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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. FLORENCIO M. MAMAUAG, JR.

771-7800

September 30
Month Day
Fiscal Year

SEC FORM 17-Q
Form Type

February 3rd 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

LCU

Document I.D.

Cashier

STAMPS

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

(Company's Full Name)

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

(Company's Address)

(632) 771-7800

(Company's Telephone Number)

September 30, 2017

(Fiscal Year Ending)

SEC Form 17-Q

(Form Type)

Amended Designation (If Applicable)

December 31, 2016

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarter ended: **31 December 2016**
2. Commission Identification Number **15A**
3. BIR Tax Identification No. **000-290-538**
4. Exact name of registrant as specified in its charter **ROXAS HOLDINGS, INC. (FORMERLY
CENTRAL AZUCARERA DON PEDRO)**
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code:
7. Address of principal office
**14th Floor, Net One Center, 26th corner 3rd Avenue,
Bonifacio Global City, Taguig, Metro Manila**
Postal Code
1634
8. Registrant's telephone number, including area code
(632) 771-7800
9. Former name, former address and former fiscal year, if changed since last report
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares and Amount of Debt Outstanding
Authorized Capital Stock:	
No. of common shares issued and outstanding	1,439,441,965
No. of preferred shares issued and outstanding	-
11. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes ☒No ☐

12. Indicate by check mark whether the registrant:

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

Yes ☒ [X]

No ☐ []

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

Yes ☒ [X]

No ☐ []

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ROXAS HOLDINGS, INC. AND SUBSIDIARIES

Unaudited Interim Condensed Consolidated Financial Statements
December 31, 2016 (With Comparative Audited Figures as at September 30, 2016)
and for the Three-Month Periods Ended December 31, 2016 and 2015

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016

(With Comparative Audited Balances as at September 30, 2016)

(Amounts in Thousands)

	Notes	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
ASSETS			
Current Assets			
Cash	3	P485,667	P704,522
Trade and other receivables	4	1,275,237	1,331,026
Inventories	5	2,608,457	1,601,818
Other current assets	6	1,340,016	846,985
Total Current Assets		5,709,377	4,484,351
Noncurrent Assets			
Investment in an associate	7	688,197	648,868
Property, plant and equipment:	8		
At cost		10,222,986	10,310,723
At appraised values		4,379,780	4,379,780
Investment properties		320,812	320,812
Goodwill		1,079,615	1,079,615
Retirement assets		106,835	106,835
Net deferred tax assets		305,029	253,037
Other noncurrent assets		69,478	74,003
Total Noncurrent Assets		17,172,732	17,173,673
		P22,882,109	P21,658,024
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term borrowings	9	P3,944,339	P2,914,339
Current portion of long-term borrowings	11	539,093	379,954
Trade and other payables	10	1,463,600	1,071,901
Income tax payable		1,895	1,751
Total Current Liabilities		5,948,927	4,367,945

(Forward)

		December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
	Notes		
Noncurrent Liabilities			
Long-term borrowings - net of current portion	11	₱5,818,914	₱6,055,566
Retirement liabilities		320,000	327,952
Net deferred tax liabilities		1,131,642	1,131,642
Other noncurrent liabilities		1,300	1,300
Total Noncurrent Liabilities		7,271,856	7,516,460
Total Liabilities		13,220,783	11,884,405
Equity Attributable to the Equity Holders of the Parent Company			
	12		
Capital stock		1,439,442	1,439,442
Additional paid-in capital		2,425,550	2,425,550
Treasury stock		(52,290)	(52,290)
Other equity reserves		3,281,436	3,281,436
Retained earnings		2,503,364	2,613,961
		9,597,502	9,708,099
Non-controlling Interests		63,824	65,520
Total Equity		9,661,326	9,773,619
		₱22,882,109	₱21,658,024

See accompanying Notes to Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2016 AND 2015
(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	Notes	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
REVENUE	14	₱1,490,228	₱2,705,851
COST OF GOODS SOLD	15	(1,383,076)	(2,593,056)
GROSS INCOME		107,152	112,795
OPERATING EXPENSES	16	(230,044)	(240,539)
INTEREST EXPENSE		(97,903)	(106,245)
SHARE IN NET EARNINGS OF AN ASSOCIATE	7	39,329	38,862
OTHER INCOME - Net	18	10,303	13,906
LOSS BEFORE INCOME TAX		(171,163)	(181,221)
INCOME TAX BENEFIT (EXPENSE)			
Current		(328)	(2,974)
Deferred		59,198	59,356
		58,870	56,382
NET LOSS / TOTAL COMPREHENSIVE LOSS		(₱112,293)	(₱124,839)
Net loss / total comprehensive loss attributable to:			
Equity holders of the Parent Company		(₱110,597)	(₱120,962)
Non-controlling interests		(1,696)	(3,877)
		(₱112,293)	(₱124,839)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Basic		(₱0.08)	(₱0.11)
Diluted		(₱0.08)	(₱0.11)

See accompanying Notes to Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2016 AND 2015
(Amounts in Thousands)**

