

P W - 1 5

R O X A S H O L D I N G S I N C .

(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 . M .

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

ATTY. MA. HAZEL L. RABARA-RETARDO

771-7800

**Definitive Information Statement  
(SEC Form 20-IS)**

September 30  
Month Day  
Fiscal Year

Form Type

February 3<sup>rd</sup> Wed.  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

Department Requiring this Document

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic Foreign

TO BE ACCOMPLISHED BY SEC PERSONNEL CONCERNED

File Number

Document I.D.

LCU

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes



January 16, 2018

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills,  
Mandaluyong City

To: **Director Vicente Graciano P. Felizmenio, Jr.**  
Director, Market & Securities Regulation Department

Attn: **Ms. Trixie Posadas**

Re: **Definitive Information Statement (SEC Form 20-IS)**

Dear Dir. Felizmenio, Jr. and Ms. Posadas:

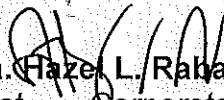
In compliance with your Office's letter of 27 December 2017, **Roxas Holdings, Inc.** (the "Company") has amended the submitted Preliminary Information Statement and is now filing its Definitive Information Statement, in substantial compliance with the comments stated in the same letter, viz:

Checklist of Requirements	Remarks	RHI's Reply
1. Consolidated Audited Financial Statements for FY ending 30 September 2017	Not submitted/attached.	Already provided, through the incorporation of the Company's Annual Report (SEC Form 17-A), with MDA and Consolidated Audited FS.
2. Management Discussion and Analysis or plan of operations		
3. Interim 1 <sup>st</sup> Quarter Report ending 31 December 2017		Please note that this is not yet available as of filing date.

4. Market Price of and dividends on Issuer's common shares –	Update Information as of latest practicable date	Already updated as of close of trading of 15 January 2018
5. Summary Compensation Table	Provide estimate compensation for FY 2018	Already provided

Thank you for your kind attention.

Very truly yours,

  
**Ma. Hazel L. Rahara-Retardo**  
 Asst. Corporate Secretary/Deputy  
 Compliance Officer & Corporate  
 Information Officer

SEC Reg. No. 15-A



**ROXAS HOLDINGS, INC.**  
14F, Net One Center, 26<sup>th</sup> cor. 3<sup>rd</sup> Avenue,  
Bonifacio Global City, Taguig, Metro Manila

**(632) 771-7800**  
Telephone Number

30 September 2017  
*Fiscal Year Ending*

Notice of Annual Meeting of Stockholders

- and -

**SEC FORM 20 IS**  
**Information Statement**  
Pursuant to Rule 20 of the  
**Securities Regulation Code**

## ROXAS HOLDINGS, INC.

### NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of Roxas Holdings, Inc. will be held on 21 February 2018 at ten o'clock in the morning at the Turf Room, Manila Polo Club, McKinley Road, Forbes Park, Makati City, Metro Manila.

The Agenda of the Meeting is:

- (1) Call to Order
- (2) Certification of Notice and Quorum
- (3) Approval of the Minutes of the Annual Meeting of Stockholders held on 2 March 2016
- (4) Presentation and Approval of the Annual Report to Stockholders
- (5) Ratification of All Acts and Resolutions of the Board of Directors and Management
- (6) Election of the Board of Directors
- (7) Appointment of External Auditors
- (8) Other Matters
- (9) Adjournment

The Board of Directors has fixed the close of business on 29 December 2017 as the Record Date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders.

Registration for the meeting shall start at 9:30 in the morning. Please bring a valid identification paper or document such as a passport, driver's license or company I.D. to facilitate registration.

IF YOU CANNOT ATTEND THE MEETING, YOU MAY SUBMIT A PROXY THROUGH THE OFFICE OF THE ASSISTANT CORPORATE SECRETARY LOCATED AT THE 14F, Net One Center, 26<sup>th</sup> cor. 3<sup>rd</sup> Avenue, Bonifacio Global City, Taguig, Metro Manila ON OR BEFORE 7 FEBRUARY 2018.

By Order of the Board of Directors.

  
MA. HAZEL L. RABARA  
Assistant Corporate Secretary

20 December 2017.

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

☐ Preliminary Information Statement  
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter : **ROXAS HOLDINGS, INC.**

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

4. SEC Identification Number : 15 - A

5. BIR Tax Identification Code : 000-290-538

6. Address of principal office : 14F, Net One Center, 26<sup>th</sup> cor. 3<sup>rd</sup> Avenue,  
Bonifacio Global City, Taguig, Metro Manila

7. Registrant's telephone number : (632) 771-7800

8. Date, time and place of meeting  
of security holders : 21 February 2018  
10:00 am  
Turf Room, Manila Polo Club  
McKinley Road, Forbes Park, Makati City

9. Approximate date on which the Proxy Statement  
is first to be sent or given to security holders : 30 January 2018

10. Securities registered pursuant to Sections 8 and 12 of the Code as of 30 September 2015.

Title of Each Class	Number of Shares of Stock Outstanding And Amount of Debt Outstanding
Common	1,546,955,666
Debt	None registered

11. Are any or all of the Registrant's securities listed on a Stock Exchange?

Yes ☒ / No ☐

If so, disclose name of the Exchange : Philippine Stock Exchange

**ROXAS HOLDINGS, INC.  
INFORMATION STATEMENT**

**GENERAL INFORMATION**

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

**DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS**

Date	:	21 February 2018
Time	:	10:00 am
Place	:	Turf Room, Manila Polo Club McKinley Road, Forbes Park, Makati City
Address of principal office of the company	:	14F Net One Center, 26th corner 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila
Approximate date on which the Information Statement is first to be sent or given to security holders	:	30 January 2018

**DISSENTER'S RIGHT OF APPRAISAL**

A dissenting stockholder shall have the right of appraisal in the instances authorized under Sec. 81 of the Corporation Code and in accordance with the procedure set out in Sec. 82 of the same Code. There are no matters included in the Agenda of the meeting which would give rise to an exercise of the right of appraisal.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

The incumbent directors and officers of the company, since the beginning of the last fiscal year, do not have substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office. None of the incumbent directors, who are all nominated for re-election informed in writing that he intends to oppose any action to be taken during the annual meeting of shareholders.

**CONTROL AND COMPENSATION INFORMATION**

**VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

- a) The number of shares outstanding and entitled to vote at the stockholders' meeting is 1,546,955,666 common shares.
- b) The record date for the purpose of determining stockholders entitled to vote at the annual meeting of shareholders is 29 December 2017.
- c) Stockholders are entitled to a cumulative voting in the election of directors. Section 24 of the Corporation Code of the Philippines provides that every stockholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares of stock standing, at the time fixed in the by-laws, in his own name in the stock books of the corporation, or where the by-laws are silent, at the time of the election and the stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them, on the same principle, among as many candidates as he shall see fit.

For all other matters to be acted upon, each share is entitled to one (1) vote.

d) Security ownership of certain record and beneficial owners and management.

(1) Security ownership of certain record and beneficial owners of more than 5% of Registrant securities as of 31 December 2017.

Title of Class	Name and Address of Owner	Citizenship	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)	Filipino	318,341,705	Record and Beneficial	20.58%
Common	First Pacific Natural Resources Holdings BV Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands (Shareholder)	Foreign	505,667,566	Beneficial	32.69%
Common	First Agri Holdings Corp. 10 <sup>th</sup> Floor, MGO Building, De la Rosa cor Legaspi St., Makati City (Shareholder)	Filipino	467,854,834	Beneficial	30.24%
Common	PCD Nominee Corp. 37F Tower 1 The Enterprise Center, Ayala Ave., Makati City (Shareholder)	Filipino	505,070,728	Beneficial	38.71%

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.

