Activities

	December 31, 2020	Cash flows	Foreign exchange movement	Translation Adjustment	Changes in fair values	Others*	December 31, 2021
Long-term debt	US$1,764,478,740	US$249,457,698	US$–	(US$20,148,854)	US$–	US$151,819,949	US$2,145,607,533
Lease liabilities	1,234,777,473	(125,099,978)	(142,692)	(63,443,554)	–	236,503,499	1,282,594,748
Concession rights payable	703,327,707	(74,108,244)	(747,912)	(12,298,688)	–	106,861,993	723,034,856
Accrued interest	19,848,482	(112,491,661)	–	(89,683)	–	111,792,538	19,059,676
Derivative liability	43,383,572	–	–	(356,913)	(29,699,701)	–	13,326,958
Loans payable	2,828,374	2,187,452	–	17,144	–	–	5,032,970
Dividends payable	3,353,538	(234,172,713)	327,033	(46,792)	–	234,343,045	3,804,111
Total liabilities from financing activities	US$3,771,997,	(294,227,446)	(US$563,571)	(US$96,367,340)	(US$29,699,701)	US$841,321,	US$4,192,460,

** Others includes capitalization of fixed fees under IFRIC 12, remeasurement of present value of fixed fees under IFRS 16 and IFRIC 12, effect of business combination, reclassifications, accrual of dividends, amortization of debt issuance costs, accrual of interest from interest-bearing loans, and accretion of interest on lease and concession rights payable.*

	December 31, 2021	Cash flows	Foreign exchange movement	Translation Adjustment	Changes in fair values	Others*	December 31, 2022
Long-term debt	US$2,145,607,533	US$10,106,029	US$–	(US$30,122,559)	US$–	US$8,256,415	US$2,133,847,418
Lease liabilities	1,282,594,748	(145,320,011)	(807,076)	(9,248,883)	–	226,479,378	1,353,698,156
Concession rights payable	723,034,856	(78,728,517)	(875,891)	(4,503,136)	–	115,489,433	754,416,745
Accrued interest	19,059,676	(115,156,889)	–	(72,259)	–	120,251,481	24,082,009
Derivative liability	13,326,958	–	–	–	(63,524,546)	50,197,588	–
Loans payable	5,032,970	335,221,918	(3,738,888)	504,000	–	–	337,020,000
Dividends payable	3,804,111	(299,039,343)	(336,989)	(1,344,421)	–	301,608,454	4,691,812
Total liabilities from financing activities	US$4,192,460,852	(US$292,916,813)	(US$5,758,844)	(US$44,787,258)	(US$63,524,546)	US$822,282,749	US$4,607,756,140

** Others includes capitalization of fixed fees under IFRIC 12, remeasurement of present value of fixed fees under IFRS 16 and IFRIC 12, effect of business combination, reclassifications, accrual of dividends, amortization of debt issuance costs, accrual of interest from interest-bearing loans, and accretion of interest on lease and concession rights payable.*

	December 31, 2022	Cash flows	Foreign exchange movement	Translation Adjustment	Changes in fair values	Others*	December 31, 2023
Long-term debt	**US$2,133,847,418**	**(US$111,146,228)**	**US$–**	**US$55,920**	**US$–**	**US$9,668,901**	**US$2,032,426,011**
Lease liabilities	**1,353,698,156**	**(165,642,959)**	**10,801,677**	**86,287,068**	**–**	**327,755,779**	**1,612,899,721**
Concession rights payable	**754,416,745**	**(85,853,252)**	**237,839**	**7,667,880**	**–**	**80,548,027**	**757,017,239**
Accrued interest	**24,082,009**	**(119,269,603)**	**–**	**1,180**	**–**	**119,079,687**	**23,893,273**
Derivative liability	**–**	**–**	**–**	**–**	**69,640,865**	**(59,323,931)**	**10,316,934**
Loans payable	**337,020,000**	**(201,998,382)**	**4,095,000**	**446,031**	**–**	**–**	**139,562,649**
Dividends payable	**4,691,812**	**(428,241,674)**	**2,482**	**(716,219)**	**–**	**429,654,763**	**5,391,164**
Total liabilities from financing activities	**US$4,607,756,140**	**(US$1,112,152,098)**	**US$15,136,998**	**US$93,741,860**	**US$69,640,865**	**US$907,383,226**	**US$4,581,506,991**

** Others include capitalization of fixed fees under IFRIC 12, remeasurement of present value of fixed fees under IFRS 16 and IFRIC 12, effect of business combination, reclassifications, accrual of dividends, amortization of debt issuance costs, accrual of interest from interest-bearing loans, and accretion of interest on lease and concession rights payable.*

Foreign Currency Risk

As a result of operations in subsidiaries whose functional currency is not the US dollar, the Group's consolidated balance sheets can be affected significantly by movements in the subsidiaries' functional currency and US dollar exchange rates (see Note 1.3).

In respect of financial assets and liabilities held in currencies other than the functional currencies of the Parent Company and the operating subsidiaries, the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot/forward rates where necessary to address short-term imbalances.

The Group recognized in the consolidated statements of income net foreign exchange gain amounting to US$0.9 million, net foreign exchange gain amounting to US$8.0 million, and net foreign exchange loss amounting to US$6.7 million arising from net foreign currency-denominated financial assets and liabilities for the years ended December 31, 2021, 2022 and 2023, respectively, which resulted mainly from the movements of Philippine peso against the US dollar, Malagasy ariary against Euro, and the US dollar against Brazilian real, Mexican peso and Australian dollar.