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
CAPITAL STOCK	₱1,439,442	₱1,169,289
ADDITIONAL PAID-IN CAPITAL	2,425,550	2,425,550
TREASURY STOCK	(52,290)	(52,290)
OTHER EQUITY RESERVES	3,281,436	3,281,436
RETAINED EARNINGS		
Beginning balance	2,613,961	2,515,315
Net loss	(110,597)	(120,962)
	2,503,364	2,394,352
NON-CONTROLLING INTERESTS		
Beginning balance	65,520	163,576
Loss attributable to non-controlling interests	(1,696)	(3,876)
	63,824	159,699
TOTAL EQUITY	₱9,661,326	₱8,396,177

See accompanying Notes to Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2016 AND 2015
(Amounts in Thousands)

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P171,163)	(P181,221)
Adjustments for:		
Depreciation and amortization	255,625	220,246
Interest expense	97,903	106,245
Share in net earnings of associate	(39,329)	(38,862)
Operating income before changes in working capital	143,036	106,408
Increase in:		
Trade and other receivables	(46,703)	(239,708)
Inventories	(1,006,640)	(227,970)
Other current assets	(486,009)	(227,033)
Increase (decrease) in:		
Trade and other payables	391,699	389,305
Retirement liabilities	(7,951)	13,556
Net cash flows used in operating activities	(1,012,568)	(185,442)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(167,888)	(308,676)
Proceeds from dividends received	102,492	63,379
Decrease (increase) in other noncurrent assets	4,525	(59,624)
Payment of preferred shares	—	(38,850)
Net cash flows used in investing activities	(60,871)	(343,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments of short-term borrowings	1,030,000	1,251,708
Payments of:		
Long-term borrowings	(77,513)	(443,577)
Interest	(97,903)	(106,245)
Net cash flows provided by financing activities	854,584	701,886
NET INCREASE (DECREASE) IN CASH	(218,855)	172,673
CASH AT BEGINNING OF PERIOD	704,522	202,415
CASH AT END OF PERIOD	P485,667	P375,088

See accompanying Notes to Financial Statements.

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

1. Corporate Information

Roxas Holdings, Inc. (RHI or the Parent Company), doing business under the name and style of CADP Group, was organized in the Philippines and registered with the 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 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 Limited (FPNRL), a subsidiary of First Pacific Company, Ltd. (First Pacific), a Hong Kong-based company, reducing RCI's equity interest in the Parent Company to 35%. As at September 30, 2014, RCI has 36% equity interest of the Parent Company.

On February 28, 2015, First Agri Holdings Corporation (FAHC), a Philippine affiliate of FPNRL, acquired 241,780,709 treasury shares of the Company amounting to ₱1,692.5 million representing 24% interest in the Parent Company. As a result, equity interest of RCI in the Parent Company was further diluted from 35% to 28%.

The Parent Company completed its stock rights offering in May 2016 for 266,753,974 outstanding common shares of RHI, with par value of P1.00 a share, on a pre-emptive basis to holders of common shares of the capital stock of RHI as at May 4, 2016 (the "Record Date") at an offer price of ₱4.19 per Rights Share (the "Offer Price"). As a result, the equity interest of FAHC in RHI increased from 24% to 33%.

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

The interim condensed consolidated financial statements of the Parent Company and its subsidiaries (collectively, the Group) for the three-month period ended December 31, 2016 were authorized for issue in accordance with a resolution of the Board of Directors on February 1, 2017.

2. Basis of Preparation and Basis of Consolidation

Basis of Preparation

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

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

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Company's annual audited financial statements as at and for the year ended September 30, 2016, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Adoption of New and Revised PFRS

The Group adopted the following amendments and improvements to PFRS effective October 1, 2016 as summarized below.

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*, clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to PFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to PAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments do not have a significant impact on the Group's consolidated financial statements.
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests* (Amendments), require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business (as defined by PFRS 3), to apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. These amendments do not have any impact on the Group's consolidated financial statements.

- PFRS 14, *Regulatory Deferral Accounts*, allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of income and other comprehensive income (OCI). The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing PFRS preparer, this standard does not have any impact on the consolidated financial statements.
- PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure Initiative*, encourage entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, they clarify that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. Moreover, the amendments clarify that an entity's share in other comprehensive income of associates and joint ventures accounted for using equity method should be presented based on whether or not such other comprehensive income item will subsequently be reclassified to profit or loss. They further clarify that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements. These amendments do not have a significant impact on the Group's consolidated financial statements.
- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments), clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. These amendments do not have a significant impact on the Group's consolidated financial statements.
- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments), change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. These amendments have no impact to the Group as it does not have any bearer plants.
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments), allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. These amendments do not have a significant impact on the Group's consolidated financial statements.

- Annual Improvements to PFRS (2012 - 2014 cycle)

Among the improvements, the following amendments are relevant to the Group but had no material impact on the Group's consolidated financial statements as these amendments merely clarify the existing requirements:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*, is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*, requires an entity to provide disclosures for any *continuing* involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendment.
- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*, clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.
- PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*, clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied retrospectively.
- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*, clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). This amendment is applied retrospectively.