(2) Security Ownership of Management as of 31 December 2017.

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	626,640 (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 R. Elizalde Director	Filipino	100,000 (r)	0.0000 %



<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	Christopher H. Young Director	British	61,547 (r)	0.0000 %
Common	Oscar J. Hilado Independent Director	Filipino	50,000 (r)	0.0000 %
Common	David L. Balangue Independent Director	Filipino	61,547 (r)	0.0000 %
	<b>TOTAL</b>		1,525,507 (r & b)	0.0006%

(3) Voting Trust Holders of 5% or More.

The company is not aware of any voting trust or similar arrangements among persons holding more than 5% of a class of shares.

(4) Change in Control.

First Pacific Natural Resources Holdings BV and its Philippine affiliate, First Agri Holdings Corporation (the First Pacific Group), have acquired a total of 973,522,400 common shares corresponding to 62.93% equity ownership in the company. The total equity ownership of Roxas and Company, Inc. (RCI) is 20.58%.

## DIRECTORS AND OFFICERS

a) Nominees for election to the Board of Directors.

The following have been nominated for election to the Board of Directors:

Messrs. Pedro E. Roxas, Manuel V. Pangilinan, Hubert D. Tubio, Ray C. Espinosa, Alex Erlito S. Fider, Santiago R. Elizalde, David L. Balangue, Christopher H. Young and Oscar J. Hilado have been nominated for election to the Board of Directors. All nominees are incumbent members of the Board of Directors.

Messrs. David L. Balangue and Oscar J. Hilado are nominees and are eligible for election as Independent Directors of the company in accordance with Rule 38.1 of the Implementing Rules and Regulations of the Revised Securities Regulation Code, SEC Memorandum Circular No. 16, Series of 2006 and SEC Memorandum Circular No. 9, Series of 2011.

b) Procedure for nomination and election of directors.

Chapter III of the By-Laws of the Corporation provides:

Article 13.0. Qualifications and Disqualifications for Directors. - Any stockholder having at least fifty thousand (50,000) shares registered in his name may be elected as Director, provided, however, that any stockholder who possesses any of the disqualifications enumerated in the Manual on Corporate Governance which was approved and adopted by the Board of Directors of the Corporation on 25 September 2002, including any amendments thereto, shall be disqualified from being elected as a Director of the Corporation; Provided, moreover, that no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the corporation.

Article 14.0. Nominations for Director. - In addition to the right of the Board of Directors of the Corporation to make nominations for the election of Directors, nominations for the election of Directors may be made by any shareholder entitled to vote for the election of Directors if that shareholder complies with all of the provisions of this Article.

1.0. Nominations shall be received by the Chairman of the Board of Directors (which nominations may be sent to the Chairman through the Secretary of the Corporation) at least fifteen (15) working days prior to any meeting of the shareholders called for the election of Directors.

2.0. Each nomination under Article 14.0, par. 1.0, shall set forth (i) the name, age, business address, and, if known, residence address of each nominee, (ii) the principal occupation or employment of each nominee, (iii) the number of shares of stock of the corporation which are beneficially owned by each such nominee, and (iv) the interests and positions held by each nominee in other corporations. In addition, the shareholder making such nominations shall promptly provide any other information reasonably requested by the corporation.

3.0. The Board, by a majority vote, unless a greater majority is required under these By-Laws, may, in its discretion, determine and declare that a nomination was not made in accordance with the foregoing procedures, and/or that a nominee is disqualified for election as Director under these By-Laws and if the Board should so determine, the defective nomination and the nomination of a disqualified person shall be disregarded.

Moreover, the Manual on Corporate Governance of the corporation provides:

### 3.1. Qualifications of Directors

3.1.1. In addition to the qualifications for membership in the Board as provided for in the By-Laws of the Company, the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which may include, among others, the following:

3.1.1.1. College education or equivalent academic degree;

3.1.1.2. Practical understanding of the business of the Company;

3.1.1.3. Membership in good standing in relevant industry, business or professional organizations; and

3.1.1.4. Previous business experience.

### 3.8 Board Committees.

The Board shall maintain the following Committees to assist it in good corporate governance:

#### 3.8.1 Executive Committee

The Executive Committee shall be composed of three (3) Directors to be elected by the Board. The Executive Committee shall have the functions that the Board will delegate.

#### 3.8.2 Corporate Governance Committee

The Board shall establish a Corporate Governance Committee that is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. It shall be composed of at least three members, all of whom should be independent directors including the Chairman, or at least a majority thereof, until such time as an additional director from the Company's current number of two (2) independent directors is properly vetted, nominated and elected in the Board by the Company's shareholders.

### 3.8.3. Audit Committee

The committee should be composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

### 3.8.4 Compensation Committee

The Compensation Committee shall consist of at least three (3) voting Directors, one (1) of whom must be an independent director.

#### c) Board of Directors and Officers.

##### Board of Directors & Corporate Secretary

**Pedro E. Roxas** is 61 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 the Nomination, Election & Governance Committee. He was elected as Acting President & Chief Executive Officer of the company on 23 October 2015. He is also the Chairman of the operating subsidiaries of the company, namely CADPI, CACI, Roxol, SCBI, and RHI Agri-Business Development Corporation (RHI-ADC). Mr. Roxas is likewise the Executive Chairman and the President & CEO of Roxas & Co., Inc., Chairman of Hawaiian Philippine Company, Club Punta Fuego Inc., President of Fundacion Santiago, Chairman of the Philippine Sugar Millers Association, Inc., an Independent Director of Philippine Long Distance Telephone Company (PLDT) and the Manila Electric Company (Meralco), and Banco de Oro (BDO) Private Bank, Director of Brightnote Assets Corporation and a Trustee of Philippine Business for Social Progress. 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 71 years old and is a Filipino. He was elected to the Board of Directors on 3 December 2013 and is the Vice-Chairman of the Board of Directors, a member of the Executive Committee and the Chairman of the Executive Compensation Committee. Mr. Pangilinan founded First Pacific Company Limited in 1981 and served as Managing Director until 1999. He was appointed Executive Chairman until June 2003 when he was named as CEO and Managing Director. Within the First Pacific Group, 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 of the Philippine Long Distance Telephone Company (PLDT) and the Manila Electric Company (Meralco). He is also the Chairman of Smart Communications Incorporated, PLDT Communications and Energy Ventures Incorporated (formerly Piltel), Beacon Electric Asset Holdings Incorporated, Metro Pacific Investments Corporation, Landco Pacific Corporation, Medical Doctors Incorporated, Colinas Verdes Corporation (operating the Makati Medical Center and Cardinal Santos Medical Center) Davao Doctors Incorporated, Riverside Medical Center Incorporated in Bacolod City, Our Lady of Lourdes Hospital, Asian Hospital, Incorporated, Maynilad Water Services Corporation (Maynilad) Mediaquest Incorporated, Associated Broadcasting Corporation (TV5), Philex Mining Corporation, Philex Petroleum Corporation and Manila North Tollways Corporation