The following table shows the Group's significant foreign currency-denominated financial assets and liabilities and their US Dollar equivalents at December 31:

	2021		2022		**2023**	
	Foreign Currency	US Dollar	Foreign Currency	US Dollar	**Foreign Currency**	**US Dollar**
Current Financial Assets						
Cash and cash equivalents:						
Philippine peso	3,836,219,816	US$75,221,471	3,097,897,313	US$55,562,682	**9,653,353,037**	**US$174,342,659**
MXN	3,337,875,553	162,590,020	1,911,191,086	98,009,799	**1,661,894,635**	**97,919,788**
BRL	238,950,254	42,888,727	310,480,815	58,736,439	**297,974,476**	**61,406,383**
AUD	29,687,514	21,562,042	56,134,056	38,238,458	**63,273,732**	**43,102,066**
RMB	106,687,379	16,785,038	164,551,485	23,851,498	**228,298,807**	**32,154,762**
EUR	17,842,246	20,286,633	10,341,820	11,072,612	**22,465,328**	**24,799,475**
PKR	4,132,408,080	23,413,077	6,061,987,729	26,745,440	**5,182,648,652**	**18,406,743**
PGK	32,780,139	9,339,337	34,094,428	9,674,923	**55,290,527**	**14,825,185**
IQD	131,763,496	90,249	2,174,172,140	1,489,159	**8,891,076,914**	**6,735,664**
AED	4,536,435	1,235,076	866,533	235,920	**23,150,577**	**6,303,250**
MGA	29,063,474,366	7,317,807	32,828,197,273	7,351,204	**10,802,666,138**	**2,356,037**
HNL	99,189,685	4,050,228	57,305,042	2,322,393	**41,301,316**	**1,669,374**
NGN	3,056,561,000	7,194,786	577,838,589	1,253,936	**1,043,359,137**	**1,144,436**
XAF	462,910,052	802,965	571,406,415	932,513	**481,808,603**	**810,814**
ARS	32,219,899	313,618	137,709,481	777,440	**556,077,279**	**687,810**
IDR	47,080,294,604	3,300,869	32,133,533,218	2,063,413	**9,723,462,137**	**631,435**
GEL	1,194,763	386,780	1,317,019	487,966	**1,227,419**	**456,714**
PLN	2,705,935	670,583	5,578,419	1,275,067	**1,543,098**	**392,047**
BND	105,117	77,801	105,157	78,475	**105,117**	**79,616**
HRK	4,239,062	641,310	1,322,678	187,934	–	–
CDF	1,247,545	628	17,590	9	–	–

(Forward)

	2021		2022		**2023**	
	Foreign Currency	US Dollar	Foreign Currency	US Dollar	**Foreign Currency**	**US Dollar**
Receivables:						
BRL	68,781,315	US$12,345,428	138,332,022	US$26,169,508	**147,515,363**	**US$30,399,869**
Philippine peso	999,302,305	19,594,547	1,389,132,277	24,914,936	**1,485,935,335**	**26,836,470**
AUD	22,144,415	16,083,489	21,481,222	14,632,985	**25,133,203**	**17,120,738**
PKR	1,896,718,443	10,746,280	2,233,470,833	9,854,055	**1,975,869,058**	**7,017,515**
EUR	3,357,716	3,817,723	2,884,921	3,088,780	**5,438,620**	**6,003,693**
RMB	40,873,067	6,430,526	42,214,466	6,118,925	**39,932,612**	**5,624,312**
PGK	7,589,078	2,162,192	8,686,411	2,464,929	**13,658,608**	**3,662,316**
PLN	7,505,260	1,859,948	8,398,508	1,919,659	**8,438,042**	**2,143,811**
IDR	20,628,736,899	1,446,311	36,700,144,442	2,356,652	**30,267,903,781**	**1,965,576**
MGA	5,916,710,820	1,489,751	4,872,608,802	1,091,121	**8,580,214,935**	**1,871,326**
MXN	51,629,741	2,514,917	53,684,960	2,753,075	**31,085,029**	**1,831,548**
ARS	11,989,601	116,703	52,410,282	295,883	**380,405,274**	**470,522**
XAF	87,240,745	151,328	252,733,507	412,451	**181,307,627**	**305,114**
IQD	1,000,515,487	685,285	682,047,161	467,156	**163,322,557**	**123,729**
HNL	878,390	35,867	1,087,079	44,056	**1,951,710**	**78,887**
HKD	–	–	84,504	10,831	**84,103**	**10,767**
SGD	–	–	–	–	**1,004**	**761**
NGN	12,362,409	29,100	–	–	**624,351**	**685**
AED	140,477	38,246	44,493	12,114	**1,945**	**530**
HRK	1,595,101	241,316	2,012,816	285,993	**–**	**–**
CDF	394,864,219	198,646	–	–	**–**	**–**
		478,156,648		437,240,389		**593,692,427**
Current Financial Liabilities						
Accounts payable and other current liabilities:						
Philippine peso	6,163,127,866	US$120,848,014	5,444,253,343	US$97,646,011	**8,904,094,107**	**US$160,810,802**
BRL	144,023,208	25,850,452	177,754,246	33,627,364	**248,674,224**	**51,246,620**
MXN	410,437,684	19,992,678	763,896,666	39,174,188	**726,611,883**	**42,812,390**
AUD	32,339,904	23,488,472	42,033,162	28,632,944	**47,815,183**	**32,571,703**
PGK	24,836,323	7,076,077	42,082,079	11,941,566	**59,711,458**	**16,010,580**
EUR	1,198,755	1,362,984	1,273,313	1,363,290	**10,534,216**	**11,628,721**
PKR	2,967,103,376	16,810,784	3,802,878,334	16,778,268	**3,266,944,065**	**11,602,909**
XAF	1,967,278,661	3,412,448	3,037,645,420	4,957,320	**4,366,914,674**	**7,348,880**
NGN	1,225,045,736	2,883,614	1,055,153,839	2,289,731	**5,299,785,469**	**5,813,208**
HNL	126,189,916	5,152,733	131,195,149	5,316,926	**132,745,096**	**5,365,476**
PLN	27,612,079	6,842,803	20,460,353	4,676,652	**18,213,013**	**4,627,290**
MGA	24,127,705,501	6,075,044	16,904,592,622	3,785,438	**20,984,352,064**	**4,576,640**
IQD	7,135,547,060	4,887,361	5,564,944,760	3,811,606	**5,535,817,320**	**4,193,801**
RMB	18,826,495	2,961,957	15,858,400	2,298,652	**22,937,487**	**3,230,632**
ARS	340,722,917	3,316,490	468,969,546	2,647,571	**1,042,231,802**	**1,289,133**
IDR	15,418,160,370	1,080,990	136,062,204,234	8,737,058	**11,987,597,934**	**778,466**
GEL	8,142,545	2,635,981	5,819,883	2,156,311	**934,100**	**347,572**
AED	1,917,218	521,976	288,173	78,457	**1,173,562**	**319,528**
JPY	–	–	–	–	**8,523,611**	**60,434**
HKD	–	–	–	–	**267,802**	**34,283**
SGD	–	–	–	–	**33,048**	**25,031**
ZAR	113,999	7,153	45,609	2,677	**249,321**	**13,578**
HRK	13,504,673	2,043,067	14,624,887	2,077,989	**–**	**–**
CDF	1,081,150,110	543,898	–	–	**–**	**–**
Noncurrent Financial Liabilities						
Other noncurrent liabilities:						
Philippine peso	484,664,020	9,503,402	705,855,775	12,659,955	**683,584,750**	**12,345,760**
MXN	20,102,330	979,197	22,066,577	1,131,619	**25,145,602**	**1,481,593**
AUD	864,790	628,097	1,383,018	942,111	**1,940,034**	**1,321,551**
PLN	20,427,828	5,062,408	10,730,185	2,452,614	**5,129,676**	**1,303,271**
MGA	1,370,527,876	345,081	1,736,371,712	388,825	**1,457,856,043**	**317,955**
BRL	147,151	26,412	–	–	**952,472**	**196,285**
NGN	734,578	1,729	43,653,575	94,730	**81,656,487**	**89,567**
AED	–	–	315,972	86,026	**165,508**	**45,063**
XAF	–	–	12,965,124	21,159	**26,693,470**	**44,921**
EUR	1,752	1,992	–	–	**26,752**	**29,531**
IDR	–	–	382,914,223	24,588	**188,407,392**	**12,235**
IQD	787,103,637	539,112	956,633,464	655,228	**–**	**–**
HRK	242,894	36,746	242,884	34,510	**–**	**–**
ARS	1,470,760	400,425	–	–	**–**	**–**
Long-term debt:						
AUD	277,539,199	201,576,720	356,909,818	243,126,579	**396,742,795**	**270,261,192**
Philippine peso	6,816,993,797	133,669,166	6,122,582,724	109,812,263	**4,961,421,154**	**89,604,861**
PGK	73,389,587	20,909,310	52,412,452	14,873,000	**53,776,570**	**14,419,244**
NGN	–	–	–	–	**2,477,293,477**	**2,717,284**
BRL	–	–	–	–	**3,583,207**	**738,425**
EUR	38,102,232	43,322,238	–	–	**–**	**–**