New and Revised PFRS Not Yet Adopted

Relevant new and revised PFRS, which are not yet effective for the year ended September 30, 2016 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2017

- PAS 7 (Amendments), *Statement of Cash Flows - Disclosure Initiative*, are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows (and non-cash changes). They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rates or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the statement of financial position including those changes identified immediately above.
- PAS 12 (Amendments), *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses*, clarifies how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost. The amendments provide guidance in the following areas where diversity in practice previously existed: (a) existence of a deductible temporary difference; (b) recovering an asset for more than its carrying amount; (c) probable future taxable profit against which deductible temporary differences are assessed for utilization; and, (d) combined versus separate assessment of deferred tax asset recognition for each deductible temporary difference.

Effective for annual periods beginning on or after January 1, 2018

- PFRS 9, *Financial Instruments* (2014 or final version), reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015. The Group did not early adopt PFRS 9. The adoption of PFRS 9 is not expected to have any significant impact on the Group's consolidated financial statements

Effective for annual periods beginning on or after January 1, 2019

- PFRS 16, *Leases*, will eventually replace PAS 17, *Leases*, the current leases standard, and the related Interpretations. Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statements of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their statement of comprehensive income.

Leases with a term of twelve months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The Group is currently assessing the impact of PFRS 16 in its consolidated financial statements.

With Deferred Effective Date

- PFRS 10 (Amendments), Consolidated Financial Statements, and PAS 28 (Amendments), Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture, requires full recognition in the investor’s financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3, Business Combinations, between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor’s interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries, which it controls as at September 30 of each year. The Parent Company has control over the investee when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Following is the list of the subsidiaries:

	Percentage of Ownership			Nature of Business	Principal Place of Business
	2017	2016	2015		
Central Azucarera Don Pedro, Inc. (CADPI) ⁽¹⁾	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)	100.00%	100.00%	100.00%	Insurance agency	Makati City
Roxol Bioenergy Corp. (RBC) ⁽¹⁾	100.00%	100.00%	100.00%	Production and selling of bioethanol fuel and trading of goods such as sugar and related products	Negros Occidental
CADP Port Services, Inc. (CPSI)	100.00%	100.00%	100.00%	Providing ancillary services	Makati City
RHI Agri-Business Development Corporation (RABDC) ⁽²⁾	100.00%	100.00%	100.00%	Agricultural business	Batangas City
Roxas Pacific Bioenergy Corporation (RPBC) ⁽²⁾	100.00%	100.00%	100.00%	Holding company for bioethanol investments	Negros Occidental
RHI Pacific Commercial Corp. (RHIPCC) ⁽²⁾	100.00%	100.00%	100.00%	Selling arm of RHI Group	Makati City
San Carlos Bioenergy, Inc. (SCBI) ⁽³⁾	93.68%	93.68%	93.68%	Production and selling of bioethanol fuel	Negros Occidental
Najalin Agri Ventures, Inc. (NAVI)	77.38%	77.38%	77.38%	Agricultural and industrial development	Negros Occidental
Roxas Power Corporation (RPC)	50.00%	50.00%	50.00%	Sale of electricity	Nasugbu, Batangas

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

⁽²⁾ Newly incorporated wholly owned subsidiaries in 2015. As at September 30, RABDC and RHIPCC have not yet started commercial operations

⁽³⁾ Acquired in April 2015 through RPBC

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

3. Cash and Cash Equivalents

This account consists of:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Cash on hand	₱2,635	₱612
Cash in banks	483,032	703,910
	₱485,667	₱704,522

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

4. Trade and Other Receivables

This account consists of:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Trade	₱1,068,313	₱889,411
Due from:		
Planters and cane haulers	128,430	246,978
Employees	60,966	59,005
Related parties	32,523	37,525
Dividend	—	102,492
Advances to suppliers	—	5,306
Others	71,515	76,819
	1,361,747	1,417,536
Allowance for impairment losses	(86,510)	(86,510)
	₱1,275,237	₱1,331,026

5. Inventories

This account consists of:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
At NRV:		
Materials and supplies	₱640,339	₱545,547
At cost:		
Raw sugar	1,191,057	—
Molasses	514,877	361,095
Alcohol	207,288	100,235
Refined sugar	47,618	594,941
Others	7,278	—
	₱2,608,457	₱1,601,818

The cost of materials and supplies valued at NRV amounted to ₱668.6 million and ₱573.8 million as at December 31 and September 30, 2016.

6. Other Current Assets

This account consists of:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Creditable withholding taxes, net of allowance for impairment loss	₱540,352	₱506,331
Input VAT	287,147	264,494
Advances to suppliers	129,970	32,073
Prepayments and refundable deposits	71,529	37,778
Others	311,018	6,309
	₱1,340,016	₱846,985

Allowance for impairment loss on creditable withholding taxes amounted to ₱12.2 million.

Input VAT, which includes deferred input VAT, mainly arises from construction services relating to the Ethanol Plant and other purchases of capital goods and services for operations.