Outside the First Pacific Group, Mr. Pangilinan was a member of the Board of Overseers of the Wharton School of Finance & Commerce, University of Pennsylvania, USA. He was Chairman of the Board of Trustees of the Ateneo de Manila University. He is currently the Chairman of the Board of Trustees of San Beda College. He also serves as Chairman of PLDT-Smart Foundation, Inc. and

the Philippine Business for Social Progress. He also serves as Chairman of the Hong Kong Bayanihan Trust, a non-stock, non-profit foundation which provides vocational, social and cultural activities for Hong Kong's foreign domestic helpers. On February 5, 2007, Mr. Pangilinan was named the President of the Samahang Basketbol ng Pilipinas (SBP), a national sport association for basketball. In January 2009, Mr. Pangilinan also assumed the Chairmanship of the Amateur Boxing Association of the Philippines (ABAP), a governing body of the amateur boxers in the country. Also, in October 2009, Mr. Pangilinan was appointed as Chairman of the Philippine Disaster Recovery Foundation (PDRF), a non-stock non-profit foundation established to formulate and implement a reconstruction strategy to rehabilitate and rebuild areas devastated by recent floods and other calamities. Mr. Pangilinan is Chairman of the Philippine Business for Social Progress (PBSP), a social action organization made up of the country's largest corporations, Vice-Chairman of the Foundation for Crime Prevention, a private sector group organized to assist the government with crime prevention, and a member of the Board of Trustees of Caritas Manila and Radio Veritas-Global Broadcasting Systems, Inc., a former Commissioner of the Pasig River Rehabilitation Commission and a former Governor of the Philippine Stock Exchange. In June 2012, he was appointed as Co-Chairman of the newly organized US-Philippines Business Society, a non-profit society which seeks to broaden the relationship between the United States and the Philippines in the areas of trade, investment, education, foreign and security policies and culture.

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), 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. Most recently, Mr. Pangilinan 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).

Mr. Pangilinan has been awarded four (4) Honorary Doctorate degrees in Humanities (Honoris Causa). First to confer him was San Beda College in 2002; second was the Xavier University in 2007; Holy Angel University in Pampanga in 2009 and the Far Eastern University in 2010. Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts Degree in Economics, and obtained his Master's degree in Business Administration from Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, USA.

**Santiago R. Elizalde** is 53 years old and is a Filipino. He has been a member of the Board of Directors since year 2000 and is a member of the Compensation Committee. Mr. Elizalde is the Chairman of the 24 Hour Vendo Machine Corporation, Vice-Chairman and member of the Executive Committee of ELRO Commercial & Industrial Corporation and Club Punta Fuego, Inc. He is also the President & CEO of Roxaco Land Corporation, President of CGB Condominium Corporation and Fuego Hotels and Management Corporation, Chairman of Roxas Foundation, Inc., Vice-Chairman and a member of the Executive Committee of ELRO Commercial and Industrial Corporation and of Club Punta Fuego, Inc. and a Director of CADPI, CACI, ELRO Land Corporation, Punta Fuego Village Homeowners Association, Punta Fuego Village Foundation, Terrazas de Punta Fuego Village Homeowners Association, and Fundacion Santiago. Mr. Elizalde obtained his Bachelor of Arts in Economics from Denison University in Ohio, USA.

**Oscar J. Hilado** is 80 years old and is a Filipino. He has been a member of the Board of Directors since May 11, 2016 and is a member of the Audit & Risk Committee. He is the Chairman of the Board of Directors of Phinma Corporation. He is also the Chairman of the Board of Directors of Phinma, Inc., Holcim Philippines, Inc., Trans Asia Oil and Energy Development Corporation, Phinma Property Holdings Corporation and Union Galvasteel Corporation.

Mr. Hilado is also a director of A. Soriano Corporation, First Philippine Holdings Corporation, Philex Mining Corporation, Manila Cordage Corporation, Smart Communications, Inc., Digitel Telecommunications Philippines, Inc., Beacon Property Ventures, Inc. Pueblo de Oro Development Corporation, United Pulp and Paper Co., Inc. and Seven Seas Resorts and Leisure, Inc.

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.

**David L. Balangue** is 66 years old and is a Filipino. He has been a member of the Board of Directors since February 12, 2012 and is a member of the Audit & Risk Committee. Mr. Balangue is an accounting and auditing professional whose career spanned 38 years at SGV & Co., the Philippines' largest audit and accounting professional services firm. He is a former Chairman & Managing Partner of the firm, after being admitted to partnership in 1982. Mr. Balangue holds a Bachelor's Degree in Commerce, major in Accounting, Magna Cum Laude, from Manuel L. Quezon University and a Master of Management degree, with distinction, from the Kellogg Graduate School of Management of Northwestern University in Evanston, Illinois, USA, as an SGV scholar where he received a Distinguished Scholar Award and elected to the Beta Gamma Sigma, an exclusive honors fraternity. He placed second highest in the 1972 Philippine CPA Board Examinations.

He served as President of the Manila Polo Club, Inc. (2014-2015), Financial Executives Institute of the Philippines (2006); Philippine Institute of Certified Public Accountants (2005); and Management Association of the Philippines (2004). At present, he is the Chairman of NAMFREL, the Philippine Center for Population and Development, Inc. (since 2014) and Coalition Against Corruption (since 2006); Member of the Board of Trustees of Habitat for Humanity Philippine Foundation, Inc. (since 2012), Chairman/President of Makati Commercial Estate Association, Inc. (since May 2010), President of Makati Parking Authority (since 2012) and Chairman of the Philippine Financial Reporting Standards Council (since February 2010). He is a non-executive Independent Director of the following listed companies: Trans-Asia Oil and Energy Development Corp., Philippine Bank of Communications, Manufacturers Life Insurance Company, and Holcim Philippines, Inc. Mr. Balangue is also a non-executive Independent Director of the company and has possessed all the qualifications and none of the disqualifications of a Director since he was first nominated and elected as an Independent Director of the company. Mr. Balangue has a regular column at Philippine Daily Inquirer. He is married to Arlene Tan Balangue.

**Ray C. Espinosa** is 61 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013 and is a member of the Nomination, Election & Governance Committee. Atty. Espinosa is the Chairman of Philstar Daily, Inc., and Businessworld Publishing, Inc., and the Vice-Chairman of the Board of Trustees of the PLDT Beneficial Trust Fund. He is also an Associate Director of First Pacific Company Limited and the Head of Government Regulatory Affairs and Communications Bureau for the Philippines. He also serves as a Director of Philippine Long Distance Telephone Company (PLDT), Manila Electric Company (Meralco), Meralco PowerGen Corporation, Wolfpac Mobile, Inc. and Metro Pacific Investments Corporation, and an Independent Director of Lepanto Consolidated Mining Corporation. He also serves as General Counsel of Meralco and Head of Regulatory Affairs and Policy and Group Joint Executive Committee of PLDT. Prior to joining the PLDT Group in 2000, Atty. Espinosa was a law partner in 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. 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. 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. Atty. Espinosa placed first in the Philippine Bar Examinations of 1982.

**Alex Erlito S. Fider** is 64 years old and is a Filipino. He was elected to the Board of Directors on 3 December 2013. 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. His legal experience spans thirty (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.

**Christopher H. Young** is 60 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. He is presently the Chief Financial Officer of First Pacific Company Limited, a Hong Kong based investment management and holding company with operations in the Asia Pacific. He is also presently a director and Chief Financial Advisor and Head of the PLDT Finance Group. Mr. Young was formerly the Finance Director of the Metro Pacific Corporation, the group Financial Controller of First Pacific Company Limited and a Senior Audit Manager of Price Waterhouse in Hong Kong. He has been a member of the Institute of Chartered Accountants in England and Wales since 1982.

**Hubert D. Tubio** is 63 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 CPA. He graduated Cum Laude with a degree in Bachelor of Science in Business Administration (BSBA), Major in Accounting, from the University of the East and was a consistent university scholar. 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.

**Cynthia L. Dela Paz** is 55 years old and is a Filipino. She has been the Corporate Secretary of the Group since February 15, 2017. Atty. de la Paz is a senior partner at Picazo Buyco Tan Fider & Santos. She has been in the practice of corporate law and taxation for the last 27 years. She has been a Director of Tax Management Association of the Philippines (TMAP) for the last 10 years. Atty. de la Paz holds a law degree from the University of the Philippines and graduated from the same university with a degree in Psychology.

