

COVER SHEET

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SEC Registration Number

COMPANY NAME

I	N	T	E	R	N	A	T	I	O	N	A	L	C	O	N	T	A	I	N	E	R	T	E	R	M	I	N
A	L	S	E	R	V	I	C	E	S	,	I	N	C	.	A	N	D	S	U	B	S	I	D	I	A		
R	I	E	S																								

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

I	C	T	S	I	A	D	M	I	N	I	S	T	R	A	T	I	O	N	B	U	I	L	D	I	N	G	,	
M	A	N	I	L	A	I	N	T	E	R	N	A	T	I	O	N	A	L	C	O	N	T	A	I	N	E	R	
T	E	R	M	I	N	A	L	S	O	U	T	H	A	C	C	E	S	S	R	O	A	D	,	M	A			
N	I	L	A																									

Atty. Benjamin Edison M. Gorospe III (Contact Person)

(+632) 8245 4101 (Company Telephone Number)

Definitive

1	2	3	1
Month	Day	(Fiscal Year)	

S	E	C	20	I	S
(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

Total Amount of Borrowings
(as of December 31, 2024)

1,340 <i>as of December 31, 2024</i>
Total No. of Stockholders

US\$1,099.5M
Domestic

US\$1,554.8M
Foreign

To be accomplished by SEC Personnel concerned

File Number	_____ LCU
	_____ Cashier
Document ID	

STAMPS	Remarks: Please use BLACK ink for scanning purposes.
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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
 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:
Date: **April 24, 2025**
Time: **10:00 a.m.**
Place: **To be conducted virtually through <https://www.ictsi.com/2025asm>**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **March 21, 2025**
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, 2024 |
|--------------------------------------|--|
| Common Stock, P1.00 par value | 2,027,215,203 |
- Amount of consolidated debt outstanding as of **December 31, 2024: US\$2,654.3 million**
11. Are any or all of registrant's securities listed in a Stock Exchange? Yes 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 NOT SEND ICTSI MANAGEMENT YOUR PROXY.

Annex A
to the Information Statement



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting ("ASM") of International Container Terminal Services, Inc. ("ICTSI" or the "Company") will be held and conducted in a virtual platform or online format at **10:00 a.m. on Thursday, April 24, 2025** at <https://www.ictsi.com/2025asm> with the following Agenda:

1. **Call to order**

The Chairman will formally open the meeting on April 24, 2025 at 10:00 a.m.

2. **Certification of notice and quorum**

The 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 2024 Annual Stockholders' Meeting**

A copy of the Minutes of the Annual Stockholders' Meeting held on April 18, 2024 was made available at the Company Website within five days from the said date. The Minutes of the previous ASM will be approved by the Stockholders. The said minutes can be accessed through here: [ICTSI Minutes ASM \(18Apr2024\).pdf](#)

4. **Chairman's Report**

The Chairman of the Board of Directors and President of the Company will report on business of the Company and its subsidiaries during the preceding fiscal year.

5. **Approval of the 2024 Audited Financial Statements**

The Audited Financial Statements as of December 31, 2024, approved by the Board, for approval of the stockholders, is part of the SEC Form 20-IS or Definitive Information Statement ("Information Statement"). The Company's financial results will form part of the Chairman's Report.

6. **Ratification of acts, contracts, investments, and resolutions of the Board of Directors and Management**

The ratification by the Stockholders of the acts, contracts, investments, and resolutions of the Board of Directors and Management since the previous ASM as they appear in the board resolutions, disclosures and filings with the SEC and the PSE will be sought.

7. **Election of Directors**

The Stockholders will elect the Board of Directors. The profiles and qualifications of the incumbent members of the Board of Directors are listed under Item 5 of the Information Statement. These incumbent Directors are the nominees for re-election for another term.

8. **Appointment of External Auditors**

The current external auditor identified in Item 7 of the Information Statement is endorsed by the Audit Committee for reappointment by the Stockholders.

9. **Other matters**

Any other matters that may be brought to the attention of the Stockholders can be taken up here.

10. **Adjournment.**

This will officially end the meeting.

On **March 5, 2025**, the Board of Directors approved to set the record date on **March 19, 2025** for the purpose of determining the Stockholders entitled to notice and to vote at the ASM.

The Board of Directors also approved the conduct of virtual stockholders' meeting in accordance with SEC rules, that the ASM will be held online by remote communication and voting will be virtual or *in absentia*. The specific procedures for participation in the ASM through remote communication or for voting *in absentia* are set forth in the **Guidelines for Virtual ASM** which is attached as **Appendix "A"** hereof.

Registration for the virtual ASM can be done through the ICTSI Virtual ASM Platform (<https://ictsi.com/2025asm>) from **9:00 a.m. of March 21, 2025 until 5:00 p.m. of April 21, 2025**. All corporate stockholders and individual stockholders who are unable to join the ASM are required to appoint a Proxy in favor

of a representative who will participate in the virtual meeting for them. Or to the Chairman of the Board if the proxy has specific voting instructions. The duly accomplished Proxy Forms must be submitted on or before **5:00 p.m. of April 11, 2025**. A Stockholder who fails to comply with the registration requirements will not be able to participate in the virtual ASM.

The Office of the Corporate Secretary, Investors Relations Office, 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 16, 2025 at 10:00am**.

By registering for the virtual ASM, a Stockholder, or proxy, agrees that ICTSI and the service providers for the virtual ASM may process sensitive personal information necessary to verify their identity and authority. Please review the Data Privacy Policy in the ICTSI Virtual ASM Platform.

The Information Statement together with its attachments, including, the Management Report and the Audited Financial Statements as of December 31, 2024, will be available at least 15 business days prior to the ASM by (i) using the QR Code below, (ii) access through the Company Website at www.ictsi.com, and (iii) access through the PSE Edge of the Philippine Stock Exchange. A copy will be sent to a Stockholder with registered mailing address.

Manila, March 5, 2025.

FOR THE BOARD OF DIRECTORS:

SILVERIO BENNY J. TAN
Corporate Secretary



How to Use QR Code:

Step 1: 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” TO THE NOTICE OF ASM

ICTSI ANNUAL STOCKHOLDERS’ MEETING REQUIREMENTS AND PROCEDURE FOR PARTICIPATION BY REMOTE COMMUNICATION OR VOTING *IN ABSENTIA* (“Guidelines for Virtual ASM”)

1. Participation in the **2025 ICTSI Annual Stockholders’ Meeting** (the “Meeting”) to be held on **April 24, 2025, 10:00 a.m.** through remote communication and voting virtually or *in absentia* is via <https://www.ictsi.com/2025asm> (the “ICTSI Virtual ASM Platform” or the “Platform”).
2. Only Stockholders as at record date, **March 19, 2025**, may use the Platform to participate in the Meeting or vote *in absentia* on the Agenda Items, *provided that* the Stockholder (1) has complied with the Registration Requirement, and (2) such registration has passed the validation process.
3. All corporate stockholders and an individual Stockholder who is not able to attend the ASM shall appoint a Proxy. They must submit the following copies through the Platform **on or before April 11, 2025, 5:00 p.m.:**
 - a) Duly signed Proxy;
 - b) Photo of valid government-issued ID showing Proxy’s photo and personal details, preferably with residential address; and
 - c) For Corporation, Partnership and Association Stockholders: a copy of the *Secretary’s Certificate* on the resolution authorizing the Proxy or Authorized Representative who will sign the Proxy.

Original copies of the Proxy and Secretary’s Certificate must be submitted to the Office of the Corporate Secretary of ICTSI by **April 11, 2025, 5:00 p.m.** The Office of the Corporate Secretary, Investors Relations Office, Stock Transfer Service, Inc., 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 16, 2025 at 10:00am.**

4. Platform Registration for Stockholders who will attend the ASM is from **March 21, 2025, 9:00 a.m. until April 21, 2025, 5:00 p.m.**

Registration Procedure

- a) Proceed to <https://www.ictsi.com/2025asm>.
- b) Click “Register Now”.
- c) Carefully read the ICTSI Terms of Use and Data Privacy Statement and the service provider’s End User Terms of Service and [Privacy Policy](#).
- d) Indicate consent.
- e) Choose stockholder type: (1) Individual Stockholder with Certificated Shares; (2) Individual Stockholder under Broker Account; or (3) Corporate Stockholder (e.g. corporation, association, or partnership).
- f) Indicate *exact* full name as indicated in the government-issued ID to be presented and uploaded in the Platform, or the complete corporate name of the Corporation represented.
- g) Upload the Registration Requirements enumerated under Item 5 below.
- h) Click “Submit Registration”.
- i) Confirm your email upon receiving a verification email.
- j) Create your own password to sign in the Platform.

Registration Documents

For Individual Stockholder with Certificated Shares

- a) Valid and active email address
- b) Valid and active mobile phone number
- c) Copy of valid government-issued ID showing Stockholder’s photo and personal details, preferably with residential address

For an Individual Stockholder under Broker Account

- a) Valid and active email address
- b) Valid and active cellular phone number
- c) Copy of valid government-issued ID showing Stockholder’s photo and personal details, preferably with residential address
- d) Copy of Broker’s Certification on the Stockholder’s number of shareholdings
IMPORTANT: To facilitate the verification of your account, please make sure that you copy ICTSI through: 2025ASM@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.

For Authorized Representative of Corporate Stockholders (e.g. corporation, association, or partnership)

- a) Valid and active email address
- b) Valid and active mobile phone number
- c) Copy of valid government-issued ID showing Authorized Representative's photo and personal details, preferably with residential address*
- d) Copy of the *Certificate* on the resolution authorizing the Authorized Representative who will act on behalf of the corporate stockholder.

ICTSI will request for consent to process sensitive personal information pursuant to the Data Privacy Act. ICTSI reserves the right to request additional information and original signed copies of the Registration Requirements at a later time. The registration requirements shall be validated; hence, Stockholders are advised to register as early as possible.

5. *Validation of Registration.* ICTSI, Stock Transfer Services, Inc., and its independent party, SGV & Co., will evaluate and validate the information and documents furnished and uploaded against the stockholders records of ICTSI. After passing the validation process, the Stockholders will receive an email informing them of their registration acceptance.
 - a) Only Stockholders who registered, verified their email, **and** passed the validation process may use the Platform to participate in the Meeting.
 - b) After passing the validation process, the Stockholder will receive an email confirming registration acceptance.
 - c) Stockholders with validated registration may cast their votes until the voting on the Agenda Item is closed during the Meeting.
6. *Voting in Absentia.* Stockholders who will not participate in the virtual meeting may vote *in absentia* by sending an absentee ballot obtained from the Corporate Secretary, duly filled up and signed and returned to the Corporate Secretary before the date of the ASM. An absentee ballot shall be sent to a stockholder who requests the same after complying with the requirement prescribed by the Corporate Secretary to verify the identity and number of shares in the name of the stockholder as of record date of the meeting. Valid absentee ballots received by the Corporate Secretary prior to the date of the meeting shall be counted as part of the quorum and in the voting of agenda items.
7. *Virtual Participation at the ASM*
 - a) The Stockholder will be required to enter the registered username and password to enter the Platform and access the Meeting.
 - b) The Platform will allow Stockholders to send questions, motions, secondments, and other comments during the Meeting. To ensure a productive and orderly Meeting, Stockholders are encouraged to send their questions relating to the Agenda Items **on or before April 21, 2025** 2025ASM@ictsi.com. Relevant questions will be answered by the Company during the Meeting.
 - c) For any technical difficulties, the Stockholder should call the **Platform Support Hotline** at **(+63)9696022100**.
 - d) The recorded webcast of the Meeting will be posted on the Company 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 corpsec@ictsi.com.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, Time, and Place of Annual Meeting of Stockholders**

Date: **April 24, 2025**

Time: **10:00 a.m.**

Place: **To be conducted virtually through <https://www.ictsi.com/2025asm>**; The Chairman will preside over the virtual meeting from his office in the Chairman's Office, Solaire Resorts and Casino, 1 Asean Avenue, Entertainment City, Tambo, Paranaque City, Metro Manila.

Complete Mailing Address of the Principal Office: **ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila**

Approximate date Information Statement is first sent to Stockholders entitled to notice and vote: **March 21, 2025**

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/her shares in the following instances:

- a. 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;
- b. 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;
- c. Merger or consolidation; and
- d. Investment of corporate funds for any purpose other than the primary purpose of the corporation.

The dissenting stockholder who votes against a proposed action may exercise the right of appraisal by making a written demand on the Company for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay the Stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

The Matters, i.e. the Agenda Items, to be acted upon by the Stockholders at the ASM do not relate to the matters under Section 80.

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

None of the Directors or Executive Officers of the Company has substantial interest, direct or indirect, by security holdings or otherwise, in any of the Matters to be acted upon at the ASM. None of the Directors has informed the Company of his intention to oppose any of the Matters.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

- a. As of December 31, 2024, Common Shares issued and outstanding were 2,027,215,203 shares (excluding 17,962,468 Treasury Shares). Preferred A and B Shares outstanding as of the same date were 3,800,000 shares and 700,000,000 shares, respectively.

<u>Voting/Non Voting Shares</u>	<u>Type of Securities</u>	<u>No. of Foreign Owned shares</u>	<u>No. of Local Owned shares</u>	<u>No. of Outstanding shares</u>
Voting shares	Common shares	695,427,080	1,331,788,123	2,027,215,203
Voting shares	Preferred B shares	-	700,000,000	700,000,000
Total Outstanding Voting shares		695,427,080	2,031,788,123	2,727,215,203
Foreign Ownership Level of Total Outstanding Voting shares		25.50%		
Non Voting shares	Preferred A shares	3,800,000		3,800,000
Foreign Ownership Level of Total Outstanding Voting and Non-Voting shares		25.60%		

- b. Only Stockholders of record at the close of business on March 19, 2025 are entitled to notice and to vote at the ASM. The Common Shares and Preferred B Shares will vote on matters scheduled to be taken up at the ASM with each share being entitled to cast one (1) vote.
- c. Pursuant to Article I, Section 8 of the Company By-Laws, for the election of directors, a Stockholder entitled to vote has a right to cumulate his shares and give one candidate as many votes as the number of Directors to be elected, multiplied by the number of shares. Details of the voting procedure are discussed under Item 19 of the Information Statement.
- d. Security Ownership of Certain Record and Beneficial Owners
 - i. Beneficial owners, directly and indirectly, of more than five percent (5%) of registrant's voting securities as of December 31, 2024

Class of Share	Name, Address of Record Owner	Name, Address of Beneficial Owner / 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 Holds legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares	Foreign	312,704,714	11.47%
Common	PCD Nominee Corporation (Non-Filipino) Philippine Central Depository, Inc. 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City	Deutsche Bank Manila – Clients' Acct. 19th Floor Four/NEO, 31st St. cor. 4th Ave., E-Square Zone, Crescent Park West, Bonifacio Global City, Taguig City, Metro Manila Represented by Michelle Mabansag, Head of Global Securities Operations Holds legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares	Foreign	177,747,522	6.52%

Class of Share	Name, Address of Record Owner	Name, Address of Beneficial Owner / Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage*
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 Holds legal title as custodian in favor of various clients and is not the beneficial owner of the lodged shares	Filipino	499,371,382	18.31%
Common	Bravo International Port Holdings, Inc. 19th Floor, Liberty Center, 104 H.V. dela Costa St., Salcedo Village, Makati City	Bravo International Port Holdings, Inc. Represented by Enrique K. Razon, Jr., President	Filipino	279,675,000	10.25%
Preferred B	Achillion Holdings, Inc. 17th Floor, Liberty Center, 104 H.V. dela Costa St., Salcedo Village, Makati City	Achillion Holdings, Inc. represented by Enrique K. Razon, Jr., its President	Filipino	700,000,000	25.67%

* Percentage ownerships were computed using total number of issued and outstanding common shares, preferred B voting shares of 2,727,215,203 (which excludes treasury shares and preferred A non-voting shares as at December 31, 2024).

ii. Security Ownership of Directors and Management as of December 31, 2024

Title of Class	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	61.68% ³
Common	Cesar Buenaventura	Filipino	45,001	D	0.00%
Common	Carlos C. Ejercito	Filipino	10	D	0.00%
Common	Diosdado M. Peralta	Filipino	30,450	D	0.00%
Common	Jose C. Ibazeta	Filipino	1,539,260	D	0.06%
Common	Stephen A. Paradies	Filipino	4,296,603	D & I	0.16%
Common	Andres Soriano III	American	650,481	D & I	0.02%
Common	Christian R. Gonzalez	Filipino	625,550	D	0.02%
Common	Caroline C. Causon	Filipino	13,505	D	0.00%
Common	Emilio Manuel V. Pascua	Filipino	86,919	D	0.00%
Common	Antonio G. Coronel	Filipino	209,444	D	0.01%
Common	Arlyn L. McDonald	Filipino	107,471	D	0.00%
Common	Lirene C. Mora	Filipino	65,557	D	0.00%
Common	Narlene A. Soriano	Filipino	97,857	D	0.00%
Common	Arnie D. Tablante	Filipino	90,097	D & I	0.00%
Common	Silverio Benny J. Tan	Filipino	273,000	D	0.01%
Common	Benjamin M. Gorospe III	Filipino	71,294	D	0.00%

¹ Percentage ownerships were computed using total number of issued and outstanding common and preferred B voting shares of 2,727,215,203 (which excludes treasury shares and preferred A non-voting shares) as at December 31, 2024.

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 61.60% if based on the total number of issued and outstanding common shares, preferred B voting shares and preferred A non-voting shares of 2,731,015,203 (which excludes treasury shares) as at December 31, 2024.

iii. Voting Trust Holders of 5% or More

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

iv. Changes in Control

There are no changes in control to disclose.

Item 5. **Directors and Executive Officers**

a. Information Required of Directors and Executive Officers of the Company

Incumbent Directors and Executive Officers

Office	Name	Citizenship	Age
Chairman of the Board and President	Enrique K. Razon Jr.	Filipino	65
Independent Director	Cesar A. Buenaventura	Filipino	95
Independent Director	Carlos C. Ejercito	Filipino	79
Independent Director	Chief Justice Diosdado M. Peralta (ret.)	Filipino	72
Director	Jose C. Ibazeta	Filipino	82
Director	Stephen A. Paradies	Filipino	71
Director	Andres Soriano III	American	73
Executive Vice President, Chief Compliance Officer, and Chief Sustainability Officer	Christian Martin R. Gonzalez	Filipino	49
Senior Vice President, Global Corporate Planning and Financial Services	Caroline C. Causon	Filipino	47
Senior Vice President, Chief Financial Officer and Chief Risk Officer	Emilio Manuel V. Pascua	Filipino	47
Vice President, Logistics and Supply Chain	Antonio G. Coronel	Filipino	74
Vice President, Global Financial Controller	Arlyn L. McDonald	Filipino	47
Vice President, Treasurer	Arnie D. Tablante	Filipino	52
Vice President, Head of Global Corporate Legal Affairs	Lirene C. Mora ¹	Filipino	45
Vice President, Head of Global Public Relations	Narlene A. Soriano ²	Filipino	66
Corporate Secretary	Silverio Benny J. Tan ³	Filipino	68
Asst. Corporate Secretary	Benjamin Edison M. Gorospe III	Filipino	57

¹ Appointed as Vice President, Head of Global Corporate Legal Affairs on 18 April 2024

² Appointed as Vice President, Head of Global Public Relations on 18 April 2024

³ Elected as Corporate Secretary on 18 April 2024

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	55
Senior Vice President, Regional Head – Europe & Middle East and Africa	Hans-Ole Madsen	Danish	59
Senior Vice President, Head of Global Commercial	Humberto Godfried Wieske	Dutch	61

Vice President, Head of Global Engineering – Infrastructure and Project Delivery	Nathan A. Clarke	Australian	43
Vice President, Head of Global Corporate Human Resources	Michael Robin Cruickshanks	British	67
Vice President, Global Chief Information Officer	Brian Hibbert	British	57
Vice President, Head of Global Procurement	Damien Samuel Huppert	French	48
Vice President, Head of Global Engineering – Equipment Maintenance	Johan Swart	South African	65
Vice President, Senior Administration Officer	Vivien F. Miñana	Filipino	60
Vice President, Head of Global Multimodal Logistics Solutions	Rene Marcel Wernli	German	56

i. Board of Directors

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

The Chairman, Mr. Enrique K. Razon Jr., nominated the Independent Directors while another Stockholder, Razon Industries, Inc., nominated the other Directors, including Mr. Razon.

The Certificates of Independent Directors are hereto attached as Schedules "1" to "3".

None of the Directors has resigned or declined to stand for re-election to the Board of Directors since the date of the last ASM.

Below are the qualifications of the incumbent Directors who are also nominees for re-election during the ASM. The Certification that none of the Directors and Officers are connected with any government agencies or its instrumentalities is hereto attached as Schedule "4".

Enrique K. Razon Jr.

Mr. Razon is a Director 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*, Razon & Co., Inc, Prime Strategic Holdings, Inc., IWI Container Terminal Holdings, Inc., Razon Industries, Inc., Sureste Realty Corporation, Quasar Holdings, 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., 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., AB Capital and Investment Corporation, and Xcell Property Ventures, Inc. (**Publicly-listed Corporation*)

He is a member of the US-Philippine Society and the ASEAN Business Club and Philippines, Inc. Mr. Razon was conferred a degree of Doctor of Science in Logistics *Honoris Causa* by the De La Salle University, Manila, and an Honorary Doctorate in Management by the Asian Institute of Management.

Cesar A. Buenaventura, O.B.E.

Mr. Buenaventura is an Independent Director 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.*, Petroenergy Resources Corp.* and Concepcion Industrial Corporation*; a Director of Semirara Mining and Power Corp.*, DM Consunji Inc., and The Country Club; a Chairman of Buenaventura Echaz and Partners, Inc.; a Vice Chairman of DMCI

Holdings, Inc.*, a Founding Chairman of Pilipinas Shell Foundation, Inc.; an Independent Trustee of Bloomberry Cultural Foundation, ICTSI Foundation, Inc.; and 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*, iPeople, Inc.*, Asian Bank, Ma. Cristina Chemical Industries, Paysetter International Inc., Maibarara Geothermal Inc., Mitsubishi Hitachi Power Systems Phils., Inc., Manila International Airport Authority and Shell Group of Companies. (**Publicly-listed Corporation*)

In 1991, Mr. Buenaventura was made Honorary Officer of the Order of the British Empire 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.

Carlos C. Ejercito

Mr. Ejercito is an Independent Director since April 15, 2021. He is also the Chairman of the Audit Committee; and a member of the Corporate Governance 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 a Chairman and Chief Executive Officer of Mount Grace Hospitals, Inc. and its affiliates and subsidiaries.

Mr. Ejercito is a former Independent Director of Aboitiz Power Corporation*, and Monte Oro Resources and Energy Inc.; 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. (**Publicly-listed 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.

Chief Justice Diosdado M. Peralta (ret.)

Chief Justice Peralta is an Independent Director 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*, and Manila Hotel Corporation, the Chairman and President of Heavenly Place Memorial Park, a Trustee of University of the East and U.E.R.M. Hospital. (**Publicly-listed Corporation*)

Chief Justice Peralta (ret.) was the Chief Justice of the Supreme Court of the Philippines from October 23, 2019 until his retirement on March 27, 2021. He served as Associate Justice of the Supreme Court 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 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 a Doctor of Laws degree, *Honoris Causa*, from Northwestern University, Laoag City, Ilocos Norte.

Jose C. Ibazeta

Mr. Ibazeta is a Director since December 24, 1987.

Concurrently, he is a Director of Phelps Dodge Energy Products, Phil Stratbase Consultancy, Inc. Vicinetum Holdings, Inc., Seven Seas Resorts & Leisure, Prime Metroline Infrastructure Holdings Corporation, Prime Metro Power Holdings Corporation and Pamalican Island Holdings, Inc.

Formerly, he was a Director, President and Chief Operating Officer of A Soriano Corporation*, Chairman of Atlas Consolidated Mining and Development Corporation*, Director of Ten Knots Development Corporation,

Chief Executive Officer and Representative for Administration and Operations of Philippine Airlines, Director of AB Capital and Investment Corporation, Vice-President of San Miguel Corporation*, Chairman and President of Island Aviation. Inc., President of A Soriano Air Corporation, Chairman and President of Pamalican Island Holdings, Inc., President of Seven Seas Resorts & Leisure, Inc. and Director of AG&P International Holdings, Inc. He was also appointed as Acting Secretary of the Department of Energy, President and Chief Executive Officer of Power Sector Assets and Liabilities Management Corporation (PSALM), an Ambassador designate to Iraq and Special Envoy to Middle East Countries in-charge of Humanitarian and Reconstruction Efforts in Iraq. (**Publicly-listed Corporation*)

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.

Stephen A. Paradies

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

Concurrently, he is a Director of Sociedad Puerto Industrial Aguadulce S.A., Apex Mining Co. Inc.*, Manila Golf and Country Club, Inc., Sureste Properties Inc., Prime Infrastructure Capital, Inc., and The Country Club Inc. He is the Chairman of MORE Electric & Power Corp.; Negros Electric & Power Corp., Bohol Light Company Inc., Prime Metro BMD Corp., Primelectric Holdings, Inc.; Napagapa Beverages, Inc., 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.*; was a Director of UnionBank of the Philippines*; and was a Director of Union Investments Corp. (**Publicly-listed Corporation*)

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

Andres Soriano III

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

Concurrently, he is the Chairman and Chief 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 also 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). (**Publicly-listed Corporation*)

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

ii. Executive Officers

Below is the summary of the qualifications of the incumbent Executive Officers. None of the Officers are connected with any government agencies or its instrumentalities.

Christian Martin R. Gonzalez

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.

Previously he was Vice President and Head of Asia Pacific Region and MICT, MICT Operations Manager, Chief Operating Officer and later CEO of MICTSL, Head of ICTSI's Business Development for Asia Region. He is also the President of ICTSI Foundation.

Mr. Gonzalez is concurrently the Chairman and President of Intermodal Terminal Holdings, Inc, IW Cargo Handlers, Inc., Manila Harbor Center Port Services, Inc, Subic Bay International Terminal Holdings, Inc, and Visayas Container Terminal, Inc., the Chairman of Asiastar Consultants Limited, Catalyst Logistics Incorporated, ICTSI Georgia Corp., ICTSI Honduras Ltd., ICTSI Ltd., ICTSI Subic, Inc., International Container Terminal Holdings, Inc, Mindanao International Container Terminal Services, Inc., Sevilla Brokerage, Inc., Subic Bay International Terminal Corporation, and Yantai International Container Terminals Ltd., Victoria International Container Terminal Ltd.; a Director and President of Cordilla Property Holdings, Inc., ICTSI Asia Pacific Business Services, Inc.; a Director of Abbotsford Holdings, Inc., Davao Integrated Port & 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, Sociedad Portuario Industrial Aguadulce S.A., and South Cotabato Integrated Port Services, Inc.; Vice Chairman and President of Manila North Harbour Port, Inc.; Director and Vice President of ICTSI Rio Brasil Terminal S.A.; and the President Commissioner of PT ICTSI Jasa Prima Tbk.

Mr. Gonzalez is concurrently a Director of Bloomberry Resorts Corporation*, Sureste Properties, Inc., Bloomberry Resorts and Hotels Inc., Prime Infrastructure Capital, Inc., and President of The Country Club, Inc. (**Publicly-listed Corporation*)

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.

Caroline C. Causon

Ms. Causon is the Senior Vice President, Global Corporate Planning and Financial Services effective July 1, 2023.

She was the Vice President, Head of Financial Management and Budget prior to her current role.

Concurrently, she is a Director of Tecon Suape SA, Contecon Guayaquil SA, ICTSI D.R. Congo, Batumi International Container Terminal LLC, Manila North Harbour Port, Inc., Aviation Concepts Technical Services, Inc., Falconer Aircraft Management, Inc., Cordilla Property Holdings, Inc., ICTSI Georgia Corp., IW Cargo Handlers, Inc., IWI Container Terminal Holdings, Inc.; Director and President of Operadora Portuaria Centroamericana SA de CV, ICTSI Ltd., ICTHI; the Chairman and President of Abbotsford Holdings, Inc.; Chairman of Global Procurement Ltd.; and Director and Secretary of ICTSI Oregon, 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 Charter holder 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.

Emilio Manuel V. Pascua

Mr. Pascua is the Chief Financial Officer, effective January 18, 2023, and Chief Risk Officer, effective July 1, 2023.

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 and Director of ICTSI Honduras Ltd.; Director and 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 IWI Container Terminal Holdings, Inc, ICTSI Subic, 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 Durban DMCC, ICTSI Mauritius Limited, ICTSI Project Delivery Services Pte. Ltd., ICTSI Santos DMCC, ICTSI South Pacific Limited, Sociedad Puerto Industrial De Aguadulce S.A. and South Pacific International Container

Terminal Ltd.; He is also a Director A of ICTSI (M.E.) DMCC, ICTSI Africa B.V., ICTSI Americas B.V., ICTSI Americas B.V. – Branch, ICTSI EMEA B.V., ICTSI Treasury B.V., ICTSI Global Holdings BV, ICTSI Oceania B.V., ICTSI Tuxpan B.V., Royal Capital B.V. SPIA Columbia B.V. and a 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.

Antonio G. Coronel

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

He joined ICTSI in 1988 as Purchasing Manager. He was General Manager of ICTSI Asia Pacific Business Services, Inc. (“APBSI”) from 2015 to 2020, and was Senior Director and Global Procurement Head from 2020 to April 2022.

Concurrently, he is a Director and the General Manager of APBSI; and the President 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 is a Board Director of the Association of Construction Equipment Lessors, Inc.

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

Arlyn L. McDonald

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

She was the Chief Financial Officer of MICT, Global Financial Reporting Director and Regional Chief Financial Officer for Europe, Middle East and India.

Concurrently, she is a Director of Intermodal Terminal Holdings, Inc., Treasurer of Catalyst Logistics Incorporated and Sevilla Brokerage Incorporated.

Prior to ICTSI she was Senior Director for Assurance and Professional Practice in SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) for 10 years; 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.

Arnie D. Tablante

Mr. Tablante is the Treasurer of ICTSI.

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, Inc., Cordilla Property Holdings, Inc., Falconer Aircraft Management, Inc., IW Cargo Handlers, Inc., South Cotabato Integrated Port Services, Inc. and Visayas Container Terminal, 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.

He was with UnionBank of the Philippines prior to joining ICTSI.

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

Atty. Lirene C. Mora

Atty. Mora was appointed as Vice President for Global Corporate Legal Affairs on April 18, 2024.

She joined ICTSI in 2007 as Industrial Relations Officer and has since held several positions in the Legal Department, including Regional Counsel for Asia Pacific.