7. Investment in an Associate

Movements in investment in an associate are as follows:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Acquisition cost	₱127,933	₱127,933
Accumulated share in net earnings:		
Balance at beginning of period	322,648	345,350
Share in net earnings	39,329	212,258
Dividends received	—	(234,960)
Balance at end of the period	361,977	322,648
Cumulative share in remeasurement loss		
on retirement liability		
Balance at beginning of period	(9,205)	(6,175)
Share in remeasurement loss	—	(3,030)
Balance at end of the period	(9,205)	(9,205)
Share in revaluation increment of land	207,492	207,492
	₱688,197	₱648,868

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

Summarized financial information of HPCo are as follows:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Current assets	₱821,054	₱799,763
Noncurrent assets	1,317,137	1,325,835
Current liabilities	634,960	674,682
Noncurrent liabilities	410,883	419,578
Net assets	1,092,348	1,031,338
Revenue	423,358	2,381,952
Net income	87,224	470,743

8. Property, Plant and Equipment

Acquisitions and disposals

During the three months ended December 31, 2016, the Group acquired assets amounting to ₱24.1 million excluding property under construction.

The Group also started several capital expenditures. The projects with carrying amount of ₱143.7 are expected to be completed within a year.

Certain property, plant and equipment with a carrying amount of ₱9,674.6 million were mortgaged and used as collateral to secure the loan obligations with the local banks (see Note 11).

9. Short-term Borrowings

This account consists of unsecured short-term loans obtained from various local banks for the working capital requirements of the Group. The short-term borrowings are payable within 30 to 90 days and bear interest ranging from 3.0% to 5.5% and 2.75% to 3.5% for the periods ended December 31, 2016 and September 30, 2016, respectively.

In 2016, short-term loans amounting to ₱1,400.0 million were reclassified as noncurrent liabilities. The Group intends to refinance the said loans using the approved 6-year Term Loan Facility dated September 30, 2016 amounting to ₱1,800.0 million. Subsequently, on December 1, 2016, the ₱1,400.0 million was availed against the 6-year Term Loan Facility to refinance the short-term loans (see Note 11).

Total interest expense arising from short-term borrowings amounted to ₱32.5 million and ₱25.9 million for the three-month periods ended December 31, 2016 and 2015, respectively.

10. Trade and Other Payables

This account consists of:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Trade	₱688,214	₱338,372
Accrued expenses	563,741	522,520
Due to:		
Related parties	99,571	98,936
Planters	—	4,985
Payable to government agencies for taxes and statutory contributions	16,482	30,058
Provision for probable losses	—	22,000
Customers' deposits	79,934	7,513
Others	15,658	47,517
	₱1,463,600	₱1,071,901

11. Long-term Borrowings

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

Facility	Terms	Collateral	Outstanding Balance	
			December 31, 2016	September 30, 2016
₱3,265.0 million dated February 8, 2014	Payable in equal quarterly amortization for seven years beginning November 2016 and bears fixed interest of 4.50% for three years subject to repricing thereafter	Suretyship agreement and mortgage trust indenture (MTI)	₱2,645,000	₱2,645,000
₱1,227.0 million dated May 27, 2014	Quarterly principal repayment amounting to ₱49.0 million until June 2021 and a lump sum payment of the remaining balance on September 10, 2021 and bears fixed interest of 4.50% subject to change as agreed by the parties	Suretyship agreement and MTI	1,227,000	1,227,000
₱800.0 million dated April 11, 2016	Quarterly principal repayment amounting to ₱100.0 million until December 2019 with one year grace period and bears fixed interest rate of 4.50% subject to change as agreed by the parties	Suretyship agreement and MTI	800,000	800,000
₱800.0 million dated February 5, 2016	Long-term	Clean loan	800,000	800,000
₱1,000.0 million dated September 28, 2016	Long-term	Clean loan	600,000	600,000
₱380.0 million dated May 27, 2014	Quarterly principal repayment amounting to ₱10.1 million until June 2021 and a lump sum payment of the remaining balance on September 10, 2021 and bears fixed interest of 4.50% subject to change as agreed by the parties	Suretyship agreement and MTI	300,000	380,000
₱1,500.0 million dated February 14, 2008 amended on February 6, 2012	Payable in 15 equal consecutive quarterly installments beginning November 5, 2014 until May 5, 2018 and bears fixed interest of 5.5%	Suretyship agreement and MTI	500	500
Others			2,000	822
Unamortized transaction costs			6,374,500	6,453,322
Long-term, net of unamortized transaction costs			(16,493)	(17,802)
Current portion			6,358,007	6,435,520
			(539,093)	(379,954)
			₱5,818,914	₱6,055,566

Suretyship Agreement and Mortgage Trust Indenture (MTI)

In relation with the BDO Loan Facility, RHI, CADPI and CACI, entered into a Continuing Suretyship Agreement with BDO. Under this Agreement, BDO has the right to set-off the secured obligations in solidarity against all the borrowers' properties.