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

**Vicente S. Perez** is 59 years old and is a Filipino. He was elected as a member of the Board of Advisors on March 25, 2009. Mr. Perez is presently the President of Alternergy Partners, a renewable power company for emerging Asian countries, and the Chairman of Merritt Partners, an energy advisory firm. Mr. Perez served as Philippine Energy Minister from 2001 to 2005, the youngest to have held the post and one of the highest Cabinet achievers. He boosted energy self-sufficiency from 45% in 2000 to 51% in 2004. As Energy Secretary, he actively promoted energy investments such that energy accounted for 65% of total national investments registered in 2004. He served briefly in early 2001 as Deputy Minister (Undersecretary) at the Department of Trade and Industry and Managing Head of the Board of Investments. Mr. Perez has deep knowledge of, and expertise in, corporate finance, with over 17 years of investment banking experience. His experience includes Latin American debt restructuring at Mellon Bank in Pittsburgh, and debt trading, capital markets, and private equity in emerging countries at Lazard in London, New York and Singapore. At 35, Mr. Perez became a General Partner at the 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. In 1997, he founded Next Century Partners (NCP Advisors Philippines), a private equity firm based in Singapore and Manila, and invested in companies such as Del Monte Pacific, Fastech, and Smart Communications. In 2000, he founded Asian Conservation Company, a quadruple bottom line venture philanthropy company which acquired El Nido Resorts, an award-winning eco-tourism destination in Palawan, which was sold to Ayala Land in 2013. In 2005, he co-founded Merritt Partners, an advisory firm for energy companies in Asia. He also co-founded Alternergy, a wind power developer, and SolarPacific, a solar power developer. He also currently serves as an independent director of SM Investments Corporation, a holding company with the Philippines' largest market capitalization, and of ST Telemedia, the Temasek media telecoms holding company. He is Chairman of WWF-Philippines, member of the WWF-International Board, and Vice-Chair of Stiftung Solarenergie. Mr. Perez also serves as 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. He has advised ADB, IFC, and various international energy companies investing in Asia. Mr. Perez 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 at the Yale School of Management.

**Senen C. Bacani** is 72 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 11 December 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., AgriNature, Inc., Philippine Chamber of Agriculture & Food, Inc., Philippine Chamber of Food Manufacturers, Inc., Icebox Logistics Services, Inc., a member of the Board of Advisors of East West Seed Philippines, Inc., a Private Sector Representative of APEC Policy Partnership on Food Security, ABAC Philippines, 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), among others. Mr. Bacani obtained his degree in Bachelor of Science in Commerce at the De La Salle University and his Masters in Business Administration at the University of Hawaii, USA.

#### Corporate Officers

**Pedro E. Roxas** (See above)

**Hubert D. Tubio** (See above)

**Arcadio S. Lozada, Jr.** is 63 years old and is a Filipino. He is currently 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.

**Luis O. Villa-Abrille** is 69 years old and is currently Executive Vice-President/COO – Ethanol Business Unit. Mr. Villa-Abrille was formerly the President & COO of Roxol, and the Executive Vice-President for Business Development of the company. He was also formerly the Vice-President & Resident Manager of GreenFuture Innovations, Inc., the President & COO of SCBI, and the Director for Operations of Bronzeoak Philippines, Inc., among others. Mr. Villa-Abrille obtained his BS Mechanical Engineering degree at the University of Sto. Tomas and is a licensed Mechanical Engineer.

**Celso T. Dimarucut** is 56 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.

**George T. Cheung** is 44 years old and is a Filipino. He was appointed as SVP for Marketing & Trading on January 5, 2015. He was formerly a Managing Partner in Commodity Partners Pte, Ltd., Head of Domestic Coal Trading of Trafigura Investment China, Ltd, based in Shanghai, Associate Director & General Manager-Sugar Division of Wilmar Sugar Pte. Ltd/Yihai Commercial Eagle Trading, General Manager at the Greater China Region of ED&F Man, a global supplier of sugar, and a Trading Manager of the Sugar Division in Hong Kong of Cargill, among others. Mr. Cheung obtained his degree in Bachelor of Science in Food Sciences and Technology at the University of British Columbia in Vancouver, British Columbia, Canada, his Diploma in Business Administration at the International Correspondence Schools, and his Master in Business Administration (MBA) Global Executive program at the Duke University in Durham, North Carolina, USA.

**Frederick E. Reyes** is 56 years old and is a Filipino. He was appointed as AVP & Deputy Head of Human Resources on 1 February 2014 and was promoted to VP & Deputy Head of Human Resources on 5 January 2015. Mr. Reyes was formerly the Director for Human Resources Services of Manila Water Company Inc. He has a 29-year 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.

**Fernando H. Corpuz** is 62 years old and is a Filipino. He was appointed as VP/GM for Central Azucarera Don Pedro, Inc. on May 11, 2016. He was formerly with the Sugar Regulatory Administration, where he worked as Head for Research, Development and Extension Office; Head for Industrial Research and Development; and Manager for Factory Operations Department. He was



also the Resident Comptroller at the Republic Sugar Development Corporation. He graduated with a degree in BS Sugar Technology at the University of the Philippines Los Baños.

**Esteban H. Coscolluela** is 65 years old and is a Filipino. He was appointed as VP/GM for Central Azucarera de la Carlota, Inc. on 11 May 2016. He was a former Director and Executive Committee Chairman of PNOG Coal Corporation. He was also a former VP at Union Bank. He occupied various leadership roles in planters' associations, farmers' cooperatives, and the Chamber of Commerce and Industry, in Negros Occidental. Mr. Coscolluela also served as Mayor of Murcia in Negros Occidental. He graduated with a degree in BS Management at the University of St. La Salle. He is an MBA Graduate at the Asian Institute of Management.

**Veronica C. Cortez** is 38 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.

**Kathrina Estrella L. Sebastian** is 43 years old and is a Filipino. She was appointed as AVP- Head of Treasury and Chief Risk Officer and Chief Credit Officer on 16 December 2015. Ms. Sebastian was previously the Head of Development Organizations and the Relationship Manager/Associate Director of Financial Institutions of Standard Chartered Bank. She also worked for Citibank, N.A. and G & S Transport Corporation. Ms. Sebastian obtained her degree in Bachelor of Science in Management at the Ateneo De Manila University and her MBA in International Business at the Manchester Business School, UK.

**Daisy Perpetua A. Bo** is 54 years old and is a Filipino. She was appointed as AVP for QA/Safety/EMS/IE on May 11, 2016. 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 37 years old and is a Filipino. She was appointed as AVP for Corporate Governance and Deputy Compliance Officer on September 20, 2016. Prior to joining RHI, Atty. Rabara-Retardo was Vice President - 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 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.

d) Significant Employees.

The company 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.

e) Family Relationships.

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

f) Legal Proceedings.

The company 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.

g) 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 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 50.90% of the outstanding capital stock of the company as of 31 December 2015. Mr. Pedro E. Roxas is also the Executive Chairman and the President & CEO of Roxas and Company, Inc. (RCI). RCI owns 30.96% of the outstanding capital stock of the company as of 31 December 2015.

There is no transaction or proposed transaction during the last two (2) fiscal years to which the company 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.

h) Disagreement with the Company.

No director has declined to stand for re-election to the Board of Directors since the date of the last meeting of shareholders because of a disagreement with the company on any matter relating to its operations, policies and practices.

## COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

b) Directors.

