

COVER SHEET

P W - 1 5 A

SEC Registration Number

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

(Company's Full Name)

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

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

Form Type

1 7 - A

Department requiring the
report

C R M D

Secondary License Type, If
Applicable

N / A

COMPANY INFORMATION

Company's Email Address

www.roxasholdings.com

Company's Telephone Number/s

(02) 8771-7800

Mobile Number

—

No. of Stockholders

2,084

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

(02) 8810-8901

Mobile Number

—

Contact Person's Address

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

Note: 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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, **AS AMENDED**

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: September 30, 2019
2. SEC Identification Number: 15-A..... 3. BIR Tax Identification No.: 000-290-538

4. Exact name of issuer as specified in its charter: **ROXAS HOLDINGS, INC.**

5. Republic of the Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:

7. 14th Floor, Net One Center, 26th corner 3rd Avenue,
Bonifacio Global City, Taguig, Metro Manila
Address of principal office 1634
Postal Code

8. (02) 8771-7800
Issuer's telephone number, including area code

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

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 of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common Shares</u>	<u>1,547,935,799</u>

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

Yes [x] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange, Inc. Common Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No []

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

Yes [x] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Assuming that the number of shares held by non-affiliates as of November 28, 2019 is 254,546,187 and assuming further that the closing trading price as of the same date is ₱1.91 per share then the aggregate value of voting shares held by non-affiliates as of the said date is ₱486,183,217.17.

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☐ Not Applicable ☒

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Any annual report to security holders;
- (b) Any information statement filed pursuant to SRC Rule 20;
- (c) Any prospectus filed pursuant to SRC Rule 8.1.

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

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 Securities and Exchange Commission (SEC) on October 30, 1930 for the purpose of holding and investing in corporations engaged in the business of manufacturing 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) as "ROX".

Through the years, RHI became an integrated sugar company that has expanded its business interests to include bioethanol and co-generation. RHI has the following subsidiaries:

	Percentage of Ownership			Noncontrolling interest			Nature of Business	Principal Place of Business
	2019	2018	2017	2019	2018	2017		
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
Central Azucarera de la Carlota, Inc. (CACI)	100.00%	100.00%	100.00%	—	—	—	Production and selling of raw sugar and molasses	Batangas 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%	95.82%	4.18%	4.18%	4.18%	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%	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, 2019, RHIPCC has not yet started commercial operations.

⁽³⁾ Acquired in April 2015 through RPBC.

⁽⁴⁾ Indirect ownership through RPBC.

As at fiscal year-end September 30, 2019, RHI also holds a 45.09% equity investment in HPCO, a sugar company located in Silay City, Negros Occidental. Subsequently, however, in November 2019, RHI divested its entire equity investment in HPCO.

RHI and subsidiaries, together with its affiliate, Hawaiian-Philippine Company (HPCO)¹, collectively referred herein as "the Group", is one of the biggest raw sugar producers in the country with a combined capacity of thirty six thousand five hundred (36,500) metric tons cane per day. The Group

¹ For purposes of presenting the Annual Report for Fiscal Year end September 30, 2019, HPCO is still included in the RHI Group, as may be applicable.

also owns the second largest sugar refinery with a capacity of eighteen thousand (18,000) Lkg. per day and the two biggest ethanol producers in the country with a combined daily production capacity of two hundred thirty-three thousand (233,000) liters.

Amid the challenges that come with the ASEAN integration, RHI thrives in a strong and young domestic market and is gradually setting its sights in the region.

Changes in Corporate Structure

As at September 30, 2013, the Parent Company is 66% owned by Roxas and Company, Inc. (RCI), a publicly-listed company incorporated and domiciled in the Philippines. On November 29, 2013, RCI sold its 27% equity interest in the Parent Company to First Pacific Natural Resources Holdings BVI Limited (FPNRHBV), a subsidiary of First Pacific Company, Ltd. (First Pacific), a Hong Kong-based company. RCI remained the major shareholder of the Parent Company with 35% equity.

On February 28, 2015, First Pacific Agri Holdings Corporation (FPAHC), a Philippine affiliate of FPNRHBV, acquired 241,780,709 treasury shares of the Company amounting to ₱1.7 billion representing 24% interest in the Company. As a result, equity interest of RCI in the Parent Company was further diluted from 35% to 28%.

On May 2016, the Parent Company completed its stock rights offering for 266,753,974 outstanding common shares of RHI, with par value of ₱1.00 each, on a pre-emptive basis to holders of common shares of the capital stock of RHI as of May 4, 2016 (the "Record Date") at an offer price of ₱4.19 per Rights Share (the "Offer Price").

On June 8, 2016, the SEC approved the amendment in the Parent Company's articles of incorporation to change the registered address to 14F, Net One Center, 26th cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila from 6th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City.

On February 1, 2017, the BOD approved the issuance of convertible debt securities amounting to ₱523,750,000 to FPNRHBV, 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 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 using the convertible debt securities as payment for subscription was approved by SEC.

Business Description

RHI is the largest integrated sugar business and the biggest ethanol producer in the Philippines. At the forefront of the Philippine sugar and ethanol industries, it is a trusted brand recognized for its contributions and legacy in the areas of sugar and bio-ethanol production.

With a history that is close to a century, RHI owns and operates the largest milling operations in the Philippines as well as the second largest sugar refiner, and two of the country's pioneering bioethanol plants. Together, the complementary locations of the sugar mills and ethanol plants enable RHI to serve customers throughout the Philippines.

(a) *Principal Products, Markets and Relative Contribution to Consolidated Revenue*

RHI has reorganized its four subsidiaries to form two Strategic Business Units (SBUs) defined along its two core product lines: sugar and bioethanol, offering the following principal products and services:

1. **Sugar.** The Group produces raw and refined sugar in different grades. Big industrial users, including food and beverage, and pharmaceutical companies, prefer the Group's premium raw sugar for blending in their own products. Customers with unique product specifications, such as packaging and delivery, also rely on the Group to provide them with customized sugar solutions.
2. **Bioethanol.** The Group, through its subsidiaries, RBC and SCBI, produces ethanol for local oil companies in compliance with the Biofuels Act of 2006 which mandates the blending of 10% ethanol in gasoline.
3. **Tolling/Refining.** The Group, through CADPI, offers tolling or refining services to raw sugar owners.

The relative contribution of each principal product and service to consolidated revenue for the years ended September 30, 2019, 2018 and 2017 follow:

	Fiscal Year Ended September 30		
	2019	2018	2017
Refined sugar	26.1%	47.2%	38.3%
Bioethanol	29.9%	27.5%	32.9%
Raw sugar	26.3%	19.4%	21.8%
Milling revenue	11.8%	—	—
Others	5.9%	5.9%	7.0%
	100.0%	100.0%	100.0%

CADPI and CACI sell sugar mainly to the domestic market but cater to foreign buyers when opportunity arises. On the other hand, molasses is sold by CADPI and CACI only to the domestic market. RBC and SCBI sell anhydrous alcohol directly to domestic oil companies.

(b) *Distribution Methods*

Distribution is through direct selling to various traders and industrial users. They are not dependent on specific entities for the distribution of their products.

RBC and SCBI sell bioethanol fuel to the domestic market directly to oil companies. Majority of the major oil companies purchase their ethanol requirements from the Group.

(c) *Competition*

Over the years, RHI has developed solid relationships with high quality, tier one customers. Through its excellent level of service and reliability, and quality products, RHI has established a long-term relationship with its customers, which include multinational food and beverage, and pharmaceutical companies.

CADPI and CACI supply sugar to entities engaged in pharmaceutical, food, and beverage businesses, among others. Raw sugar is also supplied to households and small and medium-sized enterprises through wholesalers and retailers.

Raw sugar producers in the country include URC-Balayan in Batangas and Victorias Milling Company, Inc., Binalbagan-Isabela Sugar Company, HPCO and Lopez Sugar Corporation in Negros. The main competitors of CADPI's refined sugar production are Victorias Milling Company, Inc., Lopez Sugar Corporation, and Central Azucarera de Tarlac in Central Luzon.

RBC and SCBI supply bioethanol fuel to oil companies. Some of its competitors are Green Futures Innovations, Inc., Leyte Agri Corp., and Cavite Biofuels Producers Inc.

(d) Sources and Availability of Raw Materials

CADPI and CACI source its sugar cane requirements from planters and traders in Batangas and Negros, respectively. RBC sources its molasses requirements from CACI and from various planters and traders in Negros. SCBI also sources its sugar cane and molasses requirements from RBC, planters and traders in San Carlos City, Negros Occidental.

Sourcing of cane has been challenging in previous crop years. As such, the management created RHI-ADC to assist in cane sourcing requirements of the Group. RHI-ADC aims to improve farm productivity in the milling districts, increase the volume of canes delivered to RHI mills and create new revenue streams.

The Group's principal suppliers are (i) All Asian Bioethanol Corporation (ii) Crystal Sugar Company, Inc. (iii) Phoenix Petroleum Philippines, Inc. (iv) C-Prime Corporation (v) Schuurmans & Van Ginneken Phils., Inc. (vi) Hawaiian Philippine Company (vii) First Farmers Holding Corporation (viii) Fugelman Services Providers, Inc. and (ix) Lopez Sugar Corporation.

The Group's main contracts with principal suppliers are as follows:

1. Hauling Services Contracts

The Group has agreements with various service providers for hauling services for the transport of sugarcane from the plantations to milling facilities. Hauling expenses are recorded as part of the cost of raw and refined sugar sold.

2. Manpower Supply Contract

The Group has various agreements with service providers for the supply of manpower for the upkeep, maintenance and continuous operation of the Group's sugar mills.

3. Milling Contracts

The Group has milling contracts with the planters, which provide for a 35% and 65% sharing between the Mills and the planters, respectively, of sugar, molasses and other sugar cane by-products, excluding bagasse, produced every crop year.

In December 2017, milling contracts of CADPI with the planters were revised to provide for a 32% and 68% sharing between CADPI and the planters, respectively. This agreement is effective until crop year 2021 to 2022. Renewal is upon mutual consent of both parties thereafter.

(e) Dependence to Single or a Few Customers

The Group has established long-term relationships with various customers and is not dependent on a single or a few customers to generate revenue. Most of these customer relationships have been in place for as long as 15 years, with some companies sourcing sugar from RHI since its inception. Furthermore, with its wide network of customers, the Group enjoys customer diversification and is not reliant on only a select group of clients.

(f) Transactions with and/or Dependence on Related Parties

Please refer to Note 19, *Related Party Transactions and Balances* to the consolidated financial statements.

(g) Patents, Trademarks and Copyrights

RHI, CADPI, CACI and Roxol have the following registered trademarks:

Company	Trademarks
Roxas Holdings, Inc.	RHI doing business as CADP Group and Device
Central Azucarera Don Pedro, Inc.	Central Azucarera Don Pedro, Inc. and Device Nature Sweet (Stylized) Don Pedro Emblem G Special Raw Sugar
Central Azucarera de La Carlota, Inc.	Central Azucarera de La Carlota, Inc. Cane Best Primeraw Special Raw Sugar
Roxol Bioenergy Corporation	Roxol Bioenergy Corporation and Device

(h) Need for government approvals of principal products

The Group's sugar business principally regulated by Republic Act No. 10659, otherwise known as the Sugarcane Industry Development Act of 2015, and the policies and the rules and regulations of the Philippine Sugar Regulatory Administration ("SRA") while its bioethanol business is principally regulated by RA 9367, otherwise known as the Biofuels Act of 2006, and the rules and regulations issued by the Philippine Department of Energy ("DOE").

(i) Effect of existing or probable governmental regulations on the business

Republic Act No. 10963 – Tax Reform for Acceleration and Inclusion (TRAIN)

The law imposes an excise tax of six pesos (Php 6.00) per liter on sugar sweetened beverages and twelve pesos (Php 12.00) per liter on sweetened beverages using high fructose corn syrup, among others. It tasked the Food and Drug Administration to require manufacturers and importers of sweetened beverages to indicate the type of sweetener used in the label, and the equivalent volume of liter per serving if the beverage is in powder form. The law resulted to a decrease in the use and importation of high fructose corn syrup domestically, and the resurgence of the use of sugar by manufacturers of sweetened beverages.

Sugar Industry Development Act

Republic Act No. 10659, otherwise known as the Sugar Industry Development Act of 2015 ("SIDA") was enacted to law on 27 March 2015. The SIDA was passed to promote the competitiveness of the sugarcane industry by providing for the establishment of various government-led program which aim to maximize the utilization of sugarcane resources, and increase the incomes of farmers through improved productivity, product diversification, job generation, and increased efficiency of sugar mills. On 4 August 2015, the Implementing Rules and Regulation of the SIDA (the "SIDA IRR") were approved.

The Productivity Improvement Programs under the SIDA include the Block Farm Program wherein small farms can consolidate to be able to take advantage of the economies of scale in the production of sugarcane. Those who will not qualify for the Block Farm Program, can avail of the Farm Support Program which will include the provision of socialized credit, farm management and technical assistance, and professional services. On the other hand, the Farm Mechanization Program focuses on encouraging and training farmers to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane. Finally, to facilitate the transport of sugarcane to mills and distilleries and enhance the marketing and export of sugar and other products derived from sugarcane, farm-to-mill roads and irrigation facilities shall be provided.

The SRA under the Department of Agriculture is the main agency overseeing the sugar industry. With the enactment of the SIDA, the regulatory functions of the SRA as provided for in Executive Order No. 18 s. 1986 were significantly increased.

First, the SRA established a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar. In line with this objective, certain individuals and entities are now required to register with the SRA. Second, the SRA was tasked to classify imported sugar according to its appropriate classification when imported at a time that domestic production is sufficient to meet domestic sugar requirements. Third, it now provides for extension services such as technical assistance and advice, conduct of tests, propagation, and dissemination of high yielding varieties, and operation of demonstration farms. Lastly, in coordination with the DOST, it intensified research and development in this area.

Laws Related to Sugar Trade

In August 1987, the SRA issued Sugar Order No.1 which served as the basis for the annual sugar allocation for sugar produced in the Philippines. The said order allocated the country's total domestic sugar into the following categories: "A" for export to the US, "B" for domestic sugar, "C" for reserve sugar, and "D" for export to other foreign markets. These allocations are determined by the SRA Board at the beginning of every crop year. These same allocations affect the total amount of raw sugar available for domestic refineries. The SRA releases Sugar Orders all throughout every year after its creation. As part of the US sugar import quota system, the Philippines is also given annual sugar export allocations which vary for every crop year. Early 2017, the SRA issued Sugar Order No. 3 and Sugar Order No.3-A, regulating and providing the guidelines in importing High-Fructose Corn Syrup (HFCS) and Purely Chemical Fructose, which products are commonly used by beverage companies as sugar substitute.

On 17 June 1997, Executive Order No. 420 was issued which modified the rates of duty on sugar as provided under the Tariff and Customs Code of 1978, as amended, in order to implement the ASEAN preferential rates of duty on cane sugar and beet sugar, among others. Under the Order, the tariff on these products was placed at 65% from 1997 up to 1998; after which, sugar could be placed under the sensitive list allowing the gradual phase-down of tariffs. Additionally, it provided that the margins of preference (MOP) accorded under the ASEAN Preferential Trading Arrangements (PTA) will no longer be extended to any of the products covered under the same Order.

On 9 January 2004, Executive Order No. 268 was issued, which modified the rates of duty on other sugars under Section 104 of the Tariff and Customs Code of 1978, as amended, in order to implement the commitment to reduce the tariff rates on sixty percent (60%) of the products in the inclusion list to zero percent (0%) under the Common Effective Preferential Tariff (CEPT) scheme for the Asean Free Trade Area (AFTA).

