

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

R	O	X	A	S		H	O	L	D	I	N	G	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)

1	4	t	h		F	l	o	o	r	,		N	e	t		O	n	e		C	e	n	t	e	r	,			
2	6	t	h		c	o	r	.		3	r	d		A	v	e	n	u	e	,									
B	o	n	i	f	a	c	i	o		G	l	o	b	a	l		C	i	t	y	,		T	a	g	u	i	g	,
M	e	t	r	o		M	a	n	i	l	a																		

Form Type

1	7	-	Q
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Department requiring the report

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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corporatesecretary@rhi.com.ph	(02) 8771-7800	09985914710
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
2,075	March 17	September 30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Hazel L. Rabara-Retardo	hazel.rabara@rhi.com.ph	(02) 8810-8901	—

CONTACT PERSON'S ADDRESS

14th Floor, Net One Center, 26th cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro 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.

ROXAS HOLDINGS, INC. (formerly CENTRAL AZUCARERA DON PEDRO, INC.)

(Company's Full Name)

**14th Floor, Net One Center, 26th corner 3rd Avenue,
Bonifacio Global City, Taguig, Metro Manila**

(Company's Address)

(632) 8771-7800

(Company's Telephone Number)

September 30, 2022

(Fiscal Year Ending)

SEC Form 17-Q

(Form Type)

Amended Designation (If Applicable)

March 31, 2022

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarter ended: **31 March 2022**
2. Commission Identification Number **15A**
3. BIR Tax Identification No. **000-290-538**
4. Exact name of registrant as specified in its charter **ROXAS HOLDINGS, INC. (FORMERLY
CENTRAL AZUCARERA DON PEDRO, INC.)**
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code:
7. Address of principal office Postal Code
**14th Floor, Net One Center, 26th corner 3rd Avenue,
Bonifacio Global City, Taguig, Metro Manila 1634**
8. Registrant's telephone number, including area code
(632) 8771-7800
9. Former name, former address and former fiscal year, if changed since last report
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares and Amount of Debt Outstanding
Authorized Capital Stock:	2,000,000,000
No. of common shares issued and outstanding	1,547,935,799
No. of preferred shares issued and outstanding	-

11. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes [**X**]

No []

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 11 of the Securities Revised Code (SRC) and SRC Rule 11(a)-1 there under and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes ☒ [X]

No ☐ []

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

Yes ☒ [X]

No ☐ []

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ROXAS HOLDINGS, INC. AND SUBSIDIARIES

Unaudited Interim Condensed Consolidated Financial Statements
March 31, 2022 (With Comparative Audited Figures as at September 30, 2021)
and for the Six-Month Periods Ended March 31, 2022 and 2021

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2022
(With Comparative Audited Balances as at September 30, 2021)
(Amounts in Thousands)

	Note	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	3	₱344,064	₱58,974
Trade and other receivables	4	1,287,440	533,127
Inventories	5	2,472,374	554,573
Other current assets	6	293,753	170,927
		4,397,631	1,317,601
Noncurrent Assets			
Property, plant and equipment:	7		
At cost		4,902,535	4,849,977
At revalued amount		4,512,884	4,512,884
Investment properties		415,658	415,658
Retirement assets – net		48,590	48,590
Other noncurrent assets		1,489,522	1,593,583
		11,369,189	11,420,692
		₱15,766,820	₱12,738,293
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term borrowings	8	₱92,800	₱1,710,800
Trade and other payables	11	4,424,062	1,591,876
Income tax payable		1,373	1,698
		4,518,235	3,304,374
Noncurrent Liabilities			
Long-term borrowings - net of current portion	9	4,721,937	3,236,000
Convertible note – net	10	778,724	–
Retirement liabilities -net		376,806	353,333
Deferred tax liabilities - net		686,344	686,344
Other noncurrent liabilities		2,414	1,500
		6,566,225	4,277,177
Total Liabilities		11,084,460	7,581,551

(Forward)

		March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
	Note		
Equity Attributable to the Equity Holders of the Parent Company	12		
Capital stock		₱1,565,579	₱1,565,579
Additional paid-in capital		2,842,183	2,842,183
Treasury stock		(52,290)	(52,290)
Equity portion of convertible note		21,130	—
Other equity items and reserves		3,890,961	3,890,961
Deficit		(3,617,490)	(3,125,997)
		4,650,073	5,120,436
Non-controlling Interests		32,287	36,306
		4,682,360	5,156,742
		₱15,766,820	₱12,738,293

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIODS ENDED
MARCH 31, 2022 AND 2021
(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	Three-Month Period January 1 to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2022	2021	2022	2021
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 14)	₱2,593,448	₱1,535,559	₱3,309,123	₱1,887,532
COST OF SALES (Note 15)	(2,658,035)	(1,645,242)	(3,362,777)	(1,984,415)
GROSS LOSS	(64,587)	(109,683)	(53,654)	(96,883)
OPERATING EXPENSES (Note 16)	(158,513)	(142,479)	(283,973)	(316,301)
INTEREST EXPENSE (Note 9)	(78,400)	(83,014)	(158,163)	(172,205)
OTHER INCOME – Net (Note 18)	1,993	1,086	343	11,489
LOSS BEFORE INCOME TAX	(299,507)	(334,090)	(495,447)	(573,900)
INCOME TAX BENEFIT (EXPENSE)	(60)	9	(65)	(22)
NET LOSS	(₱299,567)	(₱334,081)	(₱495,512)	(₱573,922)
Net loss attributable to:				
Equity holders of the Parent Company	(₱296,574)	(₱333,387)	(₱491,493)	(₱572,485)
Non-controlling interests	(2,993)	(694)	(4,019)	(1,437)
	(₱299,567)	(₱334,081)	(₱495,512)	(₱573,922)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Basic	(₱0.19)	(₱0.22)	(₱0.32)	(₱0.37)
Diluted	(0.19)	(0.22)	(0.32)	(0.37)

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED
MARCH 31, 2022 AND 2021
(Amounts in Thousands)