Art. 19 of the By-Laws of the 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 the Board of Advisors receives a per diem of P25,000 for every meeting attended. Likewise, each member of the Executive Committee, Audit Committee, Executive Compensation Committee and Corporate Governance Committee receives a per diem of P25,000 for every meeting attended.

b) Executive Officers.

Name and Principal position	Fiscal Year	Salary	Bonus	Other Annual Compensation
The CEO and four most highly compensated Executive Officers:	2017			
<ul style="list-style-type: none"> <li>• Hubert D. Tubio - President and CEO</li> <li>• Celso T. Dimarucut - EVP and CFO</li> <li>• Arcadio S. Lozada - EVP-COO, Sugar Business Unit</li> <li>• Luis O. Villa-Abrille - EVP-COO, Alcohol Business Unit</li> <li>• Florencio M. Mamauag, Jr. - VP-Legal, Compliance Officer and</li> </ul>		P52,271,928	P6,413,994	P720,000

Chief Information Officer				
All other officers and directors as a group unnamed*		29,680,332	2,473,361	960,000
The CEO and four most highly compensated Executive Officers:	2016			
<ul style="list-style-type: none"> <li>• Hubert D. Tubio - President and CEO</li> <li>• Celso T. Dimaricut - EVP and CFO</li> <li>• Arcadio S. Lozada - EVP-COO, Sugar Business Unit</li> <li>• Luis O. Villa-Abrille - EVP-COO, Alcohol Business Unit</li> <li>• Florencio M. Mamaug, Jr. - VP-Legal, Compliance Officer and Chief Information Officer</li> </ul>		₱45,383,196	₱5,741,933	₱3,180,000
All other officers and directors as a group unnamed*		26,799,600	2,233,300	5,160,000
The CEO and four most highly compensated Executive Officers:	2015			
<ul style="list-style-type: none"> <li>• Renato C. Valencia - President and CEO</li> <li>• Archimedes B. Amarra - EVP Agro Industrial Research &amp; Development, Marketing/Trading &amp; PCOO of RHI-ADC</li> <li>• Armando B. Escobar - EVP-CFO</li> <li>• Arcadio S. Lozada - EVP-COO, Sugar Business Unit</li> <li>• Luis O. Villa-Abrille - EVP-COO, Alcohol Business Unit</li> </ul>		₱23,044,008	₱1,920,334	₱-
All other officers and directors as a group unnamed*		66,653,844	5,554,487	6,795,223
The estimated compensation of the CEO and four most highly compensated Executive Officers for the ensuing year:	2018			
<ul style="list-style-type: none"> <li>• Hubert D. Tubio - President and CEO</li> <li>• Celso T. Dimaricut - EVP and CFO</li> <li>• Arcadio S. Lozada - EVP-COO, Sugar Business Unit</li> <li>• Luis O. Villa-Abrille - EVP-COO, Alcohol Business Unit</li> <li>• George T. Cheung - SVP</li> </ul>		₱47,352,912.00	₱7,892,152.00	₱-
All other officers and directors as a group unnamed*		24,563,184.00	4,093,864.00	-

\* Fees and remuneration of the members of the Board of Directors and Board of Advisors.

#### **ELECTION OF EXTERNAL AUDITORS**

The Audit Committee recommends the re-election of the Auditing Firm of SyCip Gorres Velayo & Company as external auditors for fiscal year 2017-2018. The auditing firm was elected as external auditors during the annual meeting of the company's shareholders on 15 February 2017. Representatives of the firm are expected to be present at the annual meeting of stockholders on 21 February 2018. They will be given the opportunity to make a statement and are expected to be available to respond to appropriate questions. Ms. Aileen L. Saringan is the Partner assigned to handle the company's account.

#### External Audit Fees and Services.

	Audit & Related Fees	Tax Fees	Other Fees
Aggregate fees billed by Auditors for the last two (2) Fiscal Years	Php5,940,957.00	Php2,778,600.00	Not Applicable

#### Policies and Procedures.

The Audit Committee (the Committee) confers with the external auditors at the beginning of every fiscal year to discuss the audit plans and programs for the year. After the audit plans and programs are approved, the Committee then determines the reasonableness of the fees proposed by the external auditors for audit and other related services. The Committee approves the quarterly financial statements of the company before they are presented for the approval of the Board of Directors and thereafter submitted to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) as part of the company's compliance with the requirements of the Revised Securities Regulation Code (SRC). The Committee also approves the yearly audited financial statements of the company before they are submitted for the consideration and approval of the Board of Directors and thereafter submitted to the Bureau of Internal Revenue (BIR), the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) as part of the company's compliance with the requirements of the Philippine Internal Revenue Code and the Revised Securities Regulation Code (SRC).

The Committee is tasked under its revised Charter to a) develop and maintain free and open means of communication with the Board, the independent auditors, the internal auditors, and the financial and general management of the company; b) to perform any other activities as the Committee deems appropriate, or as requested by the Board, consistent with its Charter, the company's By-laws and other applicable laws; c) to maintain and update, as appropriate, its Charter; and d) to report regularly to the Board and to update the Board on any significant issues that arise with respect to financial reporting and disclosures and other material issues. Additionally, the Committee provides oversight on financial reporting and disclosures, oversight on risk management, oversight on internal audit function and internal controls and oversight on external audit.

There had been no disagreements with the auditing firm, SGV & Co, and on accounting or financial disclosures since its first election as external auditors of the company on 15 February 2017.

### PART I - FINANCIAL AND OTHER INFORMATION

#### Financial Statements and other Reports.

The financial statements and other financial disclosures for the fiscal year ending 30 September 2017 are contained in the company's Consolidated Financial Statements and are attached as Annex "A" while the Management's Discussion and Analysis or Plan of Operations for the fiscal year ended 30 September 2017 are attached as Annex "B".

#### Brief Description of the General Nature and Business of the Company.

##### **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. The corporate life of the Parent Company has been extended for another 50 years until November 1, 2030.

In July 1996, the Parent Company offered its shares to the public through an initial public offering. On August 8, 1996, the shares of stock of the Parent Company were listed in the Philippine Stock Exchange (PSE) as "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			Nature of Business	Principal Place of Business
	2017	2016	2015		
Central Azucarera Don Pedro, Inc. (CADPI)	100.00%	100.00%	100.00%	Production and selling of raw and refined sugar, molasses and related products	Makati City and Nasugbu, Batangas
Central Azucarera de la Carlota, Inc. (CACI)	100.00%	100.00%	100.00%	Production and selling of raw sugar and molasses	Makati City and Negros Occidental
CADP Insurance Agency, Inc. (CIAI) <sup>(4)</sup>	100.00%	100.00%	100.00%	Insurance agency	Makati City
Roxol Bioenergy Corp. (RBC) <sup>(1)</sup>	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) <sup>(4)</sup>	100.00%	100.00%	100.00%	Providing ancillary services	Makati City
RHI Agri-Business Development Corporation (RABDC) <sup>(2)</sup>	100.00%	100.00%	100.00%	Agricultural business	Batangas City
Roxas Pacific Bioenergy Corporation (RPBC) <sup>(2)</sup>	100.00%	100.00%	100.00%	Holding company for bioethanol investments	Negros Occidental
RHI Pacific Commercial Corp. (RHIPCC) <sup>(2)</sup>	100.00%	100.00%	100.00%	Selling arm of RHI Group	Makati City
San Carlos Bioenergy, Inc. (SCBI) <sup>(3)</sup>	93.35%	93.35%	93.35%	Production and selling of bioethanol fuel	Negros Occidental
Najalin Agri Ventures, Inc. (NAVI)	97.06%	86.91%	77.38%	Agricultural and industrial development	Negros Occidental
Roxas Power Corporation (RPC)	50.00%	50.00%	50.00%	Sale of electricity	Nasugbu, Batangas

<sup>(1)</sup> Direct ownership of 20.53% and indirect ownership through CADPI of 79.47%.

