

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W - 1 5 A

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

Department requiring the report

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

www.roxasholdings.com

Company's Telephone Number

(02) 771-7800

Mobile Number

-

No. of Stockholders

2,089

Annual Meeting (Month / Day)

February 18

Fiscal Year (Month / Day)

September 30

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ma. Hazel L. Rabara-Retardo

Email Address

hazel.rabara@rhi.com.ph

Telephone Number/s

(02) 810-8901

Mobile Number

-

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)

(Company's Full Name)

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

(Company's Address)

(632) 771-7800

(Company's Telephone Number)

September 30, 2019

(Fiscal Year Ending)

SEC Form 17-Q

(Form Type)

Amended Designation (If Applicable)

March 31, 2019

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 2019**
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)**
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) 771-7800
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	1,565,579,279
No. of preferred shares issued and outstanding	-

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

Yes ☒

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, 2019 (With Comparative Audited Figures as at September 30, 2018)
and for the Six-Month Periods Ended March 31, 2019 and 2018

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2019

(With Comparative Audited Balances as at September 30, 2018)

(Amounts in Thousands)

	Note	March 31, 2019 (Unaudited)	September 30, 2018 (As restated - Note 2)
ASSETS			
Current Assets			
Cash and cash equivalents	3	P667,246	P295,149
Trade and other receivables	4	1,515,328	3,040,355
Inventories	5	3,127,621	2,646,188
Other current assets	6	1,124,775	1,204,288
		6,434,970	7,185,980
Assets Held for Sale	8	6,525,072	6,525,072
		12,960,042	13,711,052
Noncurrent Assets			
Investment in an associate	7	679,741	642,690
Property, plant and equipment:	8		
At cost		7,269,644	7,595,865
At revalued amount		1,224,991	1,376,627
Investment properties		498,981	347,591
Goodwill		1,079,615	1,079,615
Retirement assets - net		42,795	44,938
Deferred tax assets - net		606,821	440,817
Other noncurrent assets		299,841	291,423
		11,702,429	11,819,566
		P24,662,471	P25,530,618
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term borrowings	9	P7,033,561	P6,210,857
Current portion of long-term borrowings	10	1,248,433	4,813,113
Trade and other payables	11	1,564,188	2,279,766
Income tax payable		—	2,350
		9,846,182	13,306,086
Liability directly associated with the assets held for sale		1,024,465	1,024,465
		10,870,647	14,330,551
Noncurrent Liabilities			
Long term borrowings - net of current portion	10	2,943,370	—
Retirement liabilities - net		279,835	249,953
Deferred tax liabilities - net		167,544	185,824
Other noncurrent liabilities		1,300	1,300
		3,392,049	437,077
		14,262,696	14,767,628

(Forward)

		March 31, 2019 (Unaudited)	September 30, 2018 (As restated - Note 2)
	Note		
Equity Attributable to the Equity Holders of the Parent Company	12		
Capital stock		₱1,565,579	₱1,565,579
Additional paid-in capital		2,841,276	2,840,370
Treasury stock		(52,290)	(52,290)
Revaluation increment on land under assets held for sale		2,390,419	2,390,419
Other equity items and reserves		1,177,585	1,177,585
Retained earnings		2,419,047	2,781,474
		10,341,616	10,703,137
Non-controlling Interests		58,159	59,853
		10,399,775	10,762,990
		₱24,662,471	₱25,530,618

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
MARCH 31, 2019 AND 2018

(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)	
	2019	2018	2019	2018
REVENUE				
Sale of goods	₱1,930,287	₱1,143,996	₱3,469,686	₱2,137,336
Sale of services	811,641	11,331	1,539,688	14,038
	2,741,928	1,155,327	5,009,374	2,151,374
COST OF SALES	(2,652,124)	(1,029,491)	(4,903,829)	(1,967,316)
GROSS INCOME	89,804	125,836	105,545	184,058
OPERATING EXPENSES	(208,395)	(204,913)	(394,848)	(370,030)
INTEREST EXPENSE	(159,604)	(29,121)	(215,312)	(80,252)
SHARE IN NET EARNINGS OF AN ASSOCIATE	21,051	30,066	37,051	30,066
OTHER INCOME – Net	22,984	28,087	20,089	35,740
LOSS BEFORE INCOME TAX	(234,160)	(50,045)	(447,475)	(200,418)
INCOME TAX BENEFIT (EXPENSE)				
Current	(5,997)	(7,502)	(4,307)	(7,215)
Deferred	50,332	34,333	152,870	94,058
	44,335	26,831	148,563	86,843
NET LOSS FROM CONTINUING OPERATIONS	(189,825)	(23,214)	(298,912)	(113,575)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS)	23,070	212,875	(65,209)	193,180
NET INCOME (LOSS)	(₱166,755)	₱189,661	(₱364,121)	₱79,605
Net income (loss) attributable to:				
Equity holders of the Parent Company	(₱165,603)	₱190,149	(₱362,427)	₱79,478
Non-controlling interests	(1,152)	(488)	(1,694)	127
	(₱166,755)	₱189,661	(₱364,121)	₱79,605
EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Basic	(₱0.11)	₱0.12	(₱0.23)	₱0.05
Diluted	(0.11)	0.12	(0.23)	0.05

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED**

MARCH 31, 2019 AND 2018

(Amounts in Thousands)

	Three-Month Period January 1 to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2019	2018	2019	2018
NET INCOME (LOSS)	(P166,755)	P189,661	(P364,121)	P79,605
OTHER COMPREHENSIVE INCOME				
Share in remeasurement gain (loss) on retirement liability of an associate, net of tax	—	1,628	—	1,628
TOTAL COMPREHENSIVE INCOME (LOSS)	(P166,755)	P191,289	(P364,121)	P81,233
Total comprehensive income (loss) attributable to:				
Equity holders of the Parent Company	(P165,603)	P191,777	(P362,427)	P81,106
Non-controlling interests	(1,152)	(488)	(1,694)	127
	(P166,755)	P191,289	(P364,121)	P81,233

See accompanying Notes to Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
MARCH 31, 2019 AND 2018
(Amounts in Thousands)