On 3 March 2004, Executive Order No. 295 was issued, which provided that sugar which are entered and withdrawn from warehouses in the Philippines for consumption shall be levied the MFN (Most Favored Nation) rates of duty therein prescribed. Moreover, the Order provides that sugar which are entered and withdrawn from warehouses in the Philippines for consumption shall be imposed the ASEAN CEPT rates of duty therein prescribed subject to qualification under the Rules of Origin as provided for in the Agreement on the CEPT Scheme for the ASEAN Free Trade Area.

Biofuels Act of 2006

Republic Act No. 9367, also known as "The Biofuels Act of 2006", aims to reduce the dependence of the transport sector on imported fuel with due regard to the protection of public health, the environment and natural ecosystems consistent with the country's sustainable economic growth that would expand opportunities for livelihood by mandating the use of biofuels as a measure to develop and utilize indigenous and sustainably-sourced clean energy sources, and to mitigate toxic and greenhouse gas (GHG) emissions, increase rural employment and income and ensure the availability of alternative fuels.

The law provides that all liquid fuels for motors and engines sold in the Philippines shall contain locally sourced biofuels components. It further provides that within two (2) years from the effectivity of the law, at least 5% bioethanol shall comprise the annual total volume of gasoline fuel actually sold and distributed by each and every oil company in the country, subject to the requirement that all bioethanol blended gasoline shall contain a minimum of 5% bioethanol fuel by volume. Further, the law mandated that all gasoline fuel sold by every oil company in the Philippines should contain a minimum 10% blend of bioethanol starting August 6, 2011.

Department Circular No. DC 2007-05-006 was issued by the DOE on 17 May 2007 to implement the Biofuels Act of 2006. It covers the production, blending, storage, handling, transportation, distribution, use, and sale of biofuels, biofuel-blends and biofuel feedstock in the Philippines.

In 2008, a Joint Administrative Order known as the "Guidelines Governing the Biofuel Feedstock Production and Biofuels and Biofuel Blends Production, Distribution and Sale" (the "Guidelines") was issued by various Philippine government agencies. The Guidelines were issued to govern the biofuel feedstock production and biofuels and biofuel blends production, distribution and sale of biofuels. The objectives of the Guidelines are to develop and utilize indigenous renewable and sustainably-sourced clean green energy sources to reduce dependence on imported oil, to mitigate toxic and GHG emissions, to increase rural employment and income, to promote the development of the biofuel industry in the country and to encourage private sector participation and to institute mechanisms which will fast track investments in the biofuel industry and to promote biofuel workers' welfare and protection, among others.

Other laws and regulations related to the business:

Foreign Investment Act of 1991

The Foreign Investment Act of 1991 ("FIA") liberalized the entry of foreign investment into the Philippines. Under the FIA, foreigners can own as much as 100% equity of domestic market enterprises, except in areas specified in the Foreign Investment Negative List. This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. The oil refining and distribution business is not found in the latest 9th Negative List of the FIA.

In connection with the ownership of private land, however, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

For the purpose of complying with nationality laws, the term "Philippine National" is defined under the FIA as any of the following:

- (a) a citizen of the Philippines;
- (b) a domestic partnership or association wholly-owned by citizens of the Philippines;
- (c) a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- (d) a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or
- (e) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

For as long as the percentage of Filipino ownership of the capital stock of the corporation is at least 60% of the total shares outstanding and voting, the corporation shall be considered as a 100% Filipino-owned corporation. A corporation with more than 40% foreign equity may be allowed to lease private land for a period of 25 years, renewable for another 25 years.

Local Government Code

The Local Government Code ("LGC") establishes the system and powers of provincial, city, municipal, and *barangay* governments in the country. The LGC general welfare clause states that every local government unit ("LGU") shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (the "ECC") prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau (the "EMB"), determines whether a project is environmentally critical or located in an environmentally critical area and processes all applications for an ECC. As a requirement for the issuance of an ECC, an environmentally critical project must submit an Environment Impact Statement ("EIS") to the EMB while a non-environmentally critical project in an environmentally critical area is generally required to submit an Initial Environmental Examination (the "IEE") to the proper EMB regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and the ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents that

prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund when an ECC is eventually issued. In any case, the establishment of an Environmental Monitoring Fund must not occur later than the initial construction phase of the project. The Environmental Monitoring Fund must be used to support the activities of a multi-partite monitoring team, which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

Philippine Clean Water Act of 2004

In 2004, Republic Act No. 9275, or the "Philippine Clean Water Act", was enacted to streamline processes and procedures in the prevention, control, and abatement of pollution in the country's water resources and provide for a comprehensive water pollution management program focused on pollution prevention. The law primarily applies to the abatement and control of water pollution from land based sources. The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked by the Implementing Rules of the Philippine Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law.

(j) Research and Development

CADPI and CACI contribute ₱2.00 per Lkg. of sugar produced to the Philippine Sugar Research Institute Foundation, Inc. (PHILSURIN) in compliance with SRA Sugar Order No. 2, Series of 1995.

CADPI was the first sugar factory in the country which volunteered in the Industrial Environmental Management Project (IEMP) funded by the United States Agency for Industrial Development (US-AID) under the supervision of the DENR. IEMP advocates waste minimization through Pollution Management Appraisals (PMA).

(k) Cost and Effects of Compliance with Environmental Laws

The Group is subject to various environmental laws related to clean air and water quality, proper handling and disposal of solid, hazardous and chemical wastes, DOE's Renewable Energy Safety, Health and Environment Rules and Regulations (RESHERR). All subsidiary plants, CADPI, CACI, RBC, and SCBI are covered by Environmental Compliance Certificates issued by Environmental Management Bureau DENR. All plants also have valid wastewater Discharge permits issued by EMB DENR.

Following are the significant environmental programs implemented to comply with various requirements:

1. Installation of wastewater treatment and impounding facilities prior to disposal as land fertilizer or for irrigation.
2. Installation of air pollution control devices for equipment emitting regulated air pollutants, i.e., wet gas scrubbers
3. Regular sampling and testing of air and water samples based on regulatory requirements and secure permit to operate from responsible government agencies.
4. Implement solid waste management program that includes waste segregation and construction of material recovery facility (MRF), proper disposal to accredited sanitary landfill and reuse of solid waste as fertilizers.
5. Implement hazardous waste management program that includes proper segregation, storage, disposal and inventory of materials categorized as hazardous waste.
6. Implement an environmental management system that is aligned with ISO 14001:2015 standards. This system helps the company to identify, manage, monitor and control the environmental issues in a holistic manner.

(I) Total number of employees and number of full-time employees

As at September 30, 2019, the Company has the following number of employees:

	No. of Employees
Executive	21
Managers	291
PT/MRF/DRF	865
Total	1,177

CADPI has a standing Collective Bargaining Agreement (CBA) with the Batangas Labor Union (BLU) for a period of five years from July 1, 2016 to June 30, 2021. For the past three years, the labor union of CADPI has not staged a strike.

CACI has a CBA with the Mag-Isa Mag-Ugyon Asosasyon Sang Mamumugon Sa Central Azucarera de la Carlota (MAMCAC) for a period of five years from June 1, 2015 to May 30, 2020. For the past three years, the labor union of CACI has not staged a strike.

RBC employees formed a union known as RBC Workers Union, and entered into a CBA with the Company for a period of five years, from May 10, 2017 up to May 9, 2022.

RHI and SCBI are not unionized.

Item 2. Properties

The Parent Company owns of a parcel of land located in Nasugbu, Batangas valued at ₱3,422.9 million as at September 30, 2019. The land is currently the subject of an Asset Purchase Agreement with a buyer. 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. On February 12, 2019, the PCC issued a decision disapproving the Proposed Sale Transaction. Nonetheless, the Group remains committed to sell the assets in Batangas and is currently negotiating with the prospective buyer. The Group has assessed that the subject assets are available for immediate sale in their present condition and sale is highly probable as of September 30, 2019.

The Parent Company likewise invested in properties in Bacolod City, Negros Occidental and in Barrio Emanente, Nasugbu Batangas with net book value of ₱33.3 million as at September 30, 2019.

CADPI is the owner of sugar milling and refining facilities, machineries and furniture and fixtures, transportation equipment and tools located in Nasugbu, Batangas. As at September 30, 2019, these properties are valued, net of depreciation, at ₱3,257.4 million. The properties amounting to ₱3,175.9 are currently classified as assets held for sale.

CACI is the owner of sugar milling facilities including parcels of land located in Barangay Consuelo, La Carlota City and in the Municipalities of La Castellana and Pontevedra in Negros Occidental as well as improvements, machineries, furniture and fixtures, transportation equipment and tools. As at September 30, 2019, these properties are valued, net of depreciation, at ₱4,088.1 million. These properties are presently mortgaged with banking institutions to secure certain loan obligations.

RBC is the owner of a bioethanol plant and of parcels of land located in Brgys. La Granja, Esperanza and Cubay, La Carlota City, Negros Occidental, and of improvements, machineries, fixtures and transportation equipment. As at September 30, 2019, these properties are valued, net of depreciation, at ₱1,574.9 million. These properties are presently mortgaged to banking institutions to secure certain loan obligations.

SCBI is the owner of a bioethanol plant as well as parcels of land and machineries, fixtures and transportation equipment located in Brgys. Punao and Palampas, San Carlos City, Negros Occidental. As at September 30, 2019, these properties are valued, net of depreciation at ₱2,794.3 million.

NAVI is the owner of a parcel of land in Brgy. Nagasi, La Carlota City, Negros Occidental, including various buildings, improvements, machinery and other equipment. As at September 30, 2019, the properties are valued, net of depreciation, at ₱199.6 million.

Item 3. Legal Proceedings

In the ordinary course of its business, the Parent Company and its subsidiaries are engaged in litigations either as complainant or defendant. In the opinion of the Group, these cases do not have any material adverse effect on its financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders, through solicitation of proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market information

The Company's common shares are listed in the Philippine Stock Exchange. The high and low prices of ROX shares for each quarter of fiscal years 2019, 2018 and 2017, as reported by the PSE, are shown below:

Quarter	FY2019		FY2018		FY2017	
	High	Low	High	Low	High	Low
1	1.87	1.83	4.13	4.00	3.04	2.98
2	1.83	1.77	3.42	3.28	3.00	2.87
3	1.72	1.69	2.86	2.82	3.83	3.67
4	1.58	1.52	2.19	2.14	4.19	4.10

As of November 28, 2019, the closing price of RHI's shares is ₱1.91 per share.

Stockholders

There were about 2,084 holders of the company's common shares as of September 30, 2019. The top twenty (20) holders of the common shares as of said date were:

	Stockholder	Nationality	Total No. of Shares	%
1.	PCD Nominee Corporation	Filipino	902,826,302	58.32
2.	PCD Nominee Corporation	Non-Filipino	523,912,039	33.85
3.	Roxas and Company, Inc.	Filipino	99,624,995	6.44
4.	Insular Life Assurance Co., Ltd.	Filipino	1,198,520	0.08
5.	Jose A. Manzano Jr.	Filipino	1,029,007	0.07
6.	Gilbert Liu	Filipino	1,014,000	0.07
7.	Emilio Pantoja	Filipino	785,078	0.05
8.	Armando M. Medina	Filipino	770,640	0.05
9.	Leonardo T. Siguion Reyna	Filipino	608,400	0.04
10.	Raul S. Roco	Filipino	486,720	0.03
11.	O. Ledesma & Co., Inc.	Filipino	446,160	0.03
12.	BMI Holdings Corporation	Filipino	431,964	0.03
13.	Antonio G. Nieto	Filipino	367,450	0.02
14.	Corona Realty &	Filipino	365,040	0.02

	Stockholder	Nationality	Total No. of Shares	%
	Development Corporation			
15.	Lorna Perez Laurel	Filipino	354,900	0.02
16.	Abel Z. Silva III	Filipino	354,900	0.02
17.	Elaine Villar Rivilla	Filipino	346,788	0.02
18.	Rodolfo W. Antonino	Filipino	338,000	0.02
19.	Emma Lopez	Filipino	324,804	0.02
20.	Evelina M. Boongaling	Filipino	321,214	0.02
	Subtotal		1,535,906,921	99.13
	Other Shareholders		12,028,878	0.78
	Grand Total		1,547,935,799	100%

Dividends

a) History of dividends paid:

Declaration Date	Record Date	Type and Amount of Dividends
28 June 2006	14 July 2006	Cash - ₱0.06 per share
27 September 2006	12 October 2006	Cash - ₱0.06 per share
20 June 2007	13 July 2007	Cash - ₱0.06 per share
19 September 2007	15 October 2007	Cash - ₱0.05 per share
25 June 2008	15 July 2008	Cash - ₱0.06 per share
3 October 2008	15 October 2008	Cash - ₱0.06 per share
24 June 2009	15 July 2009	Cash - ₱0.06 per share
17 September 2012	01 October 2012	Cash - ₱0.06 per share
12 December 2012	28 December 2012	Cash - ₱0.04 per share
07 August 2013	30 August 2013	Cash - ₱0.06 per share
06 November 2013	20 November 2013	Cash - ₱0.06 per share
06 August 2014	22 August 2014	Cash - ₱0.12 per share
05 December 2014	22 December 2014	Cash - ₱0.12 per share
19 August 2015	04 September 2015	Cash - ₱0.12 per share

The Parent Company's ability to declare and pay dividends on its common equity is generally limited by the Corporation Code of the Philippines such as the prohibition on capital impairment and the limitation on the discretion of the Board of Directors to declare dividends based on their fiduciary duty, among others. The Parent Company's policy is to declare a minimum of 35% of its annual earnings as cash or stock dividend payable out of its unrestricted retained earnings.

Recent Sales of Unregistered Securities

a) Securities Sold

A Stock Rights Offering of 266,753,974 Common Shares was conducted by the Company and sold during the Offer Period of May 12-18, 2016 to its stockholders of record as of May 4, 2016. The Offer Price is ₱4.19 per Rights Share at an entitlement ratio of 1 Rights Share for 4.33 Common Shares held as of record date. After the Offer Period, all shares were fully subscribed. These shares were likewise listed with the Philippine Stock Exchange (PSE).

On February 1, 2017, the BOD approved the issuance of convertible debt securities amounting to ₱523,750,000 to FPNRHBV, 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 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 using the convertible debt securities as payment for subscription was approved by SEC. On November 9, 2017, the PSE approved the listing of these newly-subscribed 125,000,000 common shares.

b) Exemption from Registration Claimed

On July 12, 2013, the Securities and Exchange Commission (SEC) issued a Resolution exempting the issuance of Thirty Five Million (35,000,000) common shares for the Group's Employee Stock Option Plan 1 (ESOP 1) from the registration requirement of the Commission.

Also, on May 6, 2014, the SEC issued a Resolution exempting the issuance of Thirty Million (30,000,000) common shares for the Group's ESOP 2 from the registration requirement of the SEC.

On March 30, 2016, the SEC approved the Parent Company's Request for Confirmation of Exemption from Registration of 266,753,974 Common Shares from the registration requirements under the SRC Rules. These shares were subject of the Stock Rights Offering as described above.

On July 14, 2017, the Parent Company's application for increase in authorized capital stock using the convertible debt securities as payment for subscription, was approved by SEC, together with a confirmation of exemption from registration of these 125,000,000 common shares.

c) Description of Registrant's Securities

The authorized capital stock of the company is Two Billion Pesos (P2,000,000,000.00), Philippine currency, consisting of Two Billion (2,000,000,000) common shares with par value of One Peso (P1.00) per share. As of September 30, 2019, the company's total outstanding capital stock is 1,547,935,799 shares. Shares in treasury total 17,643,480 common shares.

The shareholders do not have pre-emptive rights to subscribe to issues or disposition of the shares of stock of the company of any class unless the Board of Directors decides otherwise. There are no provisions in its Charter or By-laws, which would delay, defer or prevent a change in the control of the company.

