

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS

**ROXAS HOLDINGS, INC.**

*Held via Remote Communication and Electronic Voting in Absentia*

March 16, 2022 at 10:00 o'clock a.m.

**ATTENDANCE**

*(Via Remote Participation or Proxy)*

Total Shares Issued and Outstanding	:	1,547,935, 799
Total Shares Present	:	<b>1,328,888,448</b>
Percentage Present	:	<b>85.85%</b>
* Shares present owned by Majority Shareholders (as a Group)	:	1,328,579,771
* Other shareholders	:	308,677

**DIRECTORS PRESENT:**

*(via teleconference)*

Mr. PEDRO O. ROXAS  
Mr. MANUEL V. PANGILINAN  
Mr. CELSO T. DIMARUCUT  
Atty. RAY C. ESPINOSA  
Mr. CHRISTOPHER H. YOUNG  
Atty. ALEX ERLITO S. FIDER  
Mr. OSCAR J. HILADO (Independent Director)  
Ms. ARLYN S. VILLANUEVA (Independent Director)  
Atty. SANTIAGO T. GABIONZA (Independent Director)

Also Present:

*(via teleconference)*

Atty. Cynthia L. Dela Paz  
Mr. Senen Bacani  
Ms. Deborah Tan  
Atty. Ma. Hazel L. Rabara-Retardo  
Mr. Jaynel Sulangi  
Mr. George T. Cheung  
Mr. Frederick E. Reyes  
Mr. Jose Manuel L. Mapa  
Ms. Veronica C. Cortez  
Mr. Gil M. Morales  
Mr. Alexander A. Pino  
Ms. Josephine M. Logrono  
Atty. Aimee E. Pedayo  
Mr. Aristeo Dela Rea  
Ms. Rose Ann Robin

## I. CALL TO ORDER

The Chairman, Mr. Pedro O. Roxas (Mr. Roxas), called the meeting to Order while the Assistant Corporate Secretary, Atty. Aimee E. Pedayo (Atty. Pedayo), recorded the minutes of the proceedings. Atty. Ma. Hazel L. Rabara-Retardo (Atty. Rabara-Retardo) facilitated the meeting held through remote communication.

## II. CERTIFICATION OF QUORUM

The Corporate Secretary, Atty. Cynthia L. Dela Paz (Atty. Dela Paz), certified that the Notice of Meeting, Agenda and the Information Statement on SEC Form 20-IS were sent to all stockholders in accordance with the By-Laws of the Corporation and the Securities Regulation Code. She then certified that there are present in person or by proxy, stockholders representing approximately eighty-five percent (85.85%) of the outstanding capital stock of the Corporation and, therefore, a quorum exists for the valid transaction of any business that may come before the meeting.

## III. READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

On motion of the Management, the reading of the minutes of the annual meeting of stockholders of the Corporation held on March 17, 2021 was dispensed with and based on the tally of votes cast by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented, voted in favor of the approval of the Minutes of the annual meeting of the stockholders held on March 17, 2021.

## IV. PRESENTATION AND APPROVAL OF THE ANNUAL REPORT

### The Chairman's Report

The Chairman, Mr. Pedro O. Roxas, (Mr. Roxas) presented the highlights of the annual report to the stockholders.

*"Dear Fellow Shareholders:*

*Fiscal year 2020 to 2021 has been another year of continued challenges due to the coronavirus pandemic, with the viruses' mutations still wreaking havoc and causing disruptions to the public, even amidst the joint efforts of the Government and the private sector to fast-track the vaccination drive and gradually re-open the economy – ultimately paving the way for local businesses to rebound.*

*To this, the Asian Development Bank (ADB) forecasted that Philippine economy will continue to grow from 5.1% in 2021 to 6.0% in 2022, up from its previous forecast of 4.5% in 2021 and 5.5% in 2022. ADB further lauded the resiliency of the Philippine economy, specifically its growth momentum which has clearly picked up on the back of the country's vigorous vaccination drive. Public spending on infrastructure and continued vaccination of the rest of the population are seen to be the key drivers in helping the country accelerate recovery.*