Atty. Mora is the Chief Executive Officer and Director of Pakistan International Container Terminal Ltd. Concurrently, she is a Director of Motukea International Container Terminal Ltd., South Pacific International Container Terminal, ICTSI Far East Pte. Ltd. Bauan International Port, Inc., Laguna Gateway Inland Container Terminal, Inc. and South Cotabato Integrated Port Services, Inc.; a Director and Corporate Secretary of Abbotsford Holdings, Inc., IW Cargo Handlers, Inc. Manila Harbor Center Port Services, Inc.; a Corporate Secretary of Catalyst Logistics Incorporated, Sevilla Brokerage Incorporated, Intermodal Terminal Holdings, Inc., IWI Container Terminal Holdings, Inc., and Visayas Container Terminal Inc.; and Assistant Corporate Secretary of ICTSI Subic, Inc., Subic Bay International Terminal Corporation and Subic Bay International Terminal Holdings, Inc. Lirene is also the Corporate Secretary of ICTSI Foundation, Inc. and a Trustee of Good Governance Advocates & Practitioners of the Philippines.

She graduated with a Bachelor of Arts degree in Philosophy (Summa Cum Laude) from the College of Social Sciences & Philosophy and Bachelor of Laws degree from the College of Law of the University of the Philippines, Diliman. Atty. Mora was recognized as the 2019 Woman Lawyer of the Year and a finalist for the 2019 Young Lawyer of the Year by the Asian Legal Business Philippine Law Awards. Atty. Mora also received recognition from The Legal 500 as she was selected to be part of the inaugural General Counsel Powerlist Philippines in 2023. Recently, the 2024 Asian Legal Business Philippine Law Awards recognized her as the Philippine In-House Lawyer of the Year.

Narlene A. Soriano

Ms. Soriano was appointed as the Vice President, Head of Global Public Relations on April 18, 2024. She is the head of ICTSI's public relations function since 1990.

She is concurrently the Vice President of the ICTSI Foundation. She is the Program Head of ICTSI's sports advocacy in golf, managing amateur and professional programs where she is the Executive Director.

A mass communications graduate of the De La Salle University Manila, Ms. Soriano is a member of the Public Relations Society of the Philippines, the Public Relations Society of America, and the International Association of Business Communicators.

Silverio Benny J. Tan

Atty. Tan was elected Corporate Secretary on 18 April 2024.

Prior to this election, he was an Assistant Corporate Secretary.

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., Trident Water Company Holdings Inc.. He is a Director of MORE Electric and Power Corporation, Negros Electric and Power Corporation, Bohol Light Company Inc., Primelectric Holdings Inc., 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 Sureste Properties, Inc., Bloomberry Resorts and Hotels Inc., Solaire Resorts Corporation, Bloomberry Cruise Terminals Inc., and Prime Infrastructure Capital Corporation, Manila Water Company, Inc.*, Lakeland Village Holdings Inc., Devoncourt Estates 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 is a retired partner, former managing partner, and now Of Counsel of the law firm of Picazo Buyco Tan Fider & Santos.

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 College Iloilo . Atty. Tan placed third in the 1982 Philippine Bar exams.

Benjamin Edison M. Gorospe III

Atty. Gorospe has been the Assistant Corporate Secretary of ICTSI since September 17, 2013.

He is also the Global Head for Tax. Atty. Gorospe joined the Company 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 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 obtained his law degree from the College of Law of 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.

iii. Regional Heads and Global Corporate Officers for the ICTSI Group of Companies

Below is the summary of the qualifications of the Regional Heads and Global Corporate Officers for ICTSI group of companies:

Anders Kjeldsen

Mr. Kjeldsen is the Senior Vice President, Regional Head – Latin America of the ICTSI Group. Prior to joining ICTSI, he was Head of Latin America portfolio for APM Terminals until January 2017. Before moving to Latin America, he was 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. 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 was an officer of the Danish Army. He took several executive development programs at Wharton and IMD.

Hans-Ole Madsen

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

Concurrently, he is a Director and the Chairman of MICTSL, IDRC, ICTSNL and PICT; a Director and the Deputy Chairman of AGCT; a Director of BCT and BICT; 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 logistic industry.

Humberto Godfried Wieske

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 senior positions within APM Terminals including Global Head of Key Client Management Asia Carriers of APM Terminals based in Hongkong, Chief Commercial Officer APM Terminals for the Asia Pacific Region as well as Africa Middle East 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 Cameroon, 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. He earned his B.A. Economics degree in J. van Zwijndregt in Hague, the Netherlands.

Nathan J. Clarke

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

Mr. Clarke joined ICTSI's Global Engineering team as a project manager in 2011 and has 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

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

Before he joined 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, as Global Head of Compensation and Benefits. He was also Managing Director, Compensation and Benefits for the Dutch investment bank, Rabobank International. He was also Global Head of Compensation and Benefits for Santander Investment.

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

Mr. Hibbert is Global Chief Information Officer of the ICTSI Group.

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.

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

Damien Samuel Huppert

Mr. Huppert is Vice President, Head of Global Procurement of ICTSI Group.

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

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

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

Before joining ICTSI he was Vice President for Maintenance at Global Container Terminals in Canada. He was also Head of Engineering at APM Terminals in Ghana and Nigeria. He spent 30 years with Transnet Port Terminals in Cape Town, 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.

Vivien F. Miñana

Ms. Miñana is Vice President and Senior Administration Officer of the ICTSI Group and ICTSI Ltd. She was a Vice President and Controller of ICTSI and ICTSI Ltd. from 2000 to 2006.

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

Rene Marcel Wernli

Mr. Wernli is the Vice President, Head of Global Multimodal Logistics Solutions at ICTSI Group.

Concurrently, he is a Director, Chairman and President of Laguna Gateway Inland Container Terminal, Inc. Mr. Wernli held senior executive positions at Panalpina, Aramex, Kuehne + Nagel, DP World, and ECU Worldwide prior to joining ICTSI.

He is a graduate of the Business School in St. Gallen, Switzerland with a degree in Business Management and Senior Executive Program at Stanford Graduate School of Business in California, USA.

b. Significant Employees

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

c. 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.

d. 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:

- i. 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;
- ii. 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;
- iii. 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
- iv. 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.

Except as discussed in the Company's SEC Form 17-A, uploaded in the Company website and PSE, 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 disclosed in the SEC Form 17-A, if any, will not have material adverse impact on the ICTSI Group's consolidated financial position and results of operations.

e. Directors and Committee Meeting Attendance

i. Board Meetings

Section 3, Article III of Company's Bylaws requires the Board to hold a regular meeting every month. Special meetings may also be called by the Chairman of the Board or the President. The attendance of the directors in Board meetings, regular and special, in 2024 is as follows:

Board position	Name	No. of Meetings Attended/ held*	% of attendance
Executive Director and Chairman of the Board	Enrique K. Razon Jr.	16/19	84%
Independent Director	Cesar A. Buenaventura	19/19	100%
Independent Director	Carlos C. Ejercito	19/19	100%
Independent Director	Chief Justice Diosdado M. Peralta (ret.)	19/19	100%
Non-Executive Director	Jose C. Ibazeta	19/19	100%
Non-Executive Director	Stephen A. Paradies	19/19	100%
Non-Executive Director	Andres Soriano III	19/19	100%

*Including ASM held on 18 April 2024

ii. Committee Meetings

Each Member of the Committee attends the meeting in accordance with Board Committee Charters:

COMMITTEE		No. of Meetings Attended/ held	% of attendance
AUDIT COMMITTEE			
Carlos C. Ejercito*	Chairman	4/4	100%
Cesar A. Buenaventura*	Member	4/4	100%
Stephen A. Paradies	Member	4/4	100%
CORPORATE GOVERNANCE COMMITTEE			
Chief Justice Diosdado M. Peralta, (ret.)*	Chairman	4/4	100%
Cesar A. Buenaventura*	Member	4/4	100%
Carlos C. Ejercito*	Member	4/4	100%
Nomination Sub-Committee**			
Jose C. Ibazeta	Chairman	1/1	100%
Carlos C. Ejercito*	Member	1/1	100%
Stephen A. Paradies	Member	1/1	100%
Remuneration Sub-Committee			
Andres Soriano III	Chairman	3/3	100%
Stephen A. Paradies	Member	3/3	100%
Carlos C. Ejercito*	Member	3/3	100%
Environment, Social and Governance Sub-Committee			
Chief Justice Diosdado M. Peralta, (ret.)*	Chairman	4/4	100%
Cesar A. Buenaventura*	Member	4/4	100%
Stephen A. Paradies	Member	4/4	100%
BOARD RISK OVERSIGHT COMMITTEE			
Stephen A. Paradies	Chairman	4/4	100%
Carlos C. Ejercito*	Member	4/4	100%
Chief Justice Diosdado M. Peralta, (ret.)*	Member	4/4	100%
Cesar A. Buenaventura*	Member	4/4	100%
RELATED PARTY TRANSACTIONS COMMITTEE			
Cesar A. Buenaventura*	Chairman	1/1	100%
Carlos C. Ejercito*	Member	1/1	100%
Chief Justice Diosdado M. Peralta, (ret.)*	Member	1/1	100%

*Independent Director

**Effective 1 July 2024, the Nomination Committee has been subsumed by the Corporate Governance Committee. The updated Corporate Governance Committee Charter is available in the website and can be accessed through this link: https://cdnweb.ictsi.com/s3fs-public/inline-files/CGCom_Revised%20Com%20Charter_1Jul2024.pdf

f. Annual Corporate Governance Trainings

To comply with corporate governance rules for directors and officers to be updated on developments in Corporate Governance rules and regulations, the Company ensured the participation by the Board of Directors and Executive Officers in the following trainings:

Name	Position	Topic Discussed	Provider	Date
Enrique K. Razon Jr.	Executive Director, Chairman of the Board and President	Advanced Corporate Governance Training: Beyond Compliance; Building Business Resilience in Corporate Strategy; State of the World: Geopolitics and beyond 2024; Regional Trends in Cybersecurity operations, Governance and Tools	Institute of Corporate Directors	November 15, 2024
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	Advanced Corporate Governance Training	Sycip Gorres and Velayo Co.	September 16, 2024
Christian Martin R. Gonzalez	Executive Vice President and Compliance Officer	Advanced Corporate Governance Training: Beyond Compliance; Building Business Resilience in Corporate Strategy; State of the World: Geopolitics and beyond 2024; Regional Trends in Cybersecurity operations, Governance and Tools	Institute of Corporate Directors	November 15, 2024
Emilio Manuel V. Pascua	Senior Vice President, Global Corporate Planning and Financial Services	Annual Corporate Governance Seminar: Bringing to Life; Sustainable Risk Driven Strategy Planning; Fraud Detection and Prevention; Corporate Governance in a Digital Environment	Good Governance Advocates and Practitioners of the Philippines	November 25, 2024
Caroline C. Causon	Chief Financial Officer and Chief Risk Officer	Advanced Corporate Governance Training: Beyond Compliance; Building Business Resilience in Corporate Strategy; State of the World: Geopolitics and beyond 2024; Regional Trends in Cybersecurity operations, Governance and Tools	Institute of Corporate Directors	November 15, 2024
Arnie D. Tablante	Vice President, Logistics and Supply Chain			
Arlyn L. McDonald	Vice President, Global Financial Controller			
Antonio G. Coronel	Vice President, Treasurer			
Lirene C. Mora	Vice President, Head of Global Corporate Legal Affairs			
Narlene A. Soriano	Vice President, Head of Global Public Relations			
Silverio Benny J. Tan	Corporate Secretary			
Benjamin Edison M. Gorospe III	Asst. Corporate Secretary			
Catherine D. Castro	Director, Global Corporate Audit and Compliance			

g. Appraisals and Performance of the Board and Criteria and Procedure for Assessment

The Board undergoes an Annual Corporate Governance Assessment (“ACG Assessment”) where 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. Self-Dealings and Related Transactions

i. 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 Black Out period within which material non-public information (MNPI) is obtained and up to two (2) full trading days after the MNPI is disclosed.

The ICTSI shares held by its Directors are as follows:

Directors	December 31, 2023		December 31, 2024	
	Shareholdings	Percentage*	Shareholdings	Percentage*
Enrique K. Razon Jr.	1,682,230,747	61.58%	1,682,230,747	61.68%
Cesar Buenaventura**	20,001	0.00%	45,001	0.00%
Carlos C. Ejercito**	10	0.00%	10	0.00%
Diosdado M. Peralta**	30,450	0.00%	30,450	0.00%
Jose C. Ibazeta	1,544,260	0.06%	1,539,260	0.06%
Stephen A. Paradies	4,346,603	0.16%	4,296,603	0.16%
Andres Soriano III	650,481	0.02%	650,481	0.02%

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

**Independent Directors

- ii. Regarding related party transactions, please see detailed discussions , under Item 12, pages 79-80 of the Company’s SEC Form 17-A and pages 56-57, Note 23, of the Audited Financial Statements (“AFS”) hereto attached as Annex “D”.

Item 6. Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary	Bonus and Others ¹	Total ²
Enrique K. Razon, Jr. <i>Chairman of the Board and President</i>	2025 (Estimate)	US\$0.5M	US\$3.0M	US\$3.5M
Christian R. Gonzalez <i>Executive Vice President & Compliance Officer</i>				
Caroline C. Causon <i>Senior Vice President, Global Corporate Planning and Financial Services</i>				
Emilio Manuel V. Pascua <i>Senior Vice President, Chief Financial Officer and Chief Risk Officer</i>				
Arnie D. Tablante <i>Vice President and Treasurer</i>				
Chairman of the Board and President and four (4) highest paid executive officers, as a group				

	2024 (Actual)	0.5M	2.9M	3.4M
	2023 (Actual)	0.5M	2.3M	2.8M
All officers and Directors, as a group, unnamed ³	2025 (Estimate)	1.6M	21.8M	23.4M
	2024 (Actual)	1.6M	18.6M	20.2M
	2023 (Actual)	1.3M	15.9M	17.2M

¹Mainly includes non-cash compensation based on Stock Incentive Plan paid out of the allocated Treasury Shares of ICTSI

²Includes total compensation paid in the Philippines by the registrant and its subsidiaries

³Including 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 2023, 2024 or in the coming year, for any service provided as a director.

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 2022, 2023 and 2024. Discussion on the SIP is further disclosed under item 8 below and in Note 20, *Share-based Payment Plan*, of the attached Annex "D". or the AFS.

Item 7. Independent Public Accountants

- a. 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 2024.

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.

- b. The reappointment of SGV & Co. as the Company's external auditors is part of the agenda for this year's ASM.
- c. A representative of the external auditor is expected to be present at the ASM 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.
- d. 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):

	2022	2023	2024
Audit Fees	US\$1,511.2	US\$1,511.9	US\$1,434.0
Non-audit services Fees			
Other assurance services	54.3	46.1	9.6
Tax services	239.0	220.0	246.1
All other services	167.1	78.4	73.2

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 18, 2024.

- e. 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

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 10 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 Parent 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, 2024, there were 55,950,099 ICTSI common shares granted in aggregate under the SIP since it became effective in 2007. A portion of ICTSI common shares held under treasury are allotted for the SIP. 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 the Group for the past three years and the fair value per share determined based on the quoted market price of stock at the date of grant are discussed in pages 52-53, Note 20, *Share-based Payment Plan*, of the attached Annex "D".

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.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no authorizations or issuances of securities otherwise for exchange to be taken up on the upcoming ASM meeting.

Item 10. Modification or Exchange of Securities

There are no modification or exchange of securities to be taken up.

Item 11. Financial and Other Information

There are no financial and other information to be disclosed.

Item 12. **Mergers, Consolidations, Acquisitions and Similar Matters**

There are no mergers, consolidations, acquisitions, and similar matters to be taken up that require the approval of the Stockholders.

Item 13. **Acquisition or Disposition of Property**

There are no acquisition or disposition of property to be taken up

Item 14. **Restatement of Accounts**

There is no restatement of accounts to be disclosed.

D. OTHER MATTERS

Item 15. **Action with Respect to Reports**

Approval of the minutes of the previous ASM covering the following:

- a. Minutes of the 2024 ASM
- b. 2024 Audited Financial Statements
- c. Approval/ ratification of acts, contracts, investment and resolutions of the Board of Directors and Management since the last ASM
- d. Election of the following Directors:
Enrique K. Razon Jr.
Cesar A. Buenaventura – Independent Director
Carlos C. Ejercito – Independent Director
Diosdado M. Peralta – Independent Director
Jose C. Ibazeta
Stephen Paradies
Andres Soriano III
- e. Appointment of Sycip Gorres Velayo & Co. as external auditor

Requirements under Section 49 of the Revised Corporation Code (“RCC”):

The draft minutes of the 2024 ASM also contains the following information in accordance with Section 49 of the Revised Corporation Code:

- a. Description of the voting and vote tabulation procedures used in the previous meeting;
- b. Description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
- c. The matters discussed and resolutions reached;
- d. Record of the voting results for each agenda item;
- e. List of the directors or trustees, officers and stockholders or members who attended the meeting; and
- f. Material information on the stockholders attended and their voting rights

The draft minutes, subject to the shareholders’ approval, have been made available on the website within five (5) days from the date of last ASM which can be accessed through the link below and is also attached as Annex “E”:

<https://cdnweb.ictsi.com/s3fs-public/2024-04/ICTSI%20Minutes%20ASM%20%2818Apr2024%29.pdf>

Provided below are other requirements under Section 49 of the RCC that are not mandated to be part of the minutes of the ASM but details of which are provided in this Information Statement as follows:

- a. The list of material information on the current stockholders, and their voting rights can be found in Item 4 of this Information Statement;
- b. Appraisals and performance report for the board and the criteria and procedure for assessment can be found under Item 5.g of this Information Statement;
- c. Directors disclosures on self-dealing and related party transactions can be found under Item 5.h of this Information Statement; and
- d. Director’s compensation report prepared in accordance with the Code and the rules the Commission may prescribe can be found under Item 6 of this Information.

Item 16. Matters Not Required to be Submitted

No action is to be taken up with respect to any matter which is not required to be submitted to a vote of stockholders.

Item 17. Amendment of Charter, Bylaws or Other Documents

No action is to be taken up with respect to any amendment of the Company's Charter, By-laws or other documents.

Item 18. Other Proposed Action

- a. Election of the Board of Directors
- b. Ratification of acts, contracts, investments and resolutions of the Board of Directors and Management which include the following:
 - 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
 - Transactions with government agencies
 - Appointment of Attorneys-in-Fact for various transactions
 - Awarding of shares under Stock Incentive Plan
 - Capital infusion to its subsidiaries as deposit for future subscription
 - Declaration of regular and special cash dividends
 - Allocation of dividends received from the Company's foreign subsidiaries to fund, among others, the Company's working capital requirements and dividend distributions
 - Amendment of Corporate Governance Charter
 - Purchase of Land for New South Luzon Gateway Project
 - Participation in the development, management and operation of on-shore and off-shore ports and terminals
 - 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 2025.
- c. Approval of 2024 Audited Financial Statements
- d. Appointment of External Auditor

Item 19. Voting Procedures

All Agenda Items indicated in the Notice of the Meeting will be set out in the digital ballot and the eligible Stockholder may vote as follows:

- a. For the Election of Directors, by (i) casting such number of shares owned by the Stockholder for as many nominees as there are Directors to be elected; (ii) cumulating said shares and giving one nominee as many votes as the number of Directors to be elected multiplied by the number of their shares; or (iii) distributing the shares among as many nominees as may be seen fitting. The top seven (7) Nominees with the most number of votes are considered elected.
- b. For each of the rest of the Agenda Items, by choosing (i) *For*, (ii) *Against*, or (iii) *Abstain*. The vote is considered cast for all the Stockholder's shares. To be considered approved, an Agenda Item will need the affirmative vote of Stockholders representing at least a majority of the voting stock present at the Meeting.
- c. The Office of the Corporate Secretary will tabulate all votes received and the independent party auditor, SGV & Co., will validate the results.

Item 20. Proxies

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 secretary's certificate or 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 Schedule signature of its customer.

2. Revocation of Proxy

A Stockholder who has given a Proxy has the power to revoke it by a written instrument duly signed and dated, which original copy must be received at ICTSI's principal office not later than 5:00 p.m. on April 11, 2025. A proxy is also considered revoked if an individual Stockholder registers to attend the ASM.

3. Validation of Proxies

Proxy validation will be held at the Executive Lounge, 4/F ICTSI Administration Building, Manila International Container Terminal, South Access Road, Manila on April 16, 2025, at 10:00 a.m. Validation of proxies will be done by the Office of the Corporate Secretary, Investors Relations Office, 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.

Item 21. **Annexes to the Information Statement**

Annex A - Notice and Agenda to the ASM

Annex B - Proxy Form

Annex C - Management Report

Annex D - Audited Financial Statement

Annex E – Minutes of the Annual Stockholders Meeting held on 18 April 2024

[Signature Page Follows]

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 on20.March....., 2025.

By:

SILVERIO BENNY J. TAN
Corporate Secretary

Annex B
to the Information Statement

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 vote all of the shares of stock of the Principal in INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. (the “Corporation”) at the annual stockholders’ meetings of the Corporation on **April 24, 2025**, or any adjournment thereof, on the following matters, in the following manner:

Agenda Item	Choose one option below		
1. Approval of the Minutes of the Annual Stockholders’ Meeting held on April 18, 2024	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN
2. Approval of the 2024 Audited Financial Statements	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN
3. Ratification of acts, contracts, investments and resolutions of the Board of Directors and Management since the last Annual Stockholders’ Meeting	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN
<p>4. Election of Directors</p> <p>Choose one option below for each candidate.</p> <p>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.</p> <p>ABSTAIN No vote will be given.</p>			
i. Enrique K. Razon Jr.	<input type="checkbox"/> YES		<input type="checkbox"/> ABSTAIN
ii. Cesar A. Buenaventura -Independent Director	<input type="checkbox"/> YES		<input type="checkbox"/> ABSTAIN
iii. Carlos C. Ejercito – Independent Directors	<input type="checkbox"/> YES		<input type="checkbox"/> ABSTAIN
iv. Chief Justice Diosdado M. Peralta (Ret.) – Independent Director	<input type="checkbox"/> YES		<input type="checkbox"/> ABSTAIN
v. Jose C. Ibazeta	<input type="checkbox"/> YES		<input type="checkbox"/> ABSTAIN
vi. Stephen A. Paradies	<input type="checkbox"/> YES		<input type="checkbox"/> ABSTAIN
vii. Andres Soriano III	<input type="checkbox"/> YES		<input type="checkbox"/> ABSTAIN
Choose one option below			
5. Appointment of External Auditors	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> 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 C
to the Information Statement

I. 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 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, 2024. 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 March 5, 2025, the Group is involved in 32 terminal operations, including concessions and port development projects, in 19 countries worldwide. There are 10 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.

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 of efficient and sustainable origin and destination gateway terminals in locations with supportive demographics, a favorable competitive environment and scope for operational improvements. International acquisitions throughout Asia, Europe, Middle East and Africa (EMEA), and Americas substantially contributed to the growth in volume, revenues, earnings before interest, taxes, depreciation and amortization (EBITDA), and net income. ICTSI's business strategy is to continue to develop its existing portfolio of terminals, proactively seek acquisition opportunities that meet its investment criteria while delivering returns to the shareholders.

The Group operates principally in one industry segment which is cargo handling and related services. ICTSI has organized its business into three (3) geographical segments:

- Asia
 - Manila - Manila International Container Terminal, Port of Manila, Philippines (MICT)
 - Manila - Manila North Harbour Port, Inc., North Harbor, Manila, Philippines (MNHPI)
 - Misamis Oriental - Mindanao Container Terminal, Phividec Industrial Estate, Tagaloan, Philippines (MCT)
 - Zambales - Subic Bay International Terminal Corp., Subic Bay Freeport Zone, Olongapo City, Philippines (SBITC/ICTSI Subic)
 - General Santos - South Cotabato Integrated Port Services, Inc., Port of General Santos, Philippines (SCIPSI)
 - Iloilo - Visayas Container Terminal, Iloilo Commercial Port Complex, Philippines (VCT; *started April 1, 2024*)
 - Manila - Manila Multipurpose Terminal, Manila, Philippines (MMT)
 - Batangas - Bauan International Port, Inc., Bauan, Philippines (BIPI)
 - Laguna - Laguna Gateway Inland Container Terminal, Calamba City, Laguna, Philippines (LGICT)
 - Cavite - Cavite Gateway Terminal, Tanza, Cavite, Philippines (CGT)
 - Australia - Victoria International Container Terminal Ltd., Webb Dock East, Port of Melbourne, Australia (VICT)
 - China - Yantai International Container Terminals Ltd., Port of Yantai, Shandong Province, China (YICT)
 - Papua New Guinea - Motukea International Terminal Ltd., Port of Motukea, Papua New Guinea (MITL) and South Pacific International Container Terminal Ltd., Port of Lae, Papua New Guinea (SPICTL)
 - Indonesia - East Java Multipurpose Terminal, Tanjung Pakis Lamongan Public Terminal, East Java, Indonesia (EJMT); Makassar Terminal Services, Makassar, South Sulawesi, Indonesia (MTS; *ceased commercial operations on January 31, 2023*); and Olah Jasa Andal, Port of Tanjung Priok, Jakarta, Indonesia (OJA; *until February 1, 2024*)
- EMEA
 - Iraq - Basra Gateway Terminal, Port of Umm Qasr, Iraq (ICTSI Iraq)
 - Poland - Baltic Container Terminal Ltd., Gdynia, Poland (BCT)
 - Croatia - Adriatic Gate Container Terminal, Rijeka, Croatia (AGCT)
 - DR Congo - ICTSI D.R. Congo S.A., Matadi Gateway Terminal, Mbengu, Matadi, Democratic Republic of Congo (IDRC)

- Madagascar - Madagascar International Container Terminal Services Ltd., Port of Toamasina, Toamasina, Madagascar (MICTSL)
 - Nigeria - Onne, Multipurpose Terminal, Port of Onne, Rivers State, Nigeria (OMT)
 - Georgia - Batumi International Container Terminal LLC, Port of Batumi, Batumi, Georgia (BICTL)
 - Cameroon - Kribi Multipurpose Terminal, Kribi, Cameroon (KMT)
 - Pakistan - Pakistan International Container Terminal, Port of Karachi, Karachi, Pakistan (PICT; *concession contract ended June 17, 2023*)
- Americas
- Mexico - Contecon Manzanillo S.A. de C.V., Port of Manzanillo, Manzanillo, Mexico (CMSA)
 - Honduras - Operadora Portuaria Centroamericana, SA de CV, Puerto Cortés, Republic of Honduras (OPC)
 - Brazil - Tecon Suape, S.A., Suape, Brazil, Terminal de Contêineres (TSSA); Rio Brasil Terminal, Port of Rio de Janeiro City, Brazil (ICTSI Rio); iTracker, Floriano Intermodal Terminal, Barra Mansa, Rio de Janeiro State, Brazil (IRB Logística); and CLIA Pouso Alegre, Minas Gerais, Brazil (*acquired on September 5, 2023*)
 - Ecuador - Contecon Guayaquil S.A., Port of Guayaquil, Guayaquil, Ecuador (CGSA)
 - Argentina - TecPlata S.A., Port of La Plata, Buenos Aires Province, Argentina (TecPlata)
 - Colombia - Sociedad Puerto Industrial de Aguadulce S.A., Port of Buenaventura, Buenaventura, Colombia (SPIA; *a joint venture*)

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, 2024 as compared with the same period in 2023 and 2022 as derived from the accompanying audited consolidated financial statements:

Audited Consolidated Statements of Income

<i>In thousands, except % change data</i>	For the Years Ended December 31			% Change 2022 vs 2023	% Change 2023 vs 2024
	2022	2023	2024		
Gross revenues from port operations	US\$2,242,992	US\$2,388,326	US\$2,739,524	6.5	14.7
Revenues from port operations, net of port authorities' share	2,021,388	2,168,318	2,506,676	7.3	15.6
Total income (net revenues, interest, and other income)	2,095,894	2,259,871	2,634,777	7.8	16.6
Total expenses (operating, financing, and other expenses)	1,265,770	1,512,329	1,428,956	19.5	(5.5)
EBITDA ¹	1,409,273	1,505,614	1,779,428	6.8	18.2
EBIT ²	1,142,555	1,211,182	1,478,650	6.0	22.1
Net income attributable to equity holders of the parent	618,465	511,530	849,799	(17.3)	66.1
Earnings per share					
Basic	US\$0.287	US\$0.238	US\$0.408	(17.3)	71.6
Diluted	0.287	0.237	0.407	(17.3)	71.9

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 Accounting Standards. 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 accounted as concession assets under Philippine Interpretation IFRIC 12, *Service Concession Arrangements* and right-of-use assets under PFRS 16, *Leases*;
- EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest and distributions on perpetual securities or principal debt payments and perpetual security redemptions;
- 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 Accounting Standards 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

	For the Years Ended December 31			% Change	% Change
<i>In thousands, except % change data</i>	2022	2023	2024	2022 vs 2023	2023 vs 2024
Net income attributable to equity holders of the parent	US\$618,465	US\$511,530	US\$849,799	(17.3)	66.1
Non-controlling interests	59,002	69,596	85,979	18.0	23.5
Provision for income tax	152,658	166,416	270,043	9.0	62.3
Income before income tax	830,125	747,542	1,205,821	(9.9)	61.3
Add (deduct):					
Depreciation and amortization	266,718	294,432	300,778	10.4	2.2
Interest and other expenses	386,937	555,193	400,930	43.5	(27.8)
Interest and other income	(74,507)	(91,553)	(128,101)	22.9	39.9
EBITDA	US\$1,409,273	US\$1,505,614	US\$1,779,428	6.8	18.2

Key Performance Indicators

	2022	2023	2024
Gross moves per hour per crane	12.0 - 31.1	12.3 - 30.0	13.4 - 33.0
Crane availability	52.9% - 98.8%	66.8% - 99.7%	78.0% - 98.0%
Berth utilization	22.3% - 77.9%	25.2% - 72.6%	23.3% - 83.4%
TEU volume growth	9.4%	4.4%	2.5%
Gross revenue growth	20.3%	6.5%	14.7%

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. 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, 2023 and 2024

TEU Volume

The below table presents the volume (in TEU) handled by the Group for the years ended December 31, 2023 and 2024:

Volume

	For the Years Ended December 31		
	2023	2024	% Change
Asia	6,570,833	7,107,101	8.2
Americas	3,653,516	3,498,068	(4.3)
EMEA	2,524,865	2,461,780	(2.5)
	12,749,214	13,066,949	2.5

The Group's consolidated volume increased by 2.5 percent to 13,066,949 TEUs for the year ended December 31, 2024 from 12,749,214 TEUs handled for the same period in 2023 mainly due to the new services and improvement in trade activities at certain terminals; and contribution of VCT; partially tapered by the decrease in volume of CGSA; and the impact of expiration of the concession contract at PICT, and sale of OJA. Excluding the impact of new (VCT) and discontinued (PICT, OJA and MTS) operations, consolidated volume would have increased by 5.1 percent for the year ended December 31, 2024.