Item 6. Management's Discussion and Analysis or Plan of Operation

FULL FISCAL YEAR 2018-2019

The Group entered into an Asset Sale and Purchase Agreement with a buyer 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. On February 12, 2019, the PCC issued a decision disapproving the Proposed Sale Transaction. Nonetheless, the Group remains committed to sell the assets in Batangas and is currently negotiating with the prospective buyer. The Group has assessed that the subject assets are available for immediate sale in their present condition and sale is highly probable as of September 30, 2019.

Financial Highlights and Key Performance Indicators

	September 30		Increase (Decrease)	
	2019	2018	Amount	%
<i>Amounts in Thousands except Closing Price per Shares</i>	<i>(Audited)</i>	<i>(Audited)</i>		
Balance Sheet				
Fixed assets	₱15,075,768	₱15,614,626	(₱538,858)	(3%)
Goodwill	1,079,615	1,079,615	—	—
Total assets	21,917,434	25,763,131	(3,845,697)	(15%)
Shareholders' equity	9,164,335	10,908,705	(1,744,370)	(16%)
Net debt ⁽¹⁾	9,848,593	10,728,821	(880,228)	(8%)
Equity ratio	41.8%	42.3%	(0.5)	(1%)
Net debt as % of equity	1.07x	0.98x	0.09	9%
Shares				
Market capitalization	3,699,567	4,643,807	(944,240)	(20%)
Total shares issued	1,547,936	1,547,936	—	—
Closing price per share	2.39	3.00	(0.61)	(20%)

	Years Ended September 30		Increase (Decrease)	
	2019	2018	Amount	%
<i>Amounts in Thousands except Operational Data</i>				
Revenues and Earnings				
Revenues	₱12,919,513	₱11,811,289	₱1,108,224	9%
Gross profit	307,660	1,254,437	(946,777)	(75%)
Depreciation and amortization	566,516	773,473	(206,957)	(27%)
Operating expenses	1,127,198	930,531	196,667	21%
Interest	704,157	502,073	202,084	40%
Net income (loss)	(1,888,936)	55,503	(1,944,439)	(3503%)
Core net income	(1,312,711)	55,503	(1,368,214)	(2465%)
Return on equity	(20.61%)	0.51%	(21.1%)	(4142%)
Earnings per share	(1.22)	0.04	(1.26)	(3150%)
Cash Flow and Investments				
Cash flow from (used in) operations	1,786,112	1,214,309	571,803	47%
Investment in fixed assets	268,999	1,185,332	(916,333)	(77%)
Operational Data (volume in thousands)				
Tons cane milled	2,402	2,991	(589)	(20%)
Production:				
Raw sugar (Lkg)	4,652	5,269	(617)	(12%)
Refined sugar (Lkg)	1,724	2,977	(1,253)	(42%)
Ethanol (liters)	76,311	74,354	1,957	3%

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

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 revenue and computed as the gross amount of raw sugar output of CADPI and CACI as consolidated subsidiaries. It pertains to production capacity, ability to source sugar canes, efficiencies and the productivity of manufacturing facilities.
2. Refined sugar production - the most important determinant of revenue 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 feedstock undergoing fermentation, distillation and dehydration processes.

4. Return on Equity - denotes the capability of the Group to generate returns on the shareholders' fund computed as a percentage of net income to total equity.

Results of Operations

Revenue

Amounts in Thousands	Years Ended September 30				Increase (Decrease)	
	2019			2018	Amount	%
	Continuing	Discontinued	Total			
Refined sugar	P–	P3,370,338	P3,370,338	P5,574,509	(P2,204,171)	(40%)
Raw sugar	1,776,217	1,627,339	3,403,556	2,291,905	1,111,651	49%
Milling revenue	683,959	836,428	1,520,387	–	1,520,387	100%
Molasses	184,192	306,366	490,558	544,389	(53,831)	(10%)
Tolling fees	–	214,915	214,915	97,712	117,203	120%
	2,644,368	6,355,386	8,999,754	8,508,515	491,239	6%
Alcohol	3,861,260	–	3,861,260	3,244,918	616,342	19%
Power	19,443	9,523	28,966	29,564	(598)	(2%)
Farm services	17,759	–	17,759	18,436	(677)	(4%)
Carbon dioxide	11,774	–	11,774	9,856	1,918	19%
	P6,554,604	P6,364,909	P12,919,513	P11,811,289	P1,108,224	9%

Consolidated revenue amounted to P12,919.5 million in 2019, an increase of P1,108.2 million or 9% versus P11,811.3 million in 2018. The increase is due to increase in volume sold, particularly, raw sugar and recognition of revenue from milling services arising from adoption of new accounting standards. Sugar operations contributed P9,000.0 million or 70% of total revenue in 2019, while P3,861.3 million or 30% of total revenue came from alcohol operations.

Sugar. Revenue from sugar operations increased by P491.2 million or 6% against last year's revenue of P8,508.5 million, primarily due to increase in volume sold of raw sugar and recognition of revenue from milling services. Raw sugar sales volume increased by 557 Lkg or 32% this year from 1,718 Lkg in 2018 while refined sugar sales volume decreased by 1,169 Lkg or 41% versus last year's sales volume of 2,868 Lkg. Average selling prices per Lkg of raw and refined sugar in 2019 amounted to P1,496 and P1,984, respectively, from P1,334 and P1,944, respectively in 2018.

Alcohol. Revenue from alcohol operations amounted to P3,861.3 million and P3,244.9 million in 2019 and 2018, respectively. The increase is primarily due to higher average selling price in 2019 by P9/liter.

Gross Income

Consolidated gross income in 2019 decreased by P940.0 million or 75% from P1,254.4 million last fiscal year and gross profit rate declined from 10.6% in 2018 to 2.4% in 2019. The decreased gross profit is attributable to increase in manufacturing cost caused by decrease in ton canes milled arising from changing weather patterns and intense cane competition and lower feedstock margin caused by increased molasses cost with relatively stable sugar price. Total TCM in 2019 and 2018 amounted to 2,402 and 2,991 metric tons (MT), respectively.

Operating Expenses

	Years Ended September 30					
	2019				Increase (Decrease)	
Amounts in Thousands	Continuing	Discontinued	Total	2018	Amount	%
Salaries, wages and other						
employee benefits	P373,664	P66,771	P440,435	P440,722	(P287)	(0%)
Outside services	80,290	67,298	147,588	141,119	6,469	5%
Provision for probable						
losses	70,000	50,000	120,000	—	120,000	100%
Taxes and licenses	92,315	22,089	114,404	103,235	11,169	11%
Selling expenses	15,203	48,511	63,714	93,815	(30,101)	(32%)

(Forward)

	Years Ended September 30				Increase (Decrease)	
	2019					
Amounts in Thousands	Continuing	Discontinued	Total	2018	Amount	%
Depreciation and amortization	P60,005	P—	P60,005	P53,949	P6,056	11%
Rent	22,955	—	22,955	21,429	1,526	7%
Communication, light and water	20,179	480	20,659	20,538	121	1%
Travel and transportation	17,498	2,323	19,821	22,408	(2,587)	(12%)
Repairs and maintenance	9,729	2,014	11,743	16,488	(4,745)	(29%)
Materials and consumables	7,346	2,296	9,642	5,179	4,463	86%
Representation and entertainment	6,919	619	7,538	6,987	551	8%
Corporate social responsibility	4,637	2,860	7,497	6,679	818	12%
Provision for (reversal of) impairment losses on receivables	4,068	795	4,863	14,801	(9,938)	(67%)
Others	65,355	10,979	76,334	76,998	(664)	(1%)
	P850,163	P277,035	P1,127,198	P1,024,347	P102,850	10%

Operating expenses increased by ₱102.9 million or 10% from ₱1,024.3 million in 2018 to ₱1,127.2 million in 2019.

Interest

Interest expense for the current fiscal year amounted to ₱704.2 million versus ₱502.1 million in 2018, attributed to availment of short-term loans and increase in interest rates in 2019.

Share in Net Earnings of an Associate

Due to lower net income of HPCo arising from the decrease in market price of raw sugar, the Company's share in the latter's earnings decreased to ₱41.3 million in 2019 from ₱55.9 million in 2018.

Net Income

Consolidated net income after tax decreased by ₱1,943.6 million versus ₱54.7 million in 2018, due to lower gross income and increase in operating and interest expense in 2019.

Financial Position

Consolidated total assets as at September 30, 2019 amounted to ₱21,917.4 million against ₱25,530.5 million as at September 30, 2018. This decrease is due to the movements in the following accounts:

- decrease in inventory
- decrease in accounts receivables; and
- derecognition of deferred tax assets

Consolidated total liabilities as at September 30, 2019 amounted to ₱12,753.1 million, lower by ₱2,015.0 million than last year's balance of ₱14,767.6 million.

Book value per share decreased to ₱5.92 as at September 30, 2019 from ₱6.95 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.

FULL FISCAL YEAR 2017-2018

The Group entered into an Asset Sale and 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. As of January 14, 2019, the Proposed Sale Transaction is still under review by the PCC. The PCC review is customary for similar transactions. However, management is committed to the Proposed Sale Transaction and expects it to be completed after PCC approval is secured.

Financial Highlights and Key Performance Indicators

	September 30		Increase (Decrease)	
	2018	2017	Amount	%
<i>Amounts in Thousands except Closing Price per Shares</i>	<i>(Audited)</i>	<i>(Audited)</i>		
Balance Sheet				
Fixed assets	₱15,614,626	₱15,398,735	₱215,891	1%
Goodwill	1,079,615	1,079,615	—	—%
Total assets	25,763,131	23,896,173	1,866,958	8%
Shareholders' equity	10,908,705	10,544,108	364,957	3%
Net debt ⁽¹⁾	10,728,821	10,092,317	636,504	6%
Equity ratio	42.3%	44.1%	(1.8)	(4%)
Net debt as % of equity	0.98x	0.96x	0.02	2%
Shares				
Market capitalization	4,643,807	6,806,605	(2,162,798)	(32%)
Total shares issued	1,547,936	1,546,956	980	0%
Closing price per share	3.00	4.40	(1.4)	32%

	Years Ended September 30		Increase (Decrease)	
	2018	2017	Amount	%
<i>Amounts in Thousands except Operational Data</i>				
Revenues and Earnings				
Revenues	₱11,811,289	₱10,947,533	₱863,756	8%
Gross profit	1,254,437	1,414,283	(159,846)	(11%)
Depreciation and amortization	773,473	950,839	(177,366)	(19%)
Operating expenses	930,531	1,065,806	(135,275)	(13%)
Interest	502,073	444,257	57,816	13%
Net income	55,503	120,040	(64,537)	(54%)
Core net income	55,503	240,221	(184,718)	(77%)
Return on equity	0.51%	1.14%	(0.63%)	(55%)
Earnings per share	0.04	0.08	(0.04)	(50%)
Cash Flow and Investments				
Cash flow from used in operations	1,214,658	(624,153)	1,838,811	295%
Investment in fixed assets	1,185,332	1,140,984	44,348	4%
Operational Data (volume in thousands)				
Tons cane milled	2,991	3,461	(470)	(14%)
Production:				
Raw sugar (Lkg)	5,269	6,497	1,228	(19%)
Refined sugar (Lkg)	2,977	3,507	(530)	(15%)
Ethanol (liters)	74,354	69,540	4,814	7%

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

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 revenue and computed as the gross amount of raw sugar output of CADPI and CACI as consolidated subsidiaries. It pertains to production capacity, ability to source sugar canes, efficiencies and the productivity of

manufacturing facilities.

2. Refined sugar production - the most important determinant of revenue 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 feedstock undergoing fermentation, distillation and dehydration processes.
4. Return on Equity - denotes the capability of the Group to generate returns on the shareholders' fund computed as a percentage of net income to total equity.

Results of Operations

Revenue

	Years Ended September 30			Increase (Decrease)		
	2018					
Amounts in Thousands	Continuing	Discontinued	Total	2017	Amount	%
Refined sugar	₱1,469,426	₱4,105,083	₱5,574,509	₱4,192,991	₱1,381,518	33%
Raw sugar	117,376	2,174,529	2,291,905	2,384,628	(34,723)	(4%)
Molasses	7,703	536,686	544,389	474,805	69,584	15%
Tolling fees	498	97,214	97,712	243,546	(145,834)	(60%)
	1,595,003	6,913,512	8,508,515	7,295,970	1,212,545	17%
Alcohol	3,244,918	—	3,244,918	3,602,242	(357,324)	(10%)
Power	29,564	—	29,564	16,366	13,198	81%
Farm services	18,436	—	18,436	20,844	(2,408)	(12%)
Carbon dioxide	9,856	—	9,856	12,111	(2,255)	(19%)
	₱4,897,777	₱6,913,512	₱11,811,289	₱10,947,533	₱863,756	8%

Consolidated revenue amounted to ₱11,811.3 million in 2018, an increase of ₱863.8 million or 8% versus ₱10,947.5 million in 2017. The increase is due to increase in average selling prices and volume sold of refined sugar. Sugar operations contributed ₱8,566.4 million or 73% of total revenue in 2018, while ₱3,244.9 million or 27% of total revenue came from alcohol operations.

Sugar. Revenue from sugar operations increased by ₱1,212.5 million or 17% against last year's revenue of ₱7,296.0 million, primarily due to increase in volume sold and average selling prices of raw and refined sugar. Raw sugar sales volume decreased by 58 Lkg or 3% this year from 1,776 Lkg in 2017 while refined sugar sales volume increased by 655 Lkg or 30% versus last year's sales volume of 2,213 Lkg. Average selling prices per Lkg of raw and refined sugar in 2018 amounted to ₱1,334 and ₱1,944, respectively, from ₱1,343 and ₱1,895, respectively in 2017.

Alcohol. Revenue from alcohol operations amounted to ₱3,244.9 million and ₱3,602.2 million in 2018 and 2017, respectively. The decrease is due to lower volume sold and average selling price in 2018 by 3,059 liters and ₱3/liter.

Gross Income

Consolidated gross income in 2018 decreased by ₱159.9 million or 11% from ₱1,414.3 million last fiscal year and gross profit rate declined from 12.9% in 2017 to 10.6% in 2018. The decreased gross profit is attributable to sugar operations' higher manufacturing cost resulting from decreased production volume due to decreased ton canes milled and factory breakdowns. Total TCM in 2018 and 2017 amounted to 2,991 and 3,461 metric tons (MT), respectively.

Operating Expenses

	Years Ended September 30				Increase (Decrease)	
	2018					
Amounts in Thousands	Continuing	Discontinued	Total	2017	Amount	%
Salaries, wages and other employee benefits	P395,236	P45,486	P440,722	P399,888	P40,834	10%
Outside services	61,275	79,844	141,119	113,797	27,322	24%
Taxes and licenses	70,692	32,543	103,235	117,571	(14,336)	(12%)
Selling expenses	20,802	73,013	93,815	57,858	35,957	62%
Provision for probable losses	—	—	—	74,572	(74,572)	(100%)
Depreciation and amortization	47,455	6,494	53,949	71,753	(17,804)	(25%)
Travel and transportation	16,638	5,770	22,408	22,545	(137)	(1%)
Rent	21,345	84	21,429	27,951	(6,522)	(23%)
Communication, light and water	20,538	—	20,538	20,809	(271)	(1%)
Repairs and maintenance	6,811	9,677	16,488	14,566	1,922	13%
Provision for (reversal of) impairment losses on receivables	6,272	8,529	14,801	(9,257)	24,058	260%
Representation and entertainment	6,662	325	6,987	3,860	3,127	81%
Corporate social responsibility	3,857	2,822	6,679	5,161	1,518	29%
Materials and consumables	3,020	2,159	5,179	6,029	(850)	(14%)
Others	75,203	1,795	76,998	96,099	(19,101)	(20%)
	P755,806	P268,541	P1,024,347	P1,023,202	P1,145	(0.1%)

Operating expenses decreased by ₱1,145 or 0.1% from ₱1,023.2 million in 2017 to ₱1,024.3 million in 2018.