<sup>(2)</sup> Incorporated wholly owned subsidiaries in 2015, RABDC started commercial operations in 2016 while RHIPCC has yet to start commercial operations.

<sup>(3)</sup> Acquired in April 2015 through RPBC.

<sup>(4)</sup> Shortened corporate term to September 30, 2016.

RHI also holds a 45.09% equity investment in HPCO, a sugar company located in Silay City, Negros Occidental.

RHI and subsidiaries, together with its affiliate, Hawaiian-Philippine Company (HPCO), 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 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 eighty five thousand (285,000) 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, 2017, 2016 and 2015 follow:

	Fiscal Year Ended September 30		
	2017	2016	2015
Refined sugar	38.3%	31.9%	30.7%
Bioethanol	32.9%	34.9%	31.6%
Raw sugar	18.7%	27.9%	27.4%
Others	10.1%	5.3%	10.3%
	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 Batangas Sugar Central 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 of cane and molasses are (i) All Asian Countertrade (ii) Lyl Marketing (iii) Phoenix Petroleum Philippines, Inc. (iv) Global Trucking Services (v) Lucky Fourteen Trucking (vi) Pilipinas Shell Petroleum Corporation and (vii) All Asian Bioethanol Corporation (viii) W. Sy Trucking Services and (ix) Geonanga Manpower Services Construction and Supply.

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.

*(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*

CADPI and CACI are not dependent on few customers or related parties in the distribution or sale of their products. They supply various industrial users and traders. Demand from these customers are evenly distributed.

Roxol and SCBI's principal customers for their bioethanol fuel products are Seaoil Philippines, Inc., Flying V, Shell, Petron and Chevron, Unioil, TWA and Phoenix.



*(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**

The Tax Reform for Acceleration and Inclusion (TRAIN) bill introduced a sweetened beverage excise tax of P6.00 per liter to be levied on drinks using artificial sweeteners while drinks using high fructose corn syrup will be imposed a P12-per-liter tax, as per the approved bicameral version of the bill.

This measure is proposed to provide additional revenue collections for our country, which will then be allocated for the following purposes: (a) fifty percent (50%) to the General Fund; (b) twenty percent (20%) to the Department of Health for provision of medicines and medical assistance for diabetes and other non-communicable diseases through provincial and district hospitals as well as for health and wellness promotion; (c) twenty percent (20%) to the Department of Education to provide public schools and sports facilities access to potable water and health awareness programs; (d) three percent (3%) to the Department of Interior and Local Government under the Sagana at Ligtas na Tubig Sa Lahat (SALINTUBIG) and Grassroots Participatory Planning and Budgeting (GPPB) Priority LGUs; (e) three percent (3%) to the Food and Drug Administration to support the implementation of its mandate to ensure the safety, efficacy or quality of health products; (f) two percent (2%) to the Food and Nutrition Research Institute, and (g) two percent (2%) shall accrue to the Bureau of Internal Revenue for tax administration.

**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 including proper handling and disposal of hazardous waste, utilization of cleaner production technologies and programs in compliance with ISO 14001 EMS, DOE's Renewable Energy Safety, Health and Environment Rules and Regulations (RESHERR), zero-discharge system through waste water methane capture component of its ethanol plant which is covered by Environmental Compliance Certificate No. ECC-R6-0809-254-9999 issued by the DENR and various pollution control requirements.

To be compliant with various requirements, the Group implemented the following significant programs:

1. Installation of waste water recycling facilities at its bioethanol plants which uses the existing pre-filtration unit of the reverse osmosis plant to treat and recycle clear wastewater back to the process as cooling tower make up. The facility has a capacity of 400 cubic meters per day and has recycled 66,821 cubic meters of wastewater as cooling tower makeup.
2. On-going implementation of 5S which is incorporated with Good Manufacturing Practices (GMP) as one of the programs of ISO 14001 EMS.
3. Installation of run-off canals at various locations in the sugar centrals.
4. Quarterly meeting of CADPI Multi-Partite Monitoring Team (MMT) in compliance with the ECC condition. The MMT which is composed of sectoral and executive committees convene is being chaired by the PENRO. Membership of this multi-sectoral committee is represented by EMB PENRO and CENRO, MENRO, PGENRO, Philippine Coast Guard - Environmental Protection, Barangay, Municipal Health Office, NGOs and Barangay Chairman of Lumbangan. The Memorandum of Agreement was finalized and signed by DENR-EMB and Batangas Provincial Governor. Four (4) meetings were conducted and the corresponding Compliance Monitoring and Verification Reports (CMVR) were submitted to EMB Region 4A.

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

As at September 30, 2017, the Company has the following number of employees:

	No. of Employees
Executive	17
Managers	249
PT/MRF/DRF	896
Total	1,162

CADPI has a standing Collective Bargaining Agreement (CBA) with the Batangas Labor Union (BLU) for a period of five (5) years from July 1, 2016 to June 30, 2021. For the past three (3) 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 (5) years from June 1, 2015 to May 30, 2020. For the past three (3) years, the labor union of CACI has not staged a strike.

RBC employees recently formed a union known as RBC Workers Union.

RHI and SCBI are not unionized.

Properties

The Parent Company owns of a parcel of land located in Nasugbu, Batangas valued at ₱3,447.5 million as at September 30, 2017. The land is also presently mortgaged to secure certain loan obligations.

The Parent Company likewise invested in properties in Bacolod City, Negros Occidental and in Barrio Emanente, Nasugbu Batangas with net book value of ₱31.1 million as at September 30, 2017.

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, 2017, these properties are valued, net of depreciation, at ₱3,141.7 million. These properties are presently mortgaged with banking institutions to secure certain loan obligations.

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, 2017, these properties are valued, net of depreciation, at ₱3,923.7 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, 2017, these properties are valued, net of depreciation, at ₱1,648.3 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, 2017, these properties are valued, net of depreciation at ₱2,727.3 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, 2017, the properties are valued, net of depreciation, at ₱180.3 million.

Roxas Holdings, Inc. (RHI) is an integrated sugar company that has expanded its business interests to include bioethanol and co-generation.

- a) Estimated amount spent on research and development for the past four fiscal years; extent to which these costs are borne by customers, if applicable.

CADPI contributes Php2.00 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. During the last five (5) years, CADPI contributed about Php20 million to research and development and this amount constitutes 0.1% of its revenues.

CACI likewise contributes Php2.00 per Lkg. to PHILSURIN. During the last five (5) years, CACI contributed about Php24 million to research and development and this amount constitutes 0.14% of its revenues.

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 (USAID) under the supervision of the Department of Environment and Natural Resources (DENR). IEMP advocates waste minimization through Pollution Management Appraisals (PMA).

- b) Environmental Management



Waste minimization implementation in CADPI began in 1993 with the activation of an Interior Pollution Management Appraisal Team. A significant reduction in wastewater needing treatment was achieved through segregation, characterization and good housekeeping. As of today, the waste minimization program in CADPI is continuously observed and closely monitored through Risk Control Action Plan (RCAP). CADPI has been continuously compliant with all legal and regulatory requirements and ISO standards under ISO 14001:2004 otherwise as the Environmental Management System. CADPI was again re-certified for ISO 14001:2004 last January 28-29, 2015.

CADPI has also made substantial investments in the following pollution control facilities

1. Totally close-loop cooling system for the sugar mill and refinery where 100% of cooling water is recycled
2. Activated Sludge Wastewater Treatment System with Sessil Trickling Filter
3. Wet Scrubbers for the steam boilers and clarifiers

For the fiscal year ending 30 September 2015, CADPI spent about Php25.8 million in its pollution management program.