	Three-Month Period January to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2019	2018	2019	2018
CAPITAL STOCK				
Beginning balance	₱1,565,579	₱1,564,599	₱1,565,579	₱1,564,599
Exercise of stock option	—	980	—	980
Ending balance	1,565,579	1,565,579	1,565,579	1,565,579
ADDITIONAL PAID-IN CAPITAL				
Beginning balance	2,840,370	2,826,554	2,840,370	2,826,554
Employee stock option	906	2,662	906	2,662
Exercise of stock option	—	1,460	—	1,460
Ending balance	2,841,276	2,830,676	2,841,276	2,830,676
TREASURY STOCK	(52,290)	(52,290)	(52,290)	(52,290)
REVALUATION INCREMENT ON LAND UNDER ASSETS HELD FOR SALE	1,177,585	—	1,177,585	—
OTHER EQUITY RESERVES				
Beginning balance	2,390,419	3,419,147	2,390,419	3,419,147
Remeasurement gain on retirement liabilities net of tax	—	1,628	—	1,628
	2,390,419	3,420,775	2,390,419	3,420,775
RETAINED EARNINGS				
Beginning balance	2,584,650	2,623,067	2,781,474	2,733,738
Net income (loss)	(165,603)	190,149	(362,427)	79,478
	2,419,047	2,813,216	2,419,047	2,813,216
NON-CONTROLLING INTERESTS				
Beginning balance	59,311	52,975	59,853	52,360
Income (loss) attributable to non-controlling interests	(1,152)	(488)	(1,694)	127
	58,159	52,487	58,159	52,487
TOTAL EQUITY	₱10,399,775	₱10,630,443	₱10,399,775	₱10,630,443

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, 2019 AND 2018
(Amounts in Thousands)

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax from continuing operations	(P447,475)	(P200,418)
Income (loss) before income tax from discontinued operations	(93,155)	257,516
Adjustments for:		
Depreciation and amortization	571,478	547,224
Interest expense	336,500	212,371
Share in net earnings of associate	(37,051)	(30,066)
Retirement expense	32,025	33,274
Interest income	(371)	(238)
Employee stock option expense	906	2,662
Operating income before changes in working capital	362,857	822,325
Decrease (increase) in:		
Trade and other receivables	1,525,027	317,181
Inventories	(481,433)	(1,270,600)
Other current assets	79,510	(344,083)
Increase (decrease) in trade and other payables	(852,613)	395,805
Net cash provided by (used in) operations	633,348	(79,372)
Income taxes paid	(7,028)	(8,092)
Interest received	371	238
Net cash flows provided by (used in) operating activities	626,691	(87,226)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	(119,299)	(313,188)
Decrease in other noncurrent assets	(8,418)	(2,015)
Net cash flows used in investing activities	(127,717)	(315,203)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments of short-term borrowings	822,704	1,090,495
Exercise of employee stock option	—	2,441
Payments of:		
Long-term borrowings	(621,310)	(622,174)
Interest	(328,271)	(250,358)
Net cash flows provided by (used in) financing activities	(126,877)	220,404
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	372,097	(182,025)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	295,149	571,377
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P667,246	P389,352

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. The corporate life of the Parent Company was extended on May 6, 2016 for another 50 years until November 1, 2030.

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).

As at September 30, 2015, the Parent Company is 31% owned by Roxas and Company, Inc. (RCI), a publicly listed company incorporated and domiciled in the Philippines, 27% owned by FP Natural Resources Holdings B.V. (FPNRH), a Hong Kong based company and a subsidiary of First Pacific Company, Ltd. (First Pacific), and 24% owned by First Agri Holdings Corporation (FAHC), a Philippine affiliate of FPNRH.

RHI completed its stock rights offering in May 2016 for 266,753,974 outstanding common shares of RHI, with par value of ₱1.00 a share, on a pre-emptive basis to holders of common shares of the capital stock of RHI as at May 4, 2016 (the "Record Date") at an offer price of ₱4.19 per Rights Share (the "Offer Price"). As a result, the equity interest of FAHC in RHI increased from 24% to 33% while the equity interest of RCI decreased from 31% to 22%.

On February 1, 2017, the Board of Directors (BOD) approved the issuance of convertible debt securities amounting to ₱523,750,000 to 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, Barrio Consuelo, La Carlota City, Negros Occidental 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, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 9, 2019.

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, 2018, 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, 2018 as summarized below.

- PFRS 15, *Revenue from Contracts with Customers*, establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Entities can choose to apply the standard using either a full retrospective approach, with some limited relief provided, or a modified retrospective approach.

The adoption of this standard resulted to recognition of revenue and cost from milling services amounting to ₱2,323.4 million as at March 31, 2019 and prior period adjustments to the beginning balance of retained earnings amounting to ₱0.1 million.

- PFRS 9, *Financial Instruments*, reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required, but providing comparative information is not compulsory. The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The Group does not expect that PFRS 9 will impact the classification of its financial instruments. However, the Group anticipates impact on the adoption of the expected credit loss.
- Amendments to PAS 40, *Investment Property*, *Transfers of Investment Property*, clarifies when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's

intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight. The Group is currently assessing the impact of adopting these amendments.

- Amendments to PFRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions*, address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

The Group is currently assessing the impact of adopting these amendments.

- Amendments to PFRS 4, *Insurance Contracts - Applying PFRS 9, Financial Instruments, with PFRS 4*, address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

The amendments are not applicable to the Group since the Group does not have any activities related to insurance contracts.

- Amendments to PAS 28 - *Measuring an Associate or Joint Venture at Fair Value*

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at FVPL. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted. The Group is currently assessing the impact of adopting these amendments.

- Philippine Interpretation based on International Financial Reporting Interpretations Committee (IFRIC) 22, *Foreign Currency Transactions and Advance Consideration*, clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or

nonmonetary liability arising from advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group is currently assessing the impact of adopting this Interpretation.

Effective for Fiscal Year 2020

- *Amendments to PFRS 9, Prepayment Features with Negative Compensation*
The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. Earlier application is permitted. The Group is currently assessing the impact of adopting these amendments.
- *PFRS 16, Leases*, sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-statement of financial position model similar to the accounting for finance leases under PAS 17, Leases. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17. Early application is permitted, but not before an entity applies PFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group is currently assessing the impact of adopting the new standard on its office spaces lease agreements.