On February 14, 2008, RHI, CADPI, CACI and RBC entered into a separate Suretyship Agreement arising out of the Syndicated Loan Agreement with BPI, which warrants the due and faithful performance by the borrowers of all obligations due to the creditor banks, BPI and RCBC. The suretyship remains in full force and effect until full payment of the indebtedness under the Syndicated Loan Agreement. In addition, all liens of the creditor banks have rights of set-off in solidarity against the borrower's properties.

Loan Covenants

The foregoing loan agreements, except for the Syndicated Loan with DBP, are subject to certain covenants, such as but not limited to:

- maintenance of debt service coverage ratio (DSCR) of at least 1.25 times and debt-to-equity ratio of not more than 70:30;
- prohibition on purchase of additional equipment, except in pursuance of its sugar expansion and ethanol project, unless the required financial ratios are maintained;
- prohibition on any material change in ownership or control of its business or capital stock or in the composition of its top level management, unless the required financial ratios are maintained; and
- prohibition on declaration or payment of dividends or any other capital or other asset distribution to its stockholders, unless the required financial ratios are maintained.

As at December 31, 2016 and September 30, 2016, the Group is in compliance with the foregoing loan covenants, particularly on the required financial ratios.

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

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Less than one year	₱539,093	₱379,954
Between one to two years	968,130	968,130
Between two to five years	4,113,361	4,113,361
Between five to eight years	753,916	991,877
	₱6,374,500	₱6,453,322

12. Equity

The Company completed its stock rights offering in May 2016 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").

Details of capital stock and treasury stock follow:

	December 31, 2016 (Unaudited)		September 30, 2016 (Audited)	
	Number of Shares	Amount (in Thousands)	Number of Shares	Amount (in Thousands)
Authorized – common shares “Class A” at ₱1.0 par value	1,500,000,000	₱1,500,000	1,500,000,000	₱1,500,000
Issued:				
Balance at beginning of period	1,439,442,161	₱1,439,442	1,169,288,884	₱1,169,289
Issuances	–	–	270,153,277	270,153
Balance at end of period	1,439,442,161	1,439,442	1,439,442,161	1,439,442
Treasury stock	(17,643,480)	(52,290)	(17,643,480)	(52,290)
Issued and outstanding	1,421,798,681	₱1,387,152	1,421,798,681	₱1,387,152

13. Related Party Transactions and Balances

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

- The Group made advances to RHIRFI, CADPIRFI and CACIRFI for a portion of the retirement payments made to the Group’s qualified retired employees under defined benefit plan. Advances to RHIRFI, CADPIRFI and CACIRFI are included in “Trade and other receivables” account.
- Due to related parties, which are presented as part of “Trade and other payables” account, represents noninterest-bearing payable arising from advances and rent of office space from CADPIRFI.
- RCBC, a creditor of CADPI and CACI, owns 34.5 million shares or 2.99% interest in RHI as at December 31, 2016 and September 30, 2016, respectively.

Outstanding balances of transactions with related parties are unsecured and settlements are made in cash. The Group did not recognize any provision for impairment for the three-month periods ended December 31, 2016 and 2015. This assessment is undertaken each reporting period by reviewing the financial position of the related party and the market in which the related party operates.

14. Revenue

The components of revenue are as follows:

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
Sale of:		
Raw sugar	₱425,190	₱1,229,785
Alcohol	578,508	911,246
Refined sugar	412,306	544,778
Molasses	67,222	11,380
Power	2,962	8,325
Others	4,040	337
	₱1,490,228	₱2,705,851

15. Cost of Goods Sold

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
Direct materials used	₱437,311	₱1,384,087
Planters' subsidy and productivity assistance	222,764	423,468
Depreciation and amortization	236,697	205,795
Repairs and maintenance	121,470	99,531
Personnel costs	102,859	90,614
Fuel and oil	77,670	102,231
Insurance	56,145	68,517
Outside services	33,187	19,687
Rent	24,446	46,785
Taxes and licenses	20,842	33,096
Communication, light and water	12,388	23,821
Materials and consumables	11,059	70,324
Others	26,238	25,101
	₱1,383,076	₱2,593,057

16. Operating Expenses

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
General and administrative expenses	₱226,007	₱234,562
Selling expenses	4,037	5,977
	₱230,044	₱240,539

General and Administrative Expenses

The components of general and administrative expenses are as follows:

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
Personnel costs	₱86,501	₱85,096
Outside services	20,848	38,556
Depreciation and amortization	18,928	14,450
Professional fees	13,677	5,824
Taxes and licenses	11,819	23,638
Insurance	8,198	12,159
Repairs and maintenance	6,619	3,802
Communication, light and water	5,175	6,456
Selling expenses	4,037	5,977
Others	54,242	44,581
	₱230,044	₱240,539

Others mainly pertain to rent, corporate social responsibility expenses and research and development costs, among others.