	Three-Month Period January 1 to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2022	2021	2022	2021
NET LOSS	(P299,567)	(P334,081)	(P495,512)	(P573,922)
OTHER COMPREHENSIVE INCOME	—	—	—	—
TOTAL COMPREHENSIVE LOSS	(P299,567)	(P334,081)	(P495,512)	(P573,922)
Total comprehensive loss attributable to:				
Equity holders of the Parent Company	(P296,574)	(P333,387)	(P491,493)	(P572,485)
Non-controlling interests	(2,993)	(694)	(4,019)	(1,437)
	(P299,567)	(P334,081)	(P495,512)	(P573,922)

See accompanying Notes to Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED**

MARCH 31, 2022 AND 2021

(Amounts in Thousands)

	Three-Month Period January to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2022	2021	2022	2021
CAPITAL STOCK	₱1,565,579	₱1,565,579	₱1,565,579	₱1,565,579
ADDITIONAL PAID-IN CAPITAL	2,842,183	2,842,183	2,842,183	2,842,183
TREASURY STOCK	(52,290)	(52,290)	(52,290)	(52,290)
EQUITY PORTION OF CONVERTIBLE NOTE	21,130	–	21,130	–
OTHER EQUITY RESERVES				
Beginning balance	3,890,961	3,649,712	3,890,961	3,649,712
Remeasurement loss on retirement liabilities	–	(23,257)	–	(23,257)
	3,890,961	3,626,455	3,890,961	3,626,455
RETAINED EARNINGS				
Beginning balance	(3,320,916)	(2,430,213)	(3,125,997)	(2,191,115)
Net loss attributable to equity holders of the Parent Company	(296,574)	(333,387)	(491,493)	(572,485)
	(3,617,490)	(2,763,600)	(3,617,490)	(2,763,600)
NON-CONTROLLING INTERESTS				
Beginning balance	35,280	35,353	36,306	36,096
Net loss attributable to non-controlling interests	(2,993)	(694)	(4,019)	(1,437)
	32,287	34,659	32,287	34,659
TOTAL EQUITY	₱4,682,360	₱5,252,986	₱4,682,360	₱5,252,986

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED
MARCH 31, 2022 AND 2021
(Amounts in Thousands)

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P495,447)	(P573,900)
Adjustments for:		
Depreciation and amortization	321,157	268,294
Interest expense	158,163	172,205
Retirement expense	23,759	25,960
Interest income	(419)	(912)
Operating income (loss) before changes in working capital	7,213	(108,353)
Decrease (increase) in:		
Trade and other receivables	(747,215)	726,092
Inventories	(1,917,802)	(906,118)
Other current assets	(122,837)	(132,864)
Increase in trade and other payables	2,749,370	211,631
Net cash used in operating activities	(31,271)	(209,612)
Interest received	419	912
Retirement benefits paid	(286)	(74,416)
Income taxes paid	(389)	(1,083)
Net cash flows used in operating activities	(31,527)	(284,199)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(291,066)	(80,636)
Decrease (increase) in other noncurrent assets	104,494	(1,136)
Net cash flows used in investing activities	(186,572)	(81,772)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of convertible note	794,000	–
Payments of:		
Interest	(171,811)	(194,569)
Principal portion of lease liabilities	–	(9,747)
Net payments of short-term borrowings	(119,000)	(262,316)
Net cash flows provided by financing activities	503,189	(466,632)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	285,090	(832,603)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	58,974	888,597
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P344,064	P55,994

See accompanying Notes to Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Roxas Holdings, Inc. (RHI or the Parent Company), doing business under the name and style of CADP Group, was organized in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on October 30, 1930 for the purpose of operating mill and refinery facilities to manufacture sugar and allied products.

In July 1996, the Parent Company offered its shares to the public through an initial public offering. On August 8, 1996, the shares of stock of the Parent Company were listed in the Philippine Stock Exchange (PSE).

On February 1, 2017, the Board of Directors (BOD) approved the issuance of convertible debt securities amounting to ₱523,750,000 to First Pacific Natural Resources Holdings, BV (FPNRH), convertible to 125,000,000 million common shares of RHI at the option of the holder and bears annual interest at 3%.

On February 15, 2017, the shareholders approved the amendment of the Parent Company's articles of incorporation to increase the authorized capital stock from ₱1,500,000,000 to ₱2,000,000,000 divided into 2,000,000,000 with par value of ₱1.00 per share. On the same day, the shareholders approved the subsequent application of the convertible note as subscription to 125,000,000 common shares arising from the increase in authorized capital stock at a conversion rate of ₱4.19 for every common share.

On July 14, 2017, the SEC approved the Parent Company's application for increase in authorized capital stock using the convertible debt securities as payment for subscription. Accordingly, FPNRH interest on the Parent Company increased from 27% to 32%.

The corporate office of the Parent Company is located at the 14th Floor, Net One Center, 26th cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila while the manufacturing plants of its operating subsidiaries are in Barrio Lumbangan, Nasugbu, Batangas and San Carlos Ecozone, San Carlos City, Negros Occidental.

The interim condensed consolidated financial statements of the Parent Company and its subsidiaries (collectively, the Group) for the six-month period ended March 31, 2022 were authorized for issue in accordance with a resolution of the Board of Directors on May 6, 2022.

2. Basis of Preparation and Basis of Consolidation

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for land and investment properties that are measured at fair value. The consolidated financial statements have been presented in Philippine Peso, which is the functional currency of the Group. All amounts are rounded to the nearest thousands, except for number of shares and unless otherwise indicated.

The interim condensed financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Company's annual audited financial statements as at and for the year ended September 30, 2021, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Adoption of New and Revised PFRS

The Group adopted the following amendments and improvements to PFRS effective October 1, 2021 as summarized below.

Effective beginning on or after January 1, 2021 (October 1, 2021 for the Group)

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

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

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

The Group shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Group is not required to restate prior periods.

Effective beginning on or after January 1, 2022 (October 1, 2022 for the Group)

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023 (October 1, 2023 for the Group)

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- 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 are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- 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.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

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 Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) 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.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, which it controls as at September 30 of each year. The Parent Company has control over the investee when the Parent Company 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.

Presented on the next page is the list of the subsidiaries.