(Forward)

	2021		2022		**2023**	
	Foreign Currency	US Dollar	Foreign Currency	US Dollar	**Foreign Currency**	**US Dollar**
Concession rights payable:						
BRL	539,179,600	US$96,776,322	501,014,021	US$94,781,313	**563,004,102**	**US$116,023,514**
PGK	311,417,910	88,725,579	341,167,028	96,812,437	**353,567,919**	**94,803,035**
Philippine peso	–	–	2,601,624,031	46,661,717	**2,523,312,615**	**45,571,837**
XAF	–	–	18,316,908,990	29,892,488	**18,083,903,466**	**30,432,570**
MGA	–	–	–	–	**127,864,867,104**	**27,887,040**
EUR	30,337,233	34,493,434	36,307,270	38,872,880	**9,972,294**	**11,008,415**
PKR	267,207,057	1,513,921	92,961,415	410,145	–	–
HRK	78,855,026	11,929,656	–	–	–	–
Lease liabilities:						
AUD	895,368,662	650,306,259	922,335,008	628,293,602	**970,858,485**	**661,348,800**
MXN	7,503,913,720	365,520,362	8,440,812,647	432,862,187	**8,469,508,155**	**499,028,291**
BRL	1,204,691,459	216,227,781	1,299,733,542	245,882,244	**1,254,170,192**	**258,458,566**
Philippine peso	1,153,770,267	22,623,390	1,253,537,602	22,482,963	**1,142,962,822**	**20,642,277**
XAF	–	–	–	–	**1,134,230,205**	**1,244,110**
AED	346,503	94,338	173,252	47,169	–	–
IDR	124,558,779	8,733	–	–	–	–
NGN	1,296,913,802	3,052,783	2,464,477,802	5,348,027	–	–
		2,166,069,569		2,300,650,398		**2,526,084,871**
Net foreign currency-denominated financial liabilities		(US$1,687,912,921)		(US$1,863,410,009)		**(US$1,932,393,891)**

In translating the foreign currency-denominated monetary assets and liabilities into US dollar amounts, the Group used the exchange rates as shown in the table of exchange rates (see Note 3.3).

The following tables demonstrate the sensitivity to a reasonably possible change in US dollar exchange rate to other foreign currency exchange rates, with all other variables held constant as at December 31 (amounts in millions unless otherwise indicated). The impact on the Group's income before income tax is due to changes in the fair value of foreign currency-denominated financial assets and liabilities whereas on equity is due to translation hedging.

	2021	
	Effect on Profit Before Tax	Effect on Equity
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	US$10.7	US$7.8
5% depreciation	(9.7)	(7.0)

	2022	
	Effect on Profit Before Tax	Effect on Equity
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	US$7.7	US$5.8
5% depreciation	(7.0)	(5.2)

	2023	
	Effect on Profit Before Tax	**Effect on Equity**
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	**US$8.8**	**US$6.6**
5% depreciation	**(8.0)**	**(6.0)**

Credit Risk

The Group trades only with recognized, creditworthy third parties and the exposure to credit risk is monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Since the Group trades only with recognized third parties, collateral is not required in respect of financial assets. Moreover, counterparty credit limits are reviewed by management on an annual basis. The limits are set to minimize the concentration of risks and mitigate financial losses through potential counterparty failure.

With respect to credit risk arising from the other financial assets of the Group, which comprise of cash and cash equivalents and short-term investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

As at December 31, 2021, 2022 and 2023, about 41 percent, 51 percent, and 69 percent, respectively, of cash and cash equivalents of the Group is with Philippine local banks. Investments of funds are made only with counterparties approved by the Board. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheets.