*While things are starting to pick up on the overall Philippine economy, the Philippine sugar industry, on the other hand, still paints a more somber picture, after having experienced another*

*challenging period brought about by the prolonged La Nina phenomenon. This weather condition caused a general decline in the sugarcane yields and likewise extended the milling and refining operations of the sugar plants for Crop Year 2020-2021.*

*The Sugar Regulatory Administration (SRA) reported a drop in average yield per ton of sugarcane for Crop Year 2020-2021 of about 7.00%, or from 1.85 to 1.71 Lkg/ton. This decline in yield is more particularly felt in the case of Batangas where our mill is located. That is why Roxas Holdings, Inc. (RHI) actively engages the Southern Luzon planters, in tandem with the SRA and the University of the Philippines, and other stakeholders, to adopt programs to stifle the damage and the pernicious effects of some farming methods, such as the burning of canes, and produce more quality high-yielding variety of canes.*

*But RHI was able to soften the effects of these challenges with its improved refinery operations, due to combined factors of higher refining yields and lower fuel costs for the refinery, enabling us to reduce our losses. Along with that, the ethanol business unit's operations has seen marked improvements as it increased the use of sugar cane syrup while maintaining the flexibility to use molasses in the production of ethanol, as the opportunity arises. RHI has likewise started to reap the benefits of de-risking the business after completion of the South Negros asset sale and terming-out majority of its short-term loans in September 2021.*

*Having embarked on an ambitious goal to reset the Company, under the helm of our new PCEO Mr. Celso T. Dimarucut, we are confident that with the right set of fundamentals, starting with our key asset – the people working for us, RHI is assured of a path to sustainability, with a firm resolve to improve our performance for the benefit of our stakeholders.*

*There is still much to do and the challenges that lie ahead in this transformation stage will surely present difficulties and uncertainties, but if we execute our plans and programs well, we will achieve our goals and even come out stronger.*

*As we have done in the past, trust that RHI will push to remain relevant and reliable, consciously striving to keep our high standards, and living and working with integrity.*

*Looking back, we thank you, our shareholders, for your constant support to RHI. We are deeply grateful as well to our Board of Directors whose precise guidance and direction continually challenge RHI to reinvent itself and achieve newer heights; to our advisors, for the valuable insights; our Management, whose untiring devotion keeps RHI on track; to our employees and staff, for their commitment and loyalty to RHI, despite trying times; and to our partners as well as other stakeholders, for trusting RHI to do what is right and sustainable in every situation.*

*Together, we will see the fruits of all our efforts to thrust RHI as a leader in sugar and sugarcane-based products, and hopefully reach more markets in the coming years.*

*Thank you."*

### **The PCEO's Report**

Mr. Celso T. Dimarucut (Mr. Dimarucut) started his report by providing the highlights for Fiscal Year 2021.

*"Dear Stakeholders:*

*Since early last year, the entire world was abruptly catapulted into a starkly unfamiliar scenario brought about by wave after wave of coronavirus mutations, causing major disruptions to the lives of people around the world, including Filipinos. This pandemic forced ordinary citizens to*

*change their way of living, and companies to adopt major structural reforms, including alternative work arrangements and the way of doing business, in general.*

*Amid this very challenging and uncertain backdrop, RHI has reported significant improvements in performance by bringing down its Net Loss substantially for the fiscal year 2021 to PhP939 million, as compared to PhP2.357 billion in the previous year, before the loss from discontinued South Negros operations. This was achieved despite the problems besetting the local sugar industry and the prolonged La Nina phenomenon affecting most of Crop Year 2021, which have adversely impacted the yields of sugarcanes particularly in the Batangas area. Added to that, the dwindling cane supply and number of able-bodied farm workers that were already affecting the industry in the previous years, continue to persist as an issue for the industry.*