Interest

Interest expense for the current fiscal year amounted to ₱502.1 million versus ₱444.3 million in 2017, attributed to availment of short-term loans and increase in interest rates in 2018.

Share in Net Earnings of an Associate

Due to lower net income of HPCo arising from the decrease in market price of raw sugar, the Company's share in the latter's earnings decreased to ₱55.9 million in 2018 from ₱67.8 million in 2017.

Net Income

Consolidated net income after tax decreased by ₱64.5 million or 54% versus ₱120.0 million in 2017, due to lower gross income and increase in interest expense in 2018.

Financial Position

Consolidated total assets as at September 30, 2018 amounted to ₱25,530.5 million against ₱23,896.2 million as at September 30, 2017. This increase is due to the movements in the following accounts:

- increase in refined sugar inventory
- increase in accounts receivables
- increase in materials and supplies inventory due to purchases of spares for plant maintenance activities;
- acquisitions of property, plant and equipment carried at cost; and
- appraisal increase on property, plant and equipment at appraised values.

Consolidated total liabilities as at September 30, 2018 amounted to ₱14,767.6 million, higher by ₱1,415.5 million than last year's balance of ₱13,352.1 million.

Book value per share increased to ₱6.95 as at September 30, 2018 from ₱6.82 as at September 30, 2017.

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.

Item 7. Financial Statements

Refer to the attached Audited Consolidated Financial Statements.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

There has been no disagreement with the external auditor, Sycip Gorres Velayo & Co., on accounting, financial concerns, and disclosures in the Consolidated Financial Statements, attached herein.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors and Executive Officers of the Issuer

Board of Directors & Corporate Secretary

Pedro E. Roxas is 63 years old and is a Filipino. He has been a member of the Board of Directors since year 1982. Mr. Roxas is the Chairman of the Board of Directors and is the Chairman of the Executive Committee and a member of the Corporate Governance Committee. He was elected as Acting President & Chief Executive Officer of the company on October 23, 2015. He is also the Chairman of the operating subsidiaries of the company, namely: Central Azucarera Don Pedro, Inc. (CADPI), Central Azucarera de la Carlota, Inc. (CACI), Roxol Bioenergy Corporation (RBC), San Carlos Bioenergy, Inc.(SCBI), and RHI Agri-Business Development Corporation (RHI-ADC).

Mr. Roxas is likewise the Executive Chairman of Roxas & Co., Inc. (RCI) and was the company's President and CEO until 2016; the Chairman of the Philippine Sugar Millers Association (PSMA); the Vice Chairman of the Asean Sugar Alliance; the President of Club Punta Fuego Inc. and of Fundación Santiago; an Independent Director of listed companies: Philippine Long Distance Telephone Company (PLDT) and Manila Electric Company (Meralco) and of non-listed firms: Banco de Oro (BDO) Private Bank, CEMEX Holdings, Philippines, Inc. and MAPFRE Insular; a Director of Brightnote Assets Corporation; a Trustee of Philippine Business for Social Progress (PBSP) and of Roxas Foundation, Inc. (RFI); and a Member of the Equestrian Directorate of Manila Polo Club.

Mr. Roxas was educated at Portsmouth Abbey School, Rhode Island, USA, and at the University of Notre Dame in Indiana, USA where he obtained his degree in Business Administration.

Manuel V. Pangilinan is 73 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013 and is the Vice-Chairman of the Board of Directors, a member of the Executive Committee and the Chairman of the Compensation Committee. Mr. Pangilinan founded First Pacific Company Limited in 1981 and served as its Managing Director until 1999. He was appointed Executive Chairman until June 2003 when he was named as CEO and Managing Director. He holds the position of President Commissioner of P. T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia.

In the Philippines, Mr. Pangilinan is the Chairman, President & CEO of PLDT, Inc. (PLDT). He is also the Chairman of Smart Communications, Inc. (Smart), Metro Pacific Investments Corporation (MPIC), Manila Electric Company (Meralco), ePLDT, Inc., PLDT Communications and Energy Ventures, Inc. (formerly Pilipino Telephone Corporation, Maynilad Water Services, Inc., Metro Pacific Tollways

Corporation), Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Medical Doctors, Inc. (Makati Medical Center), Davao Doctors, Inc. and Colinas Verdes Corporation (Cardinal Santos Medical Center), Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV5).

He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School. In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation Inc., One Meralco Foundation, Inc., and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College, Co-Chairperson of the Board of Trustees of Stratbase Albert de Rosario Institute and Co-Chairman of the U.S.-Philippine Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation Inc., Chairman Emeritus of the Samahang Basketbol ng Pilipinas and Chairman of the Amateur Boxing Association of the Philippines (ABAP).

Mr. Pangilinan has received numerous prestigious awards including Ten Outstanding Young Men of the Philippines (TOYM) Award for *International Finance* (1983), The Presidential Pamana ng Pilipino Award by the Office of the President of the Philippines (1996), Best CEO in the Philippines by the *Institutional Investor* (2004), CEO of the Year (Philippines) by *Biz News Asia* (2004), People of the Year by *People Asia Magazine* (2004), Distinguished World Class Businessman Award by the Association of Makati Industries, Inc. (2005), Management Man of the Year by the Management Association of the Philippines (2005), and Order of Lakandula (Rank of Komandante) by the Office of the President of the Philippines (2006).

He was voted as Corporate Executive Officer of the Year (Philippines) and Best Executive (Philippines) at the 2007 and 2008 Best-Managed Companies and Corporate Governance Polls conducted by *Asia Money*. Mr. Pangilinan also received the Best CEO award from *Finance Asia Magazine* (2012) and the Executive of the Year Award from the Philippine Sports Writers Association (PSA) (2014). In July 2015, Jaycees Philippines and the Asian Institute of Management (AIM) conferred him the 2015 Ramon V. del Rosario (RVR) Lifetime Achievement Award for his outstanding contributions to nation-building and exemplary corporate citizenship.

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. He was awarded the First Honorary Doctorates Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorates in Science by the Far Eastern University in 2010, and in Humanities by the Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines.

Hubert D. Tubio is 65 years old and is a Filipino. He was elected as a member of the Board of Directors on December 16, 2015 and as President and Chief Executive Officer of the Group effective January 1, 2016. He is a member of the Board of Trustees of the Philippine Sugar Research Institute (Philsurin) and the Philippine Sugar Millers Association (PSMA); and a member of the Board of Directors of Negros College, Inc. Mr. Tubio has an extensive and varied career occupying senior leadership roles in sugar, telecommunications, airlines, trading, and international accounting/auditing industries. He was the Chairman of the Board of Directors of Bioeq Energy Holdings, Inc., a vertically integrated bioenergy company. He served as President and Chief Operating Officer of Victorias Milling Co., Inc. from 2009 to 2014; President of Philsurin; Member of the Board of Directors of Globe Telecom; President of Consultancy by Technicus Corporation - a subsidiary of Deutsche Telekom A.G. of Germany; Consultant of PAL Holdings, Inc.; and Vice-President of Jardine Davies, Inc.

Mr. Tubio is a Certified Public Accountant (CPA). A consistent university scholar, he graduated Cum Laude with a degree in Bachelor of Science in Business Administration (BSBA), Major in Accounting, from the University of the East. He ranked 10th in the Philippine CPA Board Examinations conducted in October 1975. He is also recognized as the "Most Exalted Alphan" of Tau Alpha Sigma – an exclusive fraternity for Accounting Honors at the University of the East Manila in 1972. He also belongs to the Top 10% of the 36th Management Development Program of the Asian Institute of

Management in 1991 with Superior Performance Award.

Mr. Tubio is also an Awardee of the University of the East — Business Management's Diamond Jubilee Alumni Achievers' Award in 2006. He attended the Deutsche Telekom Global Event in Bonn, Germany in January 2002; and served as JDI Corporate Observation Group Leader for the team that visited the Louisiana Sugar Industry, at Lafayette, Patouville and New Orleans, Louisiana, and Hawaiian Sugar Industry in Maui, Hawaii, USA in November 1997. He also attended the International Society of Sugar Cane Technologists (ISSCT) Congress in Cali and Cartagena, Colombia, South America in September 1995; and the Sugar Production and Processes Hands-On Technical Training of Moreton Sugar Company, Ltd. (Bundaberg Sugar Group) in Queensland, Australia from July to August 1993.

Christopher H. Young is 62 years old and is a British citizen. He was elected as a member of the Board of Directors on May 13, 2015 and as a member of the Audit & Risk Committee on August 19, 2015.

Mr. Young is the Executive Director and Chief Financial Officer of First Pacific Company Limited in Hong Kong. He is currently a Director of Metro Pacific Investments Corporation, Goodman Fielder Pty Limited, PacificLight Power Pte. Ltd., and FPM Power Holdings Limited. He is also a member of the Advisory Board of PLDT, Inc. Mr. Young is also a Commissioner of PT Indofood Sukses Makmur Tbk and a Trustee of IdeaSpace Foundation, Inc.

He worked for PricewaterhouseCoopers in London and Hong Kong from 1979 until 1987, at which time he joined First Pacific as Group Financial Controller. Mr. Young moved to Metro Pacific Corporation in 1995 as Finance Director until November 1998 when he became the Chief Financial Advisor of PLDT. He returned to First Pacific as Chief Financial Officer in 2015 and as a member of the Board in August 2017.

Mr. Young graduated at the Waid Academy at Fife, Scotland. He finished his Master of Arts in Economics with Honors at St. Andrews University. He has been a member of the Institute of Chartered Accountants in England and Wales since 1982.

Ray C. Espinosa is 63 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013. Atty. Espinosa is an Associate Director of First Pacific Company Limited. He is a Director of PLDT Inc., Smart Communications, Inc., Manila Electric Company (Meralco), Metro Pacific Investments Corporation, Meralco PowerGen Corporation, First Agri Holdings Corporation and First Coconut Manufacturing Inc. He also serves as an Independent Director of Lepanto Consolidated Mining Company (Lepanto) and Maybank Philippines, Inc. (Maybank Philippines). He is the Chairman of the Audit Committee and Nomination Committee of Lepanto and the Risk Management Committee of Maybank Philippines.

Atty. Espinosa is the President and Chief Executive of Meralco, the Chief Corporate Services Officer of PLDT and Smart, and Head of PLDT's Regulatory and Strategic Affairs Office. He is also a Trustee of the Beneficial Trust Fund of PLDT. He is the Chairman of PhilStar Daily, Inc. and BusinessWorld Publishing, Inc. He is the Vice Chairman of First Agri Holdings, Inc. and First Coconut Manufacturing, Inc. He is also the President and Chief Executive Officer of Mediaquest Holdings, Inc.

He joined First Pacific in 2013. He is currently First Pacific Group's Head of Government and Regulatory Affairs and Head of Communications Bureau for the Philippines. Prior to joining the PLDT Group in 2000, Atty. Espinosa was a law partner at SyCip Salazar Hernandez & Gatmaitan, the largest law firm in the Philippines, until June 2000 and was a member of the firm's Executive Committee. He was a law lecturer at the Ateneo de Manila School of Law from 1983 to 1985 and in 1989. After finishing his Master of Laws degree, he worked as a foreign associate in Covington & Burling, the largest law firm in Washington, D.C., USA, from September 1987 to August 1988.

He is a member of the Integrated Bar of the Philippines, Philippine Bar Association, and Inter-Pacific Bar Association. He is also a member of the Executive Committee of LAWASIA Energy Section. *Asia Law & Practice*, *Euromoney* and *The Asia Pacific Legal 500* named Atty. Espinosa as one of the

leading capital market lawyers, and among the leading project finance lawyers, in the Philippines from 1996 to 2002.

Atty. Espinosa finished his Bachelor of Laws degree at the Ateneo de Manila University, graduating Salutatorian, and his Master of Laws degree at the University of Michigan Law School. He took up Bachelor of Science in Pre-Medicine at the University of Santo Tomas. Atty. Espinosa placed first in the Philippine Bar Examinations of 1982, and was a Fellow of the University of Michigan Law School's Clyde Alton Dewitt Scholarship Foundation.

Alex Erlito S. Fider is 66 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013. His legal experience spans 30 years of involvement in corporate transactions and projects. His legal work extends to an array of corporate and financial matters to companies involved in public infrastructure, water, and power utilities, telecommunications, mass media, banking and finance, real estate development, and agriculture. He is a specialist in the various fields of commercial, civil, telecommunications and public utilities law. Atty. Fider is a Director and Corporate Secretary of several Philippine corporations, including Metro Pacific Tollways Corporation, Metro Pacific Tollways Development Corporation, Manila North Tollways Corporation, Tollways Management Corporation, Smart Communications, Inc. and Maynilad Water Services, Inc. He is actively involved in the Financial Executives Institute of the Philippines (FINEX) and Institute of Corporate Directors of which he is a Fellow. He is a member of the Board of Trustees of non-profit organizations like the Metropolitan Manila Cathedral Basilica Foundation and TV 5 Alagang Kapatid Foundation.

Atty. Fider graduated from the University of the Philippines with degrees in Economics and Law. He was admitted to the Philippine Bar in 1985 and undertook specialized courses in Strategic Economics and Corporate Governance in the Philippines and Australia, respectively.

Oscar J. Hilado is 82 years old and is a Filipino. He has been a member of the Board of Directors since May 11, 2016. Mr. Hilado is the Lead Independent Director and is the Chairman of the Corporate Governance Committee. He is also a member of the Executive, Audit and Compensation Committees.

He is the Chairman of the Board of Philippine Investment Management (PHINMA), Inc.; Phinma Corp.; Phinma Energy Corporation; Phinma Property Holdings Corp.; and Union Galvasteel Corporation.

Mr. Hilado is also the Vice Chairman of Trans Asia Power Generation Corporation and Trans-Asia Petroleum Corporation.

He is the Chairman of the Executive Committee of Phinma Corp.

He is also a director of A. Soriano Corporation; First Philippine Holdings Corporation; Philex Mining Corporation; United Pulp and Paper Co., Inc.; Beacon Property Ventures, Inc.; Manila Cordage Company; Smart Communications, Inc.; Digital Telecommunications Philippines, Inc. (DIGITEL); Pueblo de Oro Development Corporation; Seven Seas Resorts and Leisure, Inc.; Asian Eye Institute; Rockwell Land Corporation; Araullo University, Inc.; Cagayan de Oro College, Inc.; University of Iloilo, Inc.; University of Pangasinan, Inc.; Southwestern University; PEN Holdings, Inc.; Microtel Inns & Suites (Pilipinas), Inc.; and Trans Asia Renewable Energy Corporation. Mr. Hilado is an Honorary Consul of Ecuador. He was awarded the MAP Management Man of the Year in 1991.

Mr. Hilado was a Smith Mundt/Fullbright scholar at the Harvard Graduate School of Business where he obtained his Master's Degree in Business Administration in 1962. He is a Certified Public Accountant (CPA) with a Bachelor of Science in Commerce degree from the De La Salle College in Bacolod in 1958. He earned his Doctorate in Business Management, Honoris Causa, from the De La Salle University in 1992 and in 2003, attained his Doctorate of Law, Honoris Causa, from the University of St. La Salle.

Santiago T. Gabionza, Jr. is 62 years old and is a Filipino. He was elected as an Independent Director to the Board of Directors on April 30, 2019 and as a member of the Corporate Governance

and Compensation Committees.