	Percentage of Ownership		Noncontrolling interest		Nature of Business	Principal Place of Business
	2022	2021	2022	2021		
Central Azucarera Don Pedro, Inc. (CADPI)	100.00%	100.00%	—	—	Production and selling of raw and refined sugar, molasses and related products	Taguig City and Nasugbu, Batangas
Central Azucarera de la Carlota, Inc. (CACI)	100.00%	100.00%	—	—	Production and selling of raw sugar and molasses	Taguig City and Negros Occidental
CADP Insurance Agency, Inc. (CIAI)	100.00%	100.00%	—	—	Insurance agency	Makati City
Roxol Bioenergy Corp. (RBC)	100.00%	100.00%	—	—	Production and selling of bioethanol fuel and trading of goods such as sugar and related products	Negros Occidental
CADP Port Services, Inc. (CPSI)	100.00%	100.00%	—	—	Providing ancillary services	Makati City
RHI Agri-Business Development Corporation (RABDC)	100.00%	100.00%	—	—	Agricultural business	Makati City
Roxas Pacific Bioenergy Corporation (RPBC)	100.00%	100.00%	—	—	Holding company for bioethanol investments	Negros Occidental
RHI Pacific Commercial Corp. (RHIPCC) ⁽¹⁾	100.00%	100.00%	—	—	Selling arm of products of RHI Group	Makati City
San Carlos Bioenergy, Inc. (SCBI) ⁽²⁾	93.35%	93.35%	6.65%	6.65%	Production and selling of bioethanol fuel	Negros Occidental
Roxas Power Corporation (RPC)	50.00%	50.00%	50.00%	50.00%	Sale of electricity	Nasugbu, Batangas
Northeastern Port Storage Corporation (NPSC) ⁽³⁾	100.00%	100.00%	—	—	Owning the depot and storage facilities used by SCBI	Negros Occidental

⁽¹⁾ As at March 31, 2022, RHIPCC has not yet started commercial operations

⁽²⁾ Acquired in April 2015 through RPBC

⁽³⁾ Indirect ownership through RPBC

Non-controlling interests represent the portion of profit or loss and net assets of RPC and SCBI not held by the Group, directly or indirectly, and are presented separately in the consolidated statement of comprehensive income and within the equity section of the consolidated statement of financial position and consolidated statement of changes in equity, separately from the Parent Company's equity. Total comprehensive income is attributed to the portion held by the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit.

3. Cash and Cash Equivalents

This account consists of:

	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
Cash on hand	₱374	₱662
Cash in banks and cash equivalents	343,690	58,312
	₱344,064	₱58,974

Cash in banks earn interest at the respective bank deposit rates.

4. Trade and Other Receivables

This account consists of:

	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
Trade	₱1,281,432	₱515,064
Due from:		
Planters and cane haulers	51,088	70,263
Employees	23,532	28,649
Related parties	12,164	—
Others	70,857	70,784
	1,439,073	684,760
Allowance for impairment losses	(151,633)	(151,633)
	₱1,287,440	₱533,127

5. Inventories

This account consists of:

	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
At NRV:		
Materials and supplies	₱304,882	₱210,099
Molasses	—	63,295
Alcohol	—	79,251
At cost:		
Raw sugar	1,815,766	35,849
Molasses	280,741	—
Alcohol	56,183	—
Refined sugar	8,782	157,706
Others	6,020	8,373
	₱2,472,374	₱554,573

Cost of inventories valued at NRV is shown below:

	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
Materials and supplies	₱345,919	₱247,493
Alcohol	—	106,892
Molasses	—	80,781
	₱345,919	₱435,166

6. Other Current Assets

This account consists of:

	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
Advances to suppliers	₱133,076	₱74,953
Input VAT	77,632	46,941
Prepayments	34,906	27,763
Deferred milling costs	32,107	5,288
Refundable deposits	16,032	15,982
	₱293,753	₱170,927

Input VAT, which includes deferred input VAT, mainly arises from purchases of capital goods and services for operations.

7. Property, Plant and Equipment

Acquisitions and disposals

During the six months ended March 31, 2022, the Group acquired assets amounting to ₱98.5 million excluding property under construction.

The Group also started several capital expenditures. The projects with carrying amount of ₱458.7 million are expected to be completed within a year.

Certain property, plant and equipment with a carrying amount of ₱4,660.5 million were mortgaged and used as collateral to secure the loan obligations with the local banks (see Note 9).

8. Short-term Borrowings

This account consists of unsecured short-term loans obtained from various local banks for working capital requirements of the Group. The short-term borrowings are payable within 30 to 90 days and bear interest ranging from 7.00% to 7.25% and 6.00% to 7.25% for the periods ended March 31, 2022 and September 30, 2021, respectively.

Total interest expense arising from short-term borrowings amounted to ₱26.4 million and ₱151.8 million for the six-month periods ended March 31, 2022 and 2021, respectively.

On September 23, 2020, the Company sent letter request to the major creditor banks for the proposed term out of outstanding short-term loans amounting to ₱4,750 million. As of December 23, 2021, the term out has been duly approved by the creditor banks and converted to long-term borrowings (see Note 9).

During the six months ended March 31, 2022, the Group paid a total of ₱119.0 million worth of short-term borrowings.

9. Long-term Borrowings

The Group obtained various loans from local banks. Total outstanding payable arising from loan agreements are as follows:

Facility	Terms	Collateral	Outstanding Balance	
			March 31, 2022	September 30, 2021
₱2,000.0 million dated September 29, 2021	Payable in equal semi-annual amortization amounting to ₱125.0 million starting December 2023 until June 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 5.75% for two years subject to repricing thereafter	Suretyship agreement and mortgage trust indenture (MTI)	₱2,000,000	₱2,000,000
₱1,500.0 million dated December 23, 2021	Payable in quarterly amortization amounting to ₱37.5 million starting December 2022 until September 2024 and a lump sum payment of the remaining balance on December 2024 and bears interest of 6.5% for three years	Mortgage Trust Indenture (MTI)	1,500,000	—
₱1,250.0 million dated December 22, 2020	Payable in quarterly amortization amounting to ₱32.9 million for five years starting March 2023 until September 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 6.00% for two years subject to repricing thereafter	Mortgage Trust Indenture (MTI)	1,250,000	1,250,000
₱2,645.0 million dated August 5, 2014	Payable in equal quarterly amortization for seven years beginning November 2016 and bears fixed interest of 4.50% for three years subject to repricing thereafter	Suretyship agreement and MTI	—	1,000
			4,750,000	3,251,000
Unamortized transaction costs			(28,063)	(15,000)
Noncurrent long-term borrowings			₱4,721,937	₱3,236,000

Suretyship Agreement and Mortgage Trust Indenture

The Group entered into various suretyship agreements and MTI with local bank creditors that secure the Group's obligations in solidarity against all the properties of RHI and CADPI. Property, plant and equipment with a carrying amount of ₱4,660.5 million were mortgaged and used as collateral to secure the loan obligations with the local bank creditors.