- *Amendments to PAS 28, Long-term Interests in Associates and Joint Ventures*, clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. Earlier application is permitted. The Group is currently assessing the impact of adopting these amendments.

- Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, Income Taxes, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Group is currently assessing the impact of adopting this Interpretation.

Effective for Fiscal Year 2021

- PFRS 17, *Insurance Contracts*, establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

Some contracts meet the definition of an insurance contract but have as their primary purpose the provision of services for a fixed fee. Such issued contracts are in the scope of the standard, unless an entity chooses to apply to them PFRS 15 and provided the following conditions are met:

- (a) the entity does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer;
- (b) the contract compensates the customer by providing a service, rather than by making cash payments to the customer; and
- (c) the insurance risk transferred by the contract arises primarily from the customer's use of services rather than from uncertainty over the cost of those services

PFRS 17 is not applicable to the Group since the Group does not have any insurance contracts.

Deferred Effectivity

- Amendments to PFRS 10 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 the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in PFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do 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 FRSC postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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 below is the list of the subsidiaries.

	Percentage of Ownership			Noncontrolling interest			Nature of Business	Principal Place of Business
	2018	2017	2016	2018	2017	2016		
Central Azucarera Don Pedro, Inc. (CADPI)	100.00%	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%	100.00%	—	—	—	Production and selling of raw sugar and molasses	Taguig City and Negros Occidental
CADP Insurance Agency, Inc. (CIAI)	100.00%	100.00%	100.00%	—	—	—	Insurance agency	Makati City
Roxol Bioenergy Corp. (RBC) ⁽¹⁾	100.00%	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%	100.00%	—	—	—	Providing ancillary services	Makati City
RHI Agri-Business Development Corporation (RABDC) ⁽²⁾	100.00%	100.00%	100.00%	—	—	—	Agricultural business	Makati City
Roxas Pacific Bioenergy Corporation (RPBC)	100.00%	100.00%	100.00%	—	—	—	Holding company for bioethanol investments	Negros Occidental
RHI Pacific Commercial Corp. (RHIPCC) ⁽²⁾	100.00%	100.00%	100.00%	—	—	—	Selling arm of products of RHI Group	Makati City
San Carlos Bioenergy, Inc. (SCBI) ⁽³⁾	93.35%	93.35%	93.35%	6.65%	6.65%	6.65%	Production and selling of bioethanol fuel	Negros Occidental
Najalin Agri Ventures, Inc. (NAVI)	95.82%	95.82%	86.91%	4.18%	4.18%	13.09%	Agricultural and industrial development	Negros Occidental
Roxas Power Corporation (RPC)	50.00%	50.00%	50.00%	50%	50%	50%	Sale of electricity	Nasugbu, Batangas
Northeastern Port Storage Corporation (NPSC) ⁽⁴⁾	100.00%	100.00%	—	—	—	—	Owning the depot and storage facilities used by SCBI	Negros Occidental

⁽¹⁾ Direct ownership of 20.53% and indirect ownership through CADPI of 79.47%.

⁽²⁾ As at September 30, RHIPCC has not yet started commercial operations.

⁽³⁾ Acquired in April 2015 through RPBC.

⁽⁴⁾ Indirect ownership through RPBC.

Non-controlling interests represent the portion of profit or loss and net assets of NAVI, 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, 2019 (Unaudited)	September 30, 2018 (Audited)
Cash on hand	₱4,795	₱3,148
Cash in banks and cash equivalents	662,451	292,001
	₱667,246	₱295,149

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

4. Trade and Other Receivables

This account consists of:

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Trade	₱1,299,209	₱2,811,084
Due from:		
Planters and cane haulers	95,079	159,717
Employees	52,661	58,046
Related parties	94,218	37,369
Others	64,929	64,931
	1,606,096	3,131,147
Allowance for impairment losses	(90,768)	(90,792)
	₱1,515,328	₱3,040,355

5. Inventories

This account consists of:

	March 31, 2019 (Unaudited)	September 30, 2018 (As restated – Note 2)
At NRV:		
Molasses	₱801,607	₱–
Materials and supplies	542,775	560,676
Alcohol	–	46,227
At cost:		
Refined sugar	788,820	1,383,012
Raw sugar	668,870	108,996
Alcohol	268,612	–
Molasses	–	488,323
Others	56,937	58,954
	₱3,127,621	₱2,646,188

Cost of inventories valued at NRV is shown below:

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Molasses	₱802,372	₱—
Materials and supplies	584,187	600,713
Alcohol	—	63,948
	₱1,386,559	₱664,661

6. Other Current Assets

This account consists of:

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Creditable withholding taxes, net of allowance for probable losses of ₱12.2 million	₱860,180	₱794,453
Deferred milling costs	89,728	59,320
Input VAT	83,281	37,550
Prepayments	42,437	35,932
Advances to suppliers	33,533	261,040
Refundable deposits	14,720	14,410
Others	896	1,583
	₱1,124,775	₱1,204,288

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

7. Investment in an Associate

Movements in investment in an associate are as follows:

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Acquisition cost	₱127,933	₱127,933
Accumulated share in net earnings:		
Balance at beginning of period	258,117	280,509
Share in net earnings	37,051	55,834
Dividends declared	—	(78,226)
Balance at end of the period	295,168	258,117
Cumulative share in remeasurement loss on retirement liability		
Balance at beginning of period	(7,665)	(9,166)
Share in remeasurement loss	—	1,501
Balance at end of the period	(7,665)	(7,665)

(Forward)

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Share in revaluation increment of land:		
Balance at beginning of period	P264,305	P207,492
Share in revaluation increment	—	56,813
Balance at end of the period	264,305	264,305
	P679,741	P642,690

The Parent Company has 45.09% ownership interest in Hawaiian-Philippine and Company (HPCo), an entity incorporated in the Philippines, which is engaged in manufacturing and trading of raw and refined sugar, molasses and other sugar by-products.