Atty. Gabionza is a founding partner of Villanueva Gabionza and Dy Law Offices; a Fellow at the Institute of Corporate Directors; and a member of the Board of Directors of various corporations. He is a member of the Asia Pacific Lawyers Association, Philippine Lawyers Literary Club, Inc., ASEAN Law Association of the Philippines, Philippine Trial Lawyers Association, and Philippine Bar Association. He is also a member of Club Filipino, Quezon City Sports Club, Mimosa Golf and Country Club, Tagaytay Highlands Country Club, The Tower Club and The Celebrity Club.

He was a former Director of the Legal Management Council of the Philippines and past Grand Master, Grand Lodge of Free and Accepted Masons of the Philippines.

He also served in various capacities, as: Legal Consultant for then Ministry of Human Settlements; Senior Associate Lawyer at Balgos & Perez Law Offices; former President of the Northern Power Development Corporation; Corporate Secretary/Rehabilitation Counsel of Victorias Milling Company, Inc.; Rehabilitation Receiver of Steel Corporation of the Philippines; former Consultant to the Secretary of the Department of National Defense; former Consultant of the Committee on Justice at the House of Representatives; former OIC-President, Member of the Board of Directors and Chairman of the Audit Committee of Maynilad Water Services, Inc. He was also a College Instructor at The Catanduanes College; a Professorial Lecturer at the Philippine School of Business Administration; a Lecturer at Business Law Journal; a staff of the Ateneo Law Journal; Associate Editor of The Lance - the official organ of Letran College; a past President of the Catandungan Foundation, Inc. and a former President of the Integrated Bar of the Philippines - Makati Chapter.

Atty. Gabionza graduated Summa Cum Laude with a Bachelor of Arts degree, major in Economics at Colegio de San Juan de Letran. He finished Second Honors with Bachelor of Laws at the Ateneo de Manila College of Law. He passed the Philippine Bar examinations in 1981.

Arlyn S. Villanueva is 63 years old and is a Filipino. She was elected as an Independent Director to the Board of Directors on April 30, 2019 and as Chairman of the Audit Committee. Dr. Villanueva is a partner of accounting firm Sicangco Menor Villanueva CPAs (SMV). She sits as an independent director of the Metro Pacific Transport Corporation (MPTC), the transport group of the Metro Pacific conglomerate, since 2009 and the Manila North Tollways Corporation (MNTC) since 2014. She chairs the audit committees of both companies.

She is currently a member of the Professional Regulatory Commission's Board of Accountancy. She has been in practice for more than 35 years, with her field of competence being in audit and management consultancy. Dr. Villanueva is also involved in accreditation, performance evaluation, strategic planning and development, as well as forecasting and budgeting projects for academic institutions, being exposed to the academe for over 30 years.

In June 2014, she concluded her eight-year term as President of the Holy Angel University, which she had served for 33 years. Before she was appointed as University President in August 2006, she served as Dean and full professor of the College of Business & Accountancy for 25 years, and of the Graduate School for 10 years.

Dr. Villanueva was admitted as a Fellow of the Institute of Corporate Directors in August 2014.

She has held various positions at the Philippine Institute of Certified Public Accountants (PICPA), both at the local and national levels. She was President of the Philippine Association of Collegiate Schools of Business (PACSB) in 2005 and 2006. She is also a member of the Association of Certified Public Accountants in Education, the Management Association of the Philippines, the Philippine Marketing Association, and the International Council on Hotel, Restaurant and Institutional Education - Asia Chapter.

Dr. Villanueva was awarded the Most Outstanding President of PICPA in 2004.

Dr. Villanueva obtained her Accounting degree (BSC) from Holy Angel University in Angeles City in 1977 and passed the CPA licensure examinations in 1978. She pursued her studies and took her Master's Degree in Business Management from the Ateneo Graduate School of Business in 1982.

She took her Doctorate Degree in Business Administration from De La Salle Graduate School of Business where she graduated in 2003 "With Distinction". In 2011, she pursued her post-doctorate studies and completed the Advance Management Program, a program designed for top executives from all over the world, at the Harvard Business School (AMP181) in Boston, Massachusetts; and in December 2014, she completed the one-year Challenges of Leadership Programme: Crafting Reflective Leaders at the Insead Business School in Fontainebleau, France

The directors hold office for one (1) year from election until their successors are elected and qualified.

The members of the Board attended seminars on Corporate Governance in compliance with SEC rules and regulations.

Board of Advisors

Senen C. Bacani is 74 years old and is a Filipino. He was formerly a member of the Board of Directors and was elected as a member of the Board of Advisors on December 11, 2013. Mr. Bacani is the President of Ultrex Management & Investments Corp.; Chairman & President of La Frutera, Inc.; Chairman of Trully Natural Food Corporation; a Director of Swift Foods, Inc.; a Private Sector Representative of APEC Policy Partnership on Food Security, ABAC Philippines; Director of the Philippine Chamber of Agriculture & Food, Inc., Icebox Logistics Services, Inc., Franklin Baker Co. of the Philippines; and a Member of the Board of Advisors of East-West Seed Philippines, Inc. and of the National Competitiveness Council.

He is also a member of the Board of Trustees of the Philippine Rice Research Institute, and the Vice-Chairman of the Technical Advisory Committee of the PCARRD (DOST). Mr. Bacani is also involved in various non-government and people's organizations.

He obtained his degree in Bachelor of Science in Commerce at the De La Salle University, graduating Summa Cum Laude and Class Valedictorian, and his Masters in Business Administration at the University of Hawaii, USA. He passed the CPA Board Exams in 1966

Vicente S. Pérez is 61 years old and is a Filipino. He was elected as a member of the Board of Advisors on March 25, 2009. Mr. Pérez is an avid environment advocate and renewable energy investor. He is CEO of Alternergy, a wind and mini-hydro power developer, and Chairman of Merritt Partners, an energy advisory firm, and Chairman of Solar Pacific, an off-grid island solar PV developer.

He has been an independent director of regional companies in Australia, the Philippines and Singapore. He is an independent director of ST Telemedia, the Temasek holding company for telecom, data centers and mobile technology, and is an Independent Board Adviser of Banco de Oro, the Philippines' largest commercial bank. He is a member of the Advisory Boards of Coca-Cola FEMSA Philippines, Geneva-based Pictet Clean Energy Fund, and the Yale Center for Business and Environment. His philanthropy involvements are focused on the environment. Mr. Pérez is chairman of the National Advisory Council of WWF-Philippines and treasurer of the WWF-International Board, and a trustee/adviser of the Asian Conservation Foundation, Bhutan Foundation, Solar Energie Foundation and Solar Car Challenge Foundation. Mr. Pérez was Philippine Energy Minister from 2001 to 2005. He boosted energy self-sufficiency, promoted clean indigenous energy, and crafted an ambitious renewable policy framework. He served briefly in early 2001 as Deputy Minister for Trade and Industry.

Prior to 2001, Mr. Pérez had 17 years' experience first in Latin American debt restructuring at Mellon Bank in Pittsburgh, and later in debt trading, capital markets, and private equity in emerging countries at Lazard in London, New York and Singapore. At 35, he became General Partner at New York investment bank Lazard Frères as head of its Emerging Markets Group. He was Managing Director of Lazard Asia in Singapore from 1995 until 1997.

Mr. Pérez founded Next Century Partners in 1997, a private equity firm based in Singapore. In 2000, he founded Asian Conservation Company that acquired El Nido Resorts, an award-winning eco-tourism destination in Palawan. In 2006, he invested in Northwind Power, the first commercial wind farm in Southeast Asia.

He has consulted for the Asian Development Bank (ADB), International Finance Corporation (IFC) and numerous firms on renewable energy. With his various involvements, the media has dubbed him as the Philippines' "renewable czar".

Mr. Pérez obtained an MBA from the Wharton Business School of the University of Pennsylvania in 1983 and a Bachelor's Degree in Business Economics from the University of the Philippines in 1979. He was a 2005 World Fellow at Yale University, where he lectured an MBA class on renewable power in emerging countries.

Corporate Officers

Pedro E. Roxas (See above.)

Manuel V. Pangilinan (See above.)

Hubert D. Tubio (See above.)

Cynthia L. Dela Paz is 57 years old and is a Filipino. She has been the Corporate Secretary of the Group since February 15, 2017. Atty de la Paz has been a practicing corporate lawyer for the last twenty-seven (27) years, and is a senior partner at Picazo Buyco Tan Fider & Santos. She presently serves as corporate secretary or assistant corporate secretary of various Philippine companies. Her practice areas include project financing, debt capital market transactions, mergers and acquisitions and investments. She also has special practice in taxation and directly participates in tax reform initiatives and other advocacies relating to tax administration and practice through the professional tax organization, Tax Management Association of the Philippines (TMAP), of which she has been a director for the last ten (10) years.

Celso T. Dimarucut is 58 years old and is a Filipino. He was appointed as EVP-CFO and Group Head of Finance effective December 1, 2015. Mr. Dimarucut, prior to joining the company, served as Senior Executive Vice President and Chief Finance Officer of Landco Pacific Corporation and its subsidiaries, Senior Vice President and Group Chief Finance Officer of Mediaquest Holdings, Inc. and its subsidiaries, Senior Vice President and Group Chief Finance Officer of ePLDT, Inc. and Subsidiaries, First Vice President and Group Controller of PLDT Group, First Vice-President and Group Financial Controller for domestic subsidiaries of Metropolitan Bank & Trust Company and Finance Head of Pilipino Telephone Corporation (Piltel). Mr. Dimarucut has more than 10 years of professional audit and business advisory experience gained from SyCip, Gorres Velayo & Co. and Prasetio Utomo & Co. (Jakarta, Indonesia). He graduated Cum Laude at the Polytechnic University of the Philippines with a degree of BS Commerce Major in Accounting. He is a Certified Public Accountant (CPA).

Arcadio S. Lozada, Jr. is 65 years old and is a Filipino. He is currently the Executive Vice-President/COO – Sugar Business Unit, having joined the Group on January 1, 2014. He was formerly the Vice-President for Manufacturing of Victorias Milling Company, Inc., a Technical Manager of Bronzeoak Philippines, Inc., and an Engineering Manager at the Central Azucarera de Tarlac, among others. Mr. Lozada is a licensed Mechanical Engineer and has completed a short course in raw sugar manufacturing at the Nicholls State University in Louisiana, USA.

Jose B. Villanueva III is 49 years old and is a Filipino. He was appointed VP/Chief Manufacturing Officer of Alcohol SBU on July 2, 2018 and as VP/CMO of San Carlos Bioenergy, Inc. (SCBI) and Central Azucarera Don Pedro, Inc. (CADPI) effective August 1, 2019. Mr. Villanueva graduated with a degree in Mechanical Engineering at the De La Salle University. Mr. Villanueva has over 23 years of work experience spanning, among others, the areas of Operations, Supply Chain, Human Resources and Project Management. He is currently an Industry Advisor to the Mechanical Engineering Department of De La Salle University in Taft, Manila. He spent eight (8) years in Mondelez International (formerly Kraft Food Phils., Inc.) where he held various roles such as Site Manager, Category Operations & Development Manager, Maintenance Manager & Manufacturing Business Development Manager. He was a former Reliability Manager of Lafarge Cement, looking after five (5) Plants across the country. He also worked at Sanko Systems Services and as Engineering Manager at Avon Products Manufacturing, Inc. He spent 10 years with the foods group of Unilever Philippines,

handling leadership roles across Operations and Human Resources. He was also part of the team that built a world-class manufacturing facility.

Pilipino T. Cayetano is 50 years old and is a Filipino. He was appointed as Vice President/Chief Manufacturing Officer of Central Azucarera de la Carlota, Inc. (CACI) on May 3, 2019 and as VP/CMO of CACI and Roxol Bioenergy Corporation (RBC) effective August 1, 2019.

Mr. Cayetano was a consistent academic scholar who graduated with a Bachelor of Science degree in Electronics and Communications Engineering at the Polytechnic University of the Philippines. He is a registered Electronics and Communications Engineer.

He has 25 years of experience in the fast moving consumer goods industry, covering the end-to-end process of supply chain. He has strong foundation in Continuous Improvement and Operational Excellence. He had received several awards as a leader for consistently exceeding business key performance targets in quality, productivity and cost.

Mr. Cayetano served as Processing Operations Director of Cargill Joy Meat Products, Inc. (C-Joy), a joint venture between Jollibee and Cargill from 2016 to 2019. He spent over 20 years at Coca Cola Bottlers Philippines, Inc. (CCBPI) as plant head of major operating units: Sta. Rosa 1 and 2; Davao; and San Fernando, Pampanga. He also served as Manufacturing Director at Zenith Foods Corporation, a subsidiary of Jollibee Foods Corp. He also worked as Senior Operations Manager at B/E Aerospace BV - Philippine Branch and as Plant Operations Manager at San Miguel Packaging Specialist, Inc. in San Fernando, Pampanga.

Jose Manuel L. Mapa is 52 years old and is a Filipino. He was appointed as VP-General Manager of RHI Agri-business Development Corporation on January 8, 2018. Mr. Mapa obtained his MBA with High Academic Honors from the University of St. La Salle Graduate School in Bacolod and holds a Bachelor degree in Agribusiness Management from the University of the Philippines Los Baños in Laguna. Mr. Mapa served 2GO Group, Inc. for 20 years where he made major contribution as EVP for Key Accounts and Supply Chain Solutions (2015-2017) and EVP for Freight Sales and Operations – Luzon (2011-2014). Prior to that, he also worked as EVP for Corporate Sales at Negros Navigation Co., and as Operations Manager at Waterman Bacolod, Inc. He also manages a sugarcane farm in Talisay, Negros Occidental.

Julius G. Rugas is 43 years old and is a Filipino. He was appointed as VP-Manufacturing Operations Head of Central Azucarera Don Pedro, Inc. on July 1, 2019. Mr. Rugas has over 21 years of experience working in various leadership and technical roles in plant operations. Prior to joining the RHI Group, Mr. Rugas was with URC Branded Consumer Foods group. He headed some of URC's major plants such as the Cavite and Canlubang operations. He also worked for RFM Meat Division where he performed the roles of Plant Manager and QA Manager. He started his career in Unilver where he was involved in quality assurance and food solutions. He is a BS Food Technology graduate of the University of Santo Tomas.

Frederick E. Reyes is 58 years old and is a Filipino. He was appointed as AVP & Deputy Head of Human Resources on February 1, 2014 and was promoted to VP & Deputy Head of Human Resources on January 5, 2015. Mr. Reyes was formerly the Director for Human Resources Services of Manila Water Company Inc. He has decades of experience in HR Operations having been in Vitarich in charge of Training, QC & Employee Relations. He joined Globe Telecom during its transition to become a "wireless" telephone company in charge of Training and Development from 1990 thru 1997, and also in Manila Water during its "privatization" years in 1997 thru 2012. Mr. Reyes obtained his degree in Industrial Engineering from the University of Sto. Tomas and is a licensed Industrial Engineer.

Jaynel R. Sulangi is 44 years old and is a Filipino. He was appointed VP/Head of Information & Communications Technology on March 21, 2018. Mr. Sulangi graduated Cum Laude with Bachelor of Science in Industrial Engineering degree at the University of the Philippines. Mr. Sulangi was VP for SAP Project Management at Deutsche Bank group before joining Roxas Holdings, Inc. He also worked at PLDT and Smart Communications, Inc. For seven years as Senior Manager, IT-Resource Planning (ERP) and later, as Solutions Architect, Program Management Office. He also worked at

SAP, SSIP and Business Applications and Network Technologies. He is a Certified SAP Consultant in Planning Production Planning since 1997.

Veronica C. Cortez is 40 years old and is a Filipino. She was appointed AVP of Finance on February 10, 2016. She has over 10 years of experience in external auditing. She worked with SyCip Gorres Velayo & Co. (SGV) as Senior Director from September 2009 to 2015. She started her career with SGV as an Associate and moved to become Senior Associate, Associate Director and then Director. She also worked as a Senior Associate in the Resource Sharing Program of Ernst & Young Houston, Texas Office. Ms. Cortez graduated with a degree in BS Accountancy from San Sebastian College Recoletos de Cavite and is a Certified Public Accountant (CPA).