Loan Covenants

The foregoing loan agreements are subject to certain covenants, such as but not limited to:

- maintenance of debt service coverage ratio (DSCR) of at least 1.10 times and debt-to-equity ratio of not more than 2.33:1 starting 2023;
- prohibition on purchase of additional equipment, except in pursuance of its sugar expansion and ethanol project, unless the required financial ratios are maintained;
- prohibition on any material change in ownership or control of its business or capital stock or in the composition of its top level management; and
- prohibition on declaration or payment of dividends or any other capital or other asset distribution to its stockholders, unless the required financial ratios are maintained.

The maturities of the long-term borrowings are as follows:

	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
Within a year	₱107,890	–
Between one to two years	406,560	₱98,670
Between two to three years	1,656,560	1,145,680
Between three to five years	763,120	–
Between five to seven years	1,815,870	2,006,650
	₱4,750,000	₱3,251,000

10. Convertible Note – net

On December 17, 2021, the BOD approved the issuance of convertible debt securities amounting to ₱800 million to Metpower Ventures Partners Holdings, Inc., convertible to 80,000,000 common shares of SCBI at ₱10 value per share at the option of the holder. The convertible note is interest bearing and has a maturity of 7 years.

11. Trade and Other Payables

This account consists of:

	March 31, 2022 (Unaudited)	September 30, 2021 (Audited)
Trade	₱3,404,603	₱1,350,406
Accruals for:		
Sugar and molasses purchase	397,958	–
Offseason costs	207,158	–
Utilities	13,748	12,701
Services	13,459	15,706
Interest	4,780	11,218
Taxes	6,909	8,653
Construction in progress	6,553	6,553
Payroll and other employee benefits	3,591	4,872
Others	77,157	25,489
Due to:		
Planters	10,895	7,398
Related parties	7,098	7,098
Payable to government agencies for taxes and statutory contributions	116,496	17,842
Provision for probable loss	77,318	77,318
Contract liabilities	66,935	38,987
Others	9,404	7,635
	₱4,424,062	₱1,591,876

12. Equity

Details of capital stock and treasury stock follow:

	March 31, 2022 (Unaudited)		September 30, 2021 (Audited)	
	Number of Shares	Amount (in Thousands)	Number of Shares	Amount (in Thousands)
Authorized – common shares “Class A” at ₱1.0 par value	2,000,000,000	₱2,000,000	2,000,000,000	₱2,000,000
Issued common shares “Class A”	1,565,579,279	₱1,565,579	1,565,579,279	₱1,565,579
Treasury stock	(17,643,480)	(52,290)	(17,643,480)	(52,290)
Issued and outstanding	1,547,935,799	₱1,513,289	1,547,935,799	₱1,513,289

On July 14, 2017, the Parent Company’s application for increase in authorized capital stock was approved by SEC. On November 9, 2017, the PSE approved the listing of these newly subscribed 125,000,000 common shares.

13. Related Party Transactions and Balances

In the normal course of business, the Group has transactions with related parties as follows:

- The Group made advances to CADPI Retirement Fund, Inc. (CADPIRFI) for a portion of the retirement payments made to the Group’s qualified retired employees under defined benefit plan. Advances to CADPIRFI are netted under “Trade and other payables” account.
- Due to related parties, which are presented as part of “Trade and other payables” account, represents noninterest-bearing payable arising from advances from CADPIRFI.

Outstanding balances of transactions with related parties are unsecured and settlements are made in cash. The Group did not recognize any provision for impairment for the six-month periods ended March 31, 2022 and 2021. This assessment is undertaken each reporting period by reviewing the financial position of the related party and the market in which the related party operates.

14. Revenue from Contracts with Customers

The components of revenue are as follows:

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Sale of goods:		
Refined sugar	₱1,482,236	₱532,027
Alcohol	985,402	585,511
Molasses	164,795	167,916
Sugar syrup	114,313	–
Carbon dioxide	4,059	1,183
Raw sugar	–	156,506
	2,750,805	1,443,143
Sale of services:		
Milling revenue	462,720	397,876
Tolling fees	61,866	12,133
Power	24,341	13,828
Farm services	9,391	20,552
	558,318	444,389
	₱3,309,123	₱1,887,532

15. Cost of Sales

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Direct materials used	₱2,241,155	₱930,496
Depreciation and amortization	302,110	232,746
Personnel costs	192,129	149,793
Fuel and oil	175,343	269,997
Repairs and maintenance	117,193	86,573
Planters' subsidy and productivity assistance	109,354	69,734
Outside services	90,500	103,580
Communication, light and water	41,124	35,641
Taxes and licenses	38,108	27,824
Others	55,761	78,031
	₱3,362,777	₱1,984,415

16. Operating Expenses

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
General and administrative expenses	₱262,102	₱308,256
Selling expenses	21,871	8,045
	₱283,973	₱316,301

General and Administrative Expenses

The components of general and administrative expenses are as follows:

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Personnel costs	₱140,246	₱169,837
Outside services	40,864	22,712
Taxes and licenses	25,433	22,545
Depreciation and amortization	19,047	35,548
Professional fees	6,254	22,053
Communication, light and water	3,638	4,630
Transportation and travel	2,230	1,773
Others	24,390	29,158
	₱262,102	₱308,256

Others mainly pertain to cost incurred for organizational activities, corporate social responsibility, office supplies among others.