Volume from the Asia segment, consisting of terminals in the Philippines, Australia, China, Papua New Guinea and Indonesia, increased by 8.2 percent to 7,107,101 TEUs for the year ended December 31, 2024 from 6,570,833 TEUs for the same period in 2023 mainly due to new services and improvement in trade activities largely at VICT and Philippine terminals, including contribution of VCT; partially tapered by the impact of sale of OJA. Excluding the impact of new and discontinued operations, volume from the Asia segment would have increased by 9.9 percent for

the year ended December 31, 2024. The Asia operations accounted for 51.5 percent and 54.4 percent of the consolidated volume for the years ended December 31, 2023 and 2024, respectively.

Volume from the Americas segment, consisting of terminals in Mexico, Ecuador, Brazil, Honduras and Argentina, decreased by 4.3 percent to 3,498,068 TEUs for the year ended December 31, 2024 from 3,653,516 TEUs for the same period in 2023 mainly due to the decrease in volume of CGSA; partially tapered by the new services and improvement in trade activities largely at CMSA, TSSA and ICTSI Rio. The Americas operations accounted for 28.7 percent and 26.8 percent of the consolidated volume for the years ended December 31, 2023 and 2024, respectively.

Volume from the EMEA segment, consisting of terminals in Iraq, DR Congo, Poland, Pakistan, Georgia, Croatia, Madagascar and Nigeria, decreased by 2.5 percent to 2,461,780 TEUs for the year ended December 31, 2024 from 2,524,865 TEUs for the same period in 2023 mainly due to the impact of expiration of the concession contract at PICT; partially tapered by volume growth due to market recovery at BGT; and improvement in trade activities at BCT, IDRC and MICTSL. Excluding the impact of discontinued operations at PICT, volume from the EMEA segment would have increased by 6.5 percent for the year ended December 31, 2024. The EMEA operations accounted for 19.8 percent and 18.8 percent of the Group's consolidated volume for the years ended December 31, 2023 and 2024, 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, 2023 and 2024:

<i>(In thousands, except % change data)</i>	For the Years Ended December 31		
	2023	2024	% Change
Gross revenues from port operations	US\$2,388,326	US\$2,739,524	14.7
Port authorities' share in gross revenues	220,008	232,848	5.8
Net revenues	2,168,318	2,506,676	15.6
Interest income	57,977	71,547	23.4
Foreign exchange gain	10,489	19,599	86.9
Other income	23,087	36,954	60.1
	US\$2,259,871	US\$2,634,776	16.6

For the year ended December 31, 2024, net revenues stood at 95.1 percent of the total consolidated income whereas interest income, foreign exchange gain, and other income accounted for 2.7 percent, 0.8 percent and 1.4 percent, respectively. For the same period in 2023, net revenues stood at 95.9 percent of the total consolidated income whereas interest income, foreign exchange gain, and other income accounted for 2.6 percent, 0.5 percent and 1.0 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, 2023 and 2024:

<i>(In thousands, except % change data)</i>	For the Years Ended December 31		
	2023	2024	% Change
Asia	US\$1,042,432	US\$1,140,265	9.4
Americas	855,615	1,078,241	26.0
EMEA	490,279	521,018	6.3
	US\$2,388,326	US\$2,739,524	14.7

The Group's consolidated gross revenues from port operations increased by 14.7 percent to US\$2,739.5 million for the year ended December 31, 2024 from US\$2,388.3 million for the same period in 2023 mainly due to volume growth with favorable container mix, tariff adjustments, higher revenues from ancillary services, and growth in general cargo activities at certain terminals; partially tapered by volume-driven decrease in revenues at certain terminals; the impact of expiration of the concession contract at PICT, and sale of OJA; and unfavorable translation impact mainly of the depreciation of Brazilian Real (BRL)-based revenues at TSSA and ICTSI Rio, Nigerian Naira (NGN)-, Mexican Peso

(MXN)- and Philippine Peso (PHP)-based revenues at OMT, CMSA and Philippine terminals, respectively. Excluding the impact of new (VCT and CLIA Pouso Alegre) and discontinued (PICT and OJA) operations, consolidated gross revenues would have increased by 15.3 percent for the year ended December 31, 2024.

Gross revenues from the Asia segment increased by 9.4 percent to US\$1,140.3 million for the year ended December 31, 2024 from US\$1,042.4 million for the same period in 2023 mainly due to volume-driven increase and tariff adjustments at VICT and certain Philippine terminals, including contribution of VCT; partially tapered by the impact of sale of OJA; and net unfavorable translation impact of certain currencies against US dollar. Excluding the impact of new and discontinued operations, gross revenues of Asia segment would have increased by 8.5 percent for the year ended December 31, 2024. The Asia operations captured 43.7 percent and 41.6 percent of the consolidated gross revenues for the years ended December 31, 2023 and 2024, respectively.

Gross revenues from the Americas segment increased by 26.0 percent to US\$1,078.2 million for the year ended December 31, 2024 from US\$855.6 million for the same period in 2023 mainly due to volume growth with favorable container mix, tariff adjustments and higher revenues from ancillary services largely at CMSA, ICTSI Rio, TSSA and OPC; partially tapered by volume-driven decrease in revenues at CGSA; and net unfavorable translation impact of foreign currency-denominated revenues against US dollar. Excluding the impact of new and discontinued operations, gross revenues of Americas segment would have increased by 25.5 percent for the year ended December 31, 2024. The Americas operations accounted for 35.8 percent and 39.4 percent of the consolidated gross revenues for the years ended December 31, 2023 and 2024, respectively.

Gross revenues from the EMEA segment increased by 6.3 percent to US\$521.0 million for the year ended December 31, 2024 from US\$490.3 million for the same period in 2023 due to volume-driven increase and higher revenues from ancillary services largely at IDRC, MICTSL, AGCT and ICTSI Iraq; partially tapered by the impact of expiration of the concession contract at PICT; and net unfavorable translation impact of foreign currency-denominated revenues against US dollar. Excluding the impact of discontinued operations at PICT, gross revenues of EMEA segment would have increased by 11.4 percent for the year ended December 31, 2024. The EMEA operations stood at 20.5 percent and 19.0 percent of the consolidated gross revenues for the years ended December 31, 2023 and 2024, 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 5.8 percent to US\$232.8 million for the year ended December 31, 2024 from US\$220.0 million for the same period in 2023 as a result of higher revenues at some of these terminals.

Interest Income, Foreign Exchange Gain, and Other Income

Interest income increased by 23.4 percent to US\$71.5 million for the year ended December 31, 2024 from US\$58.0 million for the same period in 2023 mainly due to interest earned from short-term investments and deposits at certain terminals. Foreign exchange gain increased by 86.9 percent to US\$19.6 million for the year ended December 31, 2024 from US\$10.5 million for the same period in 2023 mainly due to the favorable translation impact of certain currencies against US dollar.

Other income increased by 60.1 percent to US\$37.0 million for the year ended December 31, 2024 from US\$23.1 million for the same period in 2023 mainly due to nonrecurring income from the settlement of legal claims.

Total Expense

The table below shows the breakdown of total expenses for the years ended December 31, 2023 and 2024:

	For the Years Ended December 31		
<i>(In thousands, except % change data)</i>	2023	2024	% Change
Manpower costs	US\$329,115	US\$365,862	11.2
Equipment and facilities-related expenses	167,837	187,400	11.7
Administrative and other operating expenses	165,752	173,986	5.0
Total cash operating expenses	662,704	727,248	9.7
Depreciation and amortization	294,432	300,778	2.2
Interest expense and financing charges on borrowings	140,333	159,280	13.5
Interest expense on concession rights	64,519	63,313	(1.9)

payable			
Interest expense on lease liabilities	133,793	138,035	3.2
Equity in net loss of joint ventures	9,809	5,457	(44.4)
Foreign exchange loss and other expenses	206,739	34,845	(83.1)
Total expenses	US\$1,512,329	US\$1,428,956	(5.5)

Total cash operating expenses of the Group increased by 9.7 percent to US\$727.2 million for the year ended December 31, 2024 from US\$662.7 million for the same period in 2023 mainly driven by volume-driven increase in operating expenses, including increases related to the growth in revenue generating ancillary services and general cargo activities at certain terminals; and increase in government-mandated and contracted salary rate adjustments, including benefits; partially tapered by the impact of expiration of the concession contract at PICT; continuous cost optimization measures implemented; and favorable foreign exchange effect mainly of BRL-based expenses at TSSA and ICTSI Rio, NGN- and PHP-based expenses at OMT and Philippine terminals, respectively. Excluding the impact of new and discontinued operations, consolidated cash operating expenses would have increased by 10.5 percent for the year ended December 31, 2024.

Expense accounts for the year ended December 31, 2024 with variances of plus or minus 5.0 percent against December 31, 2023 balances are discussed, as follows:

Manpower Costs

Manpower costs increased by 11.2 percent to US\$365.9 million for year ended December 31, 2024 from US\$329.1 million for the same period in 2023 primarily due to government-mandated and contracted salary rate adjustments, including benefits, and volume-driven increase in headcount at certain terminals; partially tapered by the decrease in manpower costs at CGSA; the impact of expiration of the concession contract at PICT; continuous cost optimization measures implemented; and net favorable translation impact of foreign currency-denominated manpower costs against US dollar. Excluding the impact of new and discontinued operations, consolidated manpower costs would have increased by 11.7 percent for the year ended December 31, 2024.

Manpower costs accounted for 49.7 percent and 50.3 percent of consolidated cash operating expenses for the years ended December 31, 2023 and 2024, 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 11.7 percent to US\$187.4 million for the year ended December 31, 2024 from US\$167.8 million for the same period in 2023 mainly due to volume/revenue-driven increase in equipment repairs and maintenance, and outsourced facilities and services; partially tapered by the decrease in power and fuel at CGSA; the impact of expiration of the concession contract at PICT; continuous cost optimization measures implemented; and net favorable translation impact of foreign currency-denominated equipment and facilities-related expenses against US dollar. Excluding the impact of new and discontinued operations, consolidated equipment and facilities-related expenses would have increased by 13.9 percent for the year ended December 31, 2024.

Equipment and facilities-related expenses represented 25.3 percent and 25.8 percent of consolidated cash operating expenses for the years ended December 31, 2023 and 2024, respectively.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 5.0 percent to US\$174.0 million for the year ended December 31, 2024 from US\$165.8 million for the same period in 2023 driven by increases in sponsorships, insurance, IT cost, and taxes linked to revenues; partially tapered by decreases in provision for claims and losses, transportation and travel, professional fees, and the general impact of continuous cost optimization measures implemented. Excluding the impact of new and discontinued operations, consolidated administrative and other operating expenses would have increased by 4.8 percent for the year ended December 31, 2024.

Administrative and other operating expenses stood at 25.0 percent and 23.9 percent of consolidated cash operating expenses for the years ended December 31, 2023 and 2024, respectively.

Interest and Financing Charges on Borrowings

Interest and financing charges on borrowings increased by 13.5 percent to US\$159.3 million for the year ended December 31, 2024 from US\$140.3 million for the same period in 2023 primarily due to higher average loan balance.

Equity in Net Loss of Joint Ventures

Equity in net loss of joint ventures decreased by 44.4 percent to US\$5.5 million for the year ended December 31, 2024 from US\$9.8 million for the same period in 2023 mainly from equity in lower net loss of SPIA.

Foreign Exchange Loss and Other Expenses

Foreign exchange loss and other expenses decreased by 83.1 percent to US\$34.8 million for the year ended December 31, 2024 from US\$206.7 million for the same period in 2023 mainly due to the nonrecurring impairment charge on non-financial assets in 2023, including goodwill attributed to PICT, amounting to \$165.3 million; complemented with lower foreign exchange loss arising from the unfavorable translation impact of certain currencies against US dollar during the year; partially tapered by nonrecurring loss on sale of OJA in 2024.

EBITDA and EBIT

Consolidated EBITDA increased by 18.2 percent to US\$1,779.4 million for the year ended December 31, 2024 from US\$1,505.6 million for the same period in 2023 mainly due to higher revenues partially tapered by the increase in cash operating expenses. EBITDA margin increased to 65.0 percent in 2024 from 63.0 percent in 2023. Excluding the impact of new and discontinued operations, EBITDA would have increased by 18.8 percent for the year ended December 31, 2024.

Meanwhile, consolidated EBIT increased by 22.1 percent to US\$1,478.7 million for the year ended December 31, 2024 from US\$1,211.2 million for the same period in 2023 mainly due to higher EBITDA, partially tapered by increase in depreciation and amortization charges. EBIT margin increased to 54.0 percent in 2024 from 50.7 percent in 2023. Excluding the impact of new and discontinued operations, EBIT would have increased by 22.5 percent for the year ended December 31, 2024.

Income Before Income Tax and Provision for Income Tax

Consolidated income before income tax increased by 61.3 percent to US\$1,205.8 million for the year ended December 31, 2024 from US\$747.5 million for the same period in 2023 primarily due to the nonrecurring impairment charge on non-financial assets in 2023 amounting to \$165.3 million; complemented with higher operating income during the year, including interest on short-term investments and deposits; decreases in equity in net loss of joint ventures, interest on concession rights payable; and net favorable translation impact of certain currencies against US dollar; partially tapered by increases in interests on loans and lease liabilities, and depreciation and amortization. Excluding the impact of nonrecurring gains and losses, consolidated income before income tax would have increased by 30.0 percent.

The ratio of consolidated income before income tax to consolidated gross revenues stood at 31.3 percent and 44.0 percent in 2023 and 2024, respectively.

Consolidated provision for income taxes increased by 62.3 percent to US\$270.0 million for the year ended December 31, 2024 from US\$166.4 million for the same period in 2023. Effective income tax rate in 2023 and 2024 stood at 22.3 percent and 22.4 percent, respectively. Increase in the provision for income taxes from prior period is mainly due to stronger results of operations of the Group.

Net Income

Consolidated net income increased by 61.0 percent to US\$935.8 million for the year ended December 31, 2024 from US\$581.1 million for the same period in 2023. The ratio of consolidated net income to gross revenues from port operations stood at 24.3 percent and 34.2 percent in 2023 and 2024, respectively. Excluding the impact of nonrecurring gains and losses, consolidated net income would have increased by 22.8 percent.

Consolidated net income attributable to equity holders of the Parent increased by 66.1 percent to US\$849.8 million for the year ended December 31, 2024 from US\$511.5 million for the same period in 2023. Excluding the impact of nonrecurring gains and losses, consolidated net income attributable to equity holders would have increased by

22.8 percent.

Basic earnings per share increased to US\$0.408 in 2024 from US\$0.238 in 2023. Diluted earnings per share increased to US\$0.407 in 2024 from US\$0.237 in 2023.

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:

	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 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 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:

	For the Years Ended December 31		
	2022	2023	% Change
<i>(In thousands, except % change data)</i>			
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 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 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

<i>(In thousands, except % change data)</i>	For the Years Ended December 31		
	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] 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, favorable cargo mix, tariff adjustments and higher revenue from ancillary services at certain terminals; contribution of iTracker business 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 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 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 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 Expenses

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

<i>(In thousands, except % change data)</i>	For the Years Ended December 31		
	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 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 iTracker business at IRB Logistica; government-mandated and contracted salary rate adjustments, including benefits; volume-driven increase in contracted services, repairs and maintenance, professional fees, including business development-related costs, and transportation and travel; 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- and AUD-based expenses at OMT, Philippine terminals 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 iTracker business 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- and PHP-based manpower costs at OMT, VICT 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 iTracker business 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; and favorable foreign exchange effect mainly of NGN-based equipment and facilities-related expenses at OMT. 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 liabilities at certain terminals, and new leases of equipment at IRB Logistica; partially tapered by favorable translation impact of NGN- and AUD-based depreciation and amortization charges at OMT and VICT, 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 Expense 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 long-term

loans availed by the Group; higher floating interest rate on certain loans; partially tapered by redemption of medium-term notes in January 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 certain terminals; contract extension at OMT; and unfavorable translation impact of MXN- and BRL-based interest expenses at CMSA and TSSA, respectively; partially tapered by favorable translation impact of AUD-based interest expense at VICT.

Equity in Net Loss of Joint Ventures

Equity in net loss of joint ventures amounted to US\$9.8 million for the year ended December 31, 2023 mainly from equity 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 impairment charge on non-financial assets, including goodwill attributed to PICT, amounting to \$165.3 million; 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 nonrecurring impairment charge on non-financial assets amounting to \$165.3 million; 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 impairment charge, 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 impairment charge, 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 primarily due to nonrecurring impairment charge on non-financial assets amounting to \$165.3 million. 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 impairment charge, 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 impairment charge, 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:

	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 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:

<i>(In thousands, except % change data)</i>	For the Years Ended December 31		
	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 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 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:

<i>(In thousands, except % change data)</i>	For the Years Ended December 31		
	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 MHCPPI (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 (MHCPPI, 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 MHCPPI; 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 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 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:

	For the Years Ended December 31		
<i>(In thousands, except % change data)</i>	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 iTracker business 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.

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.

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.

International Tax Reform - Pillar Two Rules

The Pillar Two Global anti-Base Erosion rules (GloBE or Pillar Two Rules) propose new taxing mechanisms under which multinational enterprises would pay a minimum level of tax. Tax legislations implementing the GloBE Rules have been enacted or substantively enacted in certain jurisdictions where the Group operates. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

As at December 31, 2024, the Group has no significant exposure arising from the Pillar Two legislation.

Russia-Ukraine and Israel-Hamas Conflict

On February 24, 2022, Russia launched a military attack on Ukraine that escalated an ongoing conflict.

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. These events had no material impact on the Group's business.

The scale and duration of these developments and events remain uncertain as at March 5, 2025. 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

(In thousands, except % change data)	As at December 31			% Change 2022 vs 2023	% Change 2023 vs 2024
	2022	2023	2024		
Total assets	US\$7,053,620	US\$7,244,859	US\$7,649,352	2.7	5.6
Current assets	1,264,798	1,212,086	1,624,425	(4.2)	34.0
Total equity	1,726,672	1,905,168	1,904,127	10.3	(0.1)
Total equity attributable to equity holders of the parent	1,428,580	1,592,742	1,569,673	11.5	(1.4)
Total interest-bearing debt*	2,470,867	2,171,989	2,654,324	(12.1)	22.2
Current liabilities	1,265,830	715,617	1,169,018	(43.5)	63.4
Total liabilities	5,326,948	5,339,691	5,745,225	0.2	7.6
Current assets/total assets	17.9%	16.7%	21.2%		
Current ratio	1.00	1.69	1.39		

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

Total assets increased by 5.6 percent to US\$7.6 billion as at December 31, 2024 from US\$7.2 billion as at December 31, 2023 primarily due to the increase in cash and cash equivalents driven by cash generated from operations, and proceeds from the net availment of loans, partially tapered by payment of dividends and partial redemption of perpetual capital securities; utilization of deferred tax asset; and net unfavorable impact on the translation of certain foreign operations' accounts.

Current assets increased by 34.0 percent to US\$1.6 billion as at December 31, 2024 from US\$1.2 billion as at December 31, 2023 mainly due to the increase in cash and cash equivalents attributable to cash generated from operations, and proceeds from the net availment of loans, partially tapered by payment of dividends and partial redemption of perpetual capital securities, funding of capital expenditures, and payment of interest on lease liabilities, concession rights payable and borrowings.

Total equity remains at US\$1.9 billion as at December 31, 2024 primarily due to the net income generated for the period; partially tapered by the declaration of dividends.

Total liabilities increased by 7.6 percent to US\$5.7 billion as at December 31, 2024 from US\$5.3 billion as at December 31, 2023 mainly due to the net availment of loans; higher accounts payable and other current liabilities; partially offset by net favorable impact on the translation of certain foreign operations' accounts.

Current liabilities increased by 63.4 percent to US\$1.2 billion as at December 31, 2024 from US\$0.7 million as at December 31, 2023 mainly due to reclassification of long-term debt maturing within the next 12 months, from non-current to current; net availment of short-term loans by the Group; and higher accounts payable and other current liabilities.

Material Variances Affecting the Balance Sheet

Balance sheet accounts as at December 31, 2024 with variances of plus or minus 5.0 percent against December 31, 2023 balances are discussed, as follows:

Noncurrent Assets

1. Investments in and advances to joint ventures and an associate decreased by 18.7 percent to US\$220.6 million as at December 31, 2024 mainly due to the partial collection of advances to SPIA amounting to US\$55.9 million.
2. Deferred tax assets decreased by 15.9 percent to US\$343.9 million as at December 31, 2024 mainly due to utilization of income tax benefits that reduces income tax payable.
3. Other noncurrent assets increased by 20.5 percent to US\$236.1 million as at December 31, 2024 primarily due to higher advances to suppliers and contractors.

Current Assets

4. Cash and cash equivalents increased by 54.9 percent to US\$1,109.1 million as at December 31, 2024 mainly due to cash generated from operations, and proceeds from the net availment of loans; partially tapered by payment of dividends; partial redemption of perpetual capital securities; deployment of cash to fund capital expenditures; and payment of interest on lease liabilities, concession rights payable and borrowings.
5. Receivables increased by 5.5 percent to US\$192.5 million as at December 31, 2024 primarily due to higher revenues from port operations.
6. Spare parts and supplies increased by 6.5 percent to US\$59.5 million as at December 31, 2024 mainly due to acquisition of spare parts associated with operational requirements.
7. Current portion of derivative assets decreased by 7.1 percent to US\$9.5 million as at December 31, 2024 due to unfavorable impact on market valuation of certain interest rate swaps.

Equity

8. Treasury shares increased to US\$78.9 million as at December 31, 2024 as a result of the purchase of ICTSI common shares.
9. Retained earnings increased by 53.4 percent to US\$1,226.4 million as at December 31, 2024 mainly due to the net income attributable to equity holders of the parent generated during the year amounting to US\$849.8 million; partially tapered by the dividends declared and paid during the period.
10. Perpetual capital securities decreased by 49.4 percent to US\$295.1 million as at December 31, 2024 mainly due to partial redemption in May 2024.
11. Other comprehensive loss increased by 83.1 percent to US\$282.6 million as at December 31, 2024 mainly due to net unfavorable exchange differences on translation of foreign operations' accounts.

12. Equity attributable to non-controlling interests increased by 7.1 percent to US\$334.5 million as at December 31, 2024 mainly due to net income attributable to non-controlling interests partially tapered by minority share on dividends declared during the period.

Noncurrent Liabilities

13. Noncurrent portion of lease liabilities decreased by 6.9 percent to US\$1,462.1 million as at December 31, 2024 mainly due to net favorable exchange differences on translation of foreign operations' accounts; partially tapered by additional leased area during the year, including remeasurement of lease liabilities at certain terminals.
14. Other noncurrent liabilities decreased by 27.5 percent to US\$34.2 million as at December 31, 2024 mainly due to favorable impact on market valuation of certain interest rate swaps.

Current Liabilities

15. Loans payable increased by 20.0 percent to US\$167.5 million as at December 31, 2024 due to the net availment of short-term loans by the Group.
16. Accounts payable and other current liabilities increased by 9.6 percent to US\$451.5 million as at December 31, 2024 mainly due to growth in trade payables as a result of higher purchases linked to stronger revenues for the current year and capital expenditures.
17. Current portion of long-term debt increased to US\$414.9 million as at December 31, 2024 due to reclassification of loans maturing within the next 12 months, from non-current to current.
18. Current portion of concession rights payable increased by 8.9 percent to US\$16.0 million as at December 31, 2024 due to higher fixed concession fees scheduled for payment within the next 12 months.
19. Current portion of derivative liabilities increased to US\$14.2 million as at December 31, 2024 due to cross-currency swap transactions entered during the year.

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 payments, including additional lease area, at certain terminals; 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 and foreign currency forward:

<i>(In thousands, except % change data)</i>	Derivative Asset (Liability)		
	December 31, 2022	December 31, 2023	% Change
Interest Rate Swaps:			
<i>Derivative Assets</i>			
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
<i>Derivative Liability</i>			
Noncurrent (classified under "Other noncurrent liabilities" account)	–	(10,316,934)	100.0
Foreign Currency Forward:			
<i>Derivative Assets</i>			
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; and the settlement of the foreign currency forward in April 2023.

5. Other noncurrent assets decreased by 44.5 percent to US\$195.9 million as at December 31, 2023 primarily due to nonrecurring impairment charge of nonfinancial assets.

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.
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, including additional leased area, at certain terminals; 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.
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 US\$394.0 million notes in January 2023.
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.

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, 2022, 2023 and 2024:

(In thousands, except % change data)	For the Year Ended December 31			% Change 2022 vs 2023	% Change 2023 vs 2024
	2022	2023	2024		
Net cash provided by operating activities	US\$1,275,097	US\$1,300,459	US\$1,579,154	2.0	21.4
Net cash used in investing activities	(518,342)	(317,984)	(448,605)	(38.7)	41.1
Net cash used in financing activities	(569,257)	(1,120,212)	(688,718)	96.8	(38.5)

Effect of exchange rate changes on cash	(6,152)	14,901	(48,862)	(342.2)	(427.9)
Net increase (decrease) in cash and cash equivalents	181,346	(122,836)	392,969	(167.7)	(419.9)
Cash and cash equivalents, beginning	657,594	838,940	716,104	27.6	(14.6)
Cash and cash equivalents, end	US\$838,940	US\$716,104	US109,073	(14.6)	54.9

Net cash generated from operating activities amounted to US\$1,275.1 million, US\$1,300.5 million, and US\$1,579.2 million for the years ended December 31, 2022, 2023 and 2024, respectively, due to strong results of operations.

Net cash used in investing activities for the year ended December 31, 2024 amounted to US\$448.6 million and consisted mainly of capital expenditures of US\$517.1 million, primarily for ongoing expansions; and the acquisition of land in the Philippines; partially tapered by the collection of a portion of advances to SPIA amounting to US\$55.9 million, interest income from short-term investments and deposits at certain terminals. For the year ended December 31, 2023, net cash used in investing activities amounted to US\$318.0 million and consisted mainly of capital expenditures of US\$336.3 million, primarily for ongoing expansions and/or acquisition of equipment at certain terminals; partially tapered by interest income from short-term investments and deposits. Meanwhile, net cash used in investing activities for the year ended December 31, 2022 amounted to US\$518.3 million that consisted mainly of capital expenditures of US\$386.3 million, and concession extension-related expenditures at MICTSL but excluding capitalized borrowing costs, mainly for ongoing expansions at VICT, MICT, IDRC, CMSA and OMT; and the acquisition of land in the Philippines and in Brazil for new projects.

Net cash used in financing activities for the year ended December 31, 2024 amounted to US\$688.7 million that consisted mainly of payment of dividends amounting to US\$454.3 million; redemption of perpetual capital securities; payments of interests on lease liabilities, concession rights payable, and borrowings; partially tapered by the proceeds from net availments of loans. For the year ended December 31, 2023, net cash used in financing activities consisted mainly of payment of dividends amounting to US\$428.2 million; and net payment of loans, as well as payments of interests on loans, lease liabilities and concession rights payable. Meanwhile, net cash used in financing activities in 2022 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 interests on loans, lease liabilities and concession rights payable; partially tapered by the net availment of loans.

Capital Resources

The table below illustrates the Group's capital sources as at December 31, 2022, 2023 and 2024:

(In thousands, except % change data)	As at December 31			% Change 2022 vs 2023	% Change 2023 vs 2024
	2022	2023	2024		
Loans payable	US\$337,020	US\$139,563	US\$167,504	(58.6)	20.0
Current portion of long-term debt	439,894	42,389	414,944	(90.4)	878.9
Long-term debt, net of current portion	1,693,954	1,990,037	2,071,875	17.5	
Total short and long-term debt	2,470,868	2,171,989	2,654,323	(12.1)	22.2
Equity	1,726,672	1,905,168	1,904,127	10.3	(0.1)
	US\$4,197,540	US\$4,077,157	US\$4,558,450	(2.9)	11.8

2024 versus 2023

The Group's total debt and equity capital increased by 11.8 percent as at December 31, 2024 primarily due to net availment of loans by the Group; and the net income generated during the period; partially tapered by the dividends declared and paid during the period, and redemption of perpetual capital securities.

2023 versus 2022

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; partially tapered by the net income generated during the period, and availments of loans.

Debt Financing

The table below is a summary of long-term debt maturities, gross of unamortized debt issuance cost, of the Group as at December 31, 2024:

<i>(In thousands)</i>	Amount
2025	US\$419,780
2026	255,673
2027	90,544
2028	90,138
2029 and onwards	1,655,171
Total	US\$2,511,306

The average duration of the Group's long-term debt was extended by the availment of the US\$450.0 million six-year term loan in January 2024. As a result, 83% 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 2024 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, 2024, 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, 2024, except as discussed above.

Equity Financing

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 5.875 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.

On May 6, 2024, RCBV (the "Issuer") and ICTSI (the "Guarantor") redeemed the US\$289.8 million 4.875 percent Senior Guaranteed Perpetual Capital Securities ("Securities"). The US\$8.8 million difference between the redemption amount of US\$296.8 million and the Securities' carrying amount of US\$288.0 million recorded under equity represents accrued distributions and was treated as a direct reduction in retained earnings.

As at December 31, 2024 the carrying value of the perpetual capital securities amounted to US\$295.1 million.

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.

The Group's non-US dollar currency-linked revenues was 58.3 percent and 61.8 percent of gross revenues for the periods ended December 31, 2023 and 2024, respectively. Foreign currency-linked revenues include the following: (1) yard 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, 2024:

Revenue Currency Profile

Business Unit	USD/EUR Composition	Local Currency
ICTSI	50% USD	50% PHP
SBITC/ICTSI Subic	44% USD	56% PHP
MICTSI	51% USD	49% PHP
SCIPSI		100% PHP
BIPi	28% USD	72% PHP
LGICT	22% USD	78% PHP
CGT		100% PHP
VCT	8% USD	92% PHP
MMT	31% USD	69% PHP
MNHPI		100% PHP
OJA*	74% USD	26% IDR
EJMT		100% IDR
PNG		100% PGK
YICT		100% RMB
VICT		100% AUD
CMSA	16% USD	84% MXN
CGSA	100% USD	
ICTSI Rio	48% USD	52% BRL
IRB Logistica		100% BRL
CLIA Pouso Alegre		100% BRL
OPC	100% USD	
TSSA		100% BRL
Tecplata	100% USD	
AGCT	4% USD/96% EUR	
BCT	71% USD/1% EUR	28% PLN
BICTL	100% USD	
ICTSI Iraq	55% USD	45% IQD
IDRC	100% USD	
KMT		100% XAF**
MICTSL	100% EUR	
OMT	64% USD	36% NGN

* Sold on February 1, 2024
**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.