At December 31, the following tables provide credit information and maximum exposure of ICTSI's financial assets (amounts in millions unless otherwise indicated):

	2021			
	Neither Past Due nor Impaired	Past Due but Not Impaired	Impaired	Total
Cash and cash equivalents:				
Cash in banks	US$209.4	US$–	US$–	US$209.4
Cash equivalents	446.5	–	–	446.5
Receivables				
Trade	83.4	22.0	7.2	112.6
Advances and nontrade	18.6	11.0	0.7	30.3
Short-term investments	0.4	–	–	0.4
Restricted cash	18.7	–	–	18.7
	US$777.0	US$33.0	US$7.9	US$817.9

	2022			
	Neither Past Due nor Impaired	Past Due but Not Impaired	Impaired	Total
Cash and cash equivalents:				
Cash in banks	US$397.0	US$–	US$–	US$397.0
Cash equivalents	440.3	–	–	440.3
Receivables				
Trade	91.6	34.7	5.6	131.9
Advances and nontrade	20.3	11.4	5.8	37.5
Short-term investments	122.2	–	–	122.2
Restricted cash	25.0	–	–	25.0
Derivative assets	16.1	–	–	16.1
	US$1,112.5	US$46.1	US$11.4	US$1,170.0

	2023			
	Neither Past Due nor Impaired	**Past Due but Not Impaired**	**Impaired**	**Total**
Loans and receivables				
Cash and cash equivalents:				
Cash in banks	**US$421.0**	**US$–**	**US$–**	**US$421.0**
Cash equivalents	**294.0**	**–**	**–**	**294.0**
Receivables				
Trade	**105.7**	**43.1**	**6.6**	**155.4**
Advances and nontrade	**24.5**	**9.1**	**4.6**	**38.2**
Short-term investments	**155.6**	**–**	**–**	**155.6**
Restricted cash	**13.7**	**–**	**–**	**13.7**
Derivative assets	**14.4**	**–**	**–**	**14.4**
	US$1,028.9	**US$52.2**	**US$11.2**	**US$1,092.3**

At December 31, the credit quality per class of financial assets that were neither past due nor impaired follow (amounts in millions unless otherwise indicated):

	2021			
	Neither Past Due nor Impaired			
	Grade A	Grade B	Grade C	Total
Cash and cash equivalents:				
Cash in banks	US$209.4	US$–	US$–	US$209.4
Cash equivalents	446.5	–	–	446.5
Receivables:				
Trade	55.6	24.3	3.5	83.4
Advances and nontrade	12.9	5.7	–	18.6
Short-term investments	0.4	–	–	0.4
Restricted cash	18.7	–	–	18.7
	US$743.5	US$30.0	US$3.5	US$777.0

	2022			
	Neither Past Due nor Impaired			
	Grade A	Grade B	Grade C	Total
Cash and cash equivalents:				
Cash in banks	US$397.0	US$–	US$–	US$397.0
Cash equivalents	440.3	–	–	440.3
Receivables:				
Trade	65.7	23.5	2.4	91.6
Advances and nontrade	13.5	3.8	3.0	20.3
Short-term investments	122.2			122.2
Restricted cash	25.0	–	–	25.0
Derivative assets	16.1	–	–	16.1
	US$1,079.8	US$27.3	US$5.4	US$1,112.5

	2023			
	Neither Past Due nor Impaired			
	Grade A	**Grade B**	**Grade C**	**Total**
Cash and cash equivalents:				
Cash in banks	**US$421.0**	**US$–**	**US$–**	**US$421.0**
Cash equivalents	**294.0**	**–**	**–**	**294.0**
Receivables:				
Trade	**58.7**	**42.1**	**4.9**	**105.7**
Advances and nontrade	**14.5**	**6.5**	**3.5**	**24.5**
Short-term investments	**155.6**	**–**	**–**	**155.6**
Restricted cash	**13.7**	**–**	**–**	**13.7**
Derivative assets	**14.4**	**–**	**–**	**14.4**
	US$971.9	**US$48.6**	**US$8.4**	**US$1,028.9**

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents, short-term investments and derivative financial assets - based on the credit standing of the counterparty.

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

At December 31, the aging analyses of the receivables that were past due but not impaired follow (amounts in millions unless otherwise indicated):

	2021				
	Past Due but Not Impaired				
	1 to 30 Days	31 to 60 Days	61 to 120 Days	More than 120 Days	Total
Trade	US$16.2	US$2.7	US$0.1	US$3.0	US$22.0
Advances and nontrade	–	2.0	2.5	6.5	11.0
	US$16.2	US$4.7	US$2.6	US$9.5	US$33.0

	2022				
	Past Due but Not Impaired				
	1 to 30 Days	31 to 60 Days	61 to 120 Days	More than 120 Days	Total
Trade	US$19.3	US$5.3	US$4.0	US$6.1	US$34.7
Advances and nontrade	0.4	0.2	–	10.8	11.4
	US$19.7	US$5.5	US$4.0	US$16.9	US$46.1

	2023				
	Past Due but Not Impaired				
	1 to 30 Days	**31 to 60 Days**	**61 to 120 Days**	**More than 120 Days**	**Total**
Trade	**US$23.2**	**US$4.0**	**US$6.1**	**US$9.8**	**US$43.1**
Advances and nontrade	**0.7**	**0.2**	**0.8**	**7.4**	**9.1**
	US$23.9	**US$4.2**	**US$6.9**	**US$17.2**	**US$52.2**

Capital Management

The primary objective of the Group's management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group considers total equity and debt as its capital. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares and raise additional debt through either the bond or loan markets or prepay existing debt. No changes were made in the objectives, policies or processes during the years ended December 31, 2021, 2022 and 2023.

The Group monitors capital using gearing ratio. Gearing ratio is total debt over net worth (total equity) where total debt includes long-term debt and loans payable.

The Group's policy is to keep the gearing ratio within two times.

	2021	2022	**2023**
Long-term debt	US$2,145,607,533	US$2,133,847,418	**US$2,032,426,011**
Loans payable	5,032,970	337,020,000	**139,562,649**
Total debt (a)	2,150,640,503	2,470,867,418	**2,171,988,660**
Net worth or total equity (b)	1,511,579,003	1,726,671,963	**1,905,167,788**
Gearing ratio (a/b)	1.42 times	1.43 times	**1.14 times**

29. Earnings Per Share Computation

The following table presents information necessary to calculate earnings per share:

	2021	2022	**2023**
Net income attributable to equity holders of the parent	US$428,568,591	US$618,464,708	**US$511,529,938**
Adjustment for the effect of cumulative distribution on subordinated perpetual capital securities (Note 15.6)	(58,792,638)	(33,437,783)	**(29,026,678)**
Net income attributable to equity holders of the parent, as adjusted (a)	US$369,775,953	US$585,026,925	**US$482,503,260**
Common shares outstanding at beginning of year	2,045,177,671	2,045,177,671	**2,045,177,671**
Weighted shares held by subsidiaries	(4,478,243)	–	**–**
Weighted treasury shares	(2,619,751)	(8,338,621)	**(13,596,351)**
Weighted average shares outstanding (b)	2,038,079,677	2,036,839,050	**2,031,581,320**
Effect of dilutive stock grants	4,190,194	4,176,507	**4,285,683**
Weighted average shares outstanding adjusted for potential common shares (c)	2,042,269,871	2,041,015,557	**2,035,867,003**
Basic earnings per share (a/b)	US$0.181	US$0.287	**US$0.238**
Diluted earnings per share (a/c)	US$0.181	US$0.287	**US$0.237**

30. Other Matters

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. Appreciation of the US dollar relative to other major currencies, particularly the Philippine peso, Mexican peso, Australian dollar, Brazilian reais, the Euro, and Pakistani rupee, may adversely affect the Group's reported levels of revenues and profits.