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

17. Personnel Costs

The amount of personnel costs are allocated as follows:

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
Costs of goods sold	₱102,859	₱90,614
General and administrative expenses	86,501	85,096
	₱189,360	₱175,710

18. Other Income (Charges)

This account consists of:

	December 31, 2016 (Unaudited)	December 31, 2015 (Unaudited)
Storage, handling and insurance fees	₱8,263	₱5,657
Sales of scrap	3,283	14
Rent income	—	6,132
Others	(1,243)	2,103
	₱10,303	₱13,906

19. Financial Instruments

Financial Risk Management Objectives and Policies

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

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

Liquidity risk

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

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

Credit risk

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

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

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

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

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

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

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Cash in banks	₱483,032	₱703,910
Trade receivables*	1,006,493	850,235
Due from planters and cane haulers*	103,856	209,235
Dividend receivable	—	102,492
Due from employees*	60,850	58,272
Due from related parties	32,523	37,525
Other receivables*	71,515	67,961
	₱1,758,269	₱2,029,630

**Net of allowance for impairment losses totaling ₱86.5 million as at December 31, 2016 and September 30, 2016.*

Collaterals and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. As at December 31, 2016 and September 30, 2016, the Group did not hold collateral from any counterparty.

valuation parameters. As at December 31, 2016 and September 30, 2016, the Group did not hold collateral from any counterparty.

Credit quality per class of financial assets

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

Impairment assessment

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

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

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

Commodity price risk

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

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

Interest rate risk

The primary source of the Group's interest rate risk relates to financial liabilities which bear floating interest rates amounting to ₱1,756.6 million and ₱356.3 million as at December 31, 2016 and September 30, 2016, respectively.

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

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

Capital Management

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

The Group's dividend declaration is dependent on availability of earnings and operating requirements. The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the periods ended December 31, 2016 and September 30, 2016.

Management considers the total consolidated equity reflected in the consolidated statement of financial position as its capital. The Group monitors its use of capital using leverage ratios, specifically, debt-to-equity ratio. It also monitors its DSCR to ensure that there would be sufficient amount of cash flow available to meet annual interest and principal payments on debt.

The Group is required to maintain a maximum debt-to-equity ratio of 2.33:1 and minimum DSCR of 1.25:1 by its creditor banks. The Group has the following debt-to-equity ratio:

	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)
Total liabilities	₱13,220,783	₱11,884,405
Total equity	9,661,326	9,773,619
Total liabilities and equity	₱22,882,109	₱21,842,744
Debt-to-equity ratio	1.37:1.00	1.22:1.00

Fair Values

The carrying values of the Company's financial assets and financial liabilities approximate their fair values as at December 31, 2016 and September 30, 2016. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

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

Long-term borrowings. Fair values of long-term borrowings as at December 31, 2016 and September 30, 2016 were determined based on Level 2 in which the inputs are based on the discounted interest rate of the prevailing comparable instrument in the market.

20. Segment Reporting

The Group has three reportable segments: sugar, alcohol and others. The Group's sugar segment consists of four operating subsidiaries: CADPI, CACI, NAVI and RABDC that manufactures and sells raw and refined sugar, molasses and provides tolling and farm operations services. The alcohol segment consists of two operating subsidiaries: RBC and SCBI that manufactures and sells bioethanol fuel. Other segments of the Group, pertain mainly to manufacture and sale of power and CO², holding companies, and subsidiaries with no operations yet.

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

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

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

	Three Months Ended December 31, 2016				
	Sugar	Alcohol	Others	Eliminations	Consolidated
Revenue:					
External customers	₱905,772	₱583,255	₱1,201	₱-	₱1,490,228
Inter-segment	-	220,929	-	(220,929)	-
Cost of goods sold:					
Direct materials used	16,970	420,341	-	-	437,311
Planters' subsidy and productivity assistance	222,764	-	-	-	222,764
Depreciation and amortization	151,378	54,575	1,744	-	207,697
Fuel and oil	21,309	56,329	32	-	77,670
Interest expense	81,450	3,987	12,465	-	97,902
Segment profit (loss)	(117,451)	(9,634)	14,792	-	(112,293)
Segment assets	16,158,676	6,307,365	16,868,168	(16,452,100)	22,882,109

	Three Months Ended December 31, 2015				
	Sugar	Alcohol	Others	Eliminations	Consolidated
Revenue:					
External customers	₱1,785,943	₱919,571	₱337	₱-	₱2,705,851
Inter-segment	187,279	-	-	(187,279)	-
Cost of goods sold:					
Direct materials used	807,424	576,663	-	-	1,384,087
Planters' subsidy and productivity assistance	421,777	1,691	-	-	423,468
Depreciation and amortization	155,704	50,091	-	-	205,795
Fuel and oil	61,119	41,112	-	-	102,231
Interest expense	57,774	48,471	-	-	106,245
Segment profit (loss)	81,786	44,153	(1,100)	-	124,839
Segment assets	15,352,428	5,889,528	8,749,198	(8,333,130)	21,658,024

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

The following Management Discussion and Analysis should be read in connection with the submitted Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2016 and September 30, 2016 and for three-month periods ended December 31, 2016 and 2015.