Daisy Perpetua A. Bo is 56 years old and is a Filipino. She was appointed as AVP for QA/Safety/EMS/IE on May 11, 2016. Effective January 1, 2017, Ms. Bo handles QA/Safety/IE. Ms. Bo was formerly a QA Manager at Alaska Milk Corporation. She also worked previously at Coca Cola Export Corporation as Area Quality Manager for the Visayas and Mega Manila and as Concentrate Plant QA Manager. She was also a former Product Support Business Team Leader at Avon Products Manufacturing. She graduated with a degree in BS Chemistry from the University of Santo Tomas, and took some MBA units at the De La Salle University. She is a licensed chemist since 1987.

Ma. Hazel L. Rabara-Retardo is 39 years old and is a Filipino. She was appointed as AVP for Corporate Governance and Deputy Compliance Officer on September 20, 2016. She is currently the OIC- Group Head of Legal and Corporate Affairs. Prior to joining RHI, Atty. Rabara-Retardo was Vice President for Legal & Administrative Affairs/Corporate Secretary of Advanced Merchant Payments Lending Corporation, an affiliate of Amplifi Capital (HK) Ltd. and AMP Credit Technologies, Ltd, where she likewise provided support in legal and contracts management and other roles for the AMP Group which has operations in Hong Kong, Singapore and the United Kingdom. She also worked as Court Attorney V at the Office of the Presiding Justice Ernesto Acosta of the Court of Tax Appeals. Atty. Rabara-Retardo also worked as an associate in the Tan Venturanza Valdez Law Office where she was assigned as Corporate Secretary of various private and publicly-listed companies. She obtained her Bachelor of Laws degree and Bachelor of Arts Major in Political Science at the University of the Philippines- Diliman, Quezon City.

Jaypee V. Jimenez is 35 years old and is a Filipino. He was appointed AVP/Head of Procurement & Materials Management of February 15, 2018. Mr. Jimenez graduated with a B.S. mechanical Engineering degree at the Polytechnic University of the Philippines and later took up Masters in Business Administration at the De La Salle University. He is affiliated with the Philippine Society of Mechanical Engineers and Philippine Institute of Supply Management. Mr. Jimenez was Senior Manager of Procurement at Roxas Holdings, Inc. from June 2016 to February 2018, serving both the sugar and bioethanol units. Prior to that, he was Manager for MRO Procurement at Aboitiz Power Corporation. He also served as Supervisor for Procurement at AP Renewables, Inc., as Procurement Engineer at Biffal Heavy Industries at the Kingdom of Saudi Arabia, and as Engineering Buyer at the Asian Terminals Incorporated.

Josephine M. Logroño is 44 years old and is a Filipino. She was appointed as AVP and Group Head of Internal Audit on February 1, 2018. Ms. Logroño graduated with a degree in BS Accountancy from the University of Sto. Tomas. She is a Certified Public Accountant (CPA) and a Certified Internal Auditor. Ms. Logroño was formerly Audit Manager at Arthaland Corporation (2016-2017) and Shang Properties Inc. (2013-2016). She has over 16 years of experience in both internal and external auditing. She worked with Holcim Philippines, Inc. as Finance - Process Solution Officer and as an Internal Auditor from 2003 to 2010. She also served as an Associate Auditor at SyCip, Gorres, Velayo (SGV) & Co. from 1999 to 2003.

Anna G. Yu is 50 years old and is a Filipino. She was appointed as AVP for Treasury and Chief Risk and Credit Officer of the Company on February 4, 2019. She was previously AVP for Treasury at Rustan Supercenters, Inc. Her past roles included working as Transactions & Treasury Manager for the Asia Pacific Accounting Center of Emerson Electric Asia Ltd., as Finance Manager of Verifone Global Development Center Philippines, Inc.; Head of Finance at I-Zone Technologies Philippines Corp.; as Treasury Manager at Generali Pilipinas Life Assurance Co, Inc. and at De La Salle Brothers, Inc.; and as Senior Auditor at Joaquin Cunanan & Co. She graduated Cum Laude with Bachelor of

Science in Commerce, Major in Accounting, at St. Scholastica's College in Manila. Ms. Yu was previously awarded for Excellence in Accountancy by the Philippine Institute of Certified Public Accountants. She also served as President of the Junior Philippine Institute of Accountants and was a Representative of the Student Council of St. Scholastica's College.

Significant Employees

The Group is not highly dependent on the services of an employee who is not an Executive Officer so as to be a key in the business.

Family Relationships

Messrs. Pedro E. Roxas and Santiago R. Elizalde are relatives within the fourth degree of consanguinity.

Legal Proceedings

The Group is not aware of any legal proceeding/s during the last five (5) years up to the present, involving the members of its Board of Directors, Executive Officers or their property before any court of law or administrative body in the Philippines or elsewhere. Moreover, the company is not in possession of any information indicating that the members of its Board of Directors or Executive Officers have been convicted by final judgment of any offense punishable under the laws of the Philippines or of any other country.

Item 10. Executive Compensation

Compensation of Executive Officers

Name and Principal position	Fiscal Year	Salary	Bonus	Other Annual Compensation
The CEO and four most highly compensated Executive Officers: <ul style="list-style-type: none"> • Hubert D. Tubio - President and CEO • Celso T. Dimarucut - EVP and CFO • Arcadio S. Lozada - EVP-COO, Sugar Business Unit • Jose B. Villanueva – VP, Chief Manufacturing Officer (CADPI and SCBI) • Pilipino T. Cayetano – VP, Chief Manufacturing Officer – Negros 	2019	₱53,083,308	₱8,847,218	₱–
All other officers and directors as a group unnamed*		41,868,180	6,978,030	–
The CEO and four most highly compensated Executive Officers: <ul style="list-style-type: none"> • Hubert D. Tubio - President and CEO • Celso T. Dimarucut - EVP and CFO • Arcadio S. Lozada - EVP-COO, Sugar Business Unit • George T. Cheung – SVP, Commercial Operations • Bernard Jose S. Lachica – VP, Chief Manufacturing Officer – Sugar Business Unit 	2018	₱52,029,288	₱8,671,548	₱–
All other officers and directors as a group unnamed*		33,766,056	5,627,676	–
The CEO and four most highly compensated Executive Officers: <ul style="list-style-type: none"> • Hubert D. Tubio - President and CEO • Celso T. Dimarucut - EVP and CFO • Arcadio S. Lozada - EVP-COO, Sugar 	2017	₱52,271,928	₱6,413,994	₱720,000

Name and Principal position	Fiscal Year	Salary	Bonus	Other Annual Compensation
Business Unit • Luis O. Villa-Abrille - EVP-COO, Alcohol Business Unit • Florencio M. Mamauag, Jr. - VP-Legal, Compliance Officer and Chief Information Officer				
All other officers and directors as a group unnamed*		29,680,332	2,473,361	960,000

Compensation of Directors

Article 19 of the By-Laws of the Parent Company provides that the Board of Directors shall be given 6% of the net income of the corporation before tax to be distributed as fees in the following manner: 2% to the Executive Committee and 4% to the Board of Directors. Each member of the Board of Directors and of the Board of Advisors receives a per diem of ₱25,000.00 for every meeting attended. Each member of the Audit & Risk Committee, Compensation Committee, and Nomination, Election & Governance Committee, receives a per diem of ₱25,000.00 for every meeting attended. Except for the Chairman, the members of the Executive Committee receive a per diem of ₱25,000.00 for every meeting attended.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The table below shows persons or groups known to the Group as of November 30, 2019 to be directly or indirectly the record or beneficial owner of more than 5% of the Parent Company's voting securities:

Title of Class	Name and Address of Owner	Number and Nature of Ownership (Indicate Record and/or Beneficial)		Percent of Class
Common	Roxas & Company, Inc. 7/F CG Building, 101 Aguirre St., Legaspi Village, Makati City (Shareholder)	318,341,705	Record and Beneficial	20.56%
Common	First Pacific Natural Resources Holdings BV Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands (Shareholder)	505,667,566	Beneficial	32.67%
Common	First Agri Holdings Corp. 10 th Floor MGO Building Dela Rosa cor Legaspi Sts. Makati City (Shareholder)	467,854,834	Beneficial	30.22%
Common	PCD Nominee Corp 37F Tower 1 Enterprise Center Makati City (Shareholder)	234,498,275	Beneficial	15.15%

The members of the Board of Directors of Roxas & Co., Inc. (RCI) are Antonio J. Roxas, Pedro E. Roxas, Carlos R. Elizalde, Francisco Jose R. Elizalde, Fernando L. Gaspar, Guillermo D. Luchangco, and Corazon De La Paz-Bernardo. Collectively, they have the power to decide how the shareholdings of RCI in RHI shall be voted. Pedro E. Roxas is authorized to vote the shares of RCI in the annual meeting.

Security Ownership of Management as of November 30, 2019

The following are the number of shares owned of record by the Directors and the President & Chief Executive Officer (PCEO) and the percentage of shareholdings of each:

<i>Title of Class</i>	<i>Name of Beneficial Owner</i>	<i>Citizenship</i>	<i>Number and Nature of Ownership</i>	<i>Percent of Class</i>
Common	Pedro E. Roxas Chairman of the Board	Filipino	1,026,640 (r & b)	0.0004 %
Common	Manuel V. Pangilinan Vice-Chairman of the Board	Filipino	61,547 (r)	0.0000 %
Common	Hubert D. Tubio President/CEO	Filipino	83,395 (r & b)	0.0000%
Common	Ray C. Espinosa Director	Filipino	430,831 (r & b)	0.0002 %
Common	Alex Erlito S. Fider Director	Filipino	50,000 (r)	0.0000 %
Common	Santiago T. Gabionza Independent Director	Filipino	50,000 (r)	0.0000 %
Common	Christopher H. Young Director	British	61,547 (r)	0.0000 %
Common	Oscar J. Hilado Independent Director	Filipino	50,000 (r)	0.0000 %
Common	Arlyn S. Villanueva Independent Director	Filipino	50,000 (r)	0.0000 %
	TOTAL		1,863,960 (r & b)	0.0006%

Item 12. Certain Relationships and Related Transactions

Mr. Manuel V. Pangilinan, Atty. Ray C. Espinosa and Mr. Christopher H. Young hold the positions of CEO and Managing Director, Associate Director and Executive Director and Chief Financial Officer, respectively of First Pacific Company Limited. The First Pacific Group, through First Pacific Natural Resources Holdings BV (FPNRHBV) and First Agri Holdings Corp., owns 62.93% of the outstanding capital stock of the company as of November 30, 2019. Mr. Pedro E. Roxas is also the Executive Chairman and the President & CEO of Roxas and Company, Inc. (RCI). RCI owns 20.57% of the outstanding capital stock of the company as of November 30, 2019.

There is no transaction or proposed transaction during the last two fiscal years to which the Group was or is to be a party in relation to any director, any nominee for election as director, any security holder of certain record or beneficial owner or management or any member of the immediate families of the directors.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

In compliance with SEC Memorandum Circular No. 2 dated April 5, 2002, the Group submitted its Manual on Corporate Governance on August 30, 2002. Since its effectivity on January 1, 2003, the company complied with the principles contained in the Manual insofar as they may be relevant to its businesses. It likewise established an evaluation system to measure or determine the level of compliance of its Board of Directors and top-level management with the Manual. Measures are also being undertaken by the company to ensure full compliance with the leading practices it has adopted in the Manual such as the constitution of the Executive Committee, Audit & Risk Committee, Executive Compensation Committee and the Nomination, Election & Governance Committee, the election of the required number of independent directors to its Board of Directors and the amendment of Article 13 of its By-Laws on the qualifications and disqualifications of its directors in order to adopt the provisions of the Manual. The company has not deviated from or violated the provisions of the Manual and it will improve on its corporate governance as may be required by law or the exigency of business. A revised Manual on Corporate Governance was submitted on May 25, 2017 to comply with the directive of Memorandum Circular No. 19, series of 2016 of the SEC.

Insider Trading Policy

The Company has an Insider Trading Policy which prohibits the purchase, sale, or trading in securities of the Company or another corporation while in possession of material non-public information. The Policy likewise prohibits the giving of material non-public information, directly or indirectly, to anyone. A violation of the Policy subjects the member of the Board of Directors, Board of Advisors, officer, or employee to disciplinary action in addition to possible civil and criminal actions.

Whistle Blowing Policy

The Group has a public interest disclosure or a whistle blowing policy whereby all employees have the right and moral responsibility to report improper actions and omissions. A workplace culture is developed in which employees who act in good faith and in compliance with the law are protected from interference in or retaliation for reporting improper actions and cooperating with subsequent investigations and proceedings. Public Interest Disclosure is required when employees, in good faith, believe superiors or colleagues are engaged in an improper course of illegal or unethical conduct, and they must be able to disclose such conduct free from fear or intimidation or reprisal.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

- (1) Audited Consolidated Financial Statements for the years ended September 30, 2019, 2018 and 2017
 - Statement of Management's Responsibility for Consolidated Financial Statements
 - Independent Auditor's Report
 - Consolidated Statements of Financial Position
 - Consolidated Statements of Income
 - Consolidated Statements of Comprehensive Income
 - Consolidated Statements of Changes in Equity
 - Consolidated Statements of Cash Flows
 - Notes to the Consolidated Financial Statements
 - Supplementary Schedule of Adoption of Effective Accounting Standards and Interpretations
- (2) Supplementary Schedules
 - Required by SRC Rule 68.1, As Amended
 - Schedule A. Financial Asset
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
 - Schedule D. Intangible Assets – Other Assets
 - Schedule E. Long-term Debt
 - Schedule F. Indebtedness to Related Parties
 - Schedule G. Guarantee of Securities of Other Issuers
 - Schedule H. Capital Stock
 - Schedule of Financial Soundness Indicators
 - Corporate Structure

Reports on SEC Form 17-C

Material actions or resolutions are summarized below.

2018-2019

November 7, 2018 – Certificate of Attendance of the following Officers for the Annual Mandatory Corporate Governance Seminar:

1. Mr. Arcadio S. Lozada, Jr.
2. Ms. Josephine M. Logrono

December 12, 2018 – Certificate of Attendance of the following Officers for the Annual Mandatory Corporate Governance Seminar:

3. Mr. Hubert D. Tubio
4. Mr. Frederick E. Reyes
5. Mr. Jaynel R. Sulangi
6. Mr. Bernard Jose S. Lachica
7. Mr. Jaypee V. Jimenez

December 17, 2018 – Resignation of Mr. Fernando H. Corpuz Vice-President and General Manager of Central Azucarera Don Pedro, Inc., a subsidiary of Roxas Holdings, Inc., has resigned from RHI effective 15 December 2018.

February 12, 2019 – Results of the Regular Board Meeting of the RHI Board of Directors:

1. Approved RHI's Financial Statements and Management Discussion and Analysis for the first quarter ending December 31, 2018;
2. Approved the holding of the Annual Stockholders Meeting on 3 April 2019 to be held at the Manila Polo Club, and setting the Record Date for the said Meeting on 28 February 2019;
3. Approved the Press release on the First Quarter of Operations for Fiscal Year 2018-2019; and,
4. Confirmed the appointment of Ms. Anna Gonzales-Yu as AVP- Head, Treasury to replace Ms. Kathrina Estrella L. Sebastian who tendered her resignation.

February 12, 2019 – Press Release on the Results of Operations for the First Quarter ending December 31, 2018 of Fiscal Year 2018-2019

February 15, 2019 – Resignation of Mr. David L. Balangue as Independent Director of Roxas Holdings, Inc. effective 15 February 2019.