*The sugar unit of Roxas Holdings, Inc. (RHI) has encountered difficulty in sourcing of canes in the Batangas area, having lost market share over the years due to stiff competition.*

*Recognizing this problem, RHI has re-trained its sights and focused on its capacity-building efforts to the sugar refinery. As a major project for Crop Year 2020-2021 of the RHI Group, our Nasugbu refinery plant embarked on an effort to de-couple the mill and the refinery operations with the conversion of one of the refinery boilers to a multi-fuel fired boiler. This move would enable the refinery boiler to operate using alternative cheaper fuel sources and augment the dwindling supply of internally-generated bagasse from the mill operations. Raw material for the refinery, which is raw sugar, can likewise be sourced externally (or outside of own Nasugbu sugar mill production) such as those coming from Negros. With this, the goal is to be able to increase production of refined sugar to five to seven million bags, as the opportunity arises and when operations of this new equipment have stabilized. This project was started early 2021 and was completed in January 2022, in time for the peak of the refinery operations for Crop Year 2021-2022.*

*Most of the improvement in performance for Crop Year 2020-2021 was driven by the change in the strategic direction of the ethanol unit, San Carlos Bioenergy, Inc. (SCBI), benefitting the whole RHI Group. SCBI has alternately been using sugar syrup from its milling operations or external molasses, as primary raw material, depending on the supply and demand conditions. Our Management, through the Agri-Business unit, has actively and successfully engaged the planters in San Carlos to source more canes, enabling SCBI to produce more fuel ethanol. This helped manage the cost of feedstock and fuel for SCBI, resulting in better feedstock margins and higher production volumes.*

*Likewise, for Crop Year 2020-2021, the Group has reaped the benefits of the sale of assets in 2020 as it no longer carries any losses from the South Negros Units, which last year was recorded at Php500 million, around Php300 million of which is from interest alone. More importantly, with the pay down of the loans, the Group was able to reduce the interest payments due to the banks. Likewise, by the end of the fiscal year, most of the residual short-term loans were termed-out with the creditor-banks under terms and conditions most suitable to the Group. Programs are continuously underway to achieve optimum efficiency, given the varied raw materials available.*

*Having said all of these, the RHI Group reaffirms our commitment to being operationally resilient despite difficulties, to continue meeting the needs of our customers and communities. Although the horizon has been and is proving to be more difficult to predict in these trying times, we remain focused on our strategic ambition to reset the Company, whilst being true to*

*our underlying values of Reliability and relevance, High standards and Integrity. Our customers continue to be at the center of everything that we do; we strive to create an environment where our people can maximize their potential, supported by an inclusive culture that respects and recognizes their contributions; we commit to dealing fairly with our partners; we will sustain our business in a socially responsible and environmentally supportive manner; and last and definitely not the least, we challenge ourselves to enhance shareholder value and pave the way for healthy returns on investments.*

*We will strive to meet the expectations of our myriad stakeholders as we simultaneously generate economic, societal and environmental value.*

*In Crop Year 2020-2021, our limits were further tested as an organization, and through the hard work, diligence and commitment of our leaders and employees, we hurdled the challenges.*

*On behalf of the entire RHI Management Team and the employees, we are deeply thankful for our highly-engaged Board of Directors and advisers; the loyalty of our customers over the years; and the unwavering trust of our shareholders.*

*To our people, thank you for your unwavering dedication and perseverance, and your willingness to adapt and adjust in a time of tremendous uncertainty.*

*We know that with all of your support, we can make all our ambitions happen as we work together in bringing "One RHI, One Team" to a higher level.*

*Thank you."*

The Chairman opened the floor for questions electronically submitted by the stockholders prior and during the meeting.

There being no questions submitted and upon motion of the Management, the Annual Report of the Corporation for the Fiscal Year ending September 30, 2021 was approved based the tally of votes cast by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented voted in favor of the approval of the Annual Report of the Company for Fiscal Year ending September 30, 2021.