Russia-Ukraine and Israel-Hamas Conflicts
On February 24, 2022, Russia launched a military attack on Ukraine that escalated an ongoing conflict that began in 2014.

On October 8, 2023, Israel officially declared war against the Palestinian militant group Hamas related to a surprise attack by Hamas. This declaration has triggered a potential escalation in the ongoing conflict, posing a threat to the stability of the region.

These events set several uncertainties with the potential to disrupt businesses and institutions and pose threat to world trade and economies, in general. The continuing effect of the situation on business and institutions could result in business continuity interference, trade disruptions, rising prices of basic commodities including oil and power, among others. The Group has no exposure to investments in Ukraine, Russia or Israel.

The scale and duration of these developments and events remain uncertain as of February 28, 2024. It is not possible to estimate the overall impact of the wars' near-term and longer effects. The Group will continue to closely monitor the progress of these situations.

31. Events After the Balance Sheet Date

On January 12, 2024, ICTSI availed of the remaining US$450.0 million loan from the MBTC long-term loan facility.

On January 12, 2024, ICTSI Ltd. repaid its US$85.0 million loan availed last February 2023 (see Note 18).

On January 17, 2024, ICTSI Ltd. availed of US$104.5 million loan at a fixed interest rate that will mature on March 15, 2024.

In January 2024, the PPA has awarded to ICTSI with the 25-year contract to develop and operate Iloilo Commercial Port Complex (ICPC) in Iloilo, Philippines. ICPC has 627 meters of operational quay length and 20 hectares of land for container and general cargo storage, warehousing, and other cargo-handling activities. ICTSI expects to take over the operation of ICPC in the second quarter of 2024.

In January 2024, ICTSI entered into interest rate swap transactions to hedge the interest rate exposure of the remaining MBTC floating rate facility maturing in 2029. A total notional amount of US$450.0 million floating rate loan was swapped to a fixed rate. Under the interest rate swap arrangements, an average annual fixed interest of 3.681 percent will be paid, and floating interest based on six-month term SOFR will be received.

On February 1, 2024, the Group sold its 80.19% ownership in IJP for US$2.0 million, the Company's listed subsidiary in Indonesia which owns OJA, which in turn has an equipment supply cooperation agreement with PT Pelindo at the Port of Tanjung Priok in Jakarta, Indonesia.

On February 2, 2024, ILWU and ICTSI Oregon jointly announced that a settlement of all legal claims had been reached. The settlement resolves all of ICTSI Oregon's claims in the case on which it will receive payment of US$20.5 million. The settlement arises from the parties' participation in several days of mediation during ILWU's chapter 11 bankruptcy case, which will be voluntarily dismissed as part of the terms of the settlement. The gain related to this legal claim will be recorded once the receivable is virtually certain of collection.

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building, Manila International
Container Terminal South Access Road, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of International Container Terminal Services, Inc. and its subsidiaries (the Group) as at and for the years ended December 31, 2021, 2022 and 2023, included in this Form 17-A and have issued our report thereon dated February 28, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10079958, January 6, 2024, Makati City

February 28, 2024

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INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building,
MICT South Access Road, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of International Container Terminal Services, Inc. and Subsidiaries (the Group) as at December 31, 2021, 2022 and 2023, and have issued our report thereon dated February 28, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. This has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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**INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
International Container Terminal Services, Inc.
ICTSI Administration Building, Manila International
Container Terminal South Access Road, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of International Container Terminal Services, Inc. and its subsidiaries (the Group) as at and for the years ended December 31, 2021, 2022 and 2023, and have issued our report thereon dated February 28, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's financial statements as at and for the years ended December 31, 2021, 2022 and 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
Tax Identification No. 191-180-015
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10079958, January 6, 2024, Makati City

February 28, 2024

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule A. Financial Assets
December 31, 2023

Financial Assets	Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Valued Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Financial Assets at FVTPL					
Freestanding Derivatives	N/A	N/A	US$14,384,816	N/A	US$–
Amortized Cost					
Cash and Cash Equivalents	N/A	N/A	716,104,043	N/A	29,266,947
Receivables	N/A	N/A	182,507,225	N/A	–
Restricted Cash	N/A	N/A	13,696,960	N/A	449,401
Short-term Investments	N/A	N/A	155,639,325	N/A	14,580,410
Financial Assets at FVOCI					
Quoted Equity Shares	N/A	N/A	3,326,557	US$3,326,557	–
Unquoted Equity Shares	N/A	N/A	673,335	N/A	–
			US$1,086,332,261	US$3,326,557	US$44,296,758

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Not Current	Balance at End of Period
			Amounts Collected	Amounts Written Off			