March 15, 2019 – Resignation of Mr. Bernard Jose S. Lachica as Vice President and Chief Manufacturing Officer (CMO) of Sugar SBU

April 30, 2019 – Results of Annual Shareholders' Meeting:

1. Approval of the Annual report with accompanying Financial Statements for fiscal-year ending September 30, 2018;
2. Ratification of all acts, proceedings and resolutions by the Board and Management since the last annual meeting of February 12, 2019.

Results of Organizational Meeting of the Board of Directors:

The Board of Directors of Roxas Holdings, Inc., in its organizational meeting held on, April 30, 2019, elected the following officers:

Name	Position
Mr. Pedro E. Roxas	- Chairman of the Board of Directors
Mr. Manuel V. Pangilinan	- Vice-Chairman of the Board of Directors
Mr. Hubert D. Tubio	- President & Chief Executive Officer
Atty. Cynthia Y. Ligeralde- Dela Paz	- Corporate Secretary
Mr. Celso T. Dimarucut	- EVP/Chief Finance Officer
Mr. Arcadio S. Lozada, Jr.	- EVP/COO, Sugar Business Unit
Mr. George T. Cheung	- SVP, Commercial Operations
Mr. Jose B. Villanueva III	- VP-Chief Manufacturing Officer, Alcohol Mr.
Esteban H. Coscolluela	- VP-GM, CACI
Mr. Jose Manuel L. Mapa	- VP-GM, RHI-ADC
Mr. Frederick E. Reyes	- VP, Human Resources
Mr. Jaynel Sulangi	- VP, Information & Communications Technology
Ms. Anna G. Yu	- AVP, Treasury; Chief Risk & Credit Officer
Ms. Veronica C. Cortez	- AVP, Finance Head
Ms. Daisy Perpetua A. Bo	- AVP, QA/Safety/EMS/IE
Atty. Ma. Hazel L. Rabara-Retardo	- Asst. Corporate Secretary; AVP Governance & Deputy Compliance Officer; Data Protection Officer
Ms. Josephine M. Logroño	- AVP, Internal Audit
Mr. Jaypee V. Jimenez	- AVP, Procurement and Materials Management

The Board of Directors also elected the following Directors to the standing Committees of RHI as follows:

Executive Committee:

Mr. Pedro E. Roxas	-	Chairman
Mr. Manuel V. Pangilinan	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Audit Committee:

Ms. Arlyn S. Villanueva	-	Chairman (Independent Director)
Mr. Christopher H. Young	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Corporate Governance Committee (formerly, Governance, Nomination & Election Committee):

Mr. Oscar J. Hilado	-	Chairman (Independent Director)
Mr. Pedro E. Roxas	-	Member
Mr. Santiago T. Gabionza, Jr.	-	Member (Independent Director)

Compensation Committee:

Mr. Manuel V. Pangilinan	-	Chairman
Mr. Santiago T. Gabionza, Jr.	-	Member (Independent Director)
Mr. Oscar J. Hilado	-	Member (Independent Director)

Mr. Oscar J. Hilado was likewise elected as Lead Independent Director of the Company.

May 2, 2019 - Appointment of Mr. Pilipino T. Cayetano as Vice President - Chief Manufacturing Officer (CMO)

May 9, 2019 - Results of the Regular Board Meeting of the RHI Board of Directors:

1. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the Second Quarter of Fiscal Year ending 30 September 2019 and press release; and,
2. Confirmed the appointment of Mr. Pilipino T. Cayetano as RHI's Vice-President, Chief Manufacturing Officer.

May 30, 2019 – Resignation of Mr. George T. Cheung, Senior Vice President – Commercial Operations of Roxas Holdings, Inc., effective 02 June 2019.

June 4, 2019 – Appointment of Mr. Elvi Manuel G. Bayle as Vice President – Commercial Operations effective June 4, 2019.

July 3, 2019 – Appointment of the following officers:

1. Mr. Julius Rugas as Vice President – Manufacturing Operations Head - CADPI
2. Mr. Gil M. Morales as Assistant Vice President for Project Management - CACI effective July 1, 2019.

August 1, 2019 - Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the Third Quarter of Fiscal Year ending 30 September 2019 and the accompanying Press Release; and,
2. Confirmed the appointments of the following officers:
 - a. Mr. Elvi Manuel G. Bayle as VP-Group Head, Commercial Operations to replace Mr. George T. Cheung;
 - b. Mr. Julius G. Rugas as VP- Manufacturing Operations Head, Central Azucarera Don Pedro, Inc. (CADPI), to replace the former VP-General Manager Ferdinand Corpuz; and,
 - c. Mr. Gil M. Morales as AVP for Project Management, Central Azucarera de la Carlota, Inc. (CACI)

September 13, 2019 – Resignation of Mr. Elvi Manuel G. Bayle, Vice President & Group Head – Commercial Operations of Roxas Holdings, Inc., effective 14 September 2019.

October 1, 2019 – Change in Officers:

1. Appointment of Mr. Alexander A. Pino as AVP and Factory Operations Head of San Carlos Bioenergy Inc., a subsidiary of Roxas Holdings, Inc. effective October 1, 2019.
2. Retirement of Mr. Simon P. Turno III as AVP- Factory Operations Head of CADPI effective October 1, 2019.

October 15, 2019 – Appointment of Mr. Edward R. Villanueva as AVP and Factory Operations Head of Central Azucarera Don Pedro, Inc., a subsidiary of Roxas Holdings, Inc. effective October 15, 2019.

2017-2018

October 27, 2017 – Resignation of Mr. Paul Edwin Lazaro as Assistant Vice President – Internal Audit

December 6, 2017 – Board Actions:

1. Approved RHI's Audited Financial Statements and Management Discussion and Analysis for the fiscal year ending 30 September 2017; and,
2. Approved the holding of the Annual Stockholders Meeting on 21 February 2018 to be held at the Manila Polo Club, and setting the Record Date for the said Meeting on 29 December 2017.

January 8, 2018 – Appointment of Mr. Jose Manuel L. Mapa as Vice-President and General Manager of Agribusiness Development Corporation (ADC)

January 10, 2018 – Resignation of Earl Eric Nestor H. Ferrer as Vice President - Information and Communication Technology

January 23, 2018 – Appointment of Jhoel P. Raquedan as Vice President – Group Head, Legal & Corporate Affairs

February 1, 2018 – Appointment of Ms. Josephine M. Logroño as Assistant Vice President and Group Head of Internal Audit

February 7, 2018 – Board Approvals:

1. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the First Quarter ending 31 December 2017;
2. Approved the Press Release of the Corporation;
3. Approved the postponement of the Annual Stockholders Meeting from 21 February 2018 to 26 March 2018 still to be held at the Turf Room, Manila Polo Club, McKinley Road, Forbes Park, Makati City;
4. Confirmed the appointment of the following officers to the positions as stated:
 - a. Jose Manuel V. Mapa as Vice-President/General Manager, RHI Agri-Business Development Corporation;
 - b. Atty. Jhoel P. Raquedan as Assistant Corporate Secretary/ Vice-President, Group Head – Legal and Corporate Affairs/ Compliance Officer;
 - c. Josephine M. Logroño as AVP- Group Head, Internal Audit; and,
 - d. Atty. Ma. Hazel L. Rabara-Retardo as Data Protection Officer, in addition to her role as AVP – Governance and Compliance/Assistant Corporate Secretary/Deputy Compliance Officer; and,
5. Approved the amendment of Article 8 of the By-Laws of the Corporation, changing the date of the annual shareholders' meeting to every second Wednesday of March of each fiscal year.

February 15, 2018 – Promotion of existing officers of the RHI Group to Executive-rank positions

Jaypee V. Jimenez as AVP – Head Procurement and Materials Management, RHI;
 Simon P. Turno, III as AVP – Factory Operations Head, CADPI;
 Genaro B. Bernabe as AVP – Factory Operations Head, CACI; and
 Damaso T. Agudeo as AVP – Factory Operations Head, SCBI

March 2, 2018 – Postponement of Annual Shareholders' Meeting previously scheduled on March 26, 2018 to April 11, 2018.

March 21, 2018 – Appointment of Mr. Jaynel Sulangi as Vice-President - Information & Communications Technology Head

April 11, 2018 – Results of the Organizational Board Meeting of Roxas Holdings, Inc.

2016-2017

December 1, 2016 – Board Actions:

1. Approved RHI's Audited Financial Statements and Management Discussion and Analysis for the fiscal year ending 30 September 2016;
2. Approved the holding of the Annual Stockholders Meeting on 15 February 2017 to be held at the Turf Room, Manila Polo Club, McKinley Road, Forbes Park, Makati City and setting the Record Date for the said Meeting on 28 December 2016;
3. Approved the Increase in Authorized Capital Stock of RHI from One Billion Five Hundred Million Pesos (Php1,500,000,000.00) to Two Billion Pesos (Php2,000,000,000.00) divided into Two Billion Common Shares with par value of One Peso (Php 1.00) per share;
4. Approved the Issuance of at least Twenty Five Percent (25%) common shares out of the above Increase in Authorized Capital Stock (the "Initial Shares) through private placement of existing majority shareholder or shareholders and submit for approval of the RHI Shareholders' the following matters in the next Annual Stockholders' Meeting:
 - a. Delegation of the authority to determine the terms and conditions of the Initial Shares, including the offer price, of the private placement to the Board of Directors;
 - b. Waiver of any public offering requirement over the Initial Shares; and,
 - c. Approval to list the Initial Shares with the Philippine Stock Exchange;
5. Approval of the recommendation of the Audit Committee to appoint and thereafter, submit for the approval of the Shareholders,' the change in the external auditor of RHI from Reyes, Tacandong and Company to SyCip Gorres Velayo & Co. as RHI's external auditors for the fiscal year 1 October 2016 - 30 September 2017; and,
6. Confirmed the appointment of Ms. Ma. Hazel L. Rabara-Retardo as AVP, Governance and Deputy Compliance Officer.

December 6, 2016 – Resignation of Ms. Jesselyn P. Panis as SVP-Deputy Sugar Business Unit Head

January 3, 2017 – Appointment of Servillaro Jose I. Dunglao as VP for Administrative Services

February 1, 2017 – Board Actions:

2. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the First Quarter ending December 31, 2016, of the current fiscal year;
3. Authorized the Company to enter into a Convertible Note Instrument with an affiliate, First Pacific Natural Resources Holdings BV, for an estimated principal value of Five Hundred Twenty Three Million Seven Hundred Fifty Thousand Pesos (Php523,750,000.00) convertible into equity, upon the submission and approval of the increase in authorized capital stock of RHI to its shareholders and the Securities and Exchange Commission; and,
4. Confirmed the appointment of Mr. Servillano Jose I. Dunglao as RHI's Vice-President, Administrative Services.

February 16, 2017: Results of Annual Shareholders' Meeting:

1. The shareholders approved the Consolidated Financial Report of RHI to the shareholders for the fiscal year ended September 30, 2016.
2. The shareholders approved the amendment of Article VII of the Articles of Incorporation of RHI to increase the authorized capital stock from One Billion Five Hundred Million Pesos

(Php 1,500,000,000.00) divided into One Billion Five Hundred common shares to Two Billion Pesos (Php 2,000,000,000.00) divided into Two Billion common shares, still with a par value of One Peso (Php1.00) per share, and in connection therewith, approved the below actions:

- a. Conversion into equity of the Convertible Note to be issued to First Pacific Natural Resources Holdings, B.V., in the principal amount of Five Hundred Twenty Three Million Seven Hundred Fifty Thousand Pesos (Php523,750,000.00) at a conversion rate of Four Pesos and Nineteen Centavos (Php 4.19) of the value of Convertible Note, for every One (1) common share, or a total of One Hundred Twenty Five Million new common shares out of the increase in authorized capital stock ("Converted Shares"); and,
- b. Listing of the Converted Shares with the Philippine Stock Exchange.

Results of Organizational Meeting of the Board of Directors:

The Board of Directors of Roxas Holdings, Inc., in its organizational meeting held on, February 15, 2017, elected the following officers:

Name	Position
Mr. Pedro E. Roxas	- Chairman of the Board of Directors
Mr. Manuel V. Pangilinan	- Vice-Chairman of the Board of Directors
Mr. Hubert D. Tubio	- President & Chief Executive Officer
Atty. Cynthia Y. Ligeralde- Dela Paz	- Corporate Secretary
Mr. Celso T. Dimarucut	- EVP/Chief Finance Officer
Mr. Arcadio S. Lozada, Jr.	- EVP/COO, Sugar Business Unit
Mr. Luis O. Villa-Abrille	- EVP/COO, Ethanol Business Unit
Mr. George T. Cheung	- SVP, Commercial Operations
Atty. Florencio M. Mamauag, Jr.	- Asst. Corporate Secretary; VP, Legal & Corporate Affairs; Compliance Officer; Chief Information Officer
Mr. Fernando H. Corpuz	- VP/GM, CADPI
Mr. Esteban H. Coscolluela	- VP/GM, CACI
Mr. Minrado A. Roño	- VP/GM, ADC/Plantation
Mr. Jose Rojo G. Alisla	- VP/, Agro-Industrial Research and Development/Farm Operations
Mr. Frederick E. Reyes	- VP, Human Resources
Mr. Servillano A. Dunglao	- VP, Administrative Services
Mr. Paul Edwin V. Lazaro	- AVP, Internal Audit
Ms. Kathrina Estrella L. Sebastian	- AVP, Treasury; Chief Risk & Credit Officer
Ms. Veronica Canela-Cortez	- AVP, Finance Head
Ms. Daisy Perpetua A. Bo	- AVP, QA/Safety/EMS/IE
Atty. Ma. Hazel L. Rabara-Retardo	- Asst. Corporate Secretary; AVP Governance & Deputy Compliance Officer

The Board of Directors also elected the following Directors to the standing Committees of RHI as follows:

Executive Committee:

Mr. Pedro E. Roxas	-	Chairman
Mr. Manuel V. Pangilinan	-	Member
Mr. David L. Balangue	-	Member (Independent Director)

Audit Committee:

Mr. David L. Balangue	-	Chairman (Independent Director)
Mr. Christopher H. Young	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Corporate Governance Committee (formerly, Governance, Nomination & Election Committee):

Mr. Oscar J. Hilado	-	Chairman (Independent Director)
Mr. Pedro E. Roxas	-	Member
Mr. David L. Balangue	-	Member (Independent Director)

Compensation Committee:

Mr. Manuel V. Pangilinan	-	Chairman
Mr. Santiago R. Elizalde	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Mr. David L. Balangue was likewise elected as Lead Independent Director of the Company.

April 17, 2017 – The Company has appointed Mr. Earl Eric Nestor H. Ferrer as Vice- President – Information and Communication Technology, effective April 17, 2017.

May 2, 2017 – Resignation of Mr. Servillano Jose I. Dunglao as VP- Administrative Services (Administration/Security/CSR/Corporate Safety)

May 11, 2017 – Board Actions:

1. Approved **RHI's Interim Financial Statements and Management Discussion and Analysis** for the **Second Quarter** of Fiscal Year ending **September 30, 2017**;
2. Approved the **Revised Manual on Corporate Governance** in compliance with SEC Memorandum Circular No. 19, series of 2016; and,
3. Confirmed the appointment of **Mr. Earl Eric Nestor H. Ferrer** as RHI's Vice-President, Information and Communication Technology.

August 10, 2017 - The Board of Directors of Roxas Holdings, Inc. approved RHI's Interim Financial Statements and Management Discussion and Analysis for the Third Quarter (ending June 30, 2017) of Fiscal Year ending September 30, 2017

September 29, 2017 - Resignation of Mr. Jose Rojo G. Alisla as VP/GM, RHI Agri-business Development Corporation

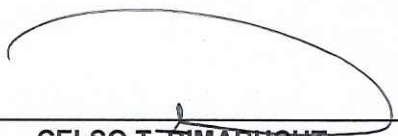
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Taguig on DEC 27 2019.