## **V. APPROVAL AND RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT**

The Management moved for the approval of all acts, proceedings and resolutions adopted by the Board of Directors and Management since the previous annual stockholders held on March 17, 2021.

Based on the tally of votes cast by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented voted in favor of the approval of all acts, proceedings and resolutions adopted by the Board of Directors and Management since the previous annual stockholders meeting held on March 17, 2021.

## **VI. ELECTION OF THE BOARD OF DIRECTORS**

The Corporate Secretary, Atty. Dela Paz, informed the Chairman, Mr. Roxas, that pursuant to Article 14, Section 1 of the By-laws, election to the Board of Directors should be submitted to the Chairman of the Board of Directors at least fifteen (15) working days prior to

any meeting called for the election of the Board of Directors. He likewise advised that nominations were made for the election of the following persons to the Board of Directors of RHI:

1. MR. PEDRO O. ROXAS
2. MR. MANUEL V. PANGILINAN
3. MR. CELSO T. DIMARUCUT
4. ATTY. RAY C. ESPINOSA
5. MR. CHRISTOPHER H. YOUNG
6. ATTY. ALEX ERLITO S. FIDER
7. MS. ARLYN S. VILLANUEVA
8. MR. OSCAR J. HILADO
9. MR. SANTIAGO T. GABIONZA

Atty. Dela Paz stated that Mr. Santiago T. Gabionza, Mr. Oscar J. Hilado and Ms. Arlyn S. Villanueva are being nominated as Independent Directors of the Corporation.

Since there are only nine (9) seats in the Board of Directors, the Management moved that all votes be cast in favor of all nine (9) nominees. Based on the tally of votes cast by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented voted in favor of the nine (9) nominees. The Chairman requested the Corporate Secretary to cast all votes in favor of the above-named nine (9) nominees.

#### **VII. ELECTION OF THE EXTERNAL AUDITOR**

In accordance with the Manual on Corporate Governance, the Audit and Risk Committee recommended the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for Fiscal Year 2021-2022.

The Management moved for the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for Fiscal Year 2021-2022. Based on the votes casted by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented voted in favor of the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for Fiscal Year 2021-2022.

#### **IX. OTHER MATTERS/ADJOURNMENT**

There being no other matter to discuss, on motion duly made and seconded, the meeting was thereupon adjourned.

Attest:

**PEDRO O. ROXAS**  
Chairman of the Board

**AIMEE E. PEDAYO**  
Asst. Corporate Secretary

## TALLIES OF THE VOTES:

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Stockholders' Meeting held on 17 March 2021	<b>1,328,738,448</b> shares or <b>99.99%</b> of the total outstanding shares of stock present in the meeting.	NONE	<b>150,000 shares</b> or <b>0.00%</b> of the total issued and outstanding shares of stock present in the meeting.
Approval of the Annual Report to the Stockholders for the fiscal year ending 30 September 2021	<b>1,328,738,448</b> shares or <b>99.99%</b> of the total outstanding shares of stock present in the meeting.	NONE	<b>150,000 shares</b> or <b>0.00%</b> of the total issued and outstanding shares of stock present in the meeting.
Approval of all acts and resolutions of the Board of Directors and Management	<b>1,328,738,448</b> shares or <b>99.99%</b> of the total outstanding shares of stock present in the meeting.	NONE	<b>150,000 shares</b> or <b>0.00%</b> of the total issued and outstanding shares of stock present in the meeting.
Election of the Board of Directors	<b>1,328,738,448</b> shares or <b>99.99%</b> of the total outstanding shares of stock present in the meeting.	NONE	<b>150,000 shares</b> or <b>0.00%</b> of the total issued and outstanding shares of stock present in the meeting.
Election of the external auditors	<b>1,328,738,448</b> shares or <b>99.99%</b> of the total outstanding shares of stock present in the meeting.	NONE	<b>150,000 shares</b> or <b>0.00%</b> of the total issued and outstanding shares of stock present in the meeting.