II. Consolidated Financial Statements

The Group's 2024 consolidated financial statements and accompanying notes are incorporated in the Company's SEC Form 17-A.

III. 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.

The information of the Independent Accountant and external audit fees and services are discussed under Item 7 of the Information Statement.

IV. General nature and scope of the business and its subsidiaries

The Company acquires, develops and operates container ports and terminals. Established in December 1987 in the Philippines, the Company began with its flagship operation, the Manila International Container Terminal. Soon after, the Company launched an international and domestic expansion program and currently has 32 terminals and operates in 19 countries and 6 continents.

V. Directors and Officers

The profiles of the Directors and Officers of the Company are discussed under Item 5 of the Information Statement.

VI. Market price of and dividends on the common shares

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

As at the latest practicable trading date on March 5, 2025, the share prices of ICTSI were:

	<i>In US Dollar</i>	<i>In Philippine Peso</i>
Opening	US\$5.88	₱337.0
High	5.99	343.6
Low	5.78	331.4
Closing	5.88	337.0

* 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 March 5, 2025.

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

Calendar Period	Price/Common Share*			
	High		Low	
	<i>In US Dollar</i>	<i>In Philippine Peso</i>	<i>In US Dollar</i>	<i>In Philippine Peso</i>
2023				
Quarter 1	US\$4.077	₱221.60	US\$3.606	₱196.00
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
2024				
Quarter 1	US\$5.761	₱324.00	US\$4.196	₱236.00
Quarter 2	6.159	361.00	5.361	314.20
Quarter 3	7.471	418.60	6.211	348.00
Quarter 4	7.572	438.00	6.396	370.00

* 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 2023 and 2024.

Holder

The number of common stockholders of record as at the latest practicable date on February 28, 2025 was 1,337. Common shares issued and outstanding as at the same date were 2,045,177,671 shares (including 21,121,418 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 February 28, 2025, the public ownership level of the Company is at 51.07% based only on outstanding common shares (excluding 21,121,418 treasury shares). The public ownership level of the Company is at 37.95% 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 February 28, 2025:

Name	No. of Shares Held	% of Total*
1. PCD Nominee Corporation (Filipino)	900,955,106	44.05%
2. PCD Nominee Corporation (Non-Filipino)	689,391,971	33.71%
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 and/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 and/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 and/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 17,962,468 treasury shares).

Dividends and Dividend Policy

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

	2022	2023	2024
Date of Board approval	March 3, 2022	March 6, 2023	March 1, 2024
Cash dividends (regular) per share	US\$0.106 (P5.56)	US\$0.156 (P8.56)	US\$0.167 (P9.35)
Cash dividends (special) per share	US\$0.008 (P0.44)	US\$0.026 (P1.44)	US\$0.029 (P1.65)
Record date	March 18, 2022	March 20, 2023	March 15, 2024
Payment date	March 28, 2022	March 28, 2023	March 25, 2024

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, 2024, 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 Perpetual Capital Securities aggregating US\$35.4 million in 2022, US\$29.0 million in 2023 and US\$22.0 million in 2024.

As at December 31, 2024, the unappropriated retained earnings of the Parent Company that is available for dividend declaration amounted to US\$597.6 million.

Recent Sale of Unregistered Securities

There is no sale of unregistered securities in 2022, 2023 and 2024.

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 2024 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 15.1 to the 2024 Audited Annual Consolidated Financial Statements). 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.

VII. Compliance with Leading Practices 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 Report and accomplishment of the ASEAN Corporate Governance Scorecard.

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 2024:

- a. Approval by the Board of folding up of Nomination Sub-Committee, absorbing of such role by the CG Com and updating of CG Com Charter on 1 July 2024. The said charter has been made available in the Company Website ([CGCom Revised Com Charter 1Jul2024.pdf](#));
- b. Annual participation by the Board of Directors, Chief Compliance Officer, Chief Risk Officer, Corporate Secretary, Assistant Corporate Secretaries, Head of Internal Audit and the Senior Management in the Advanced Corporate Governance Training conducted by SEC-Accredited training providers;
- c. Per Company By-Laws, the Board of Directors holds a regular monthly meeting while a special meeting may also be called by the Chairman of the President, as may be necessary;
- d. 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, among others, the ICTSI's purposes and value, 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, conforms with all the applicable Information Technology-related standards, including those relating to data privacy and protection, and abides Environmental laws; and
- e. Conduct by the Global Corporate Legal Affairs, under the supervision of the Chief Compliance Officer, of Legal Caravan across the ICTSI Group to promote stronger corporate governance and 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.

For the detailed discussions on Company's objectives, financial and non-financial information, and compliance adherence, please visit the Company's official website Corporate Governance – Sustainability section: <https://ictsi.com/sustainability/governance>.

VIII. Undertaking to Provide Annual Report

A copy of the 2024 ICTSI Annual Report on SEC Form 17-A for the fiscal year ended December 31, 2024, 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 investor@ictsi.com.

Annex D
to the Information Statement

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

I	N	T	E	R	N	A	T	I	O	N	A	L		C	O	N	T	A	I	N	E	R		T	E	R	M	I	N
A	L		S	E	R	V	I	C	E	S	,		I	N	C	.		A	N	D		S	U	B	S	I	D	I	A
R	I	E	S																										

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

I	C	T	S	I		A	D	M	I	N	I	S	T	R	A	T	I	O	N		B	U	I	L	D	I	N	G	,	
M	A	N	I	L	A		I	N	T	E	R	N	A	T	I	O	N	A	L		C	O	N	T	A	I	N	E	R	
T	E	R	M	I	N	A	L	,		S	O	U	T	H		A	C	C	E	S	S		R	O	A	D	,		M	
A	N	I	L	A																										

Form Type

1	7	-	A
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

<p>Company's Email Address</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">ictsi.ir@ictsi.com</td> </tr> </table>	ictsi.ir@ictsi.com	<p>Company's Telephone Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">8245-4101</td> </tr> </table>	8245-4101	<p>Mobile Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">09285031362</td> </tr> </table>	09285031362
ictsi.ir@ictsi.com					
8245-4101					
09285031362					
<p>No. of Stockholders</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">1,340</td> </tr> </table>	1,340	<p>Annual Meeting (Month / Day)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">04/15</td> </tr> </table>	04/15	<p>Fiscal Year (Month / Day)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">12/31</td> </tr> </table>	12/31
1,340					
04/15					
12/31					

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

<p>Name of Contact Person</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Arlyn L. McDonald</td> </tr> </table>	Arlyn L. McDonald	<p>Email Address</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">alacania@ictsi.com</td> </tr> </table>	alacania@ictsi.com	<p>Telephone Number/s</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">8245-4101</td> </tr> </table>	8245-4101	<p>Mobile Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">09178454608</td> </tr> </table>	09178454608
Arlyn L. McDonald							
alacania@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.





**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, 2022, 2023 and 2024, in accordance with PFRS Accounting 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.
Chairman and President

Emilio Manuel V. Pascua
Senior Vice President, Chief
Financial Officer, and Chief Risk
Officer

Arlyn L. McDonald
Vice President, Global Financial
Controller

Signed this 5th day of March 2025.

SUBSCRIBED AND SWORN to before me this 5th day of March 2025 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.			Manila
Emilio Manuel V. Pascua			Manila
Arlyn L. McDonald			Manila

Doc. No. 57
Page No. 12
Book No. 00
Series of 2025.

ATTY. HILARIO A. UNTAYAO
Not. Com. Expires 31 December 2025
Roll No. 83825 - IBP No. 360061 (2024)
PTR No. 5581573 (2025-Quezon City)
MCLE No. VIII-0000998 (Until 2025)
28 Columbia St., Cubao, Quezon City

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, 2022, 2023 and 2024, 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, 2022, 2023 and 2024, 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 (PFRS) Accounting Standards.

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 the audit of the consolidated financial statements as a whole, and in forming the auditor's 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 PFRS Accounting Standards, 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 balance of goodwill and nonfinancial assets with impairment indicators of certain subsidiaries aggregating to US\$450.0 million as of December 31, 2024 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 or region 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 nonfinancial assets with impairment indicators are included in Notes 3 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 the recoverable amount, which is the higher of value-in-use and fair value less costs of disposal. For the value-in-use calculation of certain 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 these 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 and economic 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 with impairment indicators. We also tested the mathematical accuracy of the calculations.

Recognition and Measurement of Income Taxes

The Group operates port terminals in several countries that are governed by varying income tax laws and regulations. Accordingly, management's assessment process for the recognition and measurement of income tax provisions, current income tax liabilities, deferred income tax assets and liabilities involve 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, 2024, the Group recognized provision for income taxes, income tax payable, deferred tax assets and deferred tax liabilities amounting to US\$270.0 million, US\$62.2 million, US\$343.9 million and US\$262.2 million, respectively.

The Group's disclosures about income taxes are included in Notes 3 and 22 to the consolidated financial statements.



Audit Response

We involved our tax specialists in countries where the Group's port terminals are significant to review management's calculation of income taxes, income tax payable and deferred income tax assets and liabilities. For deferred income tax assets, 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 deferred tax assets. We evaluated management's forecasts by comparing revenue growth and EBITDA margins. We reviewed the bases and assumptions for estimates of free cash flows, 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. At the consolidated level, we also reviewed the bases for recognition of deferred tax liabilities on undistributed cumulative earnings, among others, 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, 2024 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, 2024, which is expected to be made available to us after that date.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 PFRS Accounting Standards, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Martin C. Guantes.

SYCIP GORRES VELAYO & CO.


Martin C. Guantes
Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465311, January 2, 2025, Makati City

March 5, 2025



INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	As at December 31		
	2022	2023	2024
ASSETS			
Noncurrent Assets			
Intangibles (Notes 1, 5 and 25)	US\$2,407,343,955	US\$2,389,063,462	US\$2,392,206,722
Property and equipment (Notes 1, 6 and 16)	1,655,697,582	1,845,693,951	1,868,911,180
Right-of-use assets (Notes 1, 7 and 25)	723,831,838	916,366,357	957,760,276
Investment properties (Note 8)	5,809,337	5,633,749	5,434,675
Investments in and advances to joint ventures and associate (Notes 1, 9 and 23)	250,265,699	271,502,661	220,634,149
Deferred tax assets (Note 22)	392,885,603	408,653,279	343,875,531
Other noncurrent assets (Notes 1, 10, 27 and 28)	352,988,089	195,859,476	236,104,233
Total Noncurrent Assets	5,788,822,103	6,032,772,935	6,024,926,766
Current Assets			
Cash and cash equivalents (Notes 1, 12, 27 and 28)	838,939,670	716,104,043	1,109,073,233
Receivables (Notes 1, 13, 27 and 28)	157,911,285	182,507,225	192,489,983
Spare parts and supplies (Note 1)	52,868,258	55,822,377	59,464,720
Prepaid expenses and other current assets (Notes 1, 14, 27 and 28)	207,450,090	247,454,041	253,922,959
Derivative assets (Notes 27 and 28)	7,628,298	10,198,303	9,474,263
Total Current Assets	1,264,797,601	1,212,085,989	1,624,425,158
	US\$7,053,619,704	US\$7,244,858,924	US\$7,649,351,924
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)	573,980,749	577,430,605	584,458,288
Preferred shares held by a subsidiary (Note 15)	(72,492,481)	(72,492,481)	(72,492,481)
Treasury shares (Notes 15 and 20)	(39,991,203)	(38,330,159)	(78,946,292)
Excess of consideration over the carrying value of non-controlling interests acquired or disposed (Notes 1 and 15)	(172,684,906)	(169,922,520)	(169,922,520)
Retained earnings (Note 15)	687,449,513	799,685,565	1,226,425,279
Perpetual capital securities (Note 15)	583,162,965	583,162,965	295,141,911
Other comprehensive loss - net (Notes 9, 10, 15, 24 and 27)	(198,410,686)	(154,358,265)	(282,558,061)
Total equity attributable to equity holders of the parent	1,428,580,361	1,592,742,120	1,569,672,534
Equity Attributable to Non-controlling Interests (Note 15)	298,091,602	312,425,668	334,454,320
Total Equity	1,726,671,963	1,905,167,788	1,904,126,854
Noncurrent Liabilities			
Long-term debt - net of current portion (Notes 1, 6, 16, 27 and 28)	1,693,953,701	1,990,036,959	2,071,875,126
Concession rights payable - net of current portion (Notes 1, 25, 27 and 28)	740,188,980	742,334,740	745,863,663
Lease liabilities - net of current portion (Notes 1, 7, 25 and 28)	1,328,112,398	1,571,022,387	1,462,147,182
Deferred tax liabilities (Notes 1 and 22)	262,345,660	273,522,534	262,152,007
Other noncurrent liabilities (Notes 1, 17, 24, 27 and 28)	36,517,230	47,157,301	34,169,050
Total Noncurrent Liabilities	4,061,117,969	4,624,073,921	4,576,207,028
Current Liabilities			
Loans payable (Notes 18, 27 and 28)	337,020,000	139,562,649	167,504,595
Accounts payable and other current liabilities (Notes 1, 19, 23, 27 and 28)	392,329,036	412,135,523	451,507,446
Current portion of long-term debt (Notes 1, 6, 16, 27 and 28)	439,893,717	42,389,052	414,944,295
Current portion of concession rights payable (Notes 1, 25, 27 and 28)	14,227,765	14,682,499	15,989,952
Current portion of lease liabilities (Notes 1, 7, 25 and 28)	25,585,758	41,877,334	42,708,981
Income tax payable (Notes 1 and 22)	56,773,496	64,970,158	62,157,017
Derivative liabilities (Notes 17, 27 and 28)	-	-	14,205,756
Total Current Liabilities	1,265,829,772	715,617,215	1,169,018,042
Total Liabilities	5,326,947,741	5,339,691,136	5,745,225,070
	US\$7,053,619,704	US\$7,244,858,924	US\$7,649,351,924

See accompanying Notes to Consolidated Financial Statements.



**INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2022	2023	2024
INCOME			
Gross revenues from port operations (Notes 4 and 25)	US\$2,242,991,855	US\$2,388,326,383	US\$2,739,524,184
Interest income (Notes 12 and 23)	39,052,181	57,976,544	71,546,644
Foreign exchange gain (Note 28)	14,471,422	10,489,189	19,599,493
Equity in net profit of joint ventures (Note 9)	1,986,758	–	–
Other income (Notes 1 and 21)	18,995,870	23,087,457	36,954,395
	2,317,498,086	2,479,879,573	2,867,624,716
EXPENSES			
Port authorities' share in gross revenues (Notes 1, 7, 21 and 23)	221,604,018	220,008,757	232,848,200
Manpower costs (Notes 20, 23 and 24)	299,779,275	329,115,205	365,862,467
Equipment and facilities-related expenses (Notes 7 and 23)	166,227,979	167,836,512	187,399,789
Administrative and other operating expenses (Notes 7 and 23)	146,107,794	165,752,389	173,985,603
Depreciation and amortization (Notes 5, 6, 7 and 8)	266,717,816	294,431,515	300,777,664
Interest expense and financing charges on borrowings (Notes 16 and 18)	126,470,885	140,332,636	159,279,665
Interest expense on concession rights payable	62,698,820	64,518,959	63,313,327
Interest expense on lease liabilities (Note 7)	119,722,451	133,793,311	138,035,382
Equity in net loss of joint ventures (Note 9)	–	9,808,724	5,457,186
Foreign exchange loss (Note 28)	6,473,690	17,186,101	8,071,159
Impairment losses on goodwill and other nonfinancial assets (Notes 5, 10 and 11)	16,013,234	165,303,485	–
Other expenses (Notes 21 and 23)	55,557,666	24,249,937	26,773,510
	1,487,373,628	1,732,337,531	1,661,803,952
CONSTRUCTION REVENUE (EXPENSE) (Note 25)			
Construction revenue	61,520,936	65,270,968	166,545,199
Construction expense	(61,520,936)	(65,270,968)	(166,545,199)
	–	–	–
INCOME BEFORE INCOME TAX	830,124,458	747,542,042	1,205,820,764
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 22)			
Current	176,547,020	176,007,041	229,209,876
Deferred	(23,889,387)	(9,591,354)	40,833,269
	152,657,633	166,415,687	270,043,145
NET INCOME	US\$677,466,825	US\$581,126,355	US\$935,777,619
Attributable To			
Equity holders of the parent	US\$618,464,708	US\$511,529,938	US\$849,798,990
Non-controlling interests	59,002,117	69,596,417	85,978,629
	US\$677,466,825	US\$581,126,355	US\$935,777,619
Earnings Per Share (Note 29)			
Basic	US\$0.287	US\$0.238	US\$0.408
Diluted	0.287	0.237	0.407

See accompanying Notes to Consolidated Financial Statements.



**INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2023	2024
NET INCOME FOR THE YEAR	US\$677,466,825	US\$581,126,355	US\$935,777,619
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items to be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations' financial statements (Note 15)	(27,708,042)	51,159,475	(139,882,059)
Net change in unrealized mark-to-market values of derivatives (Notes 15 and 27)	29,412,771	(12,109,652)	9,667,582
Share of other comprehensive income (loss) of joint ventures (Notes 9 and 15)	(14,686,719)	1,876,729	(280,609)
Income tax relating to components of other comprehensive loss (Note 27)	(4,145,874)	3,033,798	(2,385,785)
	(17,127,864)	43,960,350	(132,880,871)
<i>Items not to be reclassified to profit or loss in subsequent periods</i>			
Net unrealized mark-to-market gain on financial assets at FVOCI (Notes 10 and 15)	335,578	396,624	1,049,552
Share of other comprehensive income of joint ventures (Notes 9 and 15)	124,037	20,310	16,909
Remeasurement gains (losses) on defined benefit plans - net of tax (Notes 15 and 24)	178,002	(964,905)	(89,382)
	637,617	(547,971)	977,079
	(16,490,247)	43,412,379	(131,903,792)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	US\$660,976,578	US\$624,538,734	US\$803,873,827
Attributable To			
Equity holders of the parent	US\$623,349,507	US\$555,582,359	US\$721,599,194
Non-controlling interests	37,627,071	68,956,375	82,274,633
	US\$660,976,578	US\$624,538,734	US\$803,873,827

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, 2022, 2023 AND 2024

	Attributable to Equity Holders of the Parent (Note 15)											
	Preferred Stock	Common Stock	Additional Paid-in Capital	Preferred 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, 2021	US\$236,222	US\$67,330,188	US\$572,814,879	(US\$72,492,481)	(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 15.1)	–	–	–	–	(31,810,166)	–	–	–	–	(31,810,166)	–	(31,810,166)
Acquisition/disposal of NCI (Note 15.3)	–	–	–	–	–	(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 1.2)	–	–	–	–	–	–	–	–	–	–	(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\$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\$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)
Disposal of NCI (Note 1.3)	–	–	–	–	–	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\$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
Balance at December 31, 2023	US\$236,222	US\$67,330,188	US\$577,430,605	(US\$72,492,481)	(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
Net income for the year	–	–	–	–	–	–	849,798,990	–	–	849,798,990	85,978,629	935,777,619
Other comprehensive income (Note 15)	–	–	–	–	–	–	–	–	(128,199,796)	(128,199,796)	(3,703,996)	(131,903,792)
Total comprehensive income for the year	–	–	–	–	–	–	849,798,990	–	(128,199,796)	721,599,194	82,274,633	803,873,827
Cash dividends (Note 15)	–	–	–	–	–	–	(399,338,991)	–	–	(399,338,991)	(62,873,476)	(462,212,467)
Share-based payments (Note 20)	–	–	9,577,387	–	–	–	–	–	–	9,577,387	–	9,577,387
Issuance of treasury shares for share-based payments (Notes 15 and 20)	–	–	(2,549,704)	–	2,549,704	–	–	–	–	–	–	–
Acquisition of treasury shares (Note 15.1)	–	–	–	–	(43,165,837)	–	–	–	–	(43,165,837)	–	(43,165,837)
Disposal of a subsidiary (Note 1.2)	–	–	–	–	–	–	–	–	–	–	2,627,495	2,627,495
Redemption of perpetual capital securities (Note 15)	–	–	–	–	–	–	(8,820,285)	(288,021,054)	–	(296,841,339)	–	(296,841,339)
Distributions on perpetual capital securities (Note 15)	–	–	–	–	–	–	(14,900,000)	–	–	(14,900,000)	–	(14,900,000)
Balance at December 31, 2024	US\$236,222	US\$67,330,188	US\$584,458,288	(US\$72,492,481)	(US\$78,946,292)	(US\$169,922,520)	US\$1,226,425,279	US\$295,141,911	(US\$282,558,061)	US\$1,569,672,534	US\$334,454,320	US\$1,904,126,854

See accompanying Notes to Consolidated Financial Statements.



**INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2023	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	US\$830,124,458	US\$747,542,042	US\$1,205,820,764
Adjustments for:			
Depreciation and amortization (Notes 5, 6, 7 and 8)	266,717,816	294,431,515	300,777,664
Interest expense on:			
Borrowings (Notes 16 and 18)	126,470,885	140,332,636	159,279,665
Lease liabilities	119,722,451	133,793,311	138,035,382
Concession rights payable	62,698,820	64,518,959	63,313,327
Loss (gain) on:			
Sale of a subsidiary (Note 1.2)	(2,238,020)	–	1,639,535
Disposal of property and equipment - net	(174,928)	1,628,370	(2,502,671)
Write-off of debt issuance costs and other non-cash expenses (Notes 16 and 21)	13,382,990	–	–
Interest income (Notes 12 and 23)	(39,052,181)	(57,976,544)	(71,546,644)
Impairment losses on goodwill and nonfinancial assets (Notes 5, 10 and 11)	16,013,234	165,303,485	–
Share-based payments (Notes 15 and 20)	5,622,324	6,268,329	8,806,204
Unrealized foreign exchange loss (gain)	(2,551,806)	6,606,006	(10,894,127)
Equity in net loss (profit) of joint ventures (Note 9)	(1,986,758)	9,808,724	5,457,186
Dividend income (Note 21)	(3,774)	(4,534)	(1,143,870)
Unrealized mark-to-market gain on derivatives	(1,156,578)	–	–
Operating income before changes in working capital	1,393,588,933	1,512,252,299	1,797,042,415
Decrease (increase) in:			
Receivables	(8,442,106)	(22,026,495)	(14,907,361)
Spare parts and supplies	(6,164,644)	(3,244,021)	(7,231,047)
Prepaid expenses and other current assets	4,354,714	(6,117,697)	(21,325,911)
Increase (decrease) in:			
Accounts payable and other current liabilities	55,201,612	(7,217,157)	50,766,554
Retirement liabilities	1,550,747	(571,643)	72,606
Cash generated from operations	1,440,089,256	1,473,075,286	1,804,417,256
Income taxes paid	(164,992,158)	(172,615,991)	(225,262,970)
Net cash flows provided by operating activities	1,275,097,098	1,300,459,295	1,579,154,286
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 6)	(237,890,068)	(207,678,271)	(288,529,428)
Intangible assets, including upfront costs deposit (Notes 5 and 10)	(100,728,821)	(74,930,298)	(184,540,302)
Subsidiaries (Note 1)	–	(13,881,550)	–
Group of assets that constitute a business (Note 1.4)	–	–	(2,516,970)
Effect of business combination (Note 1.4)	18,795,894	–	–
Proceeds from disposal of:			
Property and equipment	2,515,926	891,516	5,565,826
A subsidiary (Note 1.2)	2,457,007	–	2,000,000
Interest received	26,487,794	44,050,082	62,444,948
Payments for concession rights	(15,242,339)	(21,334,293)	(22,113,678)
Dividends received	3,774	4,434	1,143,870
Decrease (increase) in:			
Other noncurrent assets	(85,325,040)	(42,026,111)	(66,400,418)
Short-term investments and restricted cash	(136,742,700)	(3,475,332)	(10,443,568)
Investment in and advances to joint ventures (Note 9)	7,326,135	396,065	54,784,316
Net cash flows used in investing activities	(518,342,438)	(317,983,758)	(448,605,404)

(Forward)



	Years Ended December 31		
	2022	2023	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term borrowings (Note 16)	US\$89,379,573	US\$432,839,358	US\$593,883,375
Short-term borrowings (Note 18)	475,336,862	464,843,618	279,482,992
Payments of:			
Dividends (Note 15)	(299,039,343)	(428,241,674)	(454,276,765)
Redemption and repurchase of perpetual capital securities (Note 15)	(222,589,991)	-	(296,841,339)
Interest on lease liabilities and concession rights payable	(178,360,627)	(198,130,404)	(199,353,930)
Short-term borrowings (Note 18)	(140,114,944)	(666,842,000)	(243,890,896)
Interest on borrowings	(115,156,889)	(119,269,603)	(148,405,100)
Long-term borrowings (Note 16)	(79,273,544)	(543,985,586)	(117,005,145)
Lease liabilities (Note 7)	(33,661,990)	(32,031,514)	(44,410,658)
Distributions on perpetual capital securities (Note 15)	(29,026,678)	(29,026,678)	(14,900,000)
Purchase of treasury shares (Note 15)	(31,810,166)	(1,064,203)	(43,165,837)
Acquisition of non-controlling interests (Note 15)	(3,015,397)	-	-
Decrease in other noncurrent liabilities	(1,923,385)	696,260	165,532
Net cash flows used in financing activities	(569,256,519)	(1,120,212,426)	(688,717,771)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	(6,152,000)	14,901,262	(48,861,921)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	181,346,141	(122,835,627)	392,969,190
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	657,593,529	838,939,670	716,104,043
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 12)	US\$838,939,670	US\$716,104,043	US\$1,109,073,233

See accompanying Notes to Consolidated Financial Statements.



**INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
AND SUBSIDIARIES**

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 March 5, 2025.

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 March 5, 2025, the Group is involved in 32 terminal operations, including concessions and port development projects in 19 countries worldwide. There are 10 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 Congo, Colombia, Australia, Cameroon and Nigeria.

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 Kribi, Cameroon. In January 2025, the Port Authority of Kribi agreed to extend the concession agreement for the development, operation and maintenance activities of the multipurpose terminal at the Port of Kribi by Kribi Multipurpose Terminal (KMT) for another five (5) years. The amended agreement will expire in 2050.

Mindanao Container Terminal, Philippines. In December 2024, Mindanao International Container Terminal Services, Inc. (MICTSI) was granted by PHIVIDEC Industrial Authority an extension of its concession term to operate and manage the Mindanao Container Terminal for another twenty-five (25) years, from 2033 to 2058.

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. On December 17, 2024, PT Lamongan Integrated Shorebase granted an extension of EJD's concession right for additional seven (7) years or until December 31, 2072.



Iloilo Commercial Port Complex (ICPC), Philippines. In January 2024, the Philippine Ports Authority (PPA) has awarded to ICTSI the 25-year contract to develop and operate the ICPC. In April 2024, the Group received from the PPA the notice to proceed and the 25-year ICPC port management contract was entered between ICTSI and PPA on the same date.

Port of Gdynia, Poland. In December 2022, ICTSI, through its wholly-owned 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.

South Cotabato, Philippines. On February 20, 2006, the PPA granted South Cotabato Integrated Port Services, Inc. (SCIPSI) a 10-year contract for the exclusive management and operation of arrastre, stevedoring, and other cargo handling services, except portage, 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. SCIPSI has been granted a new HOA that is valid for 12 months starting from January 1, 2024. The HOA may be pre-terminated upon the award of a new contract by the PPA or revoked for a reason by the PPA. As at March 5, 2025, SCIPSI continues 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 and resulted to a loss on sale of IJP and OJA amounting to US\$1.6 million.

Port of Karachi, Pakistan. In June 2023, ICTSI was informed by Karachi Port Trust (KPT) that Pakistan International Container Terminal Ltd. (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. The sale resulted to a gain on disposal of HIPS amounting to US\$2.2 million.