CADPI's environmental and pollution control initiatives during the fiscal year included the following:

#### 1. Pollution Control Facilities

- Waste Water Treatment Plant (7000CMD capacity)
  - Discharge Permit for WTP was secured from DENR EMB Region 4A for the whole Crop Year of 2014-2015 with validity date of up to January 26, 2015.
- Air Pollution Control Devices for the boilers smoke stack
  - Permit to Operate Air Pollution Control and Source Facilities was issued last May 15, 2015 by DENR-EMB Region 4A and valid up to February 29, 2016.
  - Based on Sugar Regulatory Administration quarterly stack sampling of Boilers #2, #3, #4 and #5, the analysis showed the results complied with Clean Air Act emission standard for Total Suspended Particulates (TSP).

#### 2. Energy Efficiency/ Energy Conservation

- Replacing floodlight (400 watts) with LED (150 watts) in Truck Tard and Warehouse 3 & 5

#### 3. Water Conservation Programs

- On-going implementation of water conservation program through Risk Control Action Plan monitoring.
- Installation of return treated wastewater pipeline to boilers facility to minimize the utilization of water from PALICO river.

#### 4. Chemical Reduction Programs

- Reduction of 354,728.00 at waste treatment plant due to proper monitoring of waste water during milling season.

#### 5. Chemical Substitution (Reduction or elimination of toxic or hazardous chemicals)

- Octapol is now used as substitute for analysis of some processed materials instead of lead sub-acetate.



- Utilization of NIR for the analysis of pol in sugar, instead of manual analysis using lead sub-acetate.
6. Proper Handling and disposal of hazardous waste such as used oil, busted fluorescent lamp, and substance lead sub-acetate, and pathological waste through accredited treaters/transporters
- Disposed 1 ton of sub-lead acetate residue to the DENR accredited transporter and treater, JORM Trading Corp. picked up and transported the lead compound last December 23, 2014 with TR-4A-21-0013, treated last January 31, 2015 with TR-4A-21-0013, method of treatment is chemical and physical fixation and disposed last February 10, 2015, with Certification of treatment and disposal (Please see attached documents).
  - Disposed 1,340 kgs. of Lead Acid Batteries to the DENR accredited transporter and treater. CADPI partnership to Oriental Motolite Marketing Corp. were Motolite picked-up all used batteries and the corresponding values of the used batteries will goes to the chosen charitable institution. Motolite has a valid transporter ID no. of TP-13-74-0012, treated by Evergreen Environmental Resources, Inc. last November 6, 2014 with valid ID no. GR-03-14-0023 ((Please see attached documents).
  - Disposed 1.07 tons of busted fluorescent lamps to the DENR accredited transporter and treater, JORM Trading Corp. picked up and transported the lead compound last December 23, 2014 with TR-4A-21-0013, treated last January 31, 2015, method of treatment is crushing and encapsulated with TR-4A-21-0013 and disposed last February 10, 2015 with Certification of treatment and disposal (Please see attached documents).
  - Disposed 242 of Pathological waste or hospital waste to the DENR accredited transporter and treater, Pyrotech Solution and Integrated Services Corp. picked up and transported the hospital waste last September 8, 2015 with TR-13-74-0029, treated by Cleanway Environmental Management Solutions, Inc. method of treatment is autoclaving with valid ID no. of 04-21-0015 and disposed at General Meridien Silang Cavite Disposal Facility with valid ID no. of 04-21-0015 (Please see attached documents).
  - Disposal of used oil is due by CY 14-15, already awarded to ADCAN Petroleum Product INC. still waiting for the approved MOA, ADCAN will pay CADPI P3,100.00/drum for heavy oil and P2,000.00/drum for light oil, Adcan has a valid registration nos. TP-13-75-0063 and TP-13-75-0017 respectively as transporter and treater.
  - Disposal of Electrical and Electronic Waste is due by CY 14-15, already prepared under RJR no. NSPR-03-008403 still waiting for the awarding. As of September 30, 2015, quantity of stored E-waste is 712.7 kgs.

#### 7. Solid Waste Minimization

- Reduction of 18,156.76 tons of residual waste compared last year. Total factory solid waste for CY 13-14 – 98,546.76 tons compared this cy 14-15 total waste generated – 80,390 tons.
8. On-going utilization of mud press as soil conditioner for sugar cane fields and as produced organic fertilizer
- Ongoing engagement through a MOA with the following interested concessionaires in organic fertilizer production using mudpress as main raw material:
    - FEDMUCO
    - MDDFI
    - ELR Family Trading Co., Inc.
  - FEDMUCO, community-based cooperative that is presently engaged in composting of mud press and converting it into organic fertilizer, pays the company a rental cost of PhP 5.00 per bag of sold organic fertilizer. At present, it produced 30,954 bags amounting to PhP 154,770.00 as of September 30, 2015.

#### 9. Other Cleaner production technologies and Programs such as:

- On-going implementation of 5S which is incorporated with Good Manufacturing Practices (GMP) as one of the programs of ISO 14001 EMS.
- Quarterly meeting of CADPI Multi-Partite Monitoring Team (MMT) in compliance with the ECC condition. The MMT which is composed of sectoral and executive committees convene is being chaired by the PENRO. Membership of this multi-sectoral committee is represented by EMB PENRO and CENRO, MENRO, PGENRO, Philippine Coast Guard – Environmental Protection, Barangay, Municipal Health Office, NGOs and Barangay Chairman of Lumbangan. The Memorandum of Agreement was finalized and signed by DENR-EMB and Batangas Provincial Governor. Four meetings were conducted and the corresponding Compliance Monitoring and Verification Reports (CMVR) were already submitted to EMB Region 4A.
- Quarterly evaluation of compliance with ESH laws and regulations is being done using Matrix of Regulatory and Legal Requirements. This is part of compliance with ISO 14001. All necessary environmental and safety permits and licenses were already secured for this crop year 14-15.
- CADPI passed the ISO 14001 EMS re-certification audit by SGS last January 28-29, 2015. With 2 minor NC and 6 observations.
- CADPI is one of the members on the Nasugbu Beach Forest Management Council and the main goal is to rehabilitate the beaches at Nasugbu. CADPI consistently participating the monthly coastal clean-up as part of the programs of the Nasugbu Beach Forest Management Council.
- Attended the quarterly meeting on Adopt a Estero/River Program of DENR, and submitted the quarterly reports, also we have a quarterly river clean-up on the adopter river of CADPI which is Lian-Palico river.
- EMSD put up the plant nursery at WTP area, as of September 30, 2015 we have 1,689 various trees are ready to be planted, we donated 600 plants, Bitag and Talisay trees to be planted at Nasugbu beach as part of the project of Nasugbu Beach Forest Management Council, 100 trees donated to Philippine Army, 18 trees to barangay Lumbangan, we planted 462 various trees at CADPI premises and 117 trees were planted at Roxas Village on the adopted river of CADPI.
- Donations of used sacks to the Municipality of Nasugbu and Barangays.
- Participated in the 30<sup>th</sup> International Coastal Clean-Up at Lian-Palico river last September 19, 2015
- Participated in International Coastal Clean-Up at Nasugbu Batangas in cooperation with MENRO- Nasugbu last September 26, 2015.
  - Received certificate of appreciation from Ocean Conservancy
- Participated in the street dancing 2015 parade, headed by Brgy. Lumbangan, Nasugbu with the theme "Sayaw ko sa Lumbangan, tulong sa Kalikasan"
  - Received certificate of participation from Brgy. Lumbangan

c) Legal Proceedings.