Selling expenses mainly pertain to sugar liens and dues, delivery charges and monitoring fees paid to various regulatory agencies prior to sale of sugar.

17. Personnel Costs

Personnel costs are allocated as follows:

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Costs of goods sold	₱192,129	₱149,793
General and administrative expenses	140,246	169,837
	₱332,375	₱319,630

18. Other Income (Expense) - Net

This account consists of:

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Storage, handling and insurance fees	₱2,594	₱1,347
Interest income	419	912
Rent income	548	104
Others	(3,218)	9,126
	₱343	₱11,489

19. Financial Instruments

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash in banks, trade and other receivables, and trade and other payables, which arise directly from its operations, and short and long-term borrowings.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The Group monitors the market price risk arising from all financial instruments. The Group's operations are also exposed to commodity price risk, particularly from sugar prices. Risk management is carried out by senior management under the guidance and direction of the BOD of the Parent Company.

Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations.

The Group's objective is to maintain sufficient cash and cash in banks and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Group aims to maintain flexibility in funding by keeping track of daily cash flows and maintaining committed credit lines available.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and the related financial assets used for liquidity management.

March 31, 2022					
	On demand	Less than one year	Over 1 year but less than 2 year	Over 2 year	Total
Financial assets:					
Cash and cash equivalents	₱344,064	₱—	₱—	₱—	₱344,064
Trade receivables***	207,999	955,897	—	—	1,163,896
Due from employees***	23,399	—	—	—	23,399
Due from related parties	12,164	—	—	—	12,164
Other receivables***	68,648	—	—	—	68,648
Refundable deposits****	16,032	—	—	—	16,032
	672,306	955,897	—	—	1,628,203
Financial liabilities					
Trade and other payables**	235,869	3,994,379	—	—	4,230,248
Short-term borrowings*	—	99,528	—	—	99,528
Noncurrent portion of long term borrowings*	—	386,736	671,501	4,758,634	5,816,871
Lease liabilities	—	649	517	974	2,140
	235,869	4,481,292	672,018	4,759,608	10,148,787
Liquidity position (gap)	₱436,437	(₱3,525,395)	(₱672,018)	(₱4,759,608)	(₱8,520,584)

*Includes expected future interest payments for short-term and long-term borrowings amounting to ₱6.7 million and ₱1,094.9 million, respectively.

** Excludes payables to government agencies amounting to ₱116.5 million and provision for losses amounting to ₱77.3 million.

***Net of related allowances for impairment losses totaling ₱119.9 million.

****Presented under other current assets.

September 30, 2021

	On demand	Less than one year	Over 1 year but less than 2 year	Over 2 year	Total
Financial assets:					
Cash and cash equivalents	₱58,974	₱—	₱—	₱—	₱58,974
Trade receivables***	62,870	334,658	—	—	397,528
Due from employees***	28,516	—	—	—	28,516
Other receivables***	68,575	—	—	—	68,575
Refundable deposits*****	15,982	—	—	—	15,982
	234,917	334,658	—	—	569,575
Financial liabilities					
Trade and other payables**	162,676	1,334,040	—	—	1,496,716
Short-term borrowings*	—	1,813,448	—	—	1,813,448
Noncurrent portion of long-term borrowings*	—	190,066	287,249	3,722,510	4,199,825
Lease liabilities	—	9,811	255	488	10,554
	162,676	3,347,365	287,504	3,722,998	7,520,543
Liquidity position (gap)****	₱72,241	(₱3,012,707)	(₱287,504)	(₱3,722,998)	(₱6,950,968)

*Includes expected future interest payments for short-term and long-term borrowings amounting to ₱102.6 million and ₱963.8 million, respectively.

** Excludes payables to government agencies amounting to ₱17.8 million and provision for losses amounting to ₱77.3 million.

***Net of related allowances for impairment losses totaling ₱99.6 million.

****Liquidity position is expected to improve within the next 12 months as the Group is continuously in coordination with respective banks for the refinancing of short-term obligations for a minimum period of at least 3 years after September 30, 2021 (see Note 8 and 9).

*****Presented under Other current assets.

Credit risk

Credit risk is the risk that the Group incurs a loss because its customers, clients or counterparties failed to discharge their contractual obligation. To mitigate this risk, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which includes evaluation of the customers' financial standing and determination of allowable credit limit and credit terms. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group does not have significant concentrations of credit risk as the Group's customers and dealers are dispersed throughout the country.

To reduce the Group's exposure to bad debts, the Group took a conservative approach in its credit risk management. A policy has been developed to ensure that processes and risk-aversion are carefully observed to eliminate dealings with business entities that may pose collection issues in the future. This policy reinforces the Group's procedures for identifying and managing exposures to credit risk. Since the Group trades only with recognized third parties, there is no requirement for collateral.

With respect to credit risk arising from other financial assets of the Group which consist of cash, 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. There are no collaterals or other credit enhancements held over these assets.

a. Risk concentrations of the maximum exposure to credit risk

There is a significant concentration of credit risk within the Group given that the Group has limited creditors, stockholders and local banks.

With respect to credit risk arising from the Group's financial assets, which comprise cash and receivables, 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.

- b. As at March 31, 2022 and September 30, 2021, the analysis of financial assets follows:

	March 31, 2022			
	Neither Past Due nor Impaired	Past Due but not Impaired	ECL	Net of allowance for doubtful accounts
Loans and receivables:				
Cash and cash equivalents*	₱343,690	₱–	₱–	₱343,690
Trade and other receivables				
Trade receivables	955,897	325,535	(117,536)	1,163,896
Due from employees	23,399	133	(133)	23,399
Due from related parties	12,164	–	–	12,164
Other receivables	–	70,857	(2,209)	68,648
Refundable deposits	16,032	–	–	16,032
	₱1,351,182	₱396,525	(₱119,878)	₱1,627,829

*Excluding cash on hand amounting to ₱0.4 million.