Port of Davao, Davao, Philippines. In June 2022, ICTSI was informed that the PPA has awarded the Davao port terminal management contract to a new port operator. On June 30, 2022, Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) ceased its operations. 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					
				2022		2023		2024	
				Direct	Indirect	Direct	Indirect	Direct	Indirect
Subsidiaries:									
Asia									
Victoria International Container Terminal (VICT)	Australia	Port Management	Australian Dollar	-	100.00	-	100.00	-	100.00
Yantai International Container Terminal Ltd. (YICT)	China	Port Management	Renminbi	-	51.00	-	51.00	-	51.00
PT ICTSI Jasa Prima Tbk (IJP) and Subsidiaries ^(a)	Indonesia	Maritime infrastructure and logistics	US Dollar	-	80.19	-	80.19	-	-
PT PBM Olah Jasa Andal (OJA) ^(a)	Indonesia	Port Management	US Dollar	-	80.19	-	80.19	-	-
PT Makassar Terminal Services (MTS) ^(b)	Indonesia	Port Management	Indonesian Rupiah	-	95.00	-	95.00	-	95.00
PT East Java Development (EJD) ^(c)	Indonesia	Port Management	Indonesian Rupiah	66.67	-	66.67	-	66.67	-
Motukea International Terminal Ltd. (MITL)	Papua New Guinea	Port Management	Papua New Guinea Kina	-	70.00	-	70.00	-	70.00
South Pacific International Container Terminal Ltd. (SPICTL)	Papua New Guinea	Port Management	Papua New Guinea Kina	-	70.00	-	70.00	-	70.00
Bauan International Port, Inc. (BIPI) ^(d)	Philippines	Port Management	Philippine Peso	-	100.00	-	100.00	-	100.00
Cavite Gateway Terminal (CGT)	Philippines	Port Management	Philippine Peso	-	100.00	-	100.00	-	100.00
Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR) ^(e)	Philippines	Port Management	Philippine Peso	-	96.95	-	96.95	-	96.95
Laguna Gateway Inland Container Terminal, Inc. (LGICT)	Philippines	Port Management	Philippine Peso	-	60.00	-	60.00	-	60.00
Manila Harbor Center Port Services, Inc. (MHCPSI)	Philippines	Port Management	Philippine Peso	100.00	-	100.00	-	100.00	-
Manila North Harbour Port, Inc. (MNHPI) ^(f) (Subsidiary starting September 8, 2022)	Philippines	Port Management	Philippine Peso	50.00	-	50.00	-	50.00	-
Mindanao International Container Terminal Services, Inc. (MICTSI)	Philippines	Port Management	Philippine Peso	100.00	-	100.00	-	100.00	-
Subic Bay International Terminal Holdings, Inc. (SBITHI)	Philippines	Holding Company	US Dollar	90.50	-	90.50	-	90.50	-
ICTSI Subic, Inc. (ICTSI Subic)	Philippines	Port Management	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
South Cotabato Integrated Port Services, Inc. (SCIPSI)	Philippines	Port Management	Philippine Peso	35.82	14.41	35.82	14.41	35.82	14.41
Visayas Container Terminal (VCT) ^(g)	Philippines	Port Management	Philippine Peso	-	-	-	-	100.00	-
Catalyst Logistics Incorporated (CLI) ^(h)	Philippines	Freight Forwarder	Philippine Peso	-	51.00	-	51.00	-	51.00
Sevilla Brokerage Incorporated (SBI) ⁽ⁱ⁾	Philippines	Customs Broker	Philippine Peso	-	80.00	-	80.00	-	80.00
IW Cargo Handlers, Inc.	Philippines	Port Equipment Rental	US Dollar	-	100.00	-	100.00	-	100.00
IWI Container Terminal Holdings, Inc. (IWI CTHI)	Philippines	Warehousing	Philippine Peso	100.00	-	100.00	-	100.00	-
Container Terminal Systems Solutions Philippines, Inc.	Philippines	Software Developer	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
Abbotsford Holdings, Inc. (AHI)	Philippines	Holding Company	Philippine Peso	100.00	-	100.00	-	100.00	-
Cordilla Properties Holdings, Inc.	Philippines	Holding Company	Philippine Peso	100.00	-	100.00	-	100.00	-

(a) Disposed effective February 1, 2024

(b) Ceased commercial operations effective January 31, 2023

(c) Acquired on August 16, 2022

(d) Acquired additional 20% stake on December 23, 2022

(e) Ceased commercial operations effective June 30, 2022

(f) Accounted for as a joint venture until September 7, 2022, and thereafter, as a subsidiary (see Note 1.4)

(g) Established in March 2024

(h) Incorporated on October 14, 2022 with ICTSI having 51% of the shareholding; started commercial operations in July 2023

(i) Acquired 80% shareholdings last October 21, 2022



	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership					
				2022		2023		2024	
				Direct	Indirect	Direct	Indirect	Direct	Indirect
Intermodal Terminal Holdings, Inc. (ITH)	Philippines	Holding Company	Philippine Peso	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 Ltd. Regional Headquarters	Philippines	Regional Headquarters	Philippine Peso	-	100.00	-	100.00	-	100.00
ICTSI Ltd.	Bermuda	Holding Company	US Dollar	-	100.00	-	100.00	-	100.00
Tungsten RE Ltd.	Bermuda	Insurance 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
Aeolina Investments Limited	British Virgin Islands	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
Pentland International Holdings, Ltd.	British Virgin Islands	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
International Container Terminal Holdings, Inc. (ICTHI)	Cayman 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
Asiastar Consultants Limited ^(j)	Hong Kong	Management Services	US Dollar	-	100.00	-	100.00	-	-
ICTSI (Hong Kong) Limited (IHKL)	Hong Kong	Holding Company	US Dollar	-	100.00	-	100.00	-	100.00
PT Container Terminal System Solutions, Inc.	Indonesia	Software Developer	US Dollar	-	100.00	-	100.00	-	100.00
ICTSI Mauritius Ltd.	Mauritius	Holding Company	US Dollar	-	100.00	-	100.00	-	100.00
Consultports S.A. de C.V.	Mexico	Business Development Office (BDO)	Mexican 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
ICTSI QFC LLC ^(k)	Qatar	Holding Company	US Dollar	-	100.00	-	100.00	-	-
ICTSI Far East Pte. Ltd. (IFEL)	Singapore	Holding Company	US Dollar	-	100.00	-	100.00	-	100.00
ICTSI Project Delivery Services Co. Pte. Ltd. ^(l)	Singapore	Port Equipment Sale and Rental	US Dollar	-	100.00	-	-	-	-
ICTSI Africa Headquarters (Pty) Ltd ^(m)	South Africa	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
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
ICTSI EMEA B.V. (IEBV)	The Netherlands	Holding Company	US Dollar	-	100.00	-	100.00	-	100.00
ICTSI Treasury B.V. (ITBV)	The Netherlands	Holding Company	US Dollar	-	75.00	-	75.00	-	75.00
ICTSI Global Finance B.V. (IGFBV)	The Netherlands	Holding Company	US Dollar	-	75.00	-	75.00	-	75.00
ICTSI Global Holdings B.V. ⁽ⁿ⁾	The Netherlands	Holding Company	US Dollar	99.00	1.00	100.00	-	100.00	-
ICTSI Oceania B.V. (IOBV)	The Netherlands	Holding Company	US Dollar	-	100.00	-	100.00	-	100.00

(j) Dissolved effective April 5, 2024

(k) Deregistered from Qatar Financial Centre (QFC) on July 14, 2024

(l) Deregistered from Singapore ACRA on November 6, 2023

(m) Organized on May 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



	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership						
				2022		2023		2024		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
ICTSI Tuxpan 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	
CMSA B.V.	The Netherlands	Holding Company	US Dollar	-	100.00	-	100.00	-	100.00	
Royal Capital B.V. (RCBV)	The Netherlands	Holding Company	US Dollar	-	75.00	-	75.00	-	75.00	
SPIA Colombia B.V.	The Netherlands	Holding Company	US Dollar	-	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 Middle East DMCC	United Arab Emirates	Holding Company	US Dollar	100.00	-	100.00	-	100.00	-	
ICTSI Durban DMCC ^(o)	United Arab Emirates	Holding Company	US Dollar	-	-	100.00	-	100.00	-	
ICTSI Santos DMCC ^(o)	United Arab Emirates	Holding Company	US Dollar	-	-	100.00	-	100.00	-	
Container Terminal de Venezuela Conterven CA (CTVCC)	Venezuela	Holding Company	US Dollar	-	95.00	-	95.00	-	95.00	
Europe, Middle East and Africa (EMEA)										
Kribi Multipurpose Terminal (KMT)	Cameroon	Port Management	XAF	-	75.00	-	75.00	-	75.00	
Adriatic Gate Container Terminal (AGCT)	Croatia	Port Management	Euro	-	51.00	-	51.00	-	51.00	
ICTSI DR Congo S.A. (IDRC) ^(p)	DR Congo	Port Management	US Dollar	-	58.00	-	58.00	-	58.00	
Batumi International Container Terminal LLC (BICTL)	Georgia	Port Management	US Dollar	-	100.00	-	100.00	-	100.00	
ICTSI (M.E.) DMCC Iraq Branch (ICTSI Iraq)	Iraq	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	
International Container Terminal Services Nigeria Ltd.	Nigeria	Port Management	US Dollar	-	75.00	-	75.00	-	75.00	
International Container Terminal Services (FZE)	Nigeria	Port Management	Nigerian Naira	-	75.00	-	75.00	-	75.00	
Baltic Container Terminal Ltd. (BCT)	Poland	Port Management	US Dollar	-	100.00	-	100.00	-	100.00	
Pakistan International Container Terminal Ltd. (PICT) ^(q)	Pakistan	Port Management	Pakistani Rupee	-	80.41	-	80.41	-	79.71	
Africa Gateway Terminal (AGT) ^(r)	Sudan	Port Management	Euro	-	100.00	-	100.00	-	100.00	
Tartous International Container Terminal, Inc. (TICT)	Syria	Port Management	US Dollar	100.00	-	100.00	-	100.00	-	
Americas										
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	
Tecon Suape, S.A. (TSSA)	Brazil	Port Management	Brazilian Real	51.00	49.00	51.00	49.00	51.00	49.00	
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) ^(s)	Brazil	Rail Ramp Terminal Management	Brazilian Real	-	100.00	-	70.00	-	70.00	
DF3 Empreendimento S.A (DF3) ^{(t)(s)}	Brazil	Real Estate	Brazilian Real	-	100.00	-	70.00	-	70.00	
IRB Holding Ltda ^(u)	Brazil	Holding Company	Brazilian Real	-	100.00	-	100.00	-	100.00	
Armazéns Gerais Sul das Gerais S.A. (CLIA Pouso Alegre) ^(v)	Brazil	Logistics Solutions Provider	Brazilian Real	-	-	-	60.00	-	60.00	

(o) Established in October 2023

(p) Sold 4% stake in November 2022

(q) Concession agreement ended on June 17, 2023. Sold 0.7% stake in December 2024.

(r) Established in February 2019 and has not started commercial operations as at March 5, 2025

(s) 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%.

(t) Acquired on March 10, 2022

(u) Established on June 21, 2022

(v) Acquired 60% shareholdings on September 5, 2023



	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership					
				2022		2023		2024	
				Direct	Indirect	Direct	Indirect	Direct	Indirect
Rio Logística Multimodal e Participações Ltda (RLMP) ^(w)	Brazil	Holding Company	Brazilian Real	-	-	-	100.00	-	100.00
Rio Logística e Participações Ltda ^(w)	Brazil	Holding Company	Brazilian Real	-	-	-	100.00	-	100.00
Contecon Guayaquil, S.A. (CGSA)	Ecuador	Port Management	US Dollar	51.00	49.00	51.00	49.00	51.00	49.00
Logipuerto S.A.	Ecuador	Logistics Solutions Provider	US Dollar	-	100.00	-	100.00	-	100.00
Operadora Portuaria Centroamericana, S.A. (OPC)	Honduras	Port Management	US Dollar	30.00	70.00	30.00	70.00	30.00	70.00
Contecon Manzanillo S.A. (CMSA)	Mexico	Port Management	Mexican Peso	1.00	99.00	1.00	99.00	1.00	99.00
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
Contecon Manzanillo Logista SA de CV ^(x)	Mexico	Logistics Solutions Provider	Mexican Peso	-	100.00	-	100.00	-	100.00
Terminal Maritima de Tuxpan S.A. de C.V. (TMT)	Mexico	Port Management	Mexican Peso	-	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
ICTSI Oregon, Inc. ^(y)	U.S.A.	Port Management	US Dollar	-	100.00	-	100.00	-	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	-	49.98	-	49.98	-	49.98
Aviation Concepts Technical Services, Inc. (ACTSI)	Philippines	Aircraft Management	US Dollar	-	49.98	-	49.98	-	49.99
Associate:									
Asiaview Realty and Development Corporation (ARDC)	Philippines	Realty	Philippine Peso	-	49.00	-	49.00	-	49.00

1.4 Purchase Price Allocation

IRB Logistica. In June 2024, IRB Logistica, a wholly-owned subsidiary of ICTSI domiciled in Brazil, acquired a group of assets consisting of various property and equipment and business contracts from a Brazilian logistics company for US\$10.1 million (BRL52.8 million). The purchase price is payable in three installments with first installment already paid in June 2024 and the remaining two installments over the next two years. The outstanding liability to the seller amounting to US\$5.7 million (BRL35.1 million) was presented as other noncurrent liabilities. As the acquisition qualifies to be treated as a business combination, the Group recognized a provisional goodwill of US\$8.9 million (BRL46.6 million). The provisional goodwill comprises the value of expected synergies from the acquisition.

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.

^(w) Established in September 2023

^(x) Established in December 2021 and has started commercial operations in August 2022

^(y) Dissolved effective January 16, 2025



The fair values of the identifiable assets and liabilities of CLIA Pouso Alegre at the date of acquisition were as follows:

Assets	
Intangible assets	US\$21,588,414
Property and equipment	1,724,363
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
	<u>US\$24,467,455</u>
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
	<u>US\$9,060,874</u>
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	<u>US\$14,053,100</u>
Cash paid at acquisition date	US\$14,483,425
Less: Receivable from the seller*	430,325
Adjusted purchase consideration	<u>US\$14,053,100</u>
Cash paid at acquisition date	US\$14,483,425
Less: Cash and cash equivalents of CLIA Pouso Alegre	600,600
Net cash outflow	<u>US\$13,882,825</u>

*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. The intangible assets acquired include a perpetual license to operate a bonded warehouse valued at BRL69.2 million (US\$13.9 million) granted by the federal government of Brazil.

No adjustments were made to the provisional fair values of the identifiable assets and liabilities of CLIA Pouso Alegre as at the date of business combination.

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, 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 logistics 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 a 70% stake in iTracker Logistica Inteligente Ltda (iTracker), through offsetting of advances, for a consideration of US\$2.7 million.

The fair values of the identifiable assets and liabilities of iTracker at the date of acquisition were as follows:

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

No adjustments were made to the provisional fair values of the identifiable assets and liabilities of iTracker as at the date of business combination.

On August 31, 2023, iTracker was merged with IRB Logistica, with IRB Logistica as the surviving entity. On the same date, IRB Logistica disposed its 30% stake to noncontrolling interest resulting to a recognition of a negative equity attributable to non-controlling interests amounting to US\$0.6 million. Consequently, as a result of IRB Logistica’s disposal of its 30% stake to noncontrolling interests, 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 15.3).



The fair values of the identifiable assets and liabilities of EJD as at the date of acquisition were as follows:

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
	<u>US\$16,886,350</u>
Liabilities	
Payables	<u>US\$12,816,638</u>
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	<u>2,625,954</u>
Goodwill arising on acquisition	<u>2,549,046</u>
Purchase consideration by way of subscription of shares	<u>US\$5,175,000</u>

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 Parent. 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 these 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) Accounting Standards. 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 MNHPI.

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
	<u>US\$392,787,372</u>
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
	<u>US\$120,540,146</u>
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	<u>US\$159,148,454</u>

There was no consideration transferred on business combination date. Cash and cash equivalents held by MNHPI at date of consolidation was included in cash flows 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).

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 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 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 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 PFRS Accounting Standards.



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, 2024. 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 does not have an impact on the consolidated financial statements of the Group.

- 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 had no impact on the Group's consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 1.

- 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 such a way that it does not recognize any gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements because the Group does not have any sale and leaseback transactions.

- 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.

The amendments had no impact on the Group's consolidated financial statements because the Group does not have any supplier finance arrangements.

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, 2022, 2023 and 2024, the Group recognized deferred tax liability relating to the undistributed earnings of subsidiaries amounting to US\$10.1 million, US\$15.0 million and US\$26.5 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\$19.7 million, US\$21.3 million and US\$15.7 million as at December 31, 2022, 2023 and 2024, 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\$136.2 million, US\$63.2 million and US\$123.8 million as of December 31, 2022, 2023 and 2024, 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 (including 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.

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 customers 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 calibrates the matrices to adjust the historical credit loss experience with forward-looking information. 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, intangible asset with indefinite useful life 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.

Business Combinations and Goodwill

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 statements 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 statements 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 applicable 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.

The 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 IBR 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.

The 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 in net assets of the investee since the acquisition date. The consolidated statements of income reflect the Group's share in 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, intangible asset with indefinite useful life 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 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 and measures the loss allowance based on a 12-month ECL. For debt instruments that ceases to meet the investment grade criteria, the Group measures the loss allowance based on lifetime ECL.

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

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, these financial liabilities 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.

The Group's financial liabilities at amortized cost include trade and other payables, 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 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 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 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.

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:

	2022		2023		2024	
	Closing	Average	Closing	Average	Closing	Average
Foreign currency to 1 unit of						
US dollar (USD or US\$):						
Argentine peso (AR\$)	177.132	130.845	808.475	294.709	1,030.985	916.750
Australian dollar (AUD)	1.468	1.439	1.468	1.505	1.616	1.516
Brazilian real (BRL or R\$)	5.286	5.168	4.852	4.996	6.174	5.394
Central African franc (XAF)	612.760	623.925	594.229	606.628	633.565	606.429
Chinese renminbi (RMB)	6.899	6.737	7.100	7.086	7.299	7.200
Colombian peso (COP)	4,850.830	4,256.870	3,875.340	4,319.410	4,405.630	4,074.250
Croatian kuna (HRK)	7.038	7.167	–	–	–	–
Euro (EUR or €)	0.934	0.949	0.906	0.925	0.966	0.924
Georgian lari (GEL)	2.699	2.911	2.688	2.624	2.818	2.721
Honduran lempira (HNL)	24.675	24.611	24.741	24.662	25.351	24.855
Hong Kong dollar (HKD)	7.802	7.831	7.812	7.829	7.769	7.803
Indonesian rupiah (IDR or Rp)	15,573.000	14,853.000	15,399.000	15,245.000	16,132.000	15,844.000
Iraqi dinar (IQD)	1,460.000	1,460.000	1,320.000	1,337.165	1,320.000	1,320.000
Japanese Yen (JPY)	–	–	141,040	140.540	157.200	151.480
Malagasy ariary (MGA)	4,465.690	4,125.060	4,585.100	4,451.860	4,717.020	4,528.130
Mexican peso (MXN)	19.5	20.110	16.972	17.744	20.827	18.328
Nigerian naira (NGN)	460.820	426.390	911.680	638.740	1,544.080	1,491.970
Pakistani rupee (PKR or Rs)	226.655	205.049	281.563	279.524	278.478	278.510
Papua New Guinean kina (PGK)	3.524	3.519	3.730	3.589	4.038	3.853
Philippine peso (PHP or ₱)	55.755	54.488	55.370	55.633	57.845	57.272
Polish zloty (PLN)	4.375	4.458	3.936	4.200	4.131	3.980
Singaporean dollar (SGD)	1.340	1.379	1.320	1.343	1.366	1.337
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, 2024, 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. 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 statement of income:

- 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 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 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, claims and losses 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 net operating loss carry-over (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 Organization for Economic Cooperation and Development.

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 considering the retroactive effect of any 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 (SIP) which are assumed to be vested at the date of grant.

Where the effect of the vesting of stock under the SIP 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, 2024 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, 2025

- 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.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The amendments:

- Introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarify the treatment of non-recourse assets and contractually linked instruments
- Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income



- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments:

- Clarify the application of the ‘own-use’ requirements
- Permit hedge accounting if these contracts are used as hedging instruments
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows

- Annual Improvements to PFRS Accounting Standards (Volume 11)

Annual improvements are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences, oversights, or conflicts between the requirements in the accounting standards. The 2024 amendments are to the following standards:

- Amendments to PFRS 7, *Financial Instruments: Disclosures*, and its accompanying Guidance on implementing PFRS 7
- Amendments to PFRS 9, *Financial Instruments*
- Amendments to PFRS 10, *Consolidated Financial Statements*
- Amendments to PAS 7, *Statement of Cash Flows*

Effective beginning on or after January 1, 2027

- 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.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

PFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.

PFRS 18 will apply retrospectively. The Group aims to identify all impacts the amendments will have on the consolidated financial statements prior to adoption of PFRS 18.



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, SCIPSI, SBITC, ICTSI Subic, MICTSI, LGICT, CGT, MHCPSI, MNHPI (obtained control on September 8, 2022), VCT, SBI, CLI, DIPSSCOR^(a) and HIPS^(a) in the Philippines; YICT in China; EJD (acquired on August 16, 2022), OJA^(a) and IJP^(a) and MTS^(a) in Indonesia; VICT in Australia; MITL and SPICTL in PNG; and the holding companies;
- EMEA - includes BCT in Poland, BICTL in Georgia, AGCT in Croatia, MICTSL in Madagascar, KMT in Cameroon, ICTSI Nigeria in Nigeria, IDRC in DR Congo, ICTSI Iraq in Iraq, AGT^(b) in Sudan and PICT in Pakistan^(a); 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, OPC in Honduras, CMSA and TMT^(b) in Mexico, and ICTSI Oregon^(a) in Oregon, U.S.A.

(a) *Disposed or has ceased commercial operations.*

(b) *Has not started commercial operations.*

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:

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

2024				
	Asia	EMEA	Americas	Consolidated
Volume ^(a)	7,107,101	2,461,780	3,498,068	13,066,949
Gross revenues	US\$1,140,265,129	US\$521,018,257	US\$1,078,240,798	US\$2,739,524,184
Capital expenditures ^(b)	244,733,486	97,599,097	174,807,907	517,140,490
Other information:				
Segment assets ^(c)	4,237,597,796	978,286,496	2,089,592,101	7,305,476,393
Segment liabilities ^(d)	3,995,227,712	313,993,233	1,111,695,101	5,420,916,046

^(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\$100.7 million, US\$74.9 million, and US\$184.5 million in 2022, 2023, and 2024, respectively, property and equipment (including those acquired under business combination) amounting to US\$237.9 million, US\$207.7 million, and US\$288.5 million in 2022, 2023, and 2024, respectively, as shown in the consolidated statements of cash flows, and noncurrent advances to suppliers and contractors amounting to US\$47.7 million, US\$53.7 million, and US\$42.9 million in 2022, 2023, and 2024, respectively.

^(c) Segment assets do not include deferred tax assets as shown in the consolidated balance sheets.

^(d) Segment liabilities do not include income tax payable and deferred tax liabilities as shown in the consolidated balance sheets.



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:

	2022	2023	2024
Net income attributable to equity holders of the parent	US\$618,464,708	US\$511,529,938	US\$849,798,990
Non-controlling interests	59,002,117	69,596,417	85,978,629
Provision for income tax	152,657,633	166,415,687	270,043,145
Income before income tax	830,124,458	747,542,042	1,205,820,764
Add (deduct):			
Depreciation and amortization	266,717,816	294,431,515	300,777,664
Interest and other expenses ^(a)	386,936,746	555,193,153	400,930,229
Interest and other income ^(b)	(74,506,231)	(91,553,190)	(128,100,532)
EBITDA ^(c)	US\$1,409,272,789	US\$1,505,613,520	US\$1,779,428,125

^(a) Interest and other expenses include the following as shown in the consolidated statement 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 statement 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 Accounting Standards. 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 Accounting Standards 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 33.3 percent, 33.9 percent and 31.2 percent of the consolidated gross revenues from port operations for the years ended December 31, 2022, 2023 and 2024, respectively. Gross revenues from port operations outside the Republic of the Philippines comprised 66.7 percent, 66.1 percent and 68.8 percent of the consolidated gross revenues from port operations for the years ended December 31, 2022, 2023 and 2024, respectively.



5. Intangibles

This account consists of:

	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
Remeasurement	-	(2,960,184)	-	(2,960,184)	-	-	(2,960,184)
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
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 (Note 1.4)	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
Remeasurement	-	16,029,069	-	16,029,069	-	-	16,029,069
Disposals	-	-	-	-	(784,532)	-	(784,532)
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

	2024						
	Concession Rights (Note 25)				Computer Software and Others	Goodwill	Total
	Upfront Fees	Fixed Fees	Port Infrastructure	Subtotal			
Cost							
Balance at beginning of year	US\$539,342,259	US\$953,417,746	US\$2,344,136,370	US\$3,836,896,375	US\$117,959,763	US\$239,515,062	US\$4,194,371,200
Additions	2,781,214	35,721,033	170,617,075	209,119,322	484,032	-	209,603,354
Remeasurement	-	12,578,279	-	12,578,279	-	-	12,578,279
Disposals	-	-	-	-	(72,100)	-	(72,100)
Disposal of a subsidiary (Note 1.2)	-	-	-	-	(48,105)	(26,561,125)	(26,609,230)
Transfers from other accounts (Notes 6 and 10)	-	8,368,810	19,619,038	27,987,848	116,546	-	28,104,394
Effect of business combination (Note 1.4)	-	-	-	-	-	8,889,140	8,889,140
Translation adjustments	(15,688,137)	(49,957,920)	(63,243,625)	(128,889,682)	(9,565,067)	(18,634,137)	(157,088,886)
Balance at end of year	526,435,336	960,127,948	2,471,128,858	3,957,692,142	108,875,069	203,208,940	4,269,776,151
Accumulated Amortization and Impairment Losses							
Balance at beginning 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
Amortization for the year	21,186,084	35,307,232	76,309,247	132,802,563	5,890,802	-	138,693,365
Disposals	-	-	-	-	(72,100)	-	(72,100)
Disposal of a subsidiary (Note 1.2)	-	-	-	-	(48,105)	(26,561,125)	(26,609,230)
Translation adjustments	(5,112,804)	(16,361,669)	(13,528,501)	(35,002,974)	(4,511,862)	(235,508)	(39,750,344)
Balance at end of year	221,202,310	363,365,101	1,157,551,793	1,742,119,204	81,141,811	54,308,414	1,877,569,422
Net Book Value	US\$305,233,026	US\$596,762,847	US\$1,313,577,065	US\$2,215,572,938	US\$27,733,258	US\$148,900,526	US\$2,392,206,722



Concession Rights

Additions to concession rights in 2022 mainly pertain to the construction of various civil works and acquisitions of port facilities and equipment in MICT, 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 MICT, SPICTL, OPC and CGSA. In 2024, additions to concession rights mainly pertain to construction of various civil works and acquisitions of port facilities and equipment in MICT and certain Philippine terminals, EJD, CGSA and OPC; and the present value of fixed fee considerations under the new concession contract for ICPC in Iloilo and the amended concession contract for MICTSI in Misamis Oriental. From December 19, 2024, MICTSI's amended concession contract is accounted for under IFRIC 12 due to the changes to the concession contract that now provides the port authority control over any significant residual interest in the port infrastructure upon expiration of the agreement. Consequently, any remaining values of the related lease asset and liability were reclassified to concession rights asset and liability on the same date.

Concession rights have remaining amortization periods ranging from 7 to 48 years as of December 31, 2024.

Capitalized borrowing costs amounted to nil in 2022 and 2023, and US\$1.2 million in 2024.

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:

	2022	2023	2024
MHCPSI	US\$46,291,281	US\$46,613,128	US\$44,618,811
ICTSI Rio	47,337,137	59,201,950	54,093,371
MNHPI	23,185,916	23,347,120	22,348,226
PICT	13,412,967	-	-
Others	28,533,308	29,247,817	27,840,118
	US\$158,760,609	US\$158,410,015	US\$148,900,526

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:

	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
Effect of business combinations (Note 1.4)	–	–	–	879,487	2,082,378	–	–	2,229,542	5,191,407
Disposals	(36,707)	(480,845)	(9,493,500)	(1,727,002)	(1,981,622)	(394,166)	(175,776)	–	(14,289,618)
Disposal of a subsidiary (Note 1.2)	–	(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
Effect of business combinations (Note 1.4)	–	–	–	720,748	1,823,163	–	–	–	2,543,911
Disposals	(2,128)	(480,845)	(7,909,459)	(1,652,576)	(1,673,870)	(229,742)	–	–	(11,948,620)
Disposal of a subsidiary (Note 1.2)	–	(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
Effect of business combinations (Note 1.4)	–	116,380	1,846,561	140,555	106,535	–	–	–	2,210,031
Disposals	–	(6,893,245)	(22,032,250)	(1,419,457)	(2,066,794)	(72,437)	(44,329)	(82,965)	(32,611,477)
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
Effect of business combinations (Note 1.4)	–	22,312	259,318	66,297	15,550	–	–	–	363,477
Disposals	–	(6,893,245)	(19,987,243)	(1,111,392)	(2,036,864)	(62,847)	–	–	(30,091,591)
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

	2024								
	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\$430,062,287	US\$763,320,976	US\$1,048,334,720	US\$73,321,443	US\$71,458,152	US\$51,665,627	US\$3,885,434	US\$263,007,840	US\$2,705,056,479
Additions	76,304,514	15,359,525	40,312,239	6,774,417	3,100,906	4,468,383	103,506	144,100,725	290,524,215
Effect of business combination (Note 1.4)	–	–	1,181,725	–	–	–	–	–	1,181,725
Disposals	–	(104,833)	(6,603,783)	(14,746,465)	(1,736,860)	(917,737)	(37,584)	–	(24,147,262)
Disposal of a subsidiary (Note 1.2)	–	(7,064,282)	(38,503,051)	(177,522)	(261,080)	–	–	–	(46,005,935)
Translation adjustments	(20,979,374)	(48,068,963)	(95,222,769)	(1,699,396)	(1,762,402)	(1,638,182)	(202,032)	(18,337,268)	(187,910,386)
Transfers from (to) other accounts (Notes 5, 8 and 10)	–	44,046,063	19,549,041	–	–	–	–	(83,330,688)	(19,735,584)
Balance at end of year	485,387,427	767,488,486	969,048,122	63,472,477	70,798,716	53,578,091	3,749,324	305,440,609	2,718,963,252
Accumulated Depreciation and Amortization									
Balance at beginning 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
Depreciation and amortization for the year	3,843,511	34,945,665	48,488,006	5,705,164	4,067,578	4,281,529	7,559	–	101,339,012
Disposals	–	(55,655)	(3,650,618)	(14,746,464)	(1,736,860)	(894,510)	–	–	(21,084,107)
Disposal of a subsidiary (Note 1.2)	–	(5,905,136)	(30,642,362)	(177,010)	(251,788)	–	–	–	(36,976,296)
Translation adjustments	(574,031)	(16,912,550)	(27,777,008)	(2,758,920)	(3,639,016)	(904,586)	(22,954)	–	(52,589,065)
Balance at end of year	22,643,558	292,383,346	399,678,026	38,868,515	63,749,694	30,814,416	1,914,517	–	850,052,072
Net Book Value	US\$462,743,869	US\$475,105,140	US\$569,370,096	US\$24,603,962	US\$7,049,022	US\$22,763,675	US\$1,834,807	US\$305,440,609	US\$1,868,911,180



Capitalized borrowing costs amounted to US\$0.3 million at a capitalization rate of 8.00 percent in 2022, US\$2.6 million at a capitalization rate of 4.27 percent in 2023 and nil in 2024.

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. Additions to land and land improvements in 2024 pertain to acquisition of property to be utilized for the Group's expansion plans. Additions to port facilities and equipment in 2024 mainly pertain to the construction of various civil works and acquisitions of terminal equipment in various ports, mainly in ICTSI Nigeria, and certain Philippine terminals.

Construction in progress is mainly composed of ongoing port development and expansion projects in IDRC, VICT and CMSA as at December 31, 2022 and 2023, and CMSA, IDRC and ICTSI Rio as at December 31, 2024.

Certain property and equipment of VICT with total carrying value of AUD360.8 million (US\$246.1 million), AUD428.6 million (US\$292.0 million) and AUD749.9 million (US\$464.0 million) as at December 31, 2022, 2023 and 2024, 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, 2022, 2023 and 2024, was pledged as collateral for its outstanding loan (see Note 16.2.3).

7. Right-of-use Assets

The concession agreements of CMSA, TSSA, VICT, BCT, BICTL, MICTSI (until December 16, 2024), ICTSI Nigeria, lease of terminal facilities in IRB Logistica, and lease of land for use in the operations of Tecplata, ICTSI Nigeria, and ICTSI Rio, were accounted for by the Group in accordance with PFRS 16, *Leases*. Related right-of-use assets are amortized over the term of the concession agreements and have remaining amortization periods ranging from 1 to 45 years.