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

d) 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 – SECURITIES OF THE REGISTRANT

### A. Market Price of and Dividends on Registrant'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 2017, 2016 and 2015, as reported by the PSE, are shown below:

	FY 2018		FY2017		FY2016	
Quarter	High	Low	High	Low	High	Low
1	5.78	4.00	3.04	2.98	5.86	4.43
2			3.00	2.87	6.19	4.00
3			3.83	3.67	4.65	4.01
4			4.19	4.10	3.98	3.19

As of January 15, 2018, the closing price of RHI's shares is ₱4.04 per share.

#### *Stockholders*

There were about 2,103 holders of the company's common shares as of December 31, 2017. 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	972,925,562	62.04
2.	PCD Nominee Corporation	Non-Filipino	452,488,994	20.93
3.	Roxas and Company, Inc.	Filipino	99,624,995	6.37
4.	Pan Malayan Mgmt. & Investment Corp.	Filipino	1,998,610	0.13
5.	Insular Life Assurance Co., Ltd.	Filipino	1,198,520	0.08
6.	Jose A. Manzano Jr.	Filipino	1,029,007	0.07
7.	Gilbert Liu	Filipino	1,014,000	0.07
8.	Emilio Pantoja	Filipino	785,078	0.05
9.	Armando M. Medina	Filipino	770,640	0.05
10.	Florencio M. Mamauag	Filipino	626,912	0.04
11.	Leonardo T. Siguion Reyna	Filipino	608,400	0.04
12.	Raul S. Roco	Filipino	486,720	0.03
13.	O. Ledesma & Co., Inc.	Filipino	446,160	0.03
14.	BMI Holdings Corporation	Filipino	431,964	0.03
15.	Antonio G. Nieto	Filipino	367,450	0.02
16.	Corona Realty & Development Corporation	Filipino	365,040	0.02
17.	Lorna Perez Laurel	Filipino	354,900	0.02

18.	Abel Z. Silva III	Filipino	354,900	0.02
19.	Luis O. Villa-Abrille	Filipino	353,221	0.02
20.	Elaine V. Rivilla		346,788	0.02
	<b>Subtotal</b>		<b>1,536,577,861</b>	<b>99.26</b>
	Other Shareholders		11,357,938	0.07
	<b>Grand Total</b>		<b>1,547,935,799</b>	<b>100%</b>

### **Dividends**

#### **a) History of dividends paid:**

<b>Declaration Date</b>	<b>Record Date</b>	<b>Type and Amount of Dividends</b>
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: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 (₱2,000,000,000.00), Philippine currency, consisting of Two Billion (2,000,000,000) common shares with par value of One Peso (₱1.00) per share. As of December 31, 2017, 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.

#### **PART IV. Corporate Governance**

In compliance with SEC Memorandum Circular No. 2 dated April 5, 2002, the Group submitted its Manual on Corporate Governance on 30 August 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, 2016, 2015 and 2014

- 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.

November 9, 2016 - Resignation of Mr. Ronaldo B. Villanueva as AVP Information & Communications Technology

#### 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:

1. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the First Quarter ending 31 December 2016, of the current fiscal year;
2. 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,

3. 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 30 September 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. (RHI), in its organizational meeting held on, 15 February 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 17 April 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 30 September 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 30 June 2017) of Fiscal Year ending 30 September 2017

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

## VOTING PROCEDURES

(a) The vote required for approval or election.

- (1) Minutes of Previous Stockholders' Meeting - majority of the shares represented at the meeting
- (2) Chairman's and President's Report - majority of the shares represented at the meeting
- (3) Audited Financial Statements - majority of the shares represented at the meeting
- (4) Ratification of All Acts and Resolutions of the Board of Directors - majority of the shares represented at the meeting
- (5) Election of Directors - plurality of vote of the stockholders owning or representing a majority of the outstanding shares
- (6) Election of External Auditors - plurality of the shares represented at the meeting

(b) The method by which votes will be counted.

Subject to cumulative voting in the election of Directors, each stockholder shall have one vote for each share of stock entitled to vote and registered in his name at record date. Counting of votes will be done by representatives of Banco de Oro - Trust & Investments Group, the company's stock transfer agent, and Atty. Florencio M. Mamauag, Jr., in his capacity as Assistant Corporate Secretary, all of whom shall serve as members of the election committee. Voting shall be done through raising of hands.

THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE A COPY OF ITS ANNUAL REPORT FOR THE FISCAL YEAR ENDED 30 SEPTEMBER 2017 ON SEC FORM 17-A.

THE COMPANY LIKEWISE UNDERTAKES TO UPLOAD ON ITS WEBSITE A COPY OF ITS FINANCIAL REPORT, ON SEC FORM 17-Q, FOR THE QUARTER ENDED DECEMBER 31, 2017 AT LEAST FIVE (5) DAYS BEFORE THE ANNUAL MEETING OF SHAREHOLDERS ON 21 FEBRUARY 2017. IT FURTHER UNDERTAKES TO PROVIDE WITHOUT CHARGE A COPY OF THE QUARTERLY REPORT.

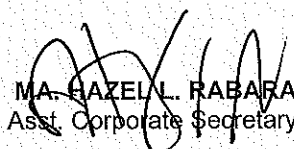
PLEASE ADDRESS ALL REQUESTS FOR COPIES OF THE AFORESAID REPORTS TO ATTY. MA. HAZEL L. RABARA-RETARDO, 14F, Net One Center, 26<sup>th</sup> cor. 3<sup>rd</sup> Avenue, Bonifacio Global City, Taguig, Metro Manila.

## SIGNATURE

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

ROXAS HOLDINGS, INC.

By:

  
MA. HAZEL L. RABARA-RETARDO  
Asst. Corporate Secretary

16 January 2018.

\_\_\_\_\_  
Number of Shares Represented

P R O X Y

KNOW ALL MEN BY THESE PRESENTS:

That I, the undersigned, a stockholder of Roxas Holdings, Inc., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, do hereby name, constitute and appoint \_\_\_\_\_, or in his absence, the Chairman of the Meeting, as my continuing proxy, with right of substitution and revocation, to represent me and vote all shares registered in my name in the books of Roxas Holdings, Inc. or owned by me, at the annual meeting of stockholders to be held on 02 March 2016 and any adjournment/s thereof, upon the following:

- (1) Call to Order
- (2) Certification of Notice and Quorum
- (3) Approval of the Minutes of the Annual Meeting of Stockholders held on 18 February 2015
- (4) Presentation and Approval of the Annual Report to Stockholders
- (5) Ratification of All Acts and Resolutions of the Board of Directors and Management
- (6) Amendment of Article III of the Articles of Incorporation on the change in the principal office address of the corporation
- (7) Election of the Board of Directors
- (8) Election of External Auditors
- (9) Other Matters
- (10) Adjournment

as fully to all intents and purposes as I might do if present and acting in person, with this proxy being suspended in every instance where I personally attend and formally register my presence at the meeting. This proxy revokes any and all proxies which I may have previously executed in favor of a person or persons other than the person named above. This proxy shall remain in full force and effect until specifically revoked by me through notice in writing lodged with the Corporate Secretary of Roxas Holdings, Inc. before the scheduled time of the meeting.

IN WITNESS WHEREOF, I have hereto set my hand this \_\_\_\_ day of \_\_\_\_\_ 2018 at \_\_\_\_\_.

\_\_\_\_\_  
Signature Over Printed Name

\_\_\_\_\_  
Address of Stockholder

***(N.B. If a Proxy is issued by a corporation, it should be in the form of a Board Resolution certified by the Corporate Secretary or, in lieu thereof, please attach the Secretary's Certificate quoting the Board Resolution authorizing the Corporate Officer to execute the Proxy.)***