**Included as part of other current assets (see Note 6)

	September 30, 2021			
	Neither Past Due nor Impaired	Past Due but not Impaired	ECL	Net of allowance for ECL
Loans and receivables:				
Cash and cash equivalents*	₱58,312	₱–	₱–	58,312
Trade and other receivables				
Trade receivables	351,545	163,519	(117,536)	397,528
Due from employees	–	28,649	(133)	28,516
Other receivables	–	70,784	(2,209)	68,575
Refundable deposits**	15,982	–	–	15,982
	₱425,839	₱262,952	(₱119,878)	₱568,913

*Excluding cash on hand amounting to ₱0.7 million.

**Included as part of other current assets (see Note 6)

The Group's neither past due nor impaired receivables are high grade receivables which, based on experience, are highly collectible and exposure to bad debt is not significant.

As at March 31, 2022 and September 30, 2021, the age of the entire Group's past due but not impaired receivables is over 60 days.

Trade Receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are determined based on the Group's historical observed default rates analyzed in accordance to days past due by grouping of customers based on customer type and channels. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factors affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix as of March 31, 2022 and September 30, 2021.

		March 31, 2022				
		Days past due				
	Current	<30 days	30-60 days	61 to 90 days	> 90 days	Total
Estimated credit loss rate	2%	8%	44%	90%	19%	9%
Estimated total gross carrying amount at default	₱638,377	₱269,868	₱7,074	₱14,785	₱351,328	₱1,281,432
Expected credit loss	4,249	11,185	6,604	9,502	85,996	117,536
		September 30, 2021				
		Days past due				
	Current	<30 days	30-60 days	61 to 90 days	> 90 days	Total
Estimated credit loss rate	2%	8%	44%	90%	37%	23%
Estimated total gross carrying amount at default	₱144,116	₱207,428	₱54,532	₱65,858	₱43,130	₱515,064
Expected credit loss	2,406	15,912	24,115	59,278	15,825	117,536

c. Impairment analysis

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For due from related parties, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type or by payors). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, due from related parties are written-off if the account is at least one year past due and are deemed uncollectible after subjecting to all possible collection effort activities. No ECL was recognized on due from related parties as of March 31, 2022 and September 30, 2021.

Commodity price risk

The Group is exposed to commodity price risk from conventional physical sales and purchase of sugar managed through volume, timing and relationship strategies. The Group does not enter into commodity derivatives.

The Group's sales commitments are contracted at fixed prices, and thus have no impact on the consolidated cash flows in the next 12 months.

Interest rate risk

The primary source of the Group's interest rate risk relates to interest-bearing financial liabilities. The interest rates on these liabilities are disclosed in Notes 8 and 9.

The loans amounting to ₱4,842.8 million and ₱4,961.8 million as at March 31, 2022 and September 30, 2021, respectively, bear floating interest and expose the group to interest rate risk.

The other financial instruments of the Group are noninterest-bearing and are therefore not subject to interest rate risk.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The Group's dividend declaration is dependent on availability of earnings and operating requirements. The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the periods ended March 31, 2022 and September 30, 2021.

Management considers the total consolidated equity reflected in the consolidated statement of financial position as its capital. The Group monitors its use of capital using leverage ratios, specifically, debt-to-equity ratio.

Fair Values

The carrying amounts of the Group's financial assets and liabilities approximate their fair values due to their short-term nature or the interest rates that they carry approximate the interest rate on comparable instruments in the market. For the long term loans, these are subject to both fixed and floating rates.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents, trade receivables, due to and from related parties, due from employees, other receivables, trade and other payables, short-term borrowings, current portion of long-term borrowings and dividends payable. The carrying amounts of these instruments approximate fair values due to their short-term maturities.

Long-term borrowings. Fair values of long-term borrowings as at March 31, 2022 and September 30, 2021 were determined based on Level 2 in which the inputs are based on the discounted interest rate of the prevailing comparable instrument in the market.

20. Segment Reporting

The Group has two reportable segments: sugar and alcohol. The Group's sugar segment consists of two operating subsidiaries: CADPI and RABDC that manufactures and sells raw and refined sugar, molasses and provides tolling and farm operations services. The alcohol segment consists of one operating subsidiary, SCBI, that manufactures and sells bioethanol fuel.

The Group has only one geographical segment as all of its assets are located in the Philippines. The Group operates and derives principally its revenue from domestic operations. Thus, geographical business information not required.

The Group's senior management regularly reviews the operating results of the business units to make decisions on resource allocation and assess performance. Segment revenue and segment expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and segment expenses are consistent with the consolidated statements of income.

The following tables present information about the Group's operating segments:

	Six-Month Periods Ended March 31, 2022 (Unaudited)			Consolidated
	Sugar	Alcohol	Eliminations	
Revenue:				
External customers	₱2,180,682	₱1,128,441	₱-	₱3,309,123
Inter-segment	2,048	-	(2,048)	-
Cost of goods sold:				
Direct materials used	1,489,777	753,176	(1,798)	2,241,155
Planters' subsidy and productivity assistance	42,594	66,760	-	109,354
Depreciation and amortization	237,233	64,877	-	302,110
Fuel and oil	51,267	124,076	-	175,343
Interest expense	152,310	5,853	-	158,163
Segment loss	(429,380)	(66,132)	-	(495,512)

	Six-Month Periods Ended March 31, 2021 (Unaudited)			Consolidated
	Sugars	Alcohol	Eliminations	
Revenue:				
External customers	₱1,286,966	₱600,566	₱-	₱1,887,532
Inter-segment	25,048	15,606	(40,654)	-
Cost of goods sold:				
Direct materials used	696,544	271,206	(37,254)	930,496
Planters' subsidy and productivity assistance	12,582	57,152	-	69,734
Depreciation and amortization	182,787	49,959	-	232,746
Fuel and oil	163,628	106,369	-	269,997
Interest expense	160,901	11,304	-	172,205
Segment loss	(550,182)	(23,740)	-	(573,922)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following Management Discussion and Analysis should be read in connection with the submitted Unaudited Interim Condensed Consolidated Financial Statements as at and for six-month periods ended March 31, 2022 and 2021.