Amounts Recognized in the Consolidated Balance Sheets

Set-out below are the reconciliation of the Group's right-of-use assets during the years ended December 31:

	2022	2023	2024
Balance at beginning of year	US\$664,266,147	US\$723,831,838	US\$916,366,357
Additions	11,288	164,218,518	134,816,271
Remeasurement	106,404,486	28,658,474	50,806,270
Amortization	(49,798,358)	(56,056,912)	(60,704,868)
Effect of business combination (Note 1.4)	2,600,268	-	-
Transfer to other account (Note 5)	-	-	(8,368,810)
Termination	-	-	(2,641,598)
Cumulative translation adjustments	348,007	55,714,439	(72,513,346)
Balance at end of year	US\$723,831,838	US\$916,366,357	US\$957,760,276



Additions to right-of-use assets during 2023 mainly pertain to renewal of concession contract at BCT and lease of additional berth space at VICT. Additions to right-of-use assets in 2024 mainly pertain to lease of new area at ICTSI Rio and ICTSI Nigeria, and equipment leases at IRB Logistica and MICT.

Termination includes termination of lease agreement at IRB Logistica for the lease of various equipment.

Summarized below are the amounts recognized in the consolidated profit or loss relating to lease expense not capitalized as right-of-use assets:

	2022	2023	2024
Lease expense not included in the measurement of lease liabilities (under Port Authorities' share in gross revenues)	US\$29,094,552	US\$27,752,083	US\$35,768,341
Lease expense on short-term leases exempted from PFRS 16 classified under:			
Equipment and facilities-related expenses	1,738,021	3,121,398	3,974,280
Administrative and other operating expenses	55,314	136,902	101,688
Lease expense on low value assets exempted from PFRS 16 classified under:			
Equipment and facilities-related expenses	2,535	15,874	20,001
Administrative and other operating expenses	12,277	7,459	15,391

8. Investment Properties

The details of investment properties are as follows:

	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



	2024		
	Land and Improvements	Building and Others	Total
Cost			
Balance at beginning of year	US\$12,458,115	US\$869,840	US\$13,327,955
Translation adjustments	(163,023)	-	(163,023)
Balance at end of year	12,295,092	869,840	13,164,932
Accumulated Depreciation and Amortization			
Balance at beginning of year	7,225,040	469,166	7,694,206
Amortization during the year	34,875	5,544	40,419
Translation adjustments	(4,368)	-	(4,368)
Balance at end of year	7,255,547	474,710	7,730,257
Net Book Value	US\$5,039,545	US\$395,130	US\$5,434,675

Land and improvements mainly include land held for capital appreciation and land improvements subject to operating leases.

Investment properties of ICTSI and IWI CTHI located in Laguna, Philippines with total carrying values of US\$3.7 million, US\$3.7 million and US\$3.5 million as of December 31, 2022, 2023 and 2024, respectively, have a fair value of ₱3.2 billion (US\$56.1 million) as at November 25, 2024 based on a valuation performed by a qualified independent appraiser whose report was dated December 13, 2024.

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, 2022, 2023 and 2024. The significant unobservable input to the valuation is the price per square meter which ranges from ₱6,500 (US\$112.4) to ₱7,100 (US\$122.7).

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 2022, US\$1.2 million in 2023 and US\$1.0 million in 2024 (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 2022, 2023 and 2024. The rent agreement covering rental-earning investment properties is renewable subject to such terms and conditions that may be agreed upon by the transacting parties yearly.

Operating expenses related to the investment property amounted to US\$0.2 million in 2022, US\$0.4 million in 2023 and US\$0.3 million in 2024, which pertains mainly to real property taxes.

9. Investments in and Advances to Joint Ventures and an Associate

This account consists of:

	2022	2023	2024
Investments in and advances to joint ventures:			
SPIA	US\$240,208,234	US\$242,974,846	US\$191,129,963
Others	10,057,465	28,527,815	29,504,186
Investment in an associate:			
ARDC	7,474,994	7,474,994	7,474,994
Less: allowance for probable losses	7,474,994	7,474,994	7,474,994
	US\$250,265,699	US\$271,502,661	US\$220,634,149



The movements and details of investments in and advances to joint ventures account are as follows:

	2022	2023	2024
Investments in joint ventures:			
Balance at beginning of year	US\$200,565,942	US\$29,548,523	US\$30,798,834
Consolidation of MNHPI (Note 1.4)	(158,441,495)	–	–
Share in other comprehensive income (loss)	(14,562,682)	1,897,039	(263,700)
Additions during the year	–	9,161,996	19,806,238
Equity in net gains (losses) during the year	1,986,758	(9,808,724)	(5,457,186)
Balance at end of year	29,548,523	30,798,834	
Advances to joint ventures (Note 23.1)	220,717,176	240,703,827	175,749,963
	US\$250,265,699	US\$271,502,661	US\$220,634,149

In April 2024, the Group received US\$55.9 million as partial repayment of the advances previously extended to its joint venture, 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.

The summarized financial information of SPIA as at and for the years ended December 31 follows:

	2022	2023	2024
Current assets ^(a)	US\$23,721,184	US\$55,117,226	US\$56,347,373
Noncurrent assets	478,921,922	463,865,946	466,751,031
Current liabilities	216,023,433	236,141,871	191,487,993
Noncurrent liabilities ^(b)	223,181,532	232,573,280	286,027,465

(a) Current assets include cash and cash equivalents amounting to US\$6.3 million, US\$30.4 million and US\$28.6 million as at December 31, 2022, 2023 and 2024, respectively.

(b) Noncurrent liabilities include deferred tax liabilities amounting to US\$5.2 million, US\$4.9 million and US\$4.5 million as at December 31, 2022, 2023 and 2024, respectively.

	2022	2023	2024
Gross revenues from port operations	US\$91,979,473	US\$81,386,226	US\$104,575,108
Operating expenses	(30,546,133)	(35,975,475)	(36,924,111)
Depreciation and amortization	(32,383,878)	(31,835,816)	(32,683,504)
Other income	9,803,236	8,850,524	8,373,012
Other expenses ^(c)	(37,157,907)	(34,133,463)	(42,566,222)
Provision for income tax	(7,334,912)	(1,462,115)	(5,459,359)
Net loss	(US\$5,640,121)	(US\$13,170,119)	(US\$4,685,076)

(c) Other expenses include interest expense on concession rights payable amounting to US\$1.2 million in 2022 and 2023, and US\$1.1 million in 2024, and interest expense on advances from SPIA Spain S.L. and PSA International Pte Ltd. (PSA) amounting to US\$12.5 million in 2022, US\$12.3 million in 2023 and US\$10.4 million in 2024.

10. Other Noncurrent Assets

This account consists of:

	2022	2023	2024
Advances to suppliers, contractors and others	US\$285,340,649	US\$125,611,366	US\$158,770,118
Input tax	6,625,610	4,705,820	2,387,985
Derivative assets (Note 27)	8,457,515	4,186,513	4,934,850
Financial assets at FVOCI	3,601,546	3,999,892	5,026,642
Restricted cash	243,271	290,066	101,483
Prepayments and others	48,719,498	57,065,819	64,883,155
	US\$352,988,089	US\$195,859,476	US\$236,104,233



Advances to Suppliers, Contractors and Others

Advances to suppliers, contractors and others mainly pertain to advance payments for the acquisition of port equipment and construction of port facilities, advance payments for future rentals and deposits for acquisitions of investments. As at December 31, 2022, 2023 and 2024, this account includes advances and deposits to suppliers and contractors and for the acquisition of investments amounting to US\$134.4 million, US\$125.6 million and US\$158.8 million, respectively (see Note 1.2).

This account 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.

Financial Assets at FVOCI

The net movement in unrealized mark-to-market gain on financial assets at FVOCI is as follows:

	2022	2023	2024
Balance at beginning of year	US\$1,445,806	US\$1,781,384	US\$2,178,008
Change in fair value of financial assets at FVOCI	335,578	396,624	1,049,552
Balance at end of year (Note 15.6)	US\$1,781,384	US\$2,178,008	US\$3,227,560



Restricted Cash

Restricted cash pertains mainly to cash deposits placed by the Group as required by concession agreements and special-purpose debt service reserves.

Prepayments and Others

This account mainly pertains 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 assets once certain requirements within the concession agreements are met and upon the effectivity of renewal of contract, respectively. In 2023, BCT's deposits/fees were reclassified to right-of-use assets. As at December 31, 2024, this account further increased mainly due to additional payment made at MICTSL.

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 properties, investments in joint ventures, 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. The Group used a discounted cash flow analysis to determine value-in-use.

Value-in-use reflects an estimate of the future cash flows that 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 such future cash flows. 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 would 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 the remaining concession period, taking into consideration the 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 weighted average cost of capital. 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 ratio, corporate tax rate and asset betas of these subsidiaries. Management assumed discount rates of 8.60 to 25.50 percent in 2022, 7.04 percent to 17.00 percent in 2023 and 7.03 percent to 13.60 percent in 2024.



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 1.40 percent to 5.50 percent in 2022, 0.14 percent to 5.88 percent in 2023, -3.49 percent to 6.11 percent in 2024, based on 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 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

Losses in respect of the impairment in value of the Group's nonfinancial assets amounting to US\$16.0 million, US\$165.3 million and nil, were recognized in 2022, 2023 and 2024, 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:

	2022	2023	2024
Cash on hand and in banks	US\$398,625,788	US\$422,117,997	US\$515,423,343
Cash equivalents	440,313,882	293,986,046	593,649,890
	US\$838,939,670	US\$716,104,043	US\$1,109,073,233

Cash in banks earn 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\$26.6 million, US\$44.3 million and US\$61.4 million for the years ended December 31, 2022, 2023, and 2024, respectively.



13. Receivables

This account consists of:

	2022	2023	2024
Trade	US\$131,865,507	US\$155,420,425	US\$158,694,847
Advances and nontrade	37,488,005	38,203,929	43,884,576
	169,353,512	193,624,354	202,579,423
Less allowance for doubtful accounts	11,442,227	11,117,129	10,089,440
	US\$157,911,285	US\$182,507,225	US\$192,489,983

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:

	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

	2024		
	Trade	Advances and Nontrade	Total
Balance at beginning of year	US\$6,564,936	US\$4,552,193	US\$11,117,129
Provision during the year	839,025	–	839,025
Write-off	–	(537,047)	(537,047)
Disposal of subsidiary (Note 1.2)	(53,425)	–	(53,425)
Translation adjustments	(745,371)	(530,871)	(1,276,242)
Balance at end of year	US\$6,605,165	US\$3,484,275	US\$10,089,440



14. Prepaid Expenses and Other Current Assets

This account consists of:

	2022	2023	2024
Short-term investments (Note 18)	US\$122,248,975	US\$155,639,325	US\$141,069,913
Input tax	24,958,611	21,744,192	39,221,307
Prepaid port fees, insurance, bonds and other expenses and deposits	14,611,938	21,341,848	30,961,227
Prepaid taxes	14,100,226	29,801,278	25,814,139
Restricted cash (Note 16)	24,794,700	13,406,894	6,875,197
Receivable from port authorities	2,207,647	2,322,489	4,520,506
Others	4,527,993	3,198,015	5,460,670
	US\$207,450,090	US\$247,454,041	US\$253,922,959

Short-term Investments

The maturity dates of short-term investments range from more than three months to 12 months.

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.

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.

Restricted Cash

Restricted cash as at December 31, 2022, 2023 and 2024 pertains to deposits placed as required by special purpose debt service reserves of VICT.

Receivable from Port Authorities

This account represents the Group's share in fees collected by the port authorities.

15. Equity

15.1 Capital Stock and Treasury Shares

The Parent Company offered its common shares at a price of P6.70 per share in its initial public offering and became listed and traded at the PSE starting on March 23, 1992.

As of December 31, 2022, 2023 and 2024, the Parent Company had 1,350, 1,388 and 1,340 stockholders on record, respectively.



The details and movements of ICTSI's capital stock and treasury shares as at and for the years ended December 31 were as follows:

	Number of Shares					
	Authorized			Issued and Subscribed		
	2022	2023	2024	2022	2023	2024
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		
	2022	2023	2024
Treasury Shares			
Balance at beginning of year	(6,567,889)	(14,836,722)	(13,189,068)
Acquisitions during the year	(10,039,250)	(306,230)	(6,596,820)
Issuances for share-based payments (Note 20)	1,770,417	1,953,884	1,823,420
Balance at end of year	(14,836,722)	(13,189,068)	(17,962,468)

	Amounts Issued and Subscribed		
	2022	2023	2024
	Preferred Stock	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\$12,481,187)	(US\$39,991,203)	(US\$38,330,159)
Acquisitions during the year	(31,810,166)	(1,064,203)	(43,165,837)
Issuances for share-based payments (Note 20)	4,300,150	2,725,247	2,549,704
Balance at end of year	(US\$39,991,203)	(US\$38,330,159)	(US\$78,946,292)

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 year-end, 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.



15.2 Preferred Shares Held by a Subsidiary

Cost of preferred shares held by a subsidiary pertains to 3,800,000 preference A shares held by ICTHI.

15.3 Non-controlling Interests

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.

15.4 Retained Earnings

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

	2022	2023	2024
Date of Board approval	March 3, 2022	March 6, 2023	March 1, 2024
Cash dividends (regular) per share	US\$0.106 (P5.56)	US\$0.156 (P8.56)	US\$0.167 (P9.35)
Cash dividends (special) per share	US\$0.008 (P0.44)	US\$0.026 (P1.44)	US\$0.029 (P1.65)
Record date	March 18, 2022	March 20, 2023	March 15, 2024
Payment date	March 28, 2022	March 28, 2023	March 25, 2024

As at December 31, 2024, the unappropriated retained earnings of the Parent Company that is available for dividend declaration amounted to US\$597.6 million.

15.5 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 5.875 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 since 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. 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).

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 listed and traded in the Singapore Stock Exchange.

On May 6, 2024, RCBV (the “Issuer”) and ICTSI (the “Guarantor”) redeemed the US\$289.8 million 4.875 percent Senior Guaranteed Perpetual Capital Securities (“Securities”). The US\$8.8 million difference between the redemption amount of US\$296.8 million and the Securities’ carrying amount of US\$288.0 million represents accrued distributions and was treated as a direct reduction in retained earnings.

15.6 Other Comprehensive Loss - net

The details of other comprehensive net loss, net of applicable tax, as at December 31 are as follows:

	2022	2023	2024
Cumulative translation adjustments*	(US\$197,653,925)	(US\$157,940,760)	(US\$294,118,823)
Unrealized mark-to-market gain (loss) on derivatives (Note 27)	11,939,939	2,955,806	10,237,603
Unrealized mark-to-market gain on financial assets at FVOCI (Note 10)	1,781,384	2,178,008	3,227,560
Business combination revaluation reserve	609,969	609,969	609,969
Share of other comprehensive gain (loss) of joint ventures (Note 9)	(12,324,570)	1,567,100	1,303,400
Remeasurement loss on defined benefit plans (Note 24)	(2,763,483)	(3,728,388)	(3,817,770)
	(US\$198,410,686)	(US\$154,358,265)	(US\$282,558,061)

*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	2022	2023	2024
<i>Medium-term Note (MTN) Programme (Note 16.2.1)</i>					
Secured fixed interest					
USD bond	ITBV	2025	US\$778,746,319	US\$390,038,269	US\$395,701,376
<i>Senior Notes^(a) (Note 16.2.2)</i>					
Unsecured fixed interest					
USD bond	ICTSI	2030	393,500,389	394,208,958	394,962,234
Secured fixed interest US dollar bond	ITBV	2031	291,030,916	291,894,478	292,792,063
<i>US dollar and Foreign Currency-denominated Term Loans and Securities (Note 16.2.3)</i>					
Unsecured fixed interest					
USD term loan ^(b)	ICTSI	2029	–	297,850,744	745,651,308
Secured fixed interest					
USD term loan ^(b)	IGFBV	2026	265,907,302	257,212,034	248,516,767
Secured fixed interest					
AUD bond	VICT	2039	243,126,579	270,261,192	245,640,198
Unsecured floating interest					
USD term loan	ICTSI	2032	–	–	99,247,854
Secured floating interest					
IDR term loan	EJD	2029	–	–	47,310,037
Secured fixed interest					
USD term loans	IDRC	2025	30,000,000	18,000,000	6,000,000
Secured floating interest					
PGK term loan	SPICTL	2026	6,777,423	9,916,243	4,127,597
Secured fixed interest					
USD term loans	CGSA	2027	6,850,649	5,480,520	4,110,390
Secured floating interest					
NGN term loan	ICTSI Nigeria	2028	–	2,717,284	1,353,168
Secured floating interest					
PGK term loan	MITL	2026	8,095,576	4,503,001	1,238,329
Secured fixed interest					
BRL term loans	CLIA Pouso Alegre	2026	–	738,425	168,100
Secured floating interest					
PHP Term loan	MHCPSI	2029	109,812,265	89,604,863	–
Total			2,133,847,418	2,032,426,011	2,486,819,421
Less current portion			439,893,717	42,389,052	414,944,295
Long-term debt, net of current portion			US\$1,693,953,701	US\$1,990,036,959	US\$2,071,875,126

^(a) The Senior Notes were offered in offshore transactions outside the United States of America in reliance on Regulation S under the United States 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.

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 in 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 10-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 -fixed interest loan. The loan has been drawn down under the US\$750.0 million six-year term loan facility agreement, with interest rate based on six-month term Secured Overnight Financing Rate (SOFR) plus an agreed margin. The proceeds of the loan were used to refinance the short-term and long-term loans. ICTSI entered into an interest rate swap to hedge the interest rate exposure of this loan (see Note 27.4).

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 SOFR plus an agreed margin. The loan is unconditionally and irrevocably guaranteed by ICTSI (“secured”).

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 and 14) and guaranteed by IOBV (“secured”).

ICTSI -floating rate loan. The US\$100.0 million loan has been drawn down under the US\$500.0 million eight-year term loan facility agreement, with interest rate based on six-month term SOFR plus an agreed margin.

EJD. In 2024, EJD made various drawdowns from the five-year term loan facility with principal of IDR767.0 billion and interest based on 3-month JIBOR plus an agreed margin. The loan is unconditionally and irrevocably guaranteed by ICTSI (“secured”).

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 loans are 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).

MHCPSI. The loan was prepaid in full on December 14, 2024.

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, 2024, ICTSI and subsidiaries were in compliance with their loan covenants.

Interest expense for long-term debt, net of amount capitalized as intangible assets and property and equipment, presented as part of “Interest expense and financing charges on borrowings” account in the consolidated statements of income, amounted to US\$121.4 million in 2022, US\$117.6 million in 2023 and US\$154.2 million in 2024 (see Note 6). Amortization of debt issuance costs, discount and premium included in the “Interest expense and financing charges on borrowings” account in the consolidated statements of income amounted to US\$8.3 million in 2022, US\$8.8 million in 2023 and US\$9.9 million in 2024.

17. **Other Noncurrent Liabilities**

This account consists of:

	2022	2023	2024
Retirement liabilities (Note 24)	US\$17,609,972	US\$19,046,193	US\$18,640,759
Accrued taxes and others (Note 19)	10,147,289	10,939,692	3,643,451
Derivative liability (Note 27)	–	10,316,934	–
Government grant	1,116,649	–	–
Others (Note 1.4)	7,643,320	6,854,482	11,884,840
	US\$36,517,230	US\$47,157,301	US\$34,169,050

Accrued Taxes and Others

Accrued taxes and others as at December 31, 2022, 2023, and 2024 include the noncurrent portion of customs duties payable in relation to the importation of port equipment in CGSA amounting to US\$7.4 million, US\$8.5 million, and US\$1.7 million, respectively.



18. Loans Payable

A summary of outstanding balance of loans payable as at December 31 is presented below:

	Company	2022	2023	2024
Secured fixed interest JPY loan ^(a)	ICTSI	US\$–	US\$–	US\$155,597,965
Unsecured floating interest PGK loan ^(b)	SPICTL	–	2,681,325	4,953,315
Unsecured floating interest PGK loan ^(b)	MITL	–	2,681,324	4,953,315
Secured fixed interest USD loan ^(c)	CGSA	–	–	2,000,000
Secured fixed interest USD loan ^(d)	ICTSI Ltd.	110,000,000	134,200,000	–
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	–	–
		US\$337,020,000	US\$139,562,649	US\$167,504,595

^(a) ICTSI availed of short-term loans amounting to JPY24.5 billion with a tenor of one year. ICTSI entered into cross-currency swaps to hedge the foreign exchange exposure of these loans (see Note 27.4). The facility is secured by short-term investments held by CMSA amounting to MXN2.9 billion (US\$140.7 million) as of December 31, 2024

^(b) The PGK-denominated short-term loans bear interest based on the lending bank's published Indicator Lending Rate minus an agreed margin.

^(c) The loan is unconditionally and irrevocably guaranteed by ICTSI ("secured").

^(d) 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. On January 17, 2024, ICTSI Ltd. availed of a short-term loan amounting to US\$104.5 million at a fixed interest rate. The loan was repaid in March 2024. ICTSI Ltd. paid off US\$134.2 million short-term loans availed during 2023.

Interest expense incurred related to the loans payable amounted to US\$5.0 million in 2022, US\$22.8 million in 2023 and US\$5.1 million in 2024.

19. Accounts Payable and Other Current Liabilities

This account consists of:

	2022	2023	2024
Trade (Note 23)	US\$197,323,205	US\$206,633,780	US\$247,854,103
Accrued expenses:			
Salaries and benefits	44,414,595	46,459,838	43,932,935
Output and other taxes	34,742,447	40,889,610	42,135,068
Interest (Notes 16 and 18)	24,082,009	23,893,273	26,048,694
Operating expenses and others	27,727,688	26,150,349	22,627,659
Customers' deposits	23,339,221	24,226,792	28,663,146
Provisions for claims and losses (Note 26)	19,673,523	21,319,416	15,660,806
Dividends payable	4,691,812	5,391,163	8,850,093
Others	16,334,536	17,171,302	15,734,942
	US\$392,329,036	US\$412,135,523	US\$451,507,446

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:

	2022	2023	2024
Balance at beginning of year	US\$18,480,698	US\$19,673,523	US\$21,319,416
Provision during the year	7,917,220	8,002,164	4,590,645
Settlement and reversal during the year (Note 21.1)	(6,018,611)	(7,110,345)	(9,011,949)
Translation adjustment	(705,784)	754,074	(1,237,306)
Balance at end of year	US\$19,673,523	US\$21,319,416	US\$15,660,806

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 10 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 Parent 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, 2024, there were 55,950,099 ICTSI common shares granted in aggregate under the SIP since it became effective in 2007. A portion of ICTSI common shares held under treasury are allotted for the SIP.

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 the Group for the past three years are shown below:

Grant Date	Number of Shares Granted	Fair Value per Share at Grant Date
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)
March 1, 2024	1,978,205	US\$5.06 (₱283.20)
March 25, 2024	153,920	US\$5.62 (₱317.19)

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 2022, 2023 and 2024 follow:

	2022	2023	2024
Balance at beginning of year	4,190,194	4,176,507	4,285,683
Stock awards granted	1,756,730	2,436,272	2,132,125
Stock awards vested, issued and cancelled	(1,770,417)	(2,327,096)	(1,823,420)
Balance at end of year	4,176,507	4,285,683	4,594,388

Share-based payment expense presented as part of manpower costs in the consolidated statements of income amounted to US\$5.6 million in 2022, US\$6.3 million in 2023 and US\$8.8 million in 2024. A corresponding increase in additional paid-in capital, net of applicable tax, was also recognized in the consolidated statements of changes in equity.

21. Income and Expenses

21.1 Other Income

This account consists of:

	2022	2023	2024
Gain on settlement of insurance and other claims (Note 26)	US\$569,790	US\$1,819,405	US\$21,780,130
Rental income (Note 8)	4,614,328	3,419,237	3,707,638
Reversal of accrued taxes and other accruals (Note 19)	826,147	760,453	3,318,254
Gain on disposal of property and equipment	581,085	210,597	2,945,038
Dividend income	3,774	4,534	1,143,870
Tax refund	292,340	328,484	416,012
Income from amortization of government grant (Note 17)	2,481,775	1,116,469	–
Mark-to-market gain on derivatives - net (Note 27)	1,156,578	91,721	–
Gain on disposal of a subsidiary (Note 1.2)	2,238,020	–	–
Income from auction of overstaying cargoes and miscellaneous income	6,232,033	15,336,557	3,643,453
	US\$18,995,870	US\$23,087,457	US\$36,954,395



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

	2022	2023	2024
Management fees (Note 23.1)	US\$4,455,196	US\$5,051,010	US\$4,819,316
Covid-19 related and restructuring and separation costs (Note 19)	14,126,267	894,150	2,869,300
Write-off of debt issuance costs and other financing charges (Note 16.2.3)	3,292,384	2,377,620	2,348,586
Loss on disposal of property and equipment (Note 6)	406,157	1,838,967	442,367
Loss on disposal of a subsidiary (Note 1.2)	–	–	1,639,535
Unutilized taxes and other expenses	33,277,662	14,088,190	14,654,406
	US\$55,557,666	US\$24,249,937	US\$26,773,510

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.

Unutilized 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:

	2022	2023	2024
Deferred tax assets on:			
Right-of-use asset and lease liability under PFRS 16	US\$160,196,755	US\$178,854,736	US\$132,970,104
Unrealized foreign exchange losses	111,427,956	85,578,716	98,315,964
Intangible assets and concession rights payable under IFRIC 12	43,882,916	48,088,431	47,456,861
NOLCO	54,312,358	57,193,730	37,193,276
Accrued retirement cost and other expenses	3,959,625	6,885,336	8,032,283
Share-based payments	1,430,651	1,504,289	2,265,298
Allowance for doubtful accounts and other provisions	2,136,037	1,871,132	1,887,130
Allowance for obsolescence	753,642	768,338	753,746
Unrealized mark-to-market loss on derivatives	–	14,804,555	666,844
Others	14,785,663	13,104,016	14,334,025
	US\$392,885,603	US\$408,653,279	US\$343,875,531
Deferred tax liabilities on:			
Excess of fair value over book value of net assets of acquired subsidiaries	US\$96,919,367	US\$100,833,854	US\$87,079,296
Accelerated depreciation and translation difference between functional and local currency	80,831,850	87,266,969	77,571,905
Difference in depreciation and amortization periods of port infrastructure classified as concession rights	34,069,554	37,687,623	40,033,903
Undistributed earnings of subsidiaries	10,143,648	14,968,698	26,547,534
Nonmonetary assets	9,168,524	7,588,451	10,445,716
Capitalized borrowing costs	8,774,347	8,429,825	6,622,734
Unrealized foreign exchange gains	3,174,378	3,199,094	2,761,976
Unrealized mark-to-market gain on derivatives	11,654,263	2,912,045	1,908,666
Others	7,609,729	10,635,975	9,180,277
	US\$262,345,660	US\$273,522,534	US\$262,152,007



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\$108.3 million, US\$82.4 million and US\$95.6 million as at December 31, 2022, 2023 and 2024, respectively, mainly pertains to Parent Company.

Deferred tax assets on NOLCO of certain subsidiaries 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 on remeasurement gains and losses on defined benefit plans in other comprehensive income amounting to US\$0.2 million in 2022, US\$0.3 million in 2023 and US\$0.1 million in 2024.

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:

	2022	2023	2024
Income tax expense computed at statutory tax rates applicable to the Parent Company and each subsidiary	US\$171,852,820	US\$189,162,161	US\$307,614,284
Add (deduct):			
Income tax incentives	(20,875,976)	(34,226,901)	(46,917,823)
Nondeductible tax losses of subsidiaries	3,433,549	4,752,844	11,529,666
Interest income already subjected to final tax	(781,684)	(1,295,584)	(4,572,611)
Unallowable interest expense	2,050,475	143,229	1,010,600
Others	(3,021,551)	7,879,938	1,379,029
Provision for income tax	US\$152,657,633	US\$166,415,687	US\$270,043,145



23. Related Party Transactions

23.1 Transactions with the Shareholders and Affiliates

Related Party	Relationship	Nature of Transaction	2022		2023		2024	
			Transaction Amount ⁽ⁱ⁾	Outstanding Receivable (Payable) Balance	Transaction Amount ⁽ⁱ⁾	Outstanding Receivable (Payable) Balance	Transaction Amount ⁽ⁱ⁾	Outstanding Receivable (Payable) Balance
<i>(In Millions)</i>								
SPIA Spain S.L.								
SPIA	Joint venture	Interest-bearing loans (including interest converted into interest-bearing loan) (Note 9) ⁽ⁱⁱ⁾	US\$–	US\$197.34	US\$9.11	US\$206.45	US\$8.51	US\$156.20
		Interest receivable ⁽ⁱⁱⁱ⁾	12.46	5.96	13.68	6.18	11.53	6.92
YICT								
Yantai Port Holdings (YPH)	Non-controlling shareholder	Trade transactions ⁽ⁱⁱⁱ⁾	0.45	(0.04)	0.90	(0.11)	3.27	(0.05)
Yantai Port Container Terminal Ltd. (YPHT)	Common shareholder	Outsourced services ^{iv}	5.96	0.90	5.35	0.93	5.71	0.56
Yantai Port Group (YPG)	Common shareholder	Port fees ^(v)	3.71	1.00	3.43	0.83	3.20	0.46
		Trade transactions ⁽ⁱⁱⁱ⁾	2.47	(0.08)	2.10	–	0.12	–
SCIPSI								
Asian Terminals, Inc.	Non-controlling shareholder	Management fees	0.13	(0.01)	0.15	0.01	0.02	(0.01)
AGCT								
Luka Rijeka D.D. (Luka Rijeka)	Non-controlling shareholder	Provision of services ^(vi)	0.78	(0.28)	1.28	(0.11)	0.30	–
PICT								
Bilal Associates (Pvt) Limited	Common shareholder	Stevedoring and storage charges ^(vii)	0.36	(0.01)	0.28	–	–	–
		Container handling revenue ^(vii)	0.08	–	0.02	–	–	–
Bay West (Pvt) Ltd	Common shareholder	Container handling revenue ^(vii)	–	–	0.04	–	–	–
LGICT								
NCT Transnational Corp.	Non-controlling shareholder	Management fees	0.45	(0.07)	0.32	(0.07)	0.10	–
		Maintenance and repairs	0.11	(0.03)	0.09	(0.03)	0.06	(0.01)
		Trade transactions	0.02	(0.01)	–	–	–	–
IDRC								
Ledyá SARL	Non-controlling shareholder	Management fees	3.60	–	3.60	(0.90)	3.60	–
		Loans ^(viii)	–	–	3.06	–	–	–
Parent Company								
Prime Metro BMD Corporation	Common shareholder	Construction services ^(ix)	3.32	(0.13)	6.68	(2.02)	14.58	(13.23)
		Dredging services ^(ix)	2.31	–	2.55	(0.01)	4.09	–
		Sublease ^(x)	–	0.09	–	0.08	–	(0.07)
Prime Metro Power Holdings Corporation	Common shareholder	Reimbursement of operating expenses	0.02	0.08	0.01	0.07	–	0.07
		Sublease ^(x)	–	(0.01)	–	(0.01)	–	(0.01)
Prime Metroline	Common shareholder	Reimbursement of operating expenses	0.09	0.04	0.04	0.01	–	0.01

(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. The funds were used by SPIA to finance the construction of its terminal and its start-up operations in Colombia.