By:


PEPRO E. ROXAS
 Chairman of the Board


HUBERT D. TUBIO
 President and Chief Executive Officer


CELSO T. DIMARUCUT
 EVP and Chief Finance Officer


MA. HAZEL L. RABARA - RETARDO
 AVP, Governance and Deputy Compliance Officer, Asst. Corporate Secretary

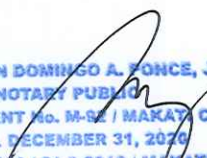

VERONICA C. CORTEZ
 AVP-Finance

DEC 27 2019

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2019 affiants exhibiting to me their government-issued IDs, as follows:

Names	ID No.	Date of Issue	Place of Issue
Pedro E. Roxas	N11-77-003593	March 19, 2018	LTO Makati
Hubert D. Tubio	P0169013A	September 6, 2016	DFA Manila
Celso T. Dimarucut	P5791534A	January 27, 2018	DFA Manila
Ma. Hazel L. Rabara-Retardo	214216562	-	-
Veronica C. Cortez	N03-05-010126	September 23, 2019	LTO Imus, Cavite

Doc No. 94
 Page No. 20
 Book No. 169
 Series of 2019


ATTY. JOHN DOMINGO A. PONCE, JR.
 NOTARY PUBLIC
 APPOINTMENT No. M-62 / MAKATI CITY
 UNTIL DECEMBER 31, 2020
 PTR No. 7333128 / 01-3-2019 / MAKATI CITY
 ISP No. 055600 / 11-27-2019 / RIZAL
 MCLE COMPLIANCE No. VI-0027026 / 05-29-2019
 ROLL No. 36452 / TIN No. 106-099-102-000
 Unit G-14 Makati Executive Tower 3
 Sen. Qil Puyat Avenue, Pio del Pilar,
 Makati City, Metro Manila

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
Index to the Consolidated Financial Statements
As at and For the Year Ended September 30, 2019

Schedule I : Supplementary schedules required by Annex 68-E

Schedule	Description
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements
D	Intangible Assets – Other Assets
E	Long-term Borrowings
F	Indebtedness to Related Parties (Long-term Loans from Related Companies) - N/A
G	Guarantees of Securities of Other Issuers - N/A
H	Capital Stock

Schedule II : Supplementary schedules of financial soundness indicators

Schedule III : Schedule of all effective standards and interpretation (Part 1, 4J)

Schedule IV : Map of the relationships of the companies within the group

Schedule V : Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C, Annex 68-C)

N/A – Not applicable

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE A

FINANCIAL ASSETS

SEPTEMBER 30, 2019

(Amounts in Thousands)

Description	Carrying Value	Fair Value
Cash on hand	₱5,077	₱5,077
Loans and receivables:		
Cash in banks	433,191	433,191
Trade receivables*	1,046,118	1,046,118
Due from employees*	53,015	53,015
Due from related parties	100,066	100,066
Others*	56,571	56,571
	₱1,694,038	₱1,694,038

*Net of related allowance for impairment losses totaling to ₱95.7 million.

SCHEDULE I

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE B

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

SEPTEMBER 30, 2019

(Amounts in Thousands)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
Various employees (educational loans/advances)	₱58,046	₱75,707	(₱78,524)	₱--	₱55,229	₱--	₱55,229

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE C

**AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS**

SEPTEMBER 30, 2019

(Amounts in Thousands)

Debtor	Name and designation of creditor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
Intercompany trade transactions								
Roxas Holdings, Inc. (RHI)	Central Azucarera Don Pedro, Inc. (CADPI)	₱15	₱187	(₱202)	—	—	—	₱—
CADPI	RHI	49,999	52,335	(52,335)	—	49,999	—	49,999
	Central Azucarera De La Carlota, Inc. (CACI)	5,468	585,550	(228,109)	—	362,909	—	362,909
	RHI-Agribusiness Development Corp. (RHIADC)	1	2,446	(2,446)	—	1	—	1
CACI	CADPI	569	129,693	(130,099)	—	163	—	163
	RHIADC	569	13,179	(13,179)	—	569	—	569
	Najalin Agri-Ventures, Inc.	358	—	—	—	358	—	358
Roxol Bioenergy Corp. (RBC)	CADPI	2,648	227,970	(218,074)	—	12,544	—	12,544
	CACI	136,499	668,561	(584,182)	—	220,878	—	220,878
	San Carlos Bioenergy, Corp (SCBI)	—	350	(4)	—	346	—	346
SCBI	CADPI	15	21,981	(21,996)	—	—	—	—
	RBC	685,978	980,563	(416,578)	—	1,249,963	—	1,249,963
	RHIADC	55	245	(90)	—	210	—	210
RHIADC	CADPI	15	140	(155)	—	—	—	—
		882,189	2,683,200	(1,667,449)	—	1,897,939	—	1,897,939
Intercompany non-trade transactions								
RHI	CADPI	48,514	—	(48,514)	—	—	—	—
	Roxas Power Corporation (RPC)	389	—	—	—	389	—	389

(Forward)

Debtor	Name and designation of creditor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
CADPI	RHI	P=	P4,133,850	P (2,517,105)	P=	P1,616,745	P=	P1,616,745
CACI	RHI	857,771	1,194,797	(1,959,888)	-	92,680	-	92,680
SCBI	Roxas Pacific Bioenergy, Inc. (RPBC) RHI	1,088,313 995,294	- 666,935	(187,500) (1,535,321)	- -	900,813 126,908	- -	900,813 126,908
RBC	RHI	1,208,201	856,127	(1,325,955)	-	738,373	-	738,373
RPBC	RHI	2,370,494	259	-	-	2,370,753	-	2,370,753
RHIADC	RHI SCBI	275,242 7	71,073 -	(2,615) (7)	- -	343,700 -	- -	343,700 -
CADPI Insurance Agency, Inc. (CADPIAI)	RHI	621	-	-	-	621	-	621
CADPI Port Services, Inc. (CADPSI)	RHI	397	-	-	-	397	-	397
NAVI	RHI	69,829	-	(4,207)	-	65,622	-	65,622
Northeastern Port and Storage Corporation	RHI	-	91	-	-	91	-	91
		6,915,072	6,923,132	(7,581,112)	-	6,257,092	-	6,257,092
		P7,797,261	P9,606,332	(P9,248,561)	P=	P8,155,031	P=	P8,155,031

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE D

INTANGIBLE ASSETS – OTHER ASSETS

SEPTEMBER 30, 2019

(Amounts in Thousands)

Description	Beginning balance	Additions at cost	Amortization	Charged to other accounts	Other changes additions (deductions)	Ending balance
Goodwill	₱1,079,615	₱–	₱–	₱–	₱–	₱1,079,615

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E

LONG-TERM BORROWINGS

SEPTEMBER 30, 2019

(Amounts in Thousands)

Date Availed	Terms	Amount shown under "Current portion of long- term borrowings" account in the consolidated statement of financial position	Amount shown under "Noncurrent portion of long-term borrowings" account in the consolidated statement of financial position*
Sept 10, 2014	Payable quarterly starting Sept 10, 2017	₱196,000	₱588,352
Dec 1, 2016	Payable quarterly starting Dec 1, 2017	266,672	598,337
Aug 5, 2014	Payable quarterly starting Nov 5, 2016	330,625	1,318,986
May 27, 2014	Payable quarterly starting Dec 10, 2017	54,264	216,799
June 17, 2011	Payable quarterly	15	11
		₱847,576	₱2,722,485

*Net of transaction cost

Details are discussed in Note 15 to consolidated financial statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE H

CAPITAL STOCK

SEPTEMBER 30, 2019

Title of issue	Number of shares issued and outstanding as shown under "capital stock" account in the consolidated statement of financial position	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors and officers	Others
Common shares - "Class A"	2,000,000,000	1,547,935,799	65,000,000	1,291,854,105	1,525,507
at P1 par value					254,546,187

SCHEDULE II**ROXAS HOLDINGS, INC. AND SUBSIDIARIES****FINANCIAL SOUNDNESS INDICATORS****SEPTEMBER 30, 2019 and 2018**

	2019	2018
Financial Ratios required under Loan		
Covenants		
Debt to Equity Ratio (not more than 2.33)	1.39	1.37
Debt Service Coverage Ratio (at least 1.25)	(0.07)	0.80
Others		
Return on Equity	(20.61%)	0.98%
Return on Asset	(8.62%)	0.41%
Asset-to-Equity Ratio	2.39	2.37
Current Ratio	1.23	1.03
Book Value per Share	₱5.92	₱6.95

SCHEDULE III

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF ADOPTION OF
EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS
SEPTEMBER 30, 2019

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements				
Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRS Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
	Amendments to PFRS 2: Definition of Vesting Condition	✓		
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions		✓	
PFRS 3 (Revised)	Business Combinations	✓		
	Amendments to PFRS 3 : Accounting for Contingent Consideration in a Business Combination	✓		
	Amendments to PFRS 3 : Scope Exceptions for Joint Arrangements			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019		Adopted	Not Early Adopted	Not Applicable
PFRS 4	Insurance Contracts		✓	
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts		✓	
	Amendments to PFRS 4: Applying PFRS 9, <i>Financial Instruments</i> , with PFRS 4		✓	
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Changes in Method of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements	✓		
	Amendments to PFRS 7: Servicing Contracts			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8 : Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Asset	✓		
PFRS 9	Financial Instruments	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019		Adopted	Not Early Adopted	Not Applicable
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
	Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception			✓
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
	Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception			✓
	Clarification of the Scope of the Standard		✓	
PFRS 13	Fair Value Measurement	✓		
	Amendments to PFRS 13 : Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
PFRS 16	Leases		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1, Disclosure Initiative	✓		
PAS 2	Inventories	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019		Adopted	Not Early Adopted	Not Applicable
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative		✓	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 : Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses		✓	
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendments to PAS 16 and 38: Proportionate Restatement of Accumulated Amortization			✓
	Amendments to PAS 16 and PAS 41: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
	Regional Market Issue Regarding Discount Rate			✓
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019		Adopted	Not Early Adopted	Not Applicable
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
	Amendment: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception			✓
	Amendments to PAS 28: Measuring an Associate or Joint Venture at Fair Value		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendment to PAS 32: Classification of Rights Issues	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Disclosure of Information 'Elsewhere in the Interim Financial Report'	✓		
PAS 36	Impairment of Assets	✓		
	Amendment to PAS 36: Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		

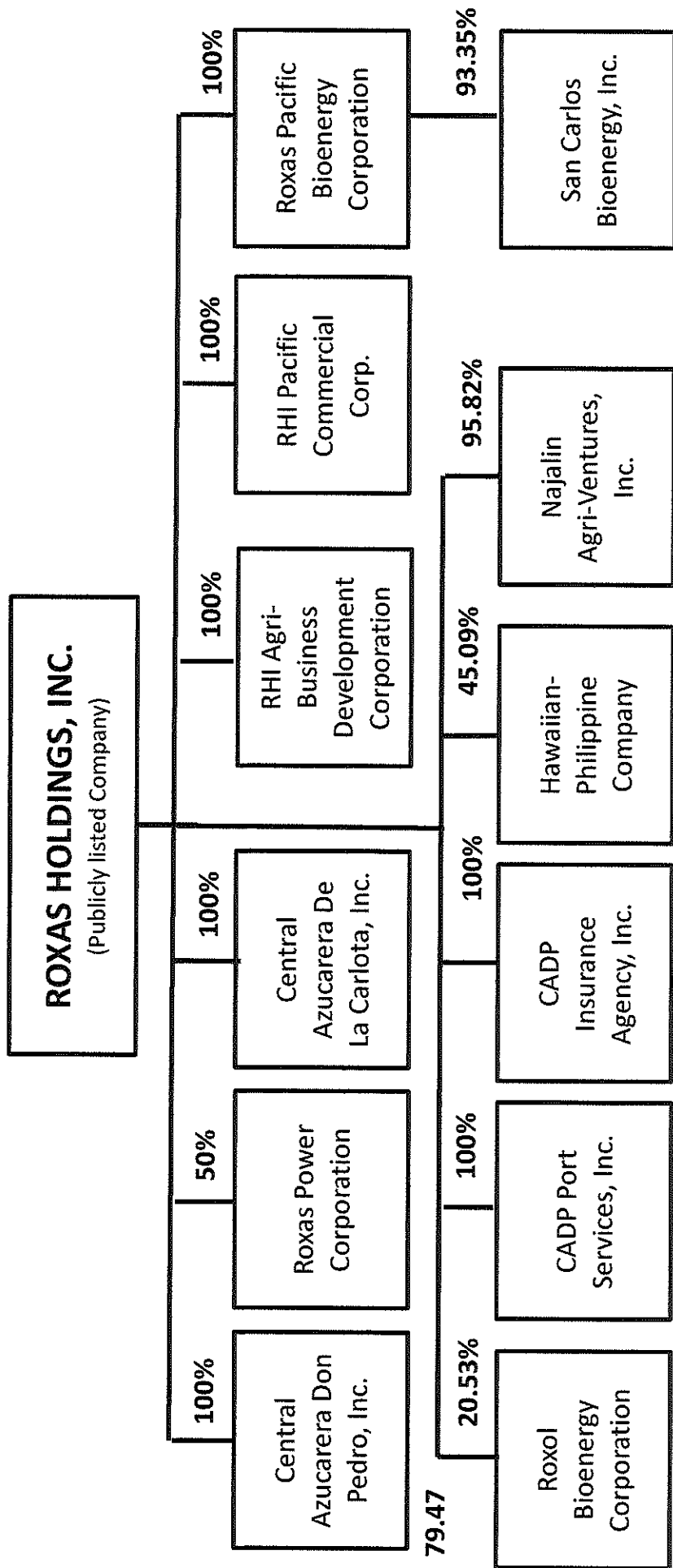
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019		Adopted	Not Early Adopted	Not Applicable
PAS 38	Intangible Assets	✓		
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
	Interrelationship between PFRS 3 and PAS 40	✓		
	Amendments to PAS 40: Transfers of Investment Property		✓	
PAS 41	Agriculture	✓		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019		Adopted	Not Early Adopted	Not Applicable
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC - 9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
IFRIC 22	Foreign Currency Transactions and Advance Consideration		✓	
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2019	Adopted	Not Early Adopted	Not Applicable
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SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs	✓		

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
CORPORATE STRUCTURE
 September 30, 2018



Retirement Funds:
 RHI Retirement Fund, Inc.
 CACI Retirement Fund, Inc.
 CADPI Retirement Fund, Inc.

SCHEDULE V

ROXAS HOLDINGS, INC.

**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
AS OF SEPTEMBER 30, 2019**

Retained earnings, beginning	₱4,346,735,035
Cumulative unrealized fair value gain on investment properties, net of tax, beginning	(1,444,371,018)
Revaluation increment on land transferred to retained earnings on deemed cost adjustment, net of tax	(958,591,519)
Treasury stock	(52,290,236)
Deferred income tax assets, beginning	(23,254,186)
Retained earnings available for dividend declaration, beginning	1,868,228,076
Net income earned during the year	284,577,413
Deduct unrealized income:	
Unrealized fair value gain on investment properties, net of tax	34,124
Increase in deferred income tax assets	23,254,186
Unappropriated retained earnings available for dividend declaration at end of year	₱2,176,093,799

Reconciliation:

Retained earnings at year end as shown in the separate financial statements	₱4,631,312,448
Unrealized fair value gain on investment properties, net of tax	(1,444,336,894)
Revaluation increment on land transferred to retained earnings on deemed cost adjustment, net of tax	(958,591,519)
Treasury stock	(52,290,236)
Deferred income tax assets	—
	₱2,176,093,799