Financial Highlights and Key Performance Indicators

Amounts in Millions except Shares	December 31, 2016 (Unaudited)	September 30, 2016 (Audited)	Increase (Decrease)	
			Amount	%
Balance Sheet				
Fixed assets	₱14,603	₱14,691	₱88	0%
Goodwill	1,080	1,080	—	—
Total assets	22,882	21,658	1,224	6%
Shareholders' equity	9,661	9,774	(113)	(1%)
Net debt ⁽¹⁾	9,817	8,645	1,172	14%
Equity ratio	42.2%	45.1%	—	(2%)
Net debt as % of equity	1.02x	0.88x	0.14x	16%
Shares				
Market capitalization	3,910	4,820	(910)	(19%)
Total shares issued	1,422	1,422	—	—
Closing price per share	2.75	3.39	0.64	(19%)

Amounts in Millions except Operational Data	Three Months Ended		Increase (Decrease)	
	December 31 (Unaudited)	2015	Amount	%
Revenue and Earnings				
Revenue	₱1,490	₱2,706	(₱1,216)	(45%)
Gross profit	107	113	(6)	(5%)
Depreciation	256	220	36	16%
Operating expenses	230	241	(11)	(5%)
Interest expense	98	106	(8)	(8%)
Net loss	(112)	(125)	(13)	(10%)
EBITDA	182	145	37	26%
EBITDA margin ⁽²⁾	12.2%	5.4%	—	7%
Return on equity	(1.2%)	(1.3%)	—	0%
Loss per share	(0.08)	(0.11)	(0.03)	(27%)
Cash Flow and Investments				
Availment of short-term borrowings	1,030	1,252	(222)	(18%)
Investment in fixed assets	(168)	(309)	(141)	(46%)
Cash balance	486	375	111	30%
Operational Data (volume in thousands)				
Tons cane milled	813	839	(26)	(3%)
Production:				
Raw sugar (Lkg)	1,554	1,545	9	1%
Ethanol (liters)	13,244	17,102	(3,858)	(23%)

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

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

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

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

Company Overview

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

- Central Azucarera Don Pedro, Inc. (CADPI), located in Batangas, provides the refined sugar requirements of traders and industrial customers such as multinational food and beverage and pharmaceutical companies in Luzon.
- Central Azucarera de La Carlota, Inc. (CACI), based in La Carlota City, Negros Occidental where there is substantial sugar activity and also near the port for export, meets the raw sugar requirements of customers in the Visayas.
- Roxol Bioenergy Corporation (RBC), also based in La Carlota City, Negros Occidental, is the bioethanol unit of RHI. It operates as a standalone ethanol production facility
- San Carlos Bioenergy, Inc. (SCBI), located at San Carlos Ecozone, Barangay Palampas and Punao, San Carlos City, Negros Occidental, operates integrated sugar mill and bioethanol distillery complex.
- Najalin Ventures, Inc. (NAVI), based in Negros Occidental, is engaged in agricultural and industrial development.
- RHI Agri-Business Development Corporation (RHIADC), located in Batangas City, will manage and operate agricultural land and planting and cultivation of sugar cane and other farm products, has not yet started commercial operations as at December 31, 2016.

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

Results of Operations

Revenues

Amounts in Millions	Three Months Ended		Increase (Decrease)	
	December 31		Amount	%
	2016	2015		
Raw sugar	₱425	₱1,230	(₱805)	(65%)
Refined sugar	412	545	(133)	(24%)
Molasses	67	11	56	509%
	904	1,786	(882)	(49%)
Alcohol	579	911	(332)	(36%)
Others	7	9	(2)	(22%)
	₱1,490	₱2,706	(₱1,216)	(45%)

Consolidated revenues for the three months ended December 31, 2016 amounted to ₱1,490 million, ₱1,216 million or 45% lower than the ₱2,706 million consolidated revenue reported in the same period in 2015, primarily due to lower sales volume and prices of sugar and alcohol.

Sugar - Revenues from sugar operations decreased by ₱882 million or 49% against last year's revenue of ₱1,786 million, primarily due to decrease in volume sold and average selling prices of raw sugar. Raw sugar sales volume decreased by 432 Lkg or 61% this year from 706 Lkg in 2015. In addition, refined sugar sales volume decreased by 67 Lkg or 26% versus last year's sales volume of 260 Lkg. Average selling prices per Lkg of raw and refined sugar in 2016 amounted to ₱1,532 and ₱2,142, respectively, from ₱1,742 and ₱2,095 in 2015, respectively. The Group opted to preserve its raw sugar mill share from its first quarter production for later refining and sale to maximize profitability.

Alcohol - Revenue from alcohol operations amounted to ₱579 million and ₱911 million in 2016 and 2015, respectively. The decrease of ₱332 million of 36% is due to lower volume sold in 2016 by 5,753 liters.

Other income - Other revenues pertains to sale of power and CO₂ of SCBI.

Gross Profit

The Group's gross profit for the three months ended December 31, 2016 amounted to ₱107 million, ₱6 million or 5% lower than the ₱113 million in 2015 due to the combined effect of the following: (i) lower sales volume and decrease in average selling price of sugar, and (ii) lower average manufacturing cost per unit.