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

(iv) YPHT outsources its domestic container terminal business to YICT.

(v) 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 YPG are presented as part of "Port authorities' share in gross revenues" in the consolidated statement of income. Outstanding payable to YPG related to these port charges are presented under "Accounts payable and other current liabilities" account in the consolidated balance sheet.

(vi) 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.

(vii) PICT has entered into an agreement with 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.

(viii) In April 2023, IDRC entered into a shareholder loan agreement with Ledyá SARL. The loan was settled in June 2023.

(ix) ICTSI has entered into contracts with Prime Metro BMD Corporation for the construction, dredging works, and repairs and maintenance 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.



Related Party	Relationship	Nature of Transaction	2022		2023		2024	
			Transaction Amount ⁽ⁱ⁾	Outstanding Receivable (Payable) Balance	Transaction Amount ⁽ⁱ⁾	Outstanding Receivable (Payable) Balance	Transaction Amount ⁽ⁱ⁾	Outstanding Receivable (Payable) Balance
<i>(In Millions)</i>								
Infrastructure Holdings Corporation		Sublease ^(xi)	US\$–	US\$0.07	US\$–	(US\$0.04)	US\$–	US\$0.05
FAMI	Joint Venture	Sale of asset ^(xi)	–	–	0.75	0.56	–	–
		Reimbursement of operating expenses	0.04	0.42	0.01	0.45	–	0.07
ACTSI	Joint Venture	Management fees	0.28	(0.19)	1.79	(0.31)	2.18	(0.38)
		Lease of asset ^(xii)	–	–	–	–	15.54	(15.38)
ICTSI Ltd.								
FAMI	Joint Venture	Interest-bearing loans ^(xiii)	–	1.56	–	–	–	–
		Interest receivable	0.08	0.27	0.04	–	–	–
		Working capital advances	0.09	0.09	0.14	0.14	0.33	0.33
ACTSI	Joint Venture	Interest-bearing loans ^(xiv)	3.01	13.71	1.27	8.79	0.55	9.34
		Interest receivable	0.51	0.63	0.49	0.71	0.32	1.03
IW Cargo Handlers, Inc.								
ACTSI	Common shareholder	Sale of asset ^(xv)	–	–	17.20	17.20	0.46	–
ROHQ								
MNHPI (consolidated effective September 8, 2022)	Common shareholder	Professional fees	0.33	–	–	–	–	–

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, 2022, 2023 and 2024, 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:

	2022	2023	2024
Short-term employee benefits	US\$1,479,571	US\$1,449,844	US\$1,436,241
Post-employment employee benefits	32,013	34,248	31,151
Share-based payments	2,214,296	1,284,930	1,905,158
Total compensation to key management personnel	US\$3,725,880	US\$2,769,022	US\$3,372,550

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

(xii) On November 29, 2024, ICTSI and ACTSI entered into an agreement for the lease of transportation equipment with a term of 10 years.

(xiii) These loans have a term of five years and bear a fixed interest rate. In 2023, the outstanding balance of loans and interest were converted to capital investment.

(xiv) These loans were obtained through a series of issuances with terms ranging from five to 12 years from their respective issuance dates, and bear fixed interest rates.

(xv) 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 receivable was settled in September 2024.



24. Retirement Plans

Defined Benefit Plans

Some subsidiaries 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:

	2022	2023	2024
Retirement benefit liabilities (presented as part of "Other noncurrent liabilities")			
Asia	US\$7,733,855	US\$8,098,191	US\$7,608,942
EMEA	3,698,340	3,759,204	3,963,728
Americas	6,177,777	7,188,798	7,068,089
	US\$17,609,972	US\$19,046,193	US\$18,640,759

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.

	2022	2023	2024
Retirement benefits expense:			
Current service cost	US\$2,719,241	US\$2,280,227	US\$2,438,195
Net interest cost	601,255	629,291	624,159
Past service cost	134,269	30,524	326,310
Settlement loss	–	323,524	158,010
	US\$3,454,765	US\$3,263,566	US\$3,546,674
Retirement benefit liabilities:			
Present value of defined benefit obligation	US\$27,211,148	US\$29,751,568	US\$32,931,644
Fair value of plan assets	(9,601,176)	(10,705,375)	(14,290,885)
	US\$17,609,972	US\$19,046,193	US\$18,640,759

	2022	2023	2024
Changes in the present value of the defined benefit obligation:			
Balance at beginning of year	US\$24,467,525	US\$27,211,148	US\$29,751,568
Effect of business combination	3,621,259	–	–
Current service cost	2,719,241	2,280,227	2,438,195
Interest cost	1,054,936	1,107,270	1,182,657
Actuarial loss (gain)	(1,628,313)	929,486	1,574,940
Past service cost	134,269	30,524	326,310
Benefits paid	(1,415,913)	(3,078,528)	(2,539,046)
Settlement loss	–	323,524	158,010
Translation adjustment	(1,643,954)	1,015,906	197,264
Net released liability due to employee transfers	(97,902)	(67,989)	(158,254)
Balance at end of year	US\$27,211,148	US\$29,751,568	US\$32,931,644
Changes in fair value of plan assets:			
Balance at beginning of year	US\$10,211,098	US\$9,601,176	US\$10,705,375
Effect of business combination	884,690	–	–
Interest income	453,681	477,979	558,498
Actuarial gain (loss)	(1,090,844)	520,469	1,466,220
Benefits paid	(172,707)	(2,067,856)	(1,487,435)
Actual contributions	235,829	2,699,696	2,720,883
Translation adjustment	(920,571)	(526,089)	327,344
Balance at end of year	US\$9,601,176	US\$10,705,375	US\$14,290,885

The Group expects to contribute US\$4.8 million to the retirement plans of the Parent Company and its subsidiaries next year.



The principal assumptions used in determining the Group's defined benefits obligation are shown below (in percentage):

	2022	2023	2024
Discount rate			
Asia	6.80% - 7.45%	6.06% - 6.15%	6.04% - 6.17%
EMEA	3.40% - 5.98%	3.40% - 10.28%	3.40% - 11.54%
Americas	5.15% - 9.01%	5.83% - 9.45%	5.27% - 10.39%
Future salary increases			
Asia	3.00% - 8.00%	3.00% - 6.00%	3.00% - 9.00%
EMEA	5.00% - 7.00%	3.00% - 5.00%	3.00% - 5.00%
Americas	2.00% - 5.50%	1.40% - 5.50%	1.41% - 6.00%

A quantitative sensitivity analysis for significant assumptions as at December 31, 2024 is shown below (amounts in millions):

Sensitivity level	Discount rate		Future salary increases	
	-1%	+1%	-1%	+1%
Impact on the net defined benefit obligation	US\$1.3	(US\$1.2)	(US\$1.3)	US\$1.4

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:

	2022	2023	2024
Within the next 12 months	US\$5,577,336	US\$4,762,567	US\$5,440,912
Between 1 and 5 years	6,264,347	5,849,960	6,695,284
Between 5 and 10 years	9,072,611	8,741,179	10,323,910
Beyond 10 years	36,172,501	40,021,074	59,177,814
Total expected payments	US\$57,086,795	US\$59,374,780	US\$81,637,920

The average duration of the defined benefit plan obligations as at December 31, 2024 is 15 years.

Certain benefit retirement plans are funded and administered by various trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

The following table presents the carrying amounts and fair values of the combined assets of the plans less liabilities:

	2022	2023	2024
Cash and cash equivalents	US\$1,403,678	US\$577,966	US\$511,766
Investments in debt securities	1,755,810	2,505,089	2,605,417
Investments in government securities	4,285,743	5,323,204	7,249,178
Investments in equity securities	2,100,943	2,225,159	3,764,524
Others	62,474	79,877	167,017
	9,608,648	10,711,295	14,297,902
Liabilities	(7,472)	(5,920)	(7,017)
	US\$9,601,176	US\$10,705,375	US\$14,290,885



The plan assets' carrying amounts approximate their fair values 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;
- Investments in equity securities include investment in shares of stock of ICTSI amounting to US\$1.5 million, US\$1.8 million and US\$2.6 million as at December 31, 2022, 2023 and 2024, respectively. For the years ended December 31, 2022, 2023 and 2024, mark-to-market gain arising from investment in ICTSI shares amounted to US\$1.0 million, US\$1.4 million and US\$2.3 million, respectively. The voting rights over the equity securities are exercised by the authorized officers of the Parent Company;
- Other financial assets held by these plans are primarily accrued interest income on cash deposits and debt securities held by the plan; and
- Liabilities of the plan pertain to trust fee payable and retirement benefits payable.

Defined Contribution Plans

For the years ended December 31, 2022, 2023 and 2024, contributions to defined contribution plans by certain subsidiaries recognized as expense under manpower costs amounted to US\$4.0 million, US\$3.6 million and US\$4.5 million, respectively.

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, MICTSI (starting December 2024), 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\$10.9 million as at December 31, 2024). 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 (15th) 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 La Societe de Gestion Immobiliere Lengo (SIMOBILE) for the establishment and formation of a joint venture company, IDRC. IDRC, which was 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 Societe Commerciale Des Transports Et Des Ports S.A. (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 became 52% owned 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 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.

On September 30, 2023, ILWU 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 ICTSI Oregon received payment of US\$20.5 million in March 2024. The settlement arises from the parties' participation in several days of mediation during ILWU's chapter 11 bankruptcy case, which has been voluntarily dismissed as part of the terms of the settlement. The dismissal order of the damage case filed by ICTSI Oregon in the federal court has become final.

The Group recorded the receipt of the US\$20.5 million proceeds described above as part of "Other income" account in the consolidated statement of income.

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. On May 6, 2024, the Court issued an Order dismissing the application for a new venue and maintaining that the proceedings in the instant suit be stayed by the December 16, 1998 Order. The case is now considered closed.

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.

TSSA

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\$1.5 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 International Ship and Port Facility Security (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\$1.2 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 to date.

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 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\$3.7 million). It was also requested that the Port Authority refund to ICTSI Rio the amount of BRL16.8 million (US\$2.7 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. In October 2024, the Ministry of Ports issued a favorable opinion on the agreement and a resolution process is in progress.

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. On April 15, 2024, Consent Orders were issued by the National Court stating that ICCC had no power under the Prices Regulation Act to conduct the Review or to make Price Orders.



Arbitration against Republic of Honduras

The arbitration requested by ICTSI and its subsidiary in Honduras, Operadora Portuaria Centroamericana, S.A. de C.V. (OPC), against the Republic of Honduras were both registered by the International Centre for Settlement of Investment Disputes (ICSID) in August 2024. This was due to the sovereign decision of Honduras to denounce the ICSID treaty on February 24, 2024. In the arbitration proceedings, ICTSI and OPC alleged that the Republic of Honduras has breached certain obligations. There is no impact to day-to-day operations. ICTSI and OPC are open to further discussions with the Government of Honduras to seek appropriate solutions.

CGSA

On May 31, 2024, Termiport Terminales Portuarios S.A. filed a lawsuit against CGSA, alleging breach of contract following CGSA's termination of their technical services agreement on February 26, 2024. This agreement was originally signed on June 1, 2018. Termiport is seeking a US\$5.0 million settlement. CGSA filed its response to the lawsuit in November 2024, and the presiding judge has yet to acknowledge and schedule a preliminary hearing for the involved parties.

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:

	2022		2023		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities						
Long-term debt	US\$2,133,847,418	US\$2,038,570,875	US\$2,032,426,011	US\$2,007,223,661	US\$2,486,819,421	US\$2,432,686,843
Concession rights payable	754,416,745	757,152,346	757,017,239	841,774,839	761,853,615	710,843,946

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 liabilities ranging from 3.42 to 20.77 percent in 2022, 2.93 to 14.23 percent in 2023 and 3.20 to 16.01 percent in 2024.

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.



27.2 Fair Value Hierarchy

The following tables below present the fair value hierarchy of the Group's financial instruments as at December 31:

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
2024				
	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\$14,409,113	US\$–	US\$14,409,113	US\$–
Derivative liabilities	14,205,756	–	14,205,756	–
Financial assets at FVOCI	4,368,112	4,368,112	–	–
Liabilities for which fair values are disclosed:				
Long-term debt	2,432,686,843	1,062,855,000	–	1,369,831,843
Concession rights payable	710,843,946	–	–	710,843,946

In 2022, 2023 and 2024, 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 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 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, an annual fixed interest 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 at IGFBV as at December 31:

	Cumulative Gain (Loss)	Presented in the consolidated balance sheet as:	
		Current Derivative Asset (Liability)	Noncurrent Derivative Asset (Liability)
2022	US\$14,929,235	US\$6,471,720	US\$8,457,515
2023	11,264,874	7,078,360	4,186,513
2024	7,375,930	5,230,734	2,145,196

The effective portion of the change in the fair value of the interest rate swap amounting to US\$21.1 million, net of US\$7.2 million deferred tax; US\$2.7 million, net of US\$0.9 million deferred tax; and US\$2.9 million, net of US\$1.0 million deferred tax, for the years ended December 31, 2022, 2023 and 2024, respectively, were taken to other comprehensive loss under equity.

In September 2023 and January 2024, ICTSI entered into interest rate swap transactions to hedge the interest rate exposure of the floating rate facility maturing in 2029. A total notional amount of US\$750.0 million floating rate loan was swapped to a fixed rate. Under the interest rate swap arrangements, fixed interest will be paid, and floating interest based on six-month term SOFR will be received.

The following table presents the market valuation on the outstanding interest rate swap at ICTSI as at December 31:

	Cumulative Gain (Loss)	Presented in the consolidated balance sheet as:	
		Current Derivative Asset (Liability)	Noncurrent Derivative Asset (Liability)
2023	(7,196,992)	3,119,942	(10,316,934)
2024	7,033,183	4,243,529	2,789,654

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 other comprehensive loss under equity. The effective portion of the change in the fair value of the interest rate swaps amounting to US\$10.7 million, net of US\$3.6 million deferred tax, for the year ended December 31, 2024, was taken to other comprehensive income under equity.

Cross-Currency Swaps. On March 22, 2024, ICTSI entered into a cross-currency swap transaction to hedge the foreign currency exposure on the Group's JPY15.9 billion short-term loan facility maturing on March 21, 2025. Under the cross-currency swap, ICTSI sells JPY15.9 billion for value on March 22, 2024 on the near leg and buys JPY16.1 billion for value on March 18, 2025 on the far leg. The notional amount of the cross-currency swap equals that of the loan. On June 7, 2024, ICTSI entered into a cross-currency swap transaction to hedge the foreign currency exposure on the Group's JPY8.6 billion short-term loan facility maturing on March 21, 2025. Under the cross-currency swap, ICTSI sells JPY8.6 billion for value on June 7, 2024 on the near leg and buys JPY8.7 billion for value



on March 18, 2025 on the far leg. The notional amount of the cross-currency swap equals that of the loan. As at December 31, 2024, the market valuation gain on the outstanding cross-currency swaps amounted to US\$14.2 million, reflected in the consolidated balance sheet as derivative liabilities and classified as current. The effective portion of the change in fair value of the cross-currency swaps amounting to US\$5.3 million, net of US\$1.8 million deferred tax, for the year ended December 31, 2024, was taken to other comprehensive loss under equity. Foreign exchange gain on the loan amounting to US\$5.3 million, net of US\$1.8 million deferred tax, for the year ended December 31, 2024 was taken to other comprehensive income under equity. No ineffectiveness was recognized in the consolidated statements of income for the year ended December 31, 2024.

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, 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 or loss through depreciation. As at December 31, 2023 and 2024, the net accumulated foreign exchange gain and loss on the US dollar bank deposits totaling US\$3.5 million loss and US\$47.8 thousand gain, respectively, were taken to other comprehensive income under equity. For the years ended December 31, 2023 and 2024, foreign exchange loss on the US dollar bank deposits amounting to US\$1.9 million and US\$1.8 million, respectively, associated to the settlement of hedged purchase contracts was reclassified to property and equipment account. No ineffectiveness was recognized in the consolidated statements of income for the year ended December 31, 2023 and 2024.

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 or loss upon occurrence of the forecasted revenue. As at December 31, 2023 and 2024, foreign currency translation loss on the USD-denominated payable aggregating to US\$16.4 million and US\$16.8 million was taken to other comprehensive loss under equity, respectively.

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 or loss upon occurrence of the forecasted revenue. As at December 31, 2023 and 2024, foreign currency translation loss on the PLN-denominated lease liability designated as cash flow hedge aggregating to US\$10.6 million and US\$2.9 million, respectively, were taken to other comprehensive loss under equity. No ineffectiveness was recognized in the consolidated statement of income for the year ended December 31, 2023 and 2024.

ICTSI designated its PHP-denominated concession rights payable relating to the new concession contract for ICPC amounting to PHP1.3 billion (US\$22.2 million) to hedge the currency risk on its forecasted PHP-denominated revenues from operating the ICPC. 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 or loss upon occurrence of the forecasted revenue. As at December 31, 2024, foreign currency translation loss on concession rights payable aggregating to US\$217.4 thousand, net of US\$72.5 thousand deferred tax, was taken to other comprehensive loss under equity. No ineffectiveness was recognized in the consolidated statement of income for the year ended December 31, 2024.



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.

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 various countries. 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 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, Australian Dollar, Indonesian Rupiah, Papua New Guinean Kina, Japanese Yen, Philippine Peso, Euro, Nigerian Naira, and Brazilian Real 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:

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		Net Debt*	
						(In Original Currency)	(In US Dollar)		
Liabilities									
Long-term Debt and Loans Payable									
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		Net Debt*	
						(In Original Currency)	(In US Dollar)		
Liabilities									
Long-term Debt and Loans Payable									
Floating Rate:									
PGK Loan	ANZ ILR* less 6.45%	56,380,000	7,500,000	5,000,000	5,000,000	–	PGK73,880,000	US\$19,809,626	US\$19,781,893
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	PHP4,900,000,000	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	–	NGN2,500,000,000	US\$2,742,190	US\$2,717,284

2024

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		Net Debt*	
						(In Original Currency)	(In US Dollar)		
Liabilities									
Long-term Debt and Loans Payable									
Floating Rate:									
USD Loan	6M Term SOFR + 100 bps + tax	–	–	–	–	100,000,000	US\$100,000,000	US\$100,000,000	US\$99,247,854
IDR Loan	3-month JIBOR + 80 bps	–	–	–	767,000,000,000	–	IDR767,000,000,000	US\$47,545,252	US\$47,310,037
PGK Loan	ANZ ILR* less 6.45%	61,666,000	–	–	–	–	PGK61,666,000	US\$15,272,556	US\$15,272,556
NGN Loan	18% per annum, adjustable based on Nigeria money market rate changes	1,112,603,382	724,383,540	271,682,939	–	–	NGN2,108,669,860	US\$1,365,648	US\$1,353,168

*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 reasonably possible changes in interest rates, with all other variables held constant, of the Group'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):

	Increase/Decrease in Interest Rates (%)	Effect on Income Before Income Tax		
		2022	2023	2024
Loans	+1.0	(US\$1.3)	(US\$1.1)	(US\$1.6)
	-1.0	1.3	1.1	1.6

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. 31 percent, 8 percent and 22 percent of the Group's total borrowings, gross of debt issuance costs as at December 31, 2022, 2023 and 2024 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).

	2022					Total
	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	
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
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 and provisions for claims and losses.

	2023					Total
	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	
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 and provisions for claims and losses.



	2024					Total
	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	
Long-term debt	US\$4.9	US\$8.1	US\$406.8	US\$1,106.1	US\$985.4	US\$2,511.3
Accounts payable and other current liabilities*	289.6	30.2	45.2	–	–	365.0
Other noncurrent liabilities*	–	–	–	11.9	–	11.9
Loans payable	155.6	6.9	5.0	–	–	167.5
Derivative liabilities	14.2	–	–	–	–	14.2
Concession rights payable	20.5	21.3	40.9	427.9	1,072.3	1,582.9
Lease liabilities	44.0	44.9	88.5	912.0	2,370.1	3,459.5
Total	US\$528.8	US\$111.4	US\$586.4	US\$2,457.9	US\$4,427.8	US\$8,112.3

*Excludes statutory 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\$398.6 million, US\$422.1 million and US\$515.4 million as at December 31, 2022, 2023 and 2024, respectively. Furthermore, cash equivalents, amounting to US\$440.3 million, US\$294.0 million and US\$593.6 million as at December 31, 2022, 2023 and 2024, respectively, may also be used to manage liquidity.

Changes in Liabilities Arising from Financing Activities

	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 PFRS 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 PFRS 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, 2023	Cash flows	Foreign exchange movement	Translation Adjustment	Changes in fair values	Others*	December 31, 2024
Long-term debt	US\$2,032,426,011	US\$476,878,230	US\$–	(US\$32,551,079)	US\$–	US\$10,066,259	US\$2,486,819,421
Lease liabilities	1,612,899,721	(181,663,756)	(7,917,514)	(225,290,863)	–	306,828,575	1,504,856,163
Concession rights payable	757,017,239	(84,214,510)	(676,605)	27,626,659	–	62,100,832	761,853,615
Accrued interest	23,893,273	(148,405,100)	–	(284,225)	–	150,844,746	26,048,694
Derivative liability	10,316,934	–	–	–	(105,083,811)	108,972,633	14,205,756
Loans payable	139,562,649	35,592,096	25,950	(7,676,100)	–	–	167,504,595
Dividends payable	5,391,164	(454,276,765)	(212,966)	(799,594)	–	458,748,254	8,850,093
Total liabilities from financing activities	US\$4,581,506,991	(US\$356,089,805)	(US\$8,781,135)	(US\$238,975,202)	(US\$105,083,811)	US\$ 1,097,561,299	US\$4,970,138,337

* Others include capitalization of fixed fees under IFRIC 12, remeasurement of present value of fixed fees under PFRS 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\$8.0 million, net foreign exchange loss amounting to US\$6.7 million and net foreign exchange gain amounting to US\$11.5 million arising from net foreign currency-denominated financial assets and liabilities for the years ended December 31, 2022, 2023 and 2024, 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, Australian dollar, and Euro.

The following table shows the Group's significant foreign currency-denominated financial assets and liabilities and their US Dollar equivalents at December 31:

	2022		2023		2024	
	Foreign Currency	US Dollar	Foreign Currency	US Dollar	Foreign Currency	US Dollar
Current Financial Assets						
Cash and cash equivalents:						
Philippine peso	3,097,897,313	US\$55,562,682	9,653,353,037	US\$174,342,659	6,160,377,693	US\$106,498,015
MXN	1,911,191,086	98,009,799	1,661,894,635	97,919,788	2,082,634,669	99,995,903
AUD	56,134,056	38,238,458	63,273,732	43,102,066	135,538,173	83,871,021
BRL	310,480,815	58,736,439	297,974,476	61,406,383	506,130,871	81,983,101
RMB	164,551,485	23,851,498	228,298,807	32,154,762	288,721,224	39,554,645
EUR	10,341,820	11,072,612	22,465,328	24,799,475	31,782,678	32,907,785
PKR	6,061,987,729	26,745,440	5,182,648,652	18,406,743	4,918,933,391	17,663,653
HNL	57,305,042	2,322,393	41,301,316	1,669,374	208,781,800	8,235,741
MGA	32,828,197,273	7,351,204	10,802,666,138	2,356,037	33,944,555,208	7,196,186
PGK	34,094,428	9,674,923	55,290,527	14,825,185	28,503,427	7,059,323
IQD	2,174,172,140	1,489,159	8,891,076,914	6,735,664	6,551,608,681	4,963,340
IDR	32,133,533,218	2,063,413	9,723,462,137	631,435	63,842,478,897	3,957,506
PLN	5,578,419	1,275,067	1,543,098	392,047	5,196,440	1,258,035
XAF	571,406,415	932,513	481,808,603	810,814	595,177,487	939,410
ARS	137,709,481	777,440	556,077,279	687,810	951,293,942	922,704
GEL	1,317,019	487,966	1,227,419	456,714	2,459,528	872,668
NGN	577,838,589	1,253,936	1,043,359,137	1,144,436	1,264,016,470	818,621
AED	866,533	235,920	23,150,577	6,303,250	1,091,613	297,199
BND	105,157	78,475	105,117	79,616	105,117	76,970
ZAR	-	-	-	-	106,715	5,663
HRK	1,322,678	187,934	-	-	-	-
CDF	17,590	9	-	-	-	-



	2022		2023		2024	
	Foreign Currency	US Dollar	Foreign Currency	US Dollar	Foreign Currency	US Dollar
Receivables:						
Philippine peso	1,389,132,277	US\$24,914,936	1,485,935,335	US\$26,836,470	2,676,322,650	US\$46,267,139
BRL	138,332,022	26,169,508	147,515,363	30,399,869	178,735,721	28,951,620
AUD	21,481,222	14,632,985	25,133,203	17,120,738	29,590,163	18,310,393
MXN	53,684,960	2,753,075	31,085,029	1,831,548	213,426,271	10,247,478
RMB	42,214,466	6,118,925	39,932,612	5,624,312	56,359,674	7,721,244
PKR	2,233,470,833	9,854,055	1,975,869,058	7,017,515	1,718,652,576	6,171,599
EUR	2,884,921	3,088,780	5,438,620	6,003,693	4,899,679	5,073,128
PGK	8,686,411	2,464,929	13,658,608	3,662,316	17,317,611	4,288,979
MGA	4,872,608,802	1,091,121	8,580,214,935	1,871,326	19,019,367,695	4,032,073
PLN	8,398,508	1,919,659	8,438,042	2,143,811	8,119,605	1,965,720
IQD	682,047,161	467,156	163,322,557	123,729	2,266,104,588	1,716,746
IDR	36,700,144,442	2,356,652	30,267,903,781	1,965,576	11,227,675,018	695,988
XAF	252,733,507	412,451	181,307,627	305,114	331,381,010	523,042
ARS	52,410,282	295,883	380,405,274	470,522	228,954,221	222,073
HNL	1,087,079	44,056	1,951,710	78,887	2,615,751	103,183
HKD	84,504	10,831	84,103	10,767	649,189	83,566
NGN	-	-	624,351	685	19,233,345	12,456
AED	44,493	12,114	1,945	530	7,453	2,029
SGD	-	-	1,004	761	-	-
HRK	2,012,816	285,993	-	-	-	-
		437,240,389		593,692,427		635,465,945
Current Financial Liabilities						
Accounts payable and other current liabilities:						
Philippine peso	5,444,253,343	US\$97,646,011	8,904,094,107	US\$160,810,802	7,814,486,573	US\$135,093,553
MXN	763,896,666	39,174,188	726,611,883	42,812,390	1,097,625,472	52,701,538
BRL	177,754,246	33,627,364	248,674,224	51,246,620	310,673,246	50,322,866
AUD	42,033,162	28,632,944	47,815,183	32,571,703	45,559,573	28,192,264
PGK	42,082,079	11,941,566	59,711,458	16,010,580	76,308,270	18,898,945
EUR	1,273,313	1,363,290	10,534,216	11,628,721	16,889,120	17,486,995
PKR	3,802,878,334	16,778,268	3,266,944,065	11,602,909	3,756,291,570	13,488,662
IQD	5,564,944,760	3,811,606	5,535,817,320	4,193,801	7,886,407,320	5,974,551
MGA	16,904,592,622	3,785,438	20,984,352,064	4,576,640	25,586,993,854	5,424,398
PLN	20,460,353	4,676,652	18,213,013	4,627,290	19,000,322	4,599,894
NGN	1,055,153,839	2,289,731	5,299,785,469	5,813,208	5,707,213,055	3,696,190
HNL	131,195,149	5,316,926	132,745,096	5,365,476	81,297,134	3,206,899
ARS	468,969,546	2,647,571	1,042,231,802	1,289,133	3,166,056,991	3,070,905
RMB	15,858,400	2,298,652	22,937,487	3,230,632	19,653,811	2,692,561
IDR	136,062,204,234	8,737,058	11,987,597,934	778,466	32,453,115,436	2,011,723
JPY	-	-	8,523,611	60,434	251,085,499	1,597,236
GEL	5,819,883	2,156,311	934,100	347,572	3,963,505	1,406,296
XAF	3,037,645,420	4,957,320	4,366,914,674	7,348,880	699,978,974	1,104,826
AED	288,173	78,457	1,173,562	319,528	301,223	82,010
SGD	-	-	33,048	25,031	61,353	44,924
HKD	-	-	267,802	34,283	26,110	3,361
ZAR	45,609	2,677	249,321	13,578	-	-
HRK	14,624,887	2,077,989	-	-	-	-
Noncurrent Financial Liabilities						
Other noncurrent liabilities:						
Philippine peso	705,855,775	12,659,955	683,584,750	12,345,760	736,091,623	12,725,240
BRL	-	-	952,472	196,285	35,715,332	5,785,171
MXN	22,066,577	1,131,619	25,145,602	1,481,593	27,594,041	1,324,904
PLN	10,730,185	2,452,614	5,129,676	1,303,271	4,456,215	1,078,830
IQD	956,633,464	655,228	-	-	1,441,978,560	1,092,408
AUD	1,383,018	942,111	1,940,034	1,321,551	1,553,896	961,551
MGA	1,736,371,712	388,825	1,457,856,043	317,955	1,471,351,746	311,924
AED	315,972	86,026	165,508	45,063	422,468	115,020
NGN	43,653,575	94,730	81,656,487	89,567	136,272,780	88,255
XAF	12,965,124	21,159	26,693,470	44,921	43,384,624	68,477
EUR	-	-	26,752	29,531	18,764	19,428
IDR	382,914,223	24,588	188,407,392	12,235	282,374,528	17,504
HRK	242,884	34,510	-	-	-	-
Long-term debt:						
EUR	-	-	-	-	286,196,743	296,328,108
AUD	356,909,818	243,126,579	396,742,795	270,261,192	396,962,182	245,640,198
IDR	-	-	-	-	763,205,516,884	47,310,037
PGK	52,412,452	14,873,000	53,776,570	14,419,244	21,665,999	5,365,926
NGN	-	-	2,477,293,477	2,717,284	2,089,401,190	1,353,169
BRL	-	-	3,583,207	738,425	1,037,782	168,100
Philippine peso	6,122,582,724	109,812,263	4,961,421,154	89,604,861	-	-



	2022		2023		2024	
	Foreign Currency	US Dollar	Foreign Currency	US Dollar	Foreign Currency	US Dollar
Concession rights payable:						
BRL	501,014,021	US\$94,781,313	563,004,102	US\$116,023,514	577,113,468	US\$93,480,865
Philippine peso	2,601,624,031	46,661,717	2,523,312,615	45,571,837	5,391,617,628	93,208,015
PGK	341,167,028	96,812,437	353,567,919	94,803,035	364,975,387	90,391,903
XAF	18,316,908,990	29,892,488	18,083,903,466	30,432,570	17,832,114,935	28,145,680
MGA	–	–	127,864,867,104	27,887,040	119,166,793,247	25,263,152
EUR	36,307,270	38,872,880	9,972,294	11,008,415	9,683,556	10,026,354
IDR	–	–	–	–	31,262,751,288	1,937,934
PKR	92,961,415	410,145	–	–	–	–
Lease liabilities:						
AUD	922,335,008	628,293,602	970,858,485	661,348,800	960,375,213	594,280,182
MXN	8,440,812,647	432,862,187	8,469,508,155	499,028,291	8,816,462,815	423,314,839
BRL	1,299,733,542	245,882,244	1,254,170,192	258,458,566	1,761,481,846	285,324,907
NGN	2,464,477,802	5,348,027	–	–	7,539,401,398	4,882,779
Philippine peso	1,253,537,602	22,482,963	1,142,962,822	20,642,277	171,816,772	2,970,296
XAF	–	–	1,134,230,205	1,244,110	–	–
AED	173,252	47,169	–	–	–	–
		2,300,650,398		2,526,084,870		2,624,081,753
Net foreign currency-denominated financial liabilities		(US\$1,863,410,009)		(US\$1,932,392,443)		(US\$1,988,615,808)

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 reasonably possible changes 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.