Financial Highlights and Key Performance Indicators

<i>Amounts in Millions except Shares</i>	March 31, 2022	September 30, 2021	Increase (Decrease)	
	(Unaudited)	(Audited)	Amount	%
Balance Sheet				
Fixed assets	₱9,831	₱9,779	52	1%
Total assets	15,767	12,738	3,029	24%
Shareholders' equity	4,682	5,157	(475)	(9%)
Net debt ⁽¹⁾	5,249	4,888	361	7%
Equity ratio	29.7%	40.5%	(10.8%)	(27%)
Net debt as % of equity	1.12x	0.95x	0.17	18%
Shares				
Market capitalization	2,028	1,935	93	5%
Total shares issued	1,548	1,548	—	—
Closing price per share	1.31	1.25	0.06	5%

<i>Amounts in Millions except Operational Data</i>	Six Months Ended March 31 (Unaudited)		Increase (Decrease)	
	2022	2021	Amount	%
Revenue and Earnings				
Revenue	₱3,309	₱1,888	₱1,421	75%
Gross loss	(54)	(97)	43	44%
Depreciation	239	251	(12)	(5%)
Operating expenses	284	316	(32)	(10%)
Interest expense	158	172	(14)	(8%)
Net loss	(496)	(574)	78	14%
EBITDA	(98)	(151)	53	35%
EBITDA margin ⁽²⁾	(3%)	(8%)	5%	63%
Return on equity	(10.6%)	(10.9%)	0.3%	3%
Income (loss) per share	(0.32)	(0.37)	0.05	14%
Cash Flow and Investments				
Cash flow provided by operations	(32)	(284)	252	89%
Investment in fixed assets	291	81	210	259%
Operational Data (volume in thousands)				
Tons cane milled	446	515	(69)	(13%)
Production:				
Raw sugar (Lkg)	771	756	15	2%
Refined sugar (Lkg)	555	533	22	4%
Ethanol (liters)	15,653	12,203	3,450	28%

(1) Net debt is derived by deducting cash and cash equivalents from total debt (short-term borrowings, convertible note and long-term debt, including current portion).

(2) EBITDA margin for the period is measured as EBITDA divided by revenues.

The Group's financial performance is determined to a large extent by the following key results:

1. Raw sugar production – a principal determinant of consolidated revenues and is computed as the gross amount of raw sugar output of CADPI.
2. Refined sugar production – the most important determinant of revenues and computed as the gross volume of refined sugar produced by the CADPI refinery both as direct sales to industrial customers and traders or as tolling manufacturing service, limited by production capacity and by the ability of the Group to market its services to both types of customers.
3. Ethanol production – a measure of ethanol production yield compared to unit and cost of input and is computed as ethanol produced (in liters) from each ton of molasses undergoing distillation and dehydration processes.
4. Earnings before interest, taxes, depreciation and amortization (EBITDA) – the measure for cash income from operations and computed as the difference between revenues and cost of sales and operating and other expenses, but excluding finance charges from loans, income taxes and adding back allowances for depreciation and other non-cash amortization.
5. Return on equity – denotes the capability of the Group to generate returns on the shareholders' funds computed as a percentage of net income to total equity.

Company Overview

Roxas Holdings, Inc. (RHI), a sugar and energy company, is the largest integrated sugar business and the biggest ethanol producer in the Philippines. The Company started operating as a sugar milling company in Nasugbu, Batangas in 1927 and was then known as Central Azucarera Don Pedro.

The Company's subsidiaries include the following:

- Central Azucarera Don Pedro, Inc. (CADPI), located in Batangas, provides the refined sugar requirements of traders and industrial customers such as multinational food and beverage and pharmaceutical companies in Luzon.
- San Carlos Bioenergy, Inc. (SCBI), located at San Carlos Ecozone, Barangay Palampas and Punao, San Carlos City, Negros Occidental, operates integrated sugar mill and bioethanol distillery complex.
- RHI Agri-Business Development Corporation (RHIADC), located in Batangas City, manages and operates agricultural land and planting and cultivation of sugar cane and other farm products, has started commercial operations as at September 30, 2016.

Results of Operations

Revenues

<i>Amounts in Millions</i>	Six Months Ended March 31 (Unaudited)		Increase (Decrease)	
	2022	2021 ¹	Amount	%
Refined sugar	₱1,482	₱532	₱950	179%
Milling revenue	463	398	65	16%
Molasses	165	168	(3)	(2%)
Tolling fees	62	12	50	417%
Raw sugar	–	157	(157)	(100%)
	2,172	1,267	905	71%
Alcohol	985	586	399	68%
Sugar syrup	114	–	114	100%
Others	38	35	3	9%
	₱3,309	₱1,888	(₱1,421)	75%

Consolidated revenues for the six months ended March 31, 2022 amounted to ₱3,309.1 million, ₱1,421.6 million or 75% higher than the ₱1,887.5 million consolidated revenues reported in the same period in 2021, primarily due to increase in volume sold brought about by increase in ethanol and refined sugar production and carry over refined sugar inventory.

Sugar – Revenue from sugar operations increased by ₱905.0 million or 71% against last year's revenue of ₱1,266.6 million due to increase in volume sold and higher sugar prices. Refined sugar sales volume increased by 421 Lkg or 155% versus last year's sales volume of 272 Lkg and average selling price per Lkg of refined sugar price increased to ₱2,140 in current year from ₱1,957 in 2021.

Alcohol – Revenue from alcohol operations amounted to ₱1,099.7 million and ₱585.5 million in 2021 and 2020, respectively. The increase of ₱514.2 million is due to higher volume sold in 2021 by 57%.

Other income – Other revenues pertains to sale of power and CO₂ of SCBI and sale of sugar cane and farm services of ADC.

Gross Profit

The gross loss of the Group for the six months ended March 31, 2022 amounting to ₱53.7 million is ₱43.2 million or 45% lower than the ₱96.9 million in 2021. The increase in gross profit is attributable to improved yield and decreased milling fuel cost due to derating of mills.