Sugar - The sugar operation's gross profit amounted to ₱74 million, down by ₱23 million or 24% from ₱97 million reported in the same period in 2015. Despite the later start of the milling season and the effect of unseasonally wet weather conditions which hampered sugar cane harvesting operations, the Group managed to slightly improve sugar production to 1,554 million Lkg bags from 1,545 million Lkg bags in 2015, due to mill operating efficiencies and improvements in partnerships with the planters.

Alcohol - The gross profit of alcohol for the three months ended December 31, 2016 amounted to ₱33 million, which doubled from ₱16 million in the same period in 2015. Ethanol production for the three months ended December 31, 2016 of 13 million liters is lower by 4 million liters or 23% of the 17 million liters produced in 2015.

Operating Expenses

<i>Amounts in Millions</i>	Three Months Ended December 31		Increase (Decrease)	
	2016	2015	Amount	%
Salaries, wages and other employee benefits	₱87	₱85	₱2	2%
Outside services	21	39	(18)	(46%)
Taxes and licenses	12	24	(12)	(50%)
Depreciation and amortization	19	14	5	36%
Insurance	8	12	(4)	(33%)
Others	83	67	16	24%
	₱230	₱241	(₱11)	(5%)

Consolidated operating expenses for the three months ended December 31, 2016 decreased by ₱11 million or 3% compared to the same period in 2015.

Interest

Interest expense amounted to ₱98 million for the three months ended December 31, 2016, which is 8% or ₱8 million lower than the ₱106 million reported in the same period in 2015.

Share in Net Earnings of an Associate

Share in net earnings of an associate amounted to ₱39 million for the three months ended December 31, 2016 and in the same period last year.

Net Loss

Consolidated net loss for the three months ended December 31, 2016 amounted to ₱112 million, which is ₱13 million or 10% lower than the ₱125 million reported in the same period in 2015. The decrease is due to lower operating expenses incurred during the first quarter of fiscal year 2017.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) amounted to ₱182 million for the three months ended December 31, 2016, which is ₱33 million or 22% higher than ₱145 million reported in the same period in 2015.

Financial Condition

Consolidated total assets as at December 31, 2016 amounted to ₱22,882 million, which is ₱1,224 million or 6% higher than the ₱21,658 million as at September 30, 2016. Current assets went up by 27% or ₱1,224 million from ₱4,485 million as at September 30, 2016 to ₱5,709 million as at December 31, 2016. Inventories increased by ₱1,006 million in 2016 as the Group opted to preserve its raw sugar mill share from its first quarter production for later refining and sale to maximize profitability.

During the three months ended December 31, 2016, the Group availed of ₱1,030 million short-term loans and repaid a total of ₱78 million in long-term borrowings.

Trade and other payables amounted to ₱1,464 million as at December 31, 2016, which is ₱392 million higher than ₱1,072 million as at September 30, 2016.

Off-Balance Sheet Arrangements

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

OTHER INFORMATION

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

2. Composition of Board of Directors;

Name	Position
PEDRO E. ROXAS	Chairman
MANUEL V. PANGILINAN	Vice Chairman
HUBERT D. TUBIO	President and CEO
CHRISTOPHER H. YOUNG	Director
RAY C. ESPINOSA	Director
ALEX ERLITO S. FIDER	Director
SANTIAGO R. ELIZALDE	Director
OSCAR J. HILADO	Independent Director
DAVID L. BALANGUE	Independent Director

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

See interim condensed consolidated financial statements and management's discussion and analysis of results of operations and financial conditions

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

SIGNATURE

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

Registrant

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

Signature and Title:



FLORENCIO M. MAMAUAG, JR
VP Legal and Compliance Officer



CELSO T. DIMARUCUT
EVP / Chief Finance Officer

February 1, 2017

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX A. AGING OF TRADE AND OTHER RECEIVABLES
AS AT DECEMBER 31, 2016
(Amounts in Thousands)

	Current	Past due but not impaired			Subtotal	Impaired	Total
		1-30 days	31-60 days	Over 60 days			
Trade	₱813,213	₱38,301	₱13,312	₱141,668	₱193,280	₱61,820	₱1,068,313
Due from:							
Planters	103,856	—	—	—	—	24,574	128,430
Employees	60,850	—	—	—	—	116	60,966
Related parties	32,523	—	—	—	—	—	32,523
Other receivables	71,515	—	—	—	—	—	71,515
	₱1,081,957	₱38,301	₱13,312	₱141,668	₱193,280	₱86,510	₱1,361,747

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX B. FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2016 AND 2015

(Amounts in Thousands)

		December 31	
		2016	2015
Current ratio	Current assets/Current liabilities	0.96	0.59
Debt to equity ratio	Total liabilities/Total equity	1.37	1.57
Asset to equity ratio	Total assets/Total equity	2.37	2.57
Return on assets	Net income/Total assets	(0.5%)	(0.6%)
Return on equity	Net income/Total equity	(1.2%)	(1.5%)
Book value per share	Total equity/Outstanding shares	6.80	5.91