	2022	
	Effect on Income Before Income 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 Income Before Income 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)
	2024	
	Effect on Income Before Income Tax	Effect on Equity
Change in US dollar to other foreign currency exchange rates:		
5% appreciation	US\$12.4	US\$8.9
5% depreciation	(13.7)	(9.8)

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, 2022, 2023 and 2024, about 51 percent, 69 percent and 53 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):

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
	US\$1,096.4	US\$46.1	US\$11.4	US\$1,153.9

2023				
	Neither Past Due nor Impaired	Past Due but Not Impaired	Impaired	Total
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
	US\$1,014.5	US\$52.2	US\$11.2	US\$1,077.9

2024				
	Neither Past Due nor Impaired	Past Due but Not Impaired	Impaired	Total
Cash and cash equivalents:				
Cash in banks	US\$514.0	US\$–	US\$–	US\$514.0
Cash equivalents	593.6	–	–	593.6
Receivables				
Trade	115.4	36.7	6.6	158.7
Advances and nontrade	8.3	32.1	3.5	43.9
Short-term investments	141.1	–	–	141.1
Restricted cash	7.0	–	–	7.0
	US\$1,379.4	US\$68.8	US\$10.1	US\$1,458.3



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):

	2022			
	Neither Past Due nor Impaired			Total
	Grade A	Grade B	Grade C	
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
	US\$1,063.7	US\$27.3	US\$5.4	US\$1,096.4

	2023			
	Neither Past Due nor Impaired			Total
	Grade A	Grade B	Grade C	
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
	US\$957.5	US\$48.6	US\$8.4	US\$1,014.5

	2024			
	Neither Past Due nor Impaired			Total
	Grade A	Grade B	Grade C	
Cash and cash equivalents:				
Cash in banks	US\$514.0	US\$–	US\$–	US\$514.0
Cash equivalents	593.6	–	–	593.6
Receivables:				
Trade	57.3	50.0	8.1	115.4
Advances and nontrade	7.2	0.9	0.2	8.3
Short-term investments	141.1	–	–	141.1
Restricted cash	7.0	–	–	7.0
	US\$1,320.2	US\$50.9	US\$8.3	US\$1,379.4

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):

2022					
	Past Due but Not Impaired				Total
	1 to 30 Days	31 to 60 Days	61 to 120 Days	More than 120 Days	
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				Total
	1 to 30 Days	31 to 60 Days	61 to 120 Days	More than 120 Days	
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

2024					
	Past Due but Not Impaired				Total
	1 to 30 Days	31 to 60 Days	61 to 120 Days	More than 120 Days	
Trade	US\$17.5	US\$5.1	US\$4.5	US\$9.6	US\$36.7
Advances and nontrade	5.7	0.5	15.2	10.7	32.1
	US\$23.2	US\$5.6	US\$19.7	US\$20.3	US\$68.8

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, 2022, 2023 and 2024.

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.

	2022	2023	2024
Long-term debt	US\$2,133,847,418	US\$2,032,426,011	US\$2,486,819,421
Loans payable	337,020,000	139,562,649	167,504,595
Total debt (a)	US\$2,470,867,418	US\$2,171,988,660	US\$2,654,324,016
Net worth or total equity (b)	US\$1,726,671,963	US\$1,905,167,788	US\$1,904,126,854
Gearing ratio (a÷b)	1.43 times	1.14 times	1.39 times



29. Earnings Per Share Computation

The following table presents information necessary to calculate earnings per share:

	2022	2023	2024
Net income attributable to equity holders of the parent	US\$618,464,708	US\$511,529,938	US\$849,798,990
Adjustment for the effect of cumulative distribution on subordinated perpetual capital securities (Note 15.5)	(33,437,783)	(29,026,678)	(19,805,096)
Net income attributable to equity holders of the parent, as adjusted (a)	US\$585,026,925	US\$482,503,260	US\$829,993,894
Common shares outstanding at beginning of year	2,045,177,671	2,045,177,671	2,045,177,671
Weighted treasury shares	(8,338,621)	(13,596,351)	(12,371,238)
Weighted average shares outstanding (b)	2,036,839,050	2,031,581,320	2,032,806,433
Effect of dilutive stock grants	4,176,507	4,285,683	4,594,388
Weighted average shares outstanding adjusted for potential common shares (c)	2,041,015,557	2,035,867,003	2,037,400,821
Basic earnings per share (a÷b)	US\$0.287	US\$0.238	US\$0.408
Diluted earnings per share (a÷c)	US\$0.287	US\$0.237	US\$0.407

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 may adversely affect the Group's reported levels of revenues and profits.

International Tax Reform - Pillar Two Rules

The Pillar Two Global anti-Base Erosion rules (GloBE or Pillar Two Rules) propose new taxing mechanisms under which multinational enterprises would pay a minimum level of tax. Tax legislations implementing the GloBE Rules have been enacted or substantively enacted in certain jurisdictions where the Group operates. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

As at December 31, 2024, the Group has no significant exposure arising from the Pillar Two legislation.

Russia-Ukraine and Israel-Hamas Conflicts

On February 24, 2022, Russia launched a military attack on Ukraine that escalated an ongoing conflict.

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. These events had no material impact on the Group's business.

The scale and duration of these developments and events remain uncertain as at March 5, 2025. 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

KMT Extension of Concession Contract

In January 2025, the Port Authority of Kribi agreed to extend the concession agreement for the development, operation and maintenance activities of the multipurpose terminal at the Port of Kribi by KMT for another five (5) years. The amended agreement will expire in 2050.

Purchase of Treasury Shares

ICTSI acquired 3.2 million shares for US\$19.4 million since January 2025.

Vesting of SIP Awards

1.9 million treasury shares were issued to certain officers and employees of the Group on March 3, 2025 upon vesting of stock awards previously granted.

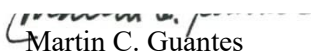


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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, 2022, 2023 and 2024, and for each of the three years in the period then ended, and have issued our report thereon dated March 5, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated 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 consolidated financial statements. These schedules have 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.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465311, January 2, 2025, Makati City

March 5, 2025

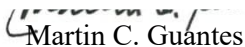


**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

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, 2022, 2023 and 2024, and for each of the three years in the period then ended, and have issued our report thereon dated March 5, 2025. 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 Group'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.


Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

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March 5, 2025

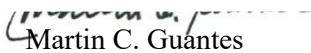


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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, 2022, 2023 and 2024, and for each of the three years in the period then ended and have issued our report thereon dated March 5, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated 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) Accounting Standards 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 consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2022, 2023 and 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Martin C. Guantes

Partner

CPA Certificate No. 88494

Tax Identification No. 152-884-272

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-052-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465311, January 2, 2025, Makati City

March 5, 2025



Annex E
to the Information Statement

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS

Conducted virtually via <https://www.ictsi.com/2024asm>

18 April 2024; Thursday; 10:00 AM

STOCKHOLDERS PRESENT AND REPRESENTED¹:

No. of Shares	percentage (%)
2,356,371,739	86.19%

I. CALL TO ORDER

The Chairman Enrique K. Razon Jr. called the meeting to order. Assistant Corporate Secretary, Benjamin Edison M. Gorospe III, acted as Secretary of the meeting. Assistant Corporate Secretary Silverio Benny J. Tan acted as the Moderator.

II. DETERMINATION OF QUORUM

The Secretary of the meeting certified that the Notice of this Annual Stockholders' Meeting was sent to stockholders starting 20 March 2024 to stockholders as of record date of 8 March 2024. Stockholders representing 2,356,371,739 shares, out of 2,733,812,023 outstanding shares, or 86.19% of total outstanding shares, were present in person, registered to vote in absentia, or by proxy in this meeting. There was therefore a quorum.

The Secretary of the meeting acknowledged ICTSI's Directors and Key Officers² who attended the meeting online.

III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD ON APRIL 20, 2023

A stockholder moved for the approval of the Minutes of the Annual Stockholders Meeting dated April 20, 2023, a copy of which was uploaded in the Company website. The motion was duly seconded. There being no objection to the motion, the Chairman declared the motion carried.

The *total votes** of those present and through validated proxies with specific instructions on this motion, are detailed below:

VOTES	NUMBER OF VOTES CAST*
In favor	2,307,818,263
Against	-
Abstain	-

IV. CHAIRMAN'S REPORT

The Chairman, Mr. Enrique K. Razon Jr., reported that ICTSI did remarkably well in 2023, given the ongoing risks to the global economy and despite the supply chain delays, new conflicts in the Middle East, and maritime disruption to shipping in the Red Sea.

¹ See list of Shareholders on Annex "A".

² See the full list of Directors and Key Officers present on Annex "A".

The Chairman reported on:

Group Volume

2022	2023	Change
12,216,000 TEU	12,749,000 TEU	4% Increase

TEU is twenty-foot equivalent units

Financial Performance

Performance Indicator	2022	2023	Change
Gross Revenue from Port Operations	US\$2.24 billion	US\$2.39 billion	6% increase
Consolidated EBITDA	US\$1.41 billion	US\$1.51 billion	7% increase
Consolidated cash operating expenses	US\$612.12 million	US\$662.70 million	8% increase due to global inflation across the board.
Net income attributable to equity holders	US\$618.46 million	US\$511.53 million	17% less due to non-recurring and non-cash impairment of goodwill from the acquisition of PICT and other noncurrent assets. Without the write-offs, net income attributable to equity holders would have increased by 7% to US\$676.83 million.
Diluted earnings per share	29 Cents	24 Cents	17% decrease

Business Development

July, 2023	Declared the preferred bidder for the operation and management of the DCT 2 in the Port of Durban, South Africa
September, 2023	Acquired 60 percent of CLIA Pouso Alegre, an Integrated Customs Logistics Center in Minas Gerais, Brazil
	Rio Brasil Terminal (RBT) handled the inaugural call of COSCO Shipping Lines' Europe – East Coast of South America service
October, 2023	East Java Multipurpose Terminal (EJMT) in Indonesia broke ground for a state-of-the-art gateway
December, 2023	VICT completed its Phase 3A, AUD152 million expansion project that increased the annual capacity by 25 percent to 1.25 million TEUs, including two new quay cranes, which are the largest in Australia.
	Completed extension in Matadi Gateway Terminal in DR Congo

Fund Management

ICTSI's capital expenditures, excluding capitalized borrowing costs, amounted to US\$336.32 million in 2023. These were mainly for expansionary projects at CMSA in Mexico, MICT in the Philippines, VICT in Australia, MGT in DR Congo, RBT in Brazil, Onne Multipurpose Terminal in Nigeria and EJMT. The Group's estimated capital expenditures for 2024, which includes US\$60 million of capex carried forward from 2023, is approximately US\$450 million. This will be used mainly to complete the expansion in Brazil and the development of EJMT; continue the ongoing expansion in Mexico, Philippines and Democratic Republic of Congo; pay the last tranche of concession extension related expenditures in Madagascar; develop the recently

acquired terminal in Iloilo in the Philippines; equipment acquisitions and upgrades; and for capital maintenance requirements.

In August 2023, the Company secured a US\$750 million loan from one of the country's biggest banks to further expand port operations worldwide.

Final Message

The Chairman mentioned that the continued increase of the ICTSI's financial results in 2023 has demonstrated the Company's strengths as illustrated by the steady upward, trajectory of yields and the health of balance sheet and cash flow profile. On behalf of the Board, the Chairman thanked each and every member of the ICTSI Group across the world for their hard work and dedication, and the shareholders and business partners, for the support and trust.

The Chairman said that he will entertain questions from the stockholders at the latter part of the meeting.

V. APPROVAL OF THE 2023 AUDITED FINANCIAL STATEMENTS

On motion duly made and seconded, and in the absence of any objections, the Audited Financial Statements of the Company as of December 31, 2023 which were reproduced in the Annual Report, was approved by the stockholders.

The *total votes** of those present and through validated proxies with specific instructions on this motion, are detailed below:

VOTES	NUMBER OF VOTES CAST*
In favor	2,307,022,262
Against	24,350
Abstain	77,651

VI. APPROVAL/RATIFICATION OF ACTS, CONTRACTS, INVESTMENTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE LAST ANNUAL STOCKHOLDERS' MEETING

A stockholder moved for the approval/ratification of all acts, contracts, investments and resolutions of the Board of Directors and Management since the Annual Stockholders Meeting of April 20, 2023 as they appeared in the minutes of the Board meetings and in reports and disclosures made to the Securities and Exchange Commission and the Philippine Stock Exchange. This motion was seconded by another stockholder. In the absence of any objection to the motion, the Chairman declared the motion carried.

The *total votes** of those present and through validated proxies with specific instructions on this motion, are detailed below:

VOTES	NUMBER OF VOTES CAST*
In favor	2,305,076,253
Against	1,782,439
Abstain	959,571

VII. ELECTION OF DIRECTORS

The Secretary reported that the formal nominations of the following to the Board of Directors of the Company were received by the Office of the Corporate Secretary in accordance with the By-Laws, namely:

Enrique K. Razon Jr.
 Cesar A. Buenaventura
 Carlos C. Ejercito
 Diosdado M. Peralta
 Jose C. Ibazeta
 Stephen A. Paradies
 Andres Soriano III

Cesar A. Buenaventura, Carlos C. Ejercito Diosdado M Peralta are nominees for Independent Directors. The Secretary said that the nominations were passed upon by the Nomination Committee.

A stockholder moved that since there were only seven (7) nominees for the seven (7) available seats in the Board, the Secretary be directed to cast the votes for the seven (7) nominees, except for the proxies with specific voting instructions, and that the said seven (7) nominees be declared duly elected for the ensuing term. The said motion was duly seconded.

In the absence of any objection, the Chairman declared the motion carried. The Chairman instructed the Secretary to cast a vote for the seven (7) nominees except for stockholders who voted through proxy with specific voting instructions and declared them as duly elected Directors for the ensuing term.

The *total votes** of those present and through validated proxies with specific instructions on this motion, are detailed below:

Name of Directors	In favor	Against	Abstain
Enrique K. Razon Jr.	2,204,305,028	36,898,258	62,990,168
Cesar A. Buenaventura**	1,902,592,789	35,053,977	366,463,704
Carlos C. Ejercito**	2,263,581,636	7,544,852	32,983,893
Diosdado M. Peralta**	2,295,200,305	7,087,180	1,822,869
Jose C. Ibazeta	1,889,144,612	69,841,388	346,001,452
Stephen A. Paradies	2,154,168,871	41,158,127	111,871,096
Andres Soriano III	2,164,629,544	42,015,687	97,465,213

**Independent Director

On behalf of the re-elected Directors, the Chairman thanked the shareholders for their continuous confidence in the Company's leadership.

VIII. APPOINTMENT OF EXTERNAL AUDITORS

A stockholder nominated SyCip Gorres Velayo and Co. (SGV), which the Audit Committee had recommended, as External Auditors for 2023. Representatives of SGV were present in the meeting. On motion duly made and seconded, the nomination was closed. The Chairman asked the stockholders if there was any objection on the close of the nomination and there being no other nominee, he declared the resolution approved, and SGV was appointed as external auditor for 2023.

The *total votes** of those present and through validated proxies with specific instructions on this motion, are detailed below:

VOTES	NUMBER OF VOTES CAST*
In favor	2,300,992,482
Against	6,616,261
Abstain	107,601

IX. OTHER MATTERS / QUESTIONS

The Chairman said that he would entertain questions from the stockholders. The Moderator read the questions sent by the stockholders through the online platform.

One stockholder asked what other investments the Chairman is looking out for. The Chairman answered that the ICTSI is actively looking for investments on regions where the ICTSI group is successful, such as Asia, Latin, America, Africa, and Middle East.

Another stockholder asked if tensions between Philippines and China in the west Philippines sea affects the Company's business in China. The Chairman answered that the business is not affected nor impacted the Company's terminal in China.

The moderator said that there were no other questions from the stockholders.

X. ADJOURNMENT

A stockholder moved for the adjournment of the meeting, which was duly seconded. There being no objection, the Chairman declared the meeting adjourned. He thanked the stockholders for attending.

Prepared by:

BENJAMIN EDISON M. GOROSPE III
Secretary of the Meeting

***Voting Procedure:** Every resolution for approval of the stockholders in this meeting was introduced by a motion duly seconded through the online platform of the virtual meeting. The Chairman asked if there was any objection to every motion. Since there were no objections, all the motions were carried without a vote. The numbers of votes indicated here, as validated by SGV, are the votes on the resolution from: (a) votes of proxies with instructions; (b) votes submitted through the online voting platform of the virtual meeting; and (c) votes of the Chairman as a holder of proxies, which would have been counted if there was a voting on the resolution.

Important Notice:

The Minutes of the 2024 Annual Stockholders' Meeting are subject for approval of the shareholders in the 2025 Annual Stockholders' Meeting.

ATTENDANCE

STOCKHOLDERS PRESENT IN PERSON, REGISTERED TO VOTE IN ABSENTIA, OR BY PROXY

	Stockholder/Broker	Type of Shares	No. of shares	%	Proxy
1	AB Capital Securities Inc.	Common	467,246,424	17.09%	The Chairman of the Board
2	AB Capital and Investment Corp - ABCIC-TID	Common	111,404,226	4.08%	The Chairman of the Board
3	Standard Chartered Bank Ref: SST/CA/ICT040424-01	Common	227,642,393	8.33%	The Chairman of the Board
4	Standard Chartered Bank Ref: SST/CA/ICT030424-01	Common	6,037,394	0.22%	The Chairman of the Board
5	Standard Chartered Bank Ref: SST/CA/ICT030424-02	Common	300,680	0.01%	The Chairman of the Board
6	Deutsche Bank AG Manila Branch	Common	1,121,150	0.04%	The Chairman of the Board
7	The Hongkong and Shanghai Banking Corporation Ref: MNL CNC NOM 24/0420	Common	291,054,088	10.65%	The Chairman of the Board
8	The Hongkong and Shanghai Banking Corporation - Ref: MNL CNC NOM 24/0421	Common	16,002,729	0.59%	The Chairman of the Board
9	Citibank - CITIOMNIFOR	Common	39,141,943	1.43%	The Chairman of the Board
10	Citibank - CITIOMNILOC	Common	8,355,725	0.31%	The Chairman of the Board
11	Citibank - CITIFAOPHILAM	Common	18,105,378	0.66%	The Chairman of the Board
12	Government Service Insurance System (GSIS)	Common	46,221,531	1.69%	Mr. J.V. Beringuela, Jr. and 12 more
13	Achillion Holdings, Inc.	Common	76,029,730	2.78%	The Chairman of the Board
14	Achillion Holdings, Inc.	Preferred	700,000,000	25.61%	The Chairman of the Board
15	E. Razon	Common	18,143,687	0.66%	The Chairman of the Board
16	Bravo International Port Holdings, Inc	Common	279,675,000	10.23%	The Chairman of the Board
17	F. Razon	Common	868,725	0.03%	The Chairman of the Board
18	Sureste Realty Corp	Common	23,016,176	0.84%	The Chairman of the Board
19	Razon Industries Inc.	Common	3,758,133	0.14%	The Chairman of the Board

20	S.J. Tan	Common	1	0.00%	G.J. Sullano
21	S.J. Tan	Common	1	0.00%	J.S. Khaw
22	S. J. Tan	Common	1	0.00%	S. Munder
23	S. J. Tan	Common	1	0.00%	J.A. Del Rosario
24	C. C. Causon	Common	13,505	0.00%	
25	B. Hibbert	Common	107,601	0.00%	
26	H. Madsen	Common	1,058,448	0.04%	
27	J. Ramirez	Common	37,988	0.00%	
28	J. Contreras	Common	82,712	0.00%	
29	K.C. Shin	Common	9,861	0.00%	
30	A.L. McDonald	Common	107,471	0.00%	
31	S. A. Alipio	Common	355,450	0.01%	
32	D. Tablante	Common	80,197	0.00%	
33	N. Clarke	Common	209,749	0.01%	
34	A. A. Ninobla	Common	180	0.00%	
35	C. A. Buenaventura	Common	166	0.00%	
36	G. Coronel	Common	209,444	0.01%	
37	R. Cruz Jr	Common	17,338	0.00%	
38	J. M. Papin	Common	10	0.00%	
39	O. Samonte	Common	41,667	0.00%	
40	S. J. Tan	Common	262,996	0.01%	
41	D. M. Peralta	Common	35,800	0.00%	
42	R. Tabuena	Common	45,135	0.00%	
43	N. A. Soriano	Common	50,377	0.00%	
44	J. C. Ibazeta	Common	125,290	0.00%	
45	S. A. Paradies	Common	3,087,573	0.11%	
46	E. K. Razon Jr	Common	15,936,201	0.58%	

47	C. C. Ejercito	Common	10	0.00%	
48	R. T. Durian	Common	1,000	0.00%	
49	C. R. Gonzalez	Common	197,351	0.01%	
50	M. V. Pascua	Common	101,919	0.00%	
51	B. M. Gorospe III	Common	71,184	0.00%	

Total outstanding shares present in person, registered to vote in absentia, or by proxy in ASM 2024

2,356,371,739

86.19%

DIRECTORS:

Enrique K. Razon Jr.	Chairman and President
Cesar A. Buenaventura	Independent Director
Carlos C. Ejercito	Independent Director
Diosdado M. Peralta	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 Compliance Officer and Chief Sustainability Officer
Emilio Manuel V. Pascua	Senior Vice President, Chief Financial Officer and Chief Risk Officer
Caroline C. Causon	Senior Vice President, Global Corporate Planning and Financial Services
Antonio G. Coronel	Vice President, Logistics and Supply Chain
Arnie D. Tablante	Vice President and Treasurer
Arlyn L. McDonald	Vice President, Global Financial Controller
Narlene A. Soriano	Director, Head of Global Public Relations
Lirene C. Mora	Director, Head of Global Corporate Legal Affairs
Silverio Benny J. Tan	Assistant Corporate Secretary
Benjamin Edison M. Gorospe III	Assistant Corporate Secretary
Arthur Quintin R. Tabuena	Head of Investors Relations
Catherine C. Castro	Head of Global Corporate Audit and Compliance
Roel E. Lucas	For SyCip Gorres Velayo and Co.

Schedule 1
to Item 5 of the Information Statement

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CESAR A. BUENAVENTURA**, Filipino, of legal age and with office address c/o at ICTSI Administration Building, Manila International Container Terminal, South Access Road, 1012 Manila 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:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Manila Water Company, Inc.	Independent Director	2021 – present
Petroenergy Resources Corp	Lead Independent Director	1995 – present
Concepcion Industrial Corporation	Lead Independent Director	2013 – present
Semirara Mining & Power	Director	1997 – present
DM Consunji Inc.	Director	2012 - present
The Country-Club, Inc.	Director	2016 - present
Buenaventura, Echauz and Partners, Inc.	Chairman	2001 - present
DMCI Holdings, Inc.	Vice Chairman	1995 – present
Manila Water Foundation	Trustee	2021 to present
Pilipinas Shell Foundation	Founding 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 under Section 38 of the Securities Regulation Code ("SRC") and its Implementing Rules and Regulations ("IRR") and related issuances of the Securities and Exchange Commission ("SEC").
4. I am not affiliated with any government-owned and controlled corporations.
5. 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 SRC.
6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director as provided under the SRC and its IRR, the SEC Code of Corporate Governance for Publicly-Listed Companies, and other SEC issuances.
8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

[Signature Page Follows]

SIGNED, this 17 MAR 2025 at the City of Manila.

CESAR A. BUENAVENTURA
Affiant

SUBSCRIBED AND SWORN TO before me this 17 MAR 2025 at the City of Manila, affiant
exhibiting to me his Passport, with No. _____, issued by the Department of Foreign
Affairs, Manila, valid until 2 _____

Doc. No.: 337;
Page No.: 71;
Book No.: 1;
Series of **2025**.



ATTY CARMELINE Q VINIEGRA
Attorney's Roll Number 59708
Commission No. 2024-074
Notary Public of Manila City until December 31, 2025
ICTSI Admin Building Port of Manila
PTR No. 2155609 02/07/2025 Manila City
IBP Lifetime No. 012286, Cavite
MCLE Compliance No. VII-0026963 4/14/2025

Schedule 2
to Item 5 of the Information Statement

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CARLOS C. EJERCITO**, Filipino, of legal age, and with office address c/o at ICTSI Administration Building, Manila International Container Terminal, South Access Road, 1012 Manila 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 Philippine corporation with principal 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.

I am affiliated with the following companies or organizations.

2.

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 under Section 38 of the Securities Regulation Code ("SRC") and its Implementing Rules and Regulations ("IRR") and related issuances of the Securities and Exchange Commission ("SEC").
4. I am not affiliated with any government-owned and controlled corporations.
5. 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 SRC.
6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director as provided under the SRC and its IRR, the SEC Code of Corporate Governance for Publicly-Listed Companies, and other SEC issuances.
8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

-Signature Page Follows-

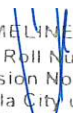
SIGNED, this 17 MAR 2025 at the City of Manila.


CARLOS C. EJERCITO
Affiant

SUBSCRIBED AND SWORN TO before me this 17 MAR 2025 at the City of Manila, affiant exhibiting to me his Philippine Passport No. _____ issued by the Department of Foreign Affairs - NCR East and valid until _____

Doc. No. 336 ;
Page No. 71 ;
Book No. + ;
Series of **2025**.




ATTY CARMELINE Q VINIEGRA
Attorney's Roll Number 59708
Commission No 2024-074
Notary Public of Manila City until December 31, 2025
ICTSI Admin Building Port of Manila
PTR No 2155609 02/07/2025 Manila City
IBP Lifetime No 012286, Cavite
MCLE Compliance No VII-0026963 4-14/2025

Schedule 3
to Item 5 of the Information Statement

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CHIEF JUSTICE DIOSDADO M. PERALTA (ret.)**, Filipino, of legal age, and with office address c/o at ICTSI Administration Building, Manila International Container Terminal, South Access Road, 1012 Manila 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 Philippine corporation with principal 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.

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
San Miguel Corporation	Independent Director	2021 to present
Bloomberry Resorts Corporation	Independent Director	2021 to present
Manila Hotel Corporation	Independent Director	2021 to present
Philippine Business Bank	Independent Director	2022 to present
Heavenly Place Memorial Park	President & Chairman	2023 to present
University of the East	Board Trustee	2023 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 under Section 38 of the Securities Regulation Code ("SRC") and its Implementing Rules and Regulations ("IRR") and related issuances of the Securities and Exchange Commission ("SEC").
4. I am not affiliated with any government-owned and controlled corporations.
5. 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 SRC.
6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director as provided under the SRC and its IRR, the SEC Code of Corporate Governance for Publicly-Listed Companies, and other SEC issuances.
8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

-Signature Page Follows-

SIGNED, this 17 MAR 2025 at the City of Manila.

CHIEF JUSTICE DIOSDADO M. PERALTA (ret.)
Affiant

SUBSCRIBED AND SWORN TO before me this 17 MAR 2025 at Manila City, affiant exhibiting to me his Philippine Passport No. _____ issued by the Department of Foreign Affairs - Manila and valid until : _____

Doc. No.: 338;
Page No.: 71;
Book No.: I;
Series of **2025**.



ATTY CARMELINE Q VINIEGRA
Attorney's Roll Number 59708
Commission No. 2024-074
Notary Public of Manila City until December 31, 2025
ICTSI Admin Building Port of Manila
PTR No 2155609 0207/2025 Manila City
IBP Lifetime No 012286, Cavite
MCLE Compliance No VII-0026963 4/14/2025

Schedule 4
to Item 5 of the Information Statement



SECRETARY'S CERTIFICATE

I, **ATTY. BENJAMIN EDISON 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 Assistant Corporate Secretary of International Container Terminal Services, Inc. (the "Company"), a Philippine corporation with principal 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 Officers of the Company are connected or employed with any government agencies or its instrumentalities.
3. The foregoing resolutions are in force and effect and have not been revoked, revised or otherwise amended.

SIGNED, this 17 MAR 2025 in Manila, Philippines.

ATTY. BENJAMIN EDISON M. GOROSPE III
Assistant Corporate Secretary
17 MAR 2025

SUBSCRIBED AND SWORN to before me this _____ in Manila, Philippines, affiant exhibiting to me his Passport, with Passport No. _____ issued in Manila City on _____

Doc. No. 339 ;
Page No. 31 ;
Book No. I ;
Series of **2025**.

ATTY. CARMELINE Q. VINIEGRA
Attorney's Roll Number 59708
Commission No. 2024-074
Notary Public of Manila City until December 31, 2025
ICTSI Admin Building Port of Manila
PTR No. 2155609 02/07/2025 Manila City
IBP Lifetime No. 012286. Cavite
MCLE Compliance No. VII-0026963 4/14/2025