NOT APPLICABLE

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Not current	Balance at End of Period
			Amounts collected	Amounts Written Off	Others			
Abbotsford Holdings, Inc. (AHI)	US$3,548,247	US$177	(US$1,674,640)	US$–	(US$1,570)	US$–	US$1,872,214	US$1,872,214
Africa Gateway Terminal Co. Ltd.	683	–	–	–	–	–	683	683
Aviation Concepts Technical Services, Inc.	12,297	166,748	(57,935)	–	243	–	121,353	121,353
Basra Gateway Terminal (BGT)	18,990	445,735	(411,238)	–	26	–	53,513	53,513
Batumi International Container Terminal LLC (BICT)	168,332	561,537	(685,930)	–	86	–	44,025	44,025
Bauan International Port, Inc. (BIPI)	60,484	671,276	(680,961)	–	554	–	51,353	51,353
Catalyst Logistics Incorporated	10,017	1,403,695	(1,846)	–	23,412	–	1,435,278	1,435,278
CGSA B.V.	1,140	4,066	(4,868)	–	1	–	339	339
Contecon Guayaquil, S.A. (CGSA)	116,058	34,416,825	(33,131,058)	–	7	–	1,401,832	1,401,832
Contecon Manzanillo S.A. (CMSA)	1,724,646	19,501,161	(18,702,909)	–	1,527	–	2,524,425	2,524,425
CMSA BV	526	2,033	(2,392)	–	2	–	169	169
Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR)	8,083	1,483	(9,419)	–	9	–	156	156
East Java Multipurpose Terminal	185,401	21,343,168	(21,306,133)	–	(82)	–	222,354	222,354
Falconer Aircraft Management, Inc. (FAMI)	494,908	201,144	(134,661)	–	403	–	561,794	561,794
Hijo International Port Services, Inc. (HIPS)	15,218	–	–	–	102	–	15,320	15,320
ICTSI Africa B.V.	2,310	4,066	(6,030)	–	(7)	–	339	339
ICTSI Asia Pacific Business Services, Inc. (APBS)	339,710	–	(5)	–	5,234	–	344,939	344,939
ICTSI Capital B.V. (ICBV)	1,708	2,572	(3,983)	–	47	–	344	344
ICTSI Global Cooperatief U.A.	46,111,422	8,040	(46,138,882)	–	19,589	–	169	169
IWI Container Terminal Holdings, Inc. (IWICTHI)	1,023,804	16,944,942	(16,872,759)	–	7,033	–	1,103,020	1,103,020

(Forward)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Not current	Balance at End of Period
			Amounts collected	Amounts Written Off	Others			
International Container Terminal - Lagos State	US$46,780	US$–	(US$46,780)	US$–	US$–	US$–	US$–	US$–
ICTSI DR Congo S.A. (IDRC)	246,698	2,246,558	(2,080,111)	–	(7)	–	413,138	413,138
ICTSI Africa (Pty) Ltd.	9,394	14,197	–	–	86	–	23,677	23,677
ICTSI Africa Headquarters (Pty) Ltd.	8,479	3,410	–	–	(544)	–	11,345	11,345
ICTSI Far East Pte. Ltd. (IFEL)	59	–	–	–	–	–	59	59
ICTSI (Hong Kong) Ltd.	139	31	–	–	2	–	172	172
ICTSI Middle East DMCC	2,236,428	–	(1,893,408)	–	4,958	–	347,978	347,978
ICTSI South Asia Pte. Ltd.	7	–	(7)	–	–	–	–	–
ICTSI Ltd. Regional Headquarters (RHQ)	325,193	91	–	–	2,177	–	327,461	327,461
ICTSI Project Delivery Services Co. Pte. Ltd.	(198)	842	–	–	–	–	644	644
ICTSI Oceania B.V.	508	2,033	(2,372)	–	–	–	169	169
ICTSI Rio Brasil	581,917	3,975,821	(3,758,584)	–	(3)	–	799,151	799,151
ICTSI Sudan B.V. (formerly ICTSI Cameroon B.V.)	118,846	–	–	–	118	–	118,964	118,964
ICTSI South Pacific Limited (ISPL)	911	127,604	(99,018)	–	4	–	29,501	29,501
Intermodal Terminal Holdings, Inc.	2,982	505	–	–	21	–	3,508	3,508
IRB Logística Ltda.	2,710	25,621	(6,672)	–	–	–	21,659	21,659
Kribi Multipurpose Terminal	353,832	72,318	–	–	438	–	426,588	426,588
Laguna Gateway Inland Container Terminal, Inc. (LGICT)	145,814	479,036	(538,766)	–	(120)	–	85,964	85,964
Madagascar International Container Terminal Services, Ltd. (MICTSL)	364,177	3,141,464	(3,285,516)	–	(4)	–	220,121	220,121
Manila North Harbour Port, Inc. (MNHPI)	751,430	10,629,590	(10,645,675)	–	59,791	–	795,136	795,136
Mindanao International Container Terminal Services, Inc. (MICTSI)	488,593	4,321,929	(3,984,109)	–	1,773	–	828,186	828,186
Motukea International Terminal Limited (MITL)	543,501	1,148,318	(944,077)	–	(38)	–	747,704	747,704
Operadora Portuaria Centroamericana,	239,759	569,147	(755,160)	–	59	–	53,805	53,805

(Forward)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Not current	Balance at End of Period
			Amounts collected	Amounts Written Off	Others			
Pakistan International Container Terminal (PICT)	US$937,352	US$312,841	US$–	US$–	US$452	US$–	US$1,250,645	US$1,250,645
Prime Staffers and Selection Bureau, Inc. (PSSBI)	542	–	–	–	3	–	545	545
PT ICTSI Jasa Prima Tbk (IJP) and Subsidiaries	226	81	–	–	1	–	308	308
PT Makassar Terminal Services, Inc. (MTS)	85,762	12,774	–	–	856	–	99,392	99,392
PT Perusahaan Bongkar Muat Olah Jasa Andal (OJA)	140,110	179,472	(181,928)	–	2,360	–	140,014	140,014
Sevilla Brokerage Incorporated	340,000	3,805,518	(1,226,361)	–	(64)	–	2,919,093	2,919,093
SPIA Colombia B.V.	1,016	4,066	(4,743)	–	–	–	339	339
SPIA Spain S.L.	38	39	–	–	–	–	77	77
South Cotabato Integrated Port Services, Inc. (SCIPSI)	15,468	729,300	(733,045)	–	120	–	11,843	11,843
South Pacific International Container Terminal Limited (SPICTL)	551,032	1,955,899	(1,380,476)	–	2,215	–	1,128,670	1,128,670
Sociedad Puerto Industrial Aguadulce SA (SPIA)	44,200	422,314	(397,364)	–	304	–	69,454	69,454
Subic Bay International Terminal Holdings, Inc. (SBITHI)	9	17,285,500	(13,937,000)	–	–	–	3,348,509	3,348,509
Tartous Int'l Container Terminal	6,309	–	(6,351)	–	42	–	–	–
Tecplata S.A. (Tecplata)	707,996	182,830	–	–	586	–	891,412	891,412
Tecon Suape, S.A. (TSSA)	(76,479)	10,222,175	(9,939,953)	–	339	–	206,082	206,082
Victoria International Container Terminal Ltd. (VICT)	467,498	5,020,101	(5,411,138)	–	(38)	–	76,423	76,423
Yantai Int'l. Container Terminal Lt	36,417	49,437	(47,859)	–	269	–	38,264	38,264
Total	**US$63,714,914**	**US$163,135,776**	**(US$201,132,257)**	**$–**	**US$132,777**	**US$–**	**US$25,851,210**	**US$25,851,210**