Summarized financial information of HPCo are as follows:

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Current assets	P778,602	P743,060
Noncurrent assets	1,333,543	1,360,903
Current liabilities	881,552	(887,343)
Noncurrent liabilities	280,249	(324,419)
Net assets	950,344	892,201

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Revenue	P836,220	P1,098,042
Net income	82,171	43,373

8. Property, Plant and Equipment

Acquisitions and disposals

During the six months ended March 31, 2019, the Group acquired assets amounting to P260.4 million excluding property under construction.

The Group also started several capital expenditures. The projects with carrying amount of P715.7 million are expected to be completed within a year.

Certain property, plant and equipment with a carrying amount of P9,044.0 million were mortgaged and used as collateral to secure the loan obligations with the local banks (see Note 10).

Assets held for sale and discontinued operations

On May 23, 2018, the Group entered into an Asset Purchase Agreement with URC for the sale of the Group's sugar milling and refining operations in Batangas. The consummation of the Proposed Sale Transaction is subject to the parties being able to secure the requisite regulatory approvals, corporate approvals, and other third party consents. The PCC review is required for similar transactions. As of February 14, 2019, PCC issued a decision disapproving the Proposed Sale Transaction. However, management still intends to sell the assets in Batangas.

The assets held for sale represent CADPI's operations which are included as part of the sugar operating segment as at March 31, 2019. With CADPI's operations being classified as discontinued operations, these are no longer presented as part of sugar operating segment disclosures in Note 21.

Assets held for sale as of September 30, 2018 are as follows:

Land	₱3,414,959
Machinery and equipment	2,379,373
Buildings and improvements	548,149
Furniture fixture and other improvements	64,104
Transportation equipment	11,707
Investment properties	1,433
Construction in-progress	105,347
	<u>₱6,525,072</u>

Deferred tax liability directly associated with the assets held for sale amounted to ₱1,024.5 million as of March 31, 2019.

Revaluation increment on land held for sale amounted to ₱2,390.4 million as of March 31, 2019.

The results of CADPI's sugar and milling operations are shown in the table below:

	March 31, 2019	March 31, 2018
Revenue		
Sale of goods	₱3,480,074	₱3,200,887
Sale of services	845,226	6,769
	4,325,300	3,207,656
Cost of sales and services	(4,184,889)	(2,731,259)
Gross income	140,411	476,397
Operating expenses	(119,068)	(91,059)
Interest expenses	(121,188)	(132,119)
Other income (expense) - net	6,690	4,297
Loss before income tax	(93,155)	257,516
Income tax benefit	27,947	(64,336)
Net loss from discontinued operations	<u>(₱65,208)</u>	<u>₱193,180</u>

9. 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 4.25% to 7.00% for the periods ended March 31, 2019 and September 30, 2018.

Total interest expense arising from short-term borrowings amounted to ₱209.5 million and ₱66.9 million for the six-month periods ended March 31, 2019 and 2018, respectively.

10. 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, 2019	September 30, 2018
₱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 mortgage trust indenture (MTI)	₱1,818,438	₱1,983,750
₱1,227.0 million dated September 10, 2014	Quarterly principal repayment amounting to ₱49.0 million starting September 2017 until June 2021 and a lump sum payment of the remaining balance on September 10, 2021 and bears fixed interest of 4.50% subject to change as agreed by the parties	Suretyship agreement and MTI	884,000	982,000
₱1,400.0 million dated December 1, 2016	Quarterly principal repayment amounting to ₱66.7 million starting December 2017 until December 2022 and bears floating interest	Clean loan	999,992	1,133,328
₱800.0 million dated August 12, 2016	Quarterly principal repayment amounting to ₱100.0 million starting November 2017 until December 2019 with one year grace period and bears fixed interest rate of 4.50% subject to change as agreed by the parties	Suretyship agreement and MTI	200,000	400,000
₱380.0 million dated May 27, 2014	Quarterly principal repayment amounting to ₱13.6 million starting December 2017 until June 2021 and a lump sum payment of the remaining balance on September 10, 2021 and bears fixed interest of 4.50% subject to change as agreed by the parties	Suretyship agreement and MTI	298,604	325,736
Others			33	41
			4,201,067	4,824,855
Unamortized transaction costs			(9,264)	(11,742)
			4,191,803	4,813,113
Current portion			(1,248,433)	(4,813,113)
Noncurrent portion			₱2,943,370	₱-

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, CADPI, CACI and RBC, including 28,549,365 HP Co. shares. Property, plant and equipment with a carrying amount of ₱9,044.0 million were mortgaged and used as collateral to secure the loan obligations with the local bank creditors. Carrying amount was determined by a professionally qualified independent appraiser in June 2016.

Loan Covenants

The foregoing loan agreements, except for the Omnibus Loan and Security Agreement (OLSA) dated December 21, 2006, are subject to certain covenants, such as but not limited to:

- maintenance of debt service coverage ratio (DSCR) of at least 1.25 times and debt-to-equity ratio of not more than 70:30;
- 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 Group is required to maintain a maximum debt-to-equity ratio of 2.33:1 and minimum DSCR of 1.25:1 by its creditor banks. As of September 30, 2018, the Group did not meet the minimum required DSCR but received the approved bank waivers on minimum DSCR requirement as of September 30, 2018 on December 17, 2018, January 11, 2019 and January 14, 2019. Accordingly, under PAS 1, the Group classified back its noncurrent portion of long-term borrowings as noncurrent liability on its interim condensed consolidated statement of financial position as at March 31, 2019.

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

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Less than one year	₱1,248,433	₱1,248,433
Between one to two years	847,576	1,405,576
Between two to five years	1,939,745	1,840,221
Between five to eight years	165,313	330,625
	₱4,201,067	₱4,824,855

11. Trade and Other Payables

This account consists of:

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Trade	₱499,695	₱1,230,454
Accruals for:		
Offseason costs	355,284	—
Construction in progress	156,784	358,059
Interest	54,024	45,794
Sugar and molasses purchase	30,691	181,919
Payroll and other employee benefits	24,938	30,643
Others	82,573	100,195
Due to:		
Related parties	96,992	96,295
Planters	40,469	5,935
Payable to government agencies for taxes and statutory contributions	24,782	73,293
Customers' deposits	21,458	8,163
Provision for probable loss	5,000	7,550
Others	171,498	141,466
	₱1,564,188	₱2,279,766

12. Equity

Details of capital stock and treasury stock follow:

	March 31, 2019 (Unaudited)		September 30, 2018 (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”				
Balance at beginning of period	1,565,579,279	₱1,565,579	1,564,599,146	₱1,564,599
Issuances	—	—	980,133	980
Balance at end of period	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 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 February 17, 2017, FPNRHBV exercised its conversion rights in respect of the convertible debt securities to be issued out of the increase in authorized capital stock at a conversion rate of ₱4.19 for every common share, or a total of 125,000,000 new common shares.