Sugar – The sugar operation's gross loss of ₱30.5 million is lower by ₱82.2 million from ₱112.7 million reported in the same period in 2021 primarily due to improved yield and decreased milling fuel cost

Alcohol – The gross loss of alcohol for the six months ended March 31, 2022 is ₱38.7 million lower from ₱15.8 million gross profit in the same period in 2021. Gross loss rate decreased to 2.0% in 2022 from gross profit rate of 2.6% in 2021 due to high feedstock cost and lower yield. Ethanol production for the six months ended March 31, 2022 increased by 3.5 million liters or 28% from 12.2 million liters production in 2021.

Operating Expenses

<i>Amounts in Millions</i>	Six Months Ended		March 31	
	(Unaudited)		Increase (Decrease)	
	2021	2021	Amount	%
Salaries, wages and other employee benefits	₱140	₱170	(₱30)	(18%)
Outside services	41	23	18	78%
Taxes and licenses	25	23	2	9%
Depreciation and amortization	19	36	(17)	(47%)
Professional fees	6	22	(16)	(73%)
Communication, light and water	4	5	(1)	(20%)
Transportation and travel	2	2	—	—
Selling expenses	22	8	14	175%
Others	25	27	(2)	(7%)
	₱284	₱316	(₱32)	(10%)

Consolidated operating expenses for the six months ended March 31, 2022 decreased by ₱32.3 million or 10% compared to the same period in 2021.

Interest

Interest expense amounted to ₱158.2 million for the six months ended March 31, 2022, which is 8% or ₱14.0 million lower than the ₱172.2 million reported in the same period in 2021, due to refinancing of long-term loans in 2021.

Net Loss

Consolidated net loss for the six months ended March 31, 2022 amounted to ₱495.5 million, which is ₱78.4 million lower than the ₱573.9 million net loss reported in the same period in 2021. Consequently, loss per share is ₱0.32 and ₱0.37 for the six months ended March 31, 2022 and 2021, respectively.

EBITDA

EBITDA for the six months ended March 31, 2022 is higher by ₱52.4 million or 35% than ₱150.7 million losses reported in the same period in 2021.

Financial Condition

Consolidated total assets as at March 31, 2022 amounted to ₱15,766.8 million, which is ₱3,028.5 million higher than the ₱12,738.3 million as at September 30, 2021. Current assets increased by ₱3,080.0 million from ₱1,317.6 million as at September 30, 2021 to ₱4,397.6 million as at March 31, 2021. Receivables increased by ₱754.3 million due to higher sales while inventories increased by ₱1,917.8 million as a result of increased production in 2022.

During the six months ended March 31, 2022, the Group paid a total of ₱119.0 million worth of short-term borrowings and issued ₱800.0 million debt securities convertible to 80.0 million common shares at the option of the holder.

Trade and other payables amounted to ₱4,424.1 million as at March 31, 2022, which is ₱2,832.2 million higher than ₱1,591.9 million as at September 30, 2021.

Off-Balance Sheet Arrangements

The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

OTHER INFORMATION

1. New projects or investments in another project, line of business or corporation;
None for the period.
2. Composition of Board of Directors;

Name	Position
PEDRO E. ROXAS	Chairman
MANUEL V. PANGILINAN	Vice Chairman
CELSO T. DIMARUCUT	President and CEO
CHRISTOPHER H. YOUNG	Director
RAY C. ESPINOSA	Director
ALEX ERLITO S. FIDER	Director
SANTIAGO T. GABIONZA, JR.	Independent Director
OSCAR J. HILADO	Independent Director
ARLYN S. VILLANUEVA	Independent Director

3. Performance of the corporation or result or progress of operations;

See unaudited interim condensed consolidated financial statements and management's discussion and analysis of results of operations and financial conditions
4. Suspension of operations; **None for the period**
5. Declaration of dividends; **None for the period**
6. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements; **None for the period**
7. Financing through loans; **None for the period**
8. Offering of rights, granting of Stock Options and corresponding plans therefore; **None for the period**
9. Acquisition of other capital assets or patents, formula or real estates; **None for the period**
10. Any other information, event or happening that may affect the market price of the Company's shares; **None for the period**
11. Transferring of assets, except in the normal course of business; **None for the period**


SIGNATURES


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

Registrant

ROXAS HOLDINGS, INC.

Signature and Title:


ATTY. AMIEE E. PEDAYO
Asst. Corp. Secretary


VERONICA C. CORTEZ
VP – Finance and Administration

May 6, 2022

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX A. AGING OF TRADE AND OTHER RECEIVABLES

AS AT MARCH 31, 2022 AND SEPTEMBER 30, 2021

(Amounts in Thousands)

December 31, 2021							
Past due but not impaired							
	Current	1-30 days	31-60 days	Over 60 days	Subtotal	Impaired	Total
Trade	₱638,377	₱269,868	₱7,074	₱248,577	₱525,519	₱117,536	₱1,281,432
Due from:							
Planters	19,333	—	—	—	—	31,755	51,088
Employees	23,399	—	—	—	—	133	23,532
Related parties	12,164	—	—	—	—	—	12,164
Other receivables	—	—	—	68,648	68,648	2,209	70,857
	₱693,273	₱269,868	₱7,074	₱317,225	₱594,167	₱151,633	₱1,439,073

September 30, 2021							
Past due but not impaired							
	Current	1-30 days	31-60 days	Over 60 days	Subtotal	Impaired	Total
Trade	₱144,116	₱152,896	₱54,532	₱45,984	₱253,412	₱117,536	₱515,064
Due from:							
Planters	38,508	—	—	—	—	31,755	70,263
Employees	28,516	—	—	—	—	133	28,649
Other receivables	—	—	—	68,575	68,575	2,209	70,784
	₱211,140	₱152,896	₱54,532	₱114,559	₱321,987	₱151,633	₱684,760

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX B. FINANCIAL SOUNDNESS INDICATORS

MARCH 31, 2022 AND 2021

		March 31	
		2022	2021
Current ratio	Current assets/Current liabilities	0.97	0.40
Debt to equity ratio	Total liabilities/Total equity	2.37	1.55
Asset to equity ratio	Total assets/Total equity	3.37	2.55
Return on assets	Net income/Total assets	(3.1%)	(4.3%)
Return on equity	Net income/Total equity	(10.6%)	(10.9%)
Book value per share	Total equity/Outstanding shares	3.0	3.4