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule D. Long-term Debt
December 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Balance Sheet	Amount Shown Under Caption "Noncurrent Portion of Long-term Debt" in Related Balance Sheet	Remarks
ICTSI - Unsecured US Dollar Bond		US$–	US$394,208,958	
ITBV - Secured US Dollar Medium-term Bond		–	390,038,269	
ITBV - Secured US Dollar Bond		–	291,894,478	
VICT - Secured AUD Bond		–	270,261,192	
ICTSI - Unsecured US Dollar Term Loan		–	297,850,744	See Note 16 to the Audited Consolidated Financial Statements
IGFBV - Secured US Dollar Term Loan		8,695,267	248,516,767	
MHCPSI - Secured PHP Term Loan		11,039,477	78,565,386	
IDRC - Secured US Dollar Term Loan		12,000,000	6,000,000	
SPICTL - Secured PGK Term Loan		5,447,010	4,469,233	
CGSA - Secured US Dollar Term Loan		1,370,130	4,110,390	
MITL - Secured PGK Term Loan		3,162,339	1,340,662	
ICTSI Nigeria - Secured NGN Term Loan		425,470	2,291,814	
CLIA Pouso Alegre - Secured BRL Term Loan		249,359	489,066	
		US$42,389,052	US$1,990,036,959	

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2023

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
	NONE	

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which this Statement is Filed	Nature of Guarantee

NONE

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule G. Capital Stock
December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding As Shown Under Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion, and Other Rights	Number of Shares Held By		
				Subsidiaries	Directors, Officers and Employees	Others
Preferred Shares						
Preferred A Shares	993,000,000	3,800,000	–	3,800,000	–	–
Preferred B Shares	700,000,000	700,000,000	–	–	700,000,000	–
Common Shares	4,227,397,381	2,031,988,603	13,189,068	–	990,050,910	1,041,937,693

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule H. Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2023

Name and Designation of Creditor	Balance at Beginning of Period	Additions	Deductions		Current	Not current	Balance at End of Period
			Amounts paid	Others			
Adriatic Gateway Container Terminal (AGCT)	US$273,775	US$70,952	US$–	US$–	US$–	US$344,727	US$344,727
Baltic Container Terminal Ltd. (BCT)	(16,298)	50,195	–	–	–	33,897	33,897
Container Terminal Systems Solutions Philippines, Inc. (CTSSPI)	62	–	(7)	–	–	55	55
Cordilla Properties Holdings, Inc. (CPHI)	33,574	224	–	–	–	33,798	33,798
ICTSI Americas B.V. (IABV)	(15,570)	15,575	–	–	–	5	5
ICTSI Global Finance B.V. (IGFBV)	146,336,106	5,432,080	(5,432,927)	(6,512)	1,065,512	145,263,235	146,328,747
ICTSI Ltd.	8,146,735	6,469,930	–	–	–	14,616,665	14,616,665
ICTSI Ltd. Regional Operating Headquarters (ROHQ)	8,946,015	5,298,912	(609,551)	(19,306)	–	13,616,070	13,616,070
ICTSI Subic, Inc. (ICTSI Subic)	2,028,413	267,044	–	–	–	2,295,457	2,295,457
ICTSI Treasury B.V. (ITBV)	1,104,010,744	257,768,374	(451,161,637)	(53,105)	10,746,833	899,817,543	910,564,376
International Container Terminal Holdings, Inc. (ICTHI) and Subsidiaries	63,950,470	76,064	–	–	–	64,026,534	64,026,534
IW Cargo Handlers, Inc. (IW Cargo)	(782,469)	872,220	–	–	–	89,750	89,750
Manila Harbor Center Port Services Inc (MHCPSI)	2,866,508	255,448	(2,722,955)	–	–	399,002	399,002
Onne Multipurpose Terminal	–	26,443	–	–	–	26,443	26,443
Royal Capital B.V. (RCBV)	363,005,887	29,275,512	(18,976,733)	(434)	3,338,354	369,965,878	373,304,232
Subic Bay International Terminal Corporation (SBITC)	2,116,042	197,746	–	–	–	2,313,788	2,313,788
Total	**US$1,700,899,994**	**US$306,076,719**	**(US$478,903,810)**	**(US$79,357)**	**US$15,150,699**	**US$1,512,842,847**	**US$1,527,993,546**

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule I. Parent Company Retained Earnings Available for Dividend Declaration
December 31, 2023

			Amount
Unappropriated parent company retained earnings, beginning			US$555,197,545
Dividend declaration during the reporting period			(370,267,208)
Unappropriated parent company retained earnings, as adjusted			184,930,337
Add:	Parent company net income for the current year	273,271,076	
	Foreign exchange gain realized during the current year	4,685,950	
Parent company net income, as adjusted			277,957,026
Add:	Decrease in deferred tax assets		3,307,070
	Decrease in treasury shares		5,417,173
Unappropriated parent company retained earnings, as adjusted, ending			US$471,611,606

ICTSI Group – Map of Subsidiaries

International Container Terminal Services, Inc.

As of December 31, 2023

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES
Schedule of Financial Soundness Indicators

	As at and for the Years Ended December 31	
	2022	**2023**
Liquidity ratios		
Current ratio[(a)]	1.00	**1.69**
Interest rate coverage ratio[(b)]	11.14	**10.73**
Solvency ratios		
Debt to equity ratio[(c)]	1.43	**1.14**
Asset to equity ratio[(d)]	4.09	**3.80**
Profitability ratio		
EBITDA margin[(e)]	62.8%	**63.0%**

[(a)] *Current assets over current liabilities*

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

[(c)] *Interest-bearing debt over total equity*

[(d)] *Total assets over total equity*

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

ANNEX "C"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CESAR A. BUENAVENTURA**, Filipino, of legal age and a resident of 58 McKinley Road, Makati City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **International Container Terminal Services, Inc.** (the "Company"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at ICTSI Administration Building, Manila International container Terminal, South Access Road, 1012 Manila City, Philippines, and have been its Independent Director since February 2019.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
DMCI Holdings Inc.	Vice Chairman and Director	1995 to Present
Semirara Mining and Power Corp.	Director	1997 to Present
iPeople, Inc.	Independent Director	2002 to Present
Petroenergy Resources Corp.	Lead Independent Director	1995 to Present
Concepcion Industrial Corporation	Lead Independent Director	2013 to Present
Shell Pilipinas Corp.	Independent Director	2012 to Present
Manila Water Company, Inc.	Independent Director	2021 to present
Manila Water Foundation	Trustee	2021 to present
Pilipinas Shell Foundation	Chairman	1982 to present
ICTSI Foundation, Inc.	Trustee	2015 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable	Not applicable	Not applicable

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Not applicable	Not applicable	Not applicable

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hands this MAR 11 2024 at MAKATI CITY.