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:

- a. The Group made advances to RHIRFI, CADPIRFI and CACIRFI for a portion of the retirement payments made to the Group's qualified retired employees under defined benefit plan. Advances to RHIRFI, CADPRFI and CACIRFI are included in "Trade and other receivables" account.
- b. Due to related parties, which are presented as part of "Trade and other payables" account, represents noninterest-bearing payable arising from advances and rent of office space from CADPRFI.

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, 2019 and 2018. 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. Employee Stock Option Plans (ESOP)

The BOD of the Company approved the establishment of its first and second ESOP on May 8, 2013 and January 16, 2014, respectively. The ESOPs cover all employees of the Company and its subsidiaries, namely: CACI, CADPI and RBC, who have rendered at least six months of service at the time of grant. Employees are given the option to purchase the shares allocable to them over an exercise period of five years from the effectivity date of ESOP. The share options vest each year over the five-year term of ESOP. The offer price of the shares is based on the average quoted price during the 30-trading days prior to exercise date less a 15% discount. About 35.0 million and 30.0 million common shares of the Company's unissued shares have been initially reserved under the first and second ESOP, respectively.

Movements of the number of share options for the first and second ESOP are as follows:

	First ESOP		Second ESOP	
	March 31, 2019	September 30, 2018	March 31, 2019	September 30, 2018
Balance at beginning of year	–	15,650,483	16,703,856	22,953,725
Forfeited or expired	–	(14,670,350)	(76,730)	(6,249,869)
Exercised	–	(980,133)	–	–
Balance at end of year	–	–	16,627,126	16,703,856
Exercisable at end of year	–	–	13,301,701	13,363,085

The Company issued nil and 980,133 common shares pertaining to the exercise of stock option of employees under First ESOP amounting to nil and ₱0.4 million, respectively, in 2018 and 2017 (see Note 12). The weighted-average share price at the date of exercise for share options under the First ESOP was ₱3.44.

The fair value of the First and Second ESOP was estimated at the date of grant using Black Sholes-Merton model with the following inputs:

First ESOP

	Options Vesting After				
	Year One	Year Two	Year Three	Year Four	Year Five
Spot price	₱2.80	₱2.80	₱2.80	₱2.80	₱2.80
Strike price	₱2.49	₱2.49	₱2.49	₱2.49	₱2.49
Expected volatility	38.83%	39.10%	36.59%	39.61%	42.46%
Risk-free rate	2.71%	2.98%	3.29%	3.60%	3.36%
Dividend rate as a percentage of spot price	0.00%	0.00%	0.00%	0.00%	0.00%

Second ESOP

	Options Vesting After				
	Year One	Year Two	Year Three	Year Four	Year Five
Spot price	₱6.90	₱6.90	₱6.90	₱6.90	₱6.90
Strike price	₱5.32	₱5.32	₱5.32	₱5.32	₱5.32
Expected volatility	33.46%	39.77%	39.71%	37.65%	39.95%
Risk-free rate	2.86%	2.82%	3.15%	3.90%	3.38%
Dividend rate as a percentage of spot price	0.00%	0.00%	0.00%	0.00%	0.00%

The weighted average fair value of the share options granted in 2013 (First ESOP) and 2014 (Second ESOP) amounted to ₱0.9 and ₱3.0, respectively. The volatility rate is determined as the historical volatility of the returns on the stock over a period similar to the vesting period of the option.

The weighted average remaining contractual life of the outstanding stock options is 0.58 years as at September 30, 2018.

15. Revenue

The components of revenue are as follows:

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Sale of goods:		
Raw sugar	₱1,654,984	₱1,148,349
Alcohol	1,627,078	946,827
Molasses	184,145	38,682
Carbon dioxide	3,479	3,478
	3,469,686	2,137,336
Sale of services:		
Milling revenue (see Note 2)	1,520,798	—
Power	11,456	7,480
Farm services	7,434	6,558
	1,539,688	14,038
	₱5,009,374	₱2,151,374

16. Cost of Sales

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Direct materials used	₱2,794,113	₱198,712
Planters' subsidy and productivity assistance	660,549	467,397
Depreciation and amortization	368,366	372,507
Repairs and maintenance	276,034	248,784
Fuel and oil	242,595	150,316
Personnel costs	175,443	167,085
Rent	114,760	123,283
Communication, light and water	85,089	47,696
Taxes and licenses	72,707	56,930
Outside services	59,427	57,448
Others	54,746	77,158
	₱4,903,829	₱1,967,316

17. Operating Expenses

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
General and administrative expenses	₱383,228	₱362,499
Selling expenses	11,620	7,531
	₱394,848	₱370,030

General and Administrative Expenses

The components of general and administrative expenses are as follows:

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Personnel costs	₱196,513	₱198,799
Outside services	40,781	38,743
Taxes and licenses	43,027	42,297
Depreciation and amortization	27,259	16,585
Professional fees	15,485	8,394
Rent	12,181	10,193
Communication, light and water	9,557	10,126
Transportation and travel	8,959	6,433
Repairs and maintenance	4,246	2,691
Others	25,220	28,238
	₱383,228	₱362,499

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

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

18. Personnel Costs

The amount of personnel costs are allocated as follows:

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Costs of goods sold	₱175,443	₱167,085
General and administrative expenses	196,513	198,799
	₱371,956	₱365,884

19. Other Income (Expense) - Net

This account consists of:

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Sales of scrap	₱13,326	₱16,965
Storage, handling and insurance fees	6,001	10,702
Rent income	7,196	6,160
Interest income	371	238
Others	(6,805)	1,675
	₱20,089	₱35,740

20. 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 Group has other financial instruments such as dividends payable.