CESAR A. BUENAVENTURA
Affiant

SUBSCRIBED AND SWORN TO before me this MAR 11 2024 at ~~Manila City~~ MAKATI CITY, affiant exhibiting to me his Passport, with No. P9753800A, issued on 29 November 2018 at DFA Manila.

Doc. No.: 201;
Page No.: 42;
Book No.: I;
Series of **2024.**

NICANOR B. JIMENO
COMMISSION NO. M-203
NOTARY PUBLIC FOR MAKATI CITY
VALID UNTIL DECEMBER 31, 2025
37TH FLOOR, RUFINO PACIFIC TOWER
6784 AYALA AVE. COR. V.A RUFINO
MAKATI CITY
ROLL NO. 22629
PTR NO.10075615; 01-03-24; Makati City
IBP LIFETIME MEMBER NO. 07156; 01-19-2008
MCLE (Exempt. No.) VII-Acr.00003852; 03-31-2

ANNEX "C-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CARLOS C. EJERCITO**, Filipino, of legal age and a resident of 215 Country Club Drive, Alabang Village, Muntinlupa City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **International Container Terminal Services, Inc.** (the "Company"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at ICTSI Administration Building, Manila International container Terminal, South Access Road, 1012 Manila City, Philippines, and have been its Independent Director since April 2021.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Century Properties, Inc.	Independent Director	2015 to present
Mount Grace Hospitals, Inc.	Director	2024 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable	Not applicable	Not applicable

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Not applicable	Not applicable	Not applicable

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hands this MAR 11 2024 at MAKATI CITY.

CARLOS C. EJERCITO
Affiant

SUBSCRIBED AND SWORN TO before me this MAR 11 2024 at ~~Manila~~ MAKATI CITY, affiant exhibiting to me his Passport, with No. P2801986B, issued on 17 August 2019 at DFA NCR East.

Doc. No.: 199;
Page No.: 41;
Book No.: I;
Series of **2024.**

NICANOR B. JIMENO
COMMISSION NO. M-203
NOTARY PUBLIC FOR MAKATI CITY
VALID UNTIL DECEMBER 31, 2025
37TH FLOOR, RUFINO PACIFIC TOWER
6784 AYALA AVE. COR. VA RUFINO
MAKATI CITY
ROLL NO. 25559
PTR NO.10075615; 01-02-24; Makati City
IBP LIFETIME MEMBER NO. 07156; 01-10-2008
MCLE (Exempt. No.) VII-Acad0003852; 03-31-22

ANNEX "C-2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CHIEF JUSTICE DIOSDADO M. PERALTA (ret.)** Filipino, of legal age and a resident of 10 Dominador Lim St., BF Homes-Inner Circle, Parañaque City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **International Container Terminal Services, Inc.** (the "Company"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at ICTSI Administration Building, Manila International container Terminal, South Access Road, 1012 Manila City, Philippines, and have been its Independent Director since August 2021.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Bloomberry Resorts Corporation	Independent Director	2021 to present
San Miguel Corporation	Independent Director	2021 to present
Philippine Business Bank	Independent Director	2022 to present
Manila Hotel	Independent Director	2021 to present
Heavenly Place Memorial Park	President & Chairman	2022 to present
University of the East	Board Trustee	2022 to Present
U.E.R.M Hospital	Board Trustee	2023 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable	Not applicable	Not applicable

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding:

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Not applicable	Not applicable	Not applicable

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hands this MAR 1 1 2024 at MAKATI CITY.

CHIEF JUSTICE DIOSDADO M. PERALTA (ret.)
Affiant

SUBSCRIBED AND SWORN TO before me this MAR 1 1 2024 at ~~Manila City~~ MAKATI CITY, affiant exhibiting to me his Passport, with No. P4945402B, issued on 26 February 2020 at DFA Manila.

Doc. No.: 200;
Page No.: 41;
Book No.: 5;
Series of **2024.**

NICANOR B. JIMENO
COMMISSION NO. M-203
NOTARY PUBLIC FOR MAKATI CITY
VALID UNTIL DECEMBER 31, 2025
37TH FLOOR, RUFINO PACIFIC TOWER
6784 AYALA AVE. COR. V.A. RUFINO

International Container Terminal Services, Inc.

ANNEX "D"

REPUBLIC OF THE PHILIPPINES)
CITY OF ~~MANILA~~ MAKATI CITY) SS

SECRETARY'S CERTIFICATE

I, **BENJAMIN M. GOROSPE III,** of legal age, Filipino and with office address at 3rd Floor, ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila 1012, Philippines, after having been duly sworn to in accordance with law, hereby certify that:

1. I am the duly appointed Assistant Corporate Secretary of International Container Terminal Services, Inc. (the Company), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila 1012, Philippines.

2. I hereby certify that none of the Board of Directors or Independent Directors of the Company are connected or employed in the Philippine government or any of the government agencies of instrumentalities in the Philippines.

3. The above resolutions are in force and effect and have not been revoked, revised or otherwise amended.

IN WITNESS WHEREOF, I have hereunto set my hand this MAR 11 2024 ____ day of _______ 2024 at City of ~~Manila~~ MAKATI CITY, Philippines.

BENJAMIN M. GOROSPE III
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 11 2024 ____ day of February 2021 at MAKATI CITY ______________, affiant exhibiting to me his Passport, with Passport No. P0034218A issued in the City of Manila on 24 August 2016.

Doc No. 198;
Page No. 41;
Book No. I;
Series of 2024

NICANOR B. JIMENO
COMMISSION NO. M-203
NOTARY PUBLIC FOR MAKATI CITY