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, 2019 (Unaudited)							
	On Demand	Less than One Year	Over One to Two Years	Over Two to Four Years	Over Four to Five Years	Over Five Years	Total
Short-term borrowings*	P--	P7,279,736	P--	P--	P--	P--	P7,279,736
Trade and other payables**	366,690	1,167,715	--	--	--	--	1,534,405
Current portion of long-term borrowings*	--	1,425,964	--	--	--	--	1,425,964
Noncurrent portion of long-term borrowings*	--	--	981,915	1,780,940	279,876	167,633	3,210,364
	P366,690	P9,873,415	P981,915	P1,780,940	P279,876	P167,633	P13,450,469
Cash in banks	P662,451	P--	P--	P--	P--	P--	P662,451
Trade receivables***	134,786	1,098,186	--	--	--	--	1,232,972
Due from employees***	51,217	--	--	--	--	--	51,217
Due from related parties	94,218	--	--	--	--	--	94,218
Other receivables***	64,929	--	--	--	--	--	64,929
	P1,007,601	P1,098,186	P--	P--	P--	P--	P2,105,787

*Including expected future interest payments for short-term and long-term borrowings amounting to P246.2 million and P444.5 million, respectively.

** Excludes payables to government agencies amounting to P24.8 million and provision for probable losses amounting to P5.0 million.

***Net of related allowances for impairment losses totaling P67.7 million.

September 30, 2018 (Audited)							
	On Demand	Less than One Year	Over One to Two Years	Over Two to Four Years	Over Four to Five Years	Over Five Years	Total
Short-term borrowings*	P6,583,508	P--	P--	P--	P--	P--	P6,583,508
Trade and other payables**	78,366	2,120,555	--	--	--	--	2,198,921
Current portion of long-term borrowings*	--	1,447,850	--	--	--	--	1,447,850
Noncurrent portion of long-term borrowings*	--	--	990,883	2,179,369	421,345	339,040	3,930,637
	P6,661,874	P3,568,405	P990,883	P2,179,369	P421,345	P339,040	P14,160,916
Cash in banks	P292,001	P--	P--	P--	P--	P--	P292,001
Trade receivables***	440,516	2,337,450	--	--	--	--	2,777,966
Due from employees***	55,962	--	--	--	--	--	55,962
Due from related parties	37,369	--	--	--	--	--	37,369
Other receivables***	56,073	--	--	--	--	--	56,073
	881,921	2,337,450	P--	P--	P--	P--	P3,219,371

*Includes expected future interest payments for short-term and long-term borrowings amounting to P372.7 million and P546.6 million, respectively.

** Excludes payables to government agencies amounting to P73.3 million and provision for losses amounting to P7.6 million.

***Net of related allowances for impairment losses totaling P44.1 million.

Credit risk

Credit risk is the risk that the Group will incur financial loss through default by counterparties in performing their obligations.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base and their dispersion across different geographic areas. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

Counterparty credit limits are established by the use of a credit risk classification system, which assigns each counterparty a qualitative risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The table below shows the maximum exposure to credit risk of the Group shown at gross before the effect of mitigation through collateral agreements.

	March 31, 2019 (Unaudited)	September 30, 2018 (Audited)
Cash in banks	P662,451	P292,001
Trade receivables*	1,232,972	2,777,966
Due from employees*	51,217	55,962
Due from related parties	94,218	37,369
Other receivables*	64,929	56,073
	P2,105,787	P3,219,371

*Net of allowance for impairment losses totaling P67.7 million as at March 31, 2018 and September 30, 2018, respectively.

Collaterals and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. As at March 31, 2019 and September 30, 2018, the Group did not hold collateral from any counterparty.

Credit quality per class of financial assets

The credit quality of receivables is managed by the Group through its Marketing Department. High grade accounts are those receivables from counterparties with whom collections are made without much collection effort. Standard grade accounts consist of receivables from its distributors, related parties and employees with good financial condition and with relatively low defaults. Substandard grade accounts, on the other hand, are receivables from other counterparties with history of defaulted payments.

The tables below show the credit quality of financial assets which are neither past due nor impaired and an aging analysis of past due but not impaired accounts.

March 31, 2019 (Unaudited)								
	Neither past due nor impaired			Past due but not impaired			Impaired	Total
	High Grade	Standard Grade	Substandard Grade	Over 30 Days	Over 90 Days	Over 180 Days		
Cash in banks	P662,451	P-	P-	P-	P-	P-	P-	P662,451
Trade receivables	530,486	591,784	-	39,296	40,744	30,662	66,237	1,299,209
Due from employees	-	51,217	-	-	-	-	1,444	52,661
Due from related parties	-	94,218	-	-	-	-	-	94,218
Other receivables	-	64,929	-	-	-	-	-	64,929
Total	P1,192,937	P802,148	P-	P39,296	P40,744	P30,662	P67,681	P2,173,468

September 30, 2018 (Audited)								
	Neither past due nor impaired			Past due but not impaired			Impaired	Total
	High Grade	Standard Grade	Substandard Grade	Over 30 Days	Over 90 Days	Over 180 Days		
Cash in banks	P292,001	P-	P-	P-	P-	P-	P-	P292,001
Trade receivables	963,451	1,767,012	-	5,672	3,379	38,452	33,118	2,811,084
Due from employees	-	55,962	-	-	-	-	2,084	58,046
Due from related parties	-	37,369	-	-	-	-	-	37,369
Other receivables	-	-	-	-	-	56,073	8,858	64,931
Total	P1,253,452	P1,860,343	P-	P5,672	P3,379	P94,525	P44,060	P3,263,431

Impairment assessment

The main consideration for impairment assessment includes whether there are known difficulties in the cash flow of the counterparties. The Group assesses impairment in two ways: individually and collectively.

First, the Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable and other accounts of defaulted counterparties.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect their collectibility.

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 9 and 10.

The loans amounting to ₱2,382.6 million and ₱2,841.1 million as at March 31, 2019 and September 30, 2018, respectively, bear floating interest and expose the group to interest rate risk.

Interest on financial liabilities with fixed interest rate is fixed until the maturity of the instrument.

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, 2019 and September 30, 2018.

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. It also monitors its DSCR to ensure that there would be sufficient amount of cash flow available to meet annual interest and principal payments on debt.

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, 2019 and September 30, 2018 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.

21. Segment Reporting

The Group has two reportable segments: sugar and alcohol. The Group's sugar segment consists of four operating subsidiaries: CADPI, CACI, NAVI and RABDC that manufactures and sells raw and refined sugar, molasses and provides tolling and farm operations services. The alcohol segment consists of two operating subsidiaries: RBC and 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 Period Ended March 31, 2019 (Unaudited)			Consolidated
	Sugar	Alcohol	Eliminations	
Revenue:				
External customers	P3,277,499	P1,731,875	P-	P5,009,374
Inter-segment	748,722	527,401	(1,276,123)	-
Cost of goods sold:				
Direct materials used	2,909,147	1,471,125	(1,586,159)	2,794,113
Planters' subsidy and productivity assistance	635,928	24,621	-	660,549
Depreciation and amortization	269,044	99,322	-	368,366
Fuel and oil	6,073	236,522	-	242,595
Interest expense	190,901	24,411	-	215,312
Segment profit (loss)	(333,358)	34,446	-	(298,912)

	Six-Month Period Ended March 31, 2018 (Unaudited)			Consolidated
	Sugar	Alcohol	Eliminations	
Revenue:				
External customers	P1,154,907	P996,467	P-	P2,151,374
Inter-segment	351,991	340,142	(692,133)	-
Cost of goods sold:				
Direct materials used	185,336	782,551	(769,175)	198,712
Planters' subsidy and productivity assistance	445,044	22,353	-	467,397
Depreciation and amortization	280,772	91,735	-	372,507
Fuel and oil	51,718	98,598	-	150,316
Interest expense	80,252	-	-	212,371
Segment profit (loss)	(189,601)	76,026	-	113,575

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 Condensed Interim Consolidated Financial Statements as at and for six-month periods ended March 31, 2019 and 2018.

Financial Highlights and Key Performance Indicators

<i>Amounts in Millions except Shares</i>	March 31, 2019	September 30, 2018	Increase (Decrease)	
	(Unaudited)	(Audited)	Amount	%
Balance Sheet				
Fixed assets	₱15,519	₱15,845	(326)	(2%)
Goodwill	1,080	1,080	—	—
Total assets	24,662	25,531	(869)	(3%)
Shareholders' equity	10,400	10,763	(363)	(3%)
Net debt ⁽¹⁾	10,558	10,729	(171)	(2%)
Equity ratio	42.2%	42.2%	—	—
Net debt as % of equity	1.02x	1.00x	0.02	2%
Shares				
Market capitalization	3,947	4,644	(697)	(15%)
Total shares issued	1,548	1,548	—	—
Closing price per share	2.55	3.00	(0.45)	(15%)

<i>Amounts in Millions except Operational Data</i>	Six Months Ended		Increase (Decrease)	
	March 31 (Unaudited)	2018	Amount	%
Revenue and Earnings				
Revenue	₱9,335	₱5,360	₱3,975	74%
Gross profit	246	660	(414)	(63%)
Depreciation	446	491	(45)	(9%)
Operating expenses	514	461	53	11%
Interest expense	337	212	125	58%
Net income (loss)	(364)	80	(444)	(557%)
EBITDA	242	761	(519)	(68%)
EBITDA margin ⁽²⁾	2.6%	14.2%	(12%)	(82%)
Return on equity	(3.5%)	1%	(4.5%)	(573%)
Income (loss) per share	(0.24)	0.05	(0.29)	(557%)
Cash Flow and Investments				
Cash flow provided by (used in) operations	627	(87)	714	818%
Investment in fixed assets	119	313	(194)	(62%)
Operational Data (volume in thousands)				
Tons cane milled	2,300	2,394	(94)	(4%)
Production:				
Raw sugar (Lkg)	4,489	4,358	131	3%
Refined sugar (Lkg)	635	984	(349)	(35%)
Ethanol (liters)	34,991	27,158	7,833	29%

(1) Net debt is derived by deducting cash and cash equivalents from total debt (short-term borrowings 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 and CACI as consolidated subsidiaries.
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.
- Central Azucarera de La Carlota, Inc. (CACI), based in La Carlota City, Negros Occidental where there is substantial sugar activity and also near the port for export, meets the raw sugar requirements of customers in the Visayas.
- Roxol Bioenergy Corporation (RBC), also based in La Carlota City, Negros Occidental, is the bioethanol unit of RHI. It operates as a standalone ethanol production facility.
- 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.
- Najalin Ventures, Inc. (NAVI), based in Negros Occidental, is engaged in agricultural and industrial development.
- 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.

RHI also holds 45% stake in affiliate Hawaiian-Philippine Company in Silay, Negros Occidental.

Results of Operations

Revenues

Six Months Ended March 31						
Amounts in Millions	2019			2018	Increase (Decrease)	
	Continuing	Discontinued	Total		Amount	%
Raw sugar	₱1,655	₱1,482	₱3,137	₱1,673	₱1,464	88%
Milling revenue	1,521	803	2,324	–	2,323	100%
Molasses	184	130	314	140	175	125%
Refined sugar	–	1,868	1,868	2,571	(703)	(27%)
Tolling	–	43	43	7	36	535%
	3,360	4,326	7,686	4,391	3,295	75%
Alcohol	1,627	–	1,627	947	680	72%
Others	22	–	22	22	–	–
	₱5,009	₱4,326	₱9,335	₱5,360	₱3,975	74%

Consolidated revenues for the six months ended March 31, 2019 amounted to ₱9,335 million, ₱3,975 million or 74% higher than the ₱5,360 consolidated revenues reported in the same period in 2018, primarily due to increase in volume sold, particularly, raw sugar and alcohol and revenue from milling services arising from adoption of new accounting standards.

Sugar – Revenue from sugar operations increased by ₱3,295 million or 75% against last year's revenue of ₱4,391 million, primarily due to recognition of revenue from milling services and increase in selling price of both raw and refined sugar and volume of raw sugar sold. Raw sugar sales volume increased by 766 Lkg or 58% this year from 1,327 Lkg in 2018 while refined sugar sales volume decreased by 463 Lkg or 34% versus last year's sales volume of 1,382 Lkg. Average selling prices per Lkg of raw and refined sugar in 2019 amounted to ₱1,499 and ₱2,033, respectively, from ₱1,261 and ₱1,861 in 2018, respectively.

Alcohol – Revenue from alcohol operations amounted to ₱1,627 million and ₱947 million in 2019 and 2018, respectively. The increase of ₱680 million or 72% is due to higher selling price in 2019 by 32% and higher volume sold in 2019 by 30%.

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 Group's gross profit for the six months ended March 31, 2019 amounting to ₱246 million is ₱414 million or 63% lower than the ₱660 million in 2018. The decrease in gross profit is attributable to lower production volume at higher manufacturing cost brought about by the challenges encountered in the operations and unfavorable impact of weather conditions and stiff competition on cane supply.

Sugar – The sugar operation's gross profit of ₱139 million is down by ₱391 million or, 74% from ₱530 million reported in the same period in 2018 due to higher manufacturing costs. Gross profit rate decreased to 2% in 2019 from 12% in 2018.

Alcohol – The gross profit of alcohol for the six months ended March 31, 2019 amounted to ₱137 million, 8% up from ₱127 million in the same period in 2018. Gross profit rate decreased to 6% in 2019 from 13% in 2018 due to increase in manufacturing costs. Ethanol production for the six months ended March 31, 2019 increased by 7.8 million liters or 29% of the 27.2 million liters production in 2018.

Operating Expenses

Six Months Ended March 31						
Amounts in Millions	2019			2018	Increase (Decrease)	
	Continuing	Discontinued	Total		Amount	%
Salaries, wages and other employee benefits	₱197	₱33	₱230	₱217	₱13	6%
Outside services	41	28	69	60	9	15%
Taxes and licenses	43	14	57	47	10	21%
Selling expenses	12	26	38	43	(5)	(12%)
Depreciation and amortization	27	6	33	19	14	72%
Professional fees	15	2	17	10	7	67%
Rent	12	–	12	9	3	40%
Communication, light and water	10	–	10	9	1	7%
Transportation and travel	10	–	10	9	–	4%
Repairs and maintenance	4	3	7	4	3	71%
Others	24	7	31	34	(2)	(5%)
	₱395	₱119	₱514	₱461	₱53	11%

Consolidated operating expenses for the six months ended March 31, 2019 increased by ₱53 million or 11% compared to the same period in 2018.

Interest

Interest expense amounted to ₱337 million for the six months ended March 31, 2019, which is 58% or ₱125 million higher than the ₱212 million reported in the same period in 2018, due to short-term loans availed and higher interest rates in 2019.

Share in Net Earnings of an Associate

Share in net earnings of an associate amounted to ₱37 million for the six months ended March 31, 2019, against ₱30 million reported in 2018, due to net income results of Hawaiian-Philippine Company arising from higher sugar selling prices.

Net Income

Consolidated net loss for the six months ended March 31, 2019 amounted to ₱364 million, which is ₱444 million or 557% lower than the ₱80 million reported in the same period in 2018. Loss per share is ₱0.23 as at March 31, 2019 and income per share is at ₱0.05 for March 31, 2018.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) amounted to ₱242 million for the six months ended March 31, 2019, which is ₱519 million or 68% lower than ₱761 million reported in the same period in 2018.

Financial Condition

Consolidated total assets as at March 31, 2019 amounted to ₱24,662 million, which is ₱868 million or 3% lower than the ₱25,531 million as at September 30, 2018. Current assets went down by 5% or ₱751 million from ₱13,711 million as at September 30, 2018 to ₱12,960 million as at March 31, 2019. Receivables decreased by ₱1,525 million and inventories increased by ₱481 million in 2018 due to increased collection from customers and increased production volume, respectively.

During the six months ended March 31, 2019, the Group availed of ₱3,595 million short-term loans and repaid a total of ₱621 million in long-term borrowings.

Trade and other payables amounted to ₱1,564 million as at March 31, 2019, which is ₱716 million lower than ₱2,280 million as at September 30, 2018.

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
HUBERT D. TUBIO	President and CEO
CHRISTOPHER H. YOUNG	Director
RAY C. ESPINOSA	Director
ALEX ERLITO S. FIDER	Director
SANTIAGO R. ELIZALDE	Director
OSCAR J. HILADO	Independent Director
DAVID L. BALANGUE	Independent Director

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

See 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**

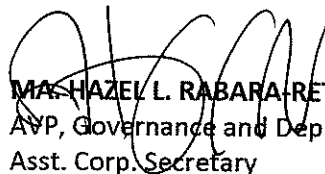
SIGNATURES

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:



MAS-HAZEL L. RABARA-RETARDO
AVP, Governance and Deputy Compliance Officer,
Asst. Corp. Secretary



CELSO T. DIMARUCUT
EVP - Chief Financial Officer

May 9, 2019

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX A. AGING OF TRADE AND OTHER RECEIVABLES

AS AT MARCH 31, 2019

(Amounts in Thousands)

	Current	Past due but not impaired			Subtotal	Impaired	Total
		1-30 days	31-60 days	Over 60 days			
Trade	₱982,421	₱139,848	₱29,275	₱81,428	₱250,551	₱66,237	₱1,299,209
Due from:							m
Planters	71,992	—	—	—	—	23,087	95,079
Employees	51,217	—	—	—	—	1,444	52,661
Related parties	94,218	—	—	—	—	—	94,218
Other receivables	64,929	—	—	—	—	—	64,929
	₱1,264,777	₱139,848	₱29,275	₱81,428	₱250,551	₱90,768	₱1,606,096

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX B. FINANCIAL SOUNDNESS INDICATORS

MARCH 31, 2019 AND 2018

(Amounts in Thousands)

		March 31	
		2019	2018
Current ratio	Current assets/Current liabilities	0.65	0.86
Debt to equity ratio	Total liabilities/Total equity	1.37	1.34
Asset to equity ratio	Total assets/Total equity	2.37	2.34
Return on assets	Net income/Total assets	(1.48%)	0.32%
Return on equity	Net income/Total equity	(3.5%)	0.75%
Book value per share	Total equity/Outstanding shares	6.7	6.9