

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS

ROXAS HOLDINGS, INC.

Held at the Turf Room, Manila Polo Club, Forbes Park, Makati City

15 February 2017 at 10:00 o'clock a.m.

ATTENDANCE

(in Person or via Proxy)

Total Shares Issued and Outstanding : 1,421,442,161

Total Shares Present : **1,135,054,519**

Percentage Present : **79.83%**

* Shares present owned by Majority

Shareholders (as a Group) : 777,052,594

* Other shareholders : 358,001,925

DIRECTORS PRESENT:

Mr. PEDRO E. ROXAS

Mr. HUBERT D. TUBIO

Mr. DAVID L. BALANGUE

Atty. RAY C. ESPINOSA

Mr. CHRISTOPHER H. YOUNG

Atty. ALEX ERLITO S. FIDER

Mr. OSCAR HILADO

Also Present:

Atty. Florencio M. Mamauag, Jr

Mr. Celso T. Dimarucut

Mr. Luis O. Villa-Abrille

Mr. George T. Cheung

Mr. Frederick E. Reyes

Mr. Servillano Jose I. Dunglao
Ms. Kathrina L. Sebastian
Ms. Veronica C. Cortez
Mr. Paul Edwin V. Lazaro
Atty. Ma. Hazel L. Rabara-Retardo

I. CALL TO ORDER

The Chairman, Mr. Pedro E. Roxas (Mr. Roxas), called the meeting to Order while the Assistant Corporate Secretary, Atty. Florencio M. Mamauag, Jr. (Atty. Mamauag), recorded the minutes of the proceedings.

II. CERTIFICATION OF QUORUM

The Assistant Corporate Secretary, Atty. Mamauag, 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. He then certified that there are present in person or by proxy, stockholders representing approximately eighty percent (80.00%) 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 duly made and seconded, the stockholders dispensed with the reading of the minutes of the annual meeting of stockholders of the Corporation held on 2 March 2016 and ratified the same.

IV. PRESENTATION AND APPROVAL OF THE ANNUAL REPORT

The Chairman's Report

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

The Chairman began his report with underscoring that Roxas Holdings, Inc. ("RHI" or the "Company") scored some measure of success in Fiscal Year 2016 as it kept to its set of right fundamentals and focused on executing its plans with precision.

Capitalizing on its strengths and seizing opportunities through synchronized action, RHI struck a balance between a generally soft global economic growth and an overall robust Philippine economy.

Mr. Roxas also said that the twin moves paved the way for the company's Net Income to soar 448% to PhP101.6 million from PhP18 million in the previous year, and our EBITDA to jump 34% to PhP1.3 billion from PhP1 billion previously.

However, higher interest and depreciation charges on investments for the expansion of the Company's ethanol plants and upgrading of its sugar mills to achieve higher efficiencies, affected profitability -- a situation that was deemed unavoidable for the short term. The ethanol plants had to halt production for a certain period to give way to expansion and the sugar mills had to adjust their tight schedules for the needed upgrades.

Mr. Roxas stated that despite these hurdles, it is with the Company's "can-do" attitude that RHI had made significant strides in various areas critical for the success of the businesses, namely: sugar, ethanol, and to some extent, agribusiness development and plantation, and co-generation.

In executing the Company's strategic initiatives, meticulously drawn from RHI's set of right fundamentals, RHI resorted to a Stock Rights Offering amounting to PhP1.1 billion in May 2016, which was fully subscribed. RHI also ventured into more engaging and frequent discussions and interactions with the planter-partners and other stakeholders; upgraded the plants to raise efficiency levels; and empowered the business units to make things happen.

Heeding the urgent call to revive the relationship with the Company's planter-partners, RHI collaborated with various planter groups and worked with them. Since then, RHI is now enjoying a more vibrant and more transparent relationship with these partner-planters and that the previous crop year saw a significant volume of sugarcane back to the Company's mills.

Mr. Roxas further stated that the upgrading of critical equipment at RHI's sugar mills and the expansion of its alcohol business were completed within the fiscal year but not without a hitch. The exercise had slowed down the Company's operations for a while but RHI made it through, and now, with the upgraded mills and expanded ethanol plants, the Company is confident that it will be able to steer back to greater profitability.

Finally, Mr. Roxas took the occasion to acknowledge the unwavering guidance and support of RHI's Board of Directors; the decisiveness of RHI's Management; the hard work of RHI's employees; and the trust that the shareholders give to the Company; and ended the presentation with an emphasis on the need to move with the times and execute the Company's

plans decisively at the right time and right place, with optimism and confidence that the right fundamentals will propel RHI to newer heights.

The PCEO's Report

Mr. Hubert D. Tubio (Mr. Tubio) started his report by highlighting that Fiscal Year 2016 saw some of the Company's efforts translate to a modest net income of PhP102 million, and EBITDA of PhP1.3 billion from last year's PhP19 million and PhP1 billion, respectively.

He stated that stronger average sugar prices and slight increases in tonnage at the Company's sugar mills, Central Azucarera Don Pedro, Inc. (CADPI) and Central Azucarera de la Carlota, Inc. (CACI), combined with an upswing in the production volume of RHI's ethanol business, boosted the Group's revenues. The upsides, however, were negated by the costs of cane acquisition, which narrowed the gross profit margins of RHI's sugar business to 8.1% from 11.3%.

The reduction in the gross profit of RHI's sugar unit was mitigated by the stellar results of affiliate Hawaiian-Philippine Company (HPCo) where RHI's share in its net income rose by PhP78 million to PhP212 million.

The succeeding crop years will benefit from the Group's initiatives in FY 2016-17 as most of the operational concerns were addressed at the start of the calendar year and well into the off-season.

Mr. Tubio also mentioned that the issues that were identified last year, such as factory reliability and efficiency, manpower quality and competence, planter relations, efficient support systems, among others, were adequately addressed. The Company expects these initiatives and disruptions to bring into fruition all the efforts the entire team of RHI has exerted so far, guided by the Board and the right fundamentals of the Company.

Initial results during the first quarter of FY 2016-17 indicated that CACI, which started milling operations on October 3, 2016, recorded the highest efficiency yield in LKg/TC in the whole of Negros, if not the Philippines. What needs to be done is to sustain the effort and meet the Company's targets.

He further mentioned that the RHI Board and Management expect that with the improved relationship with the planters, RHI can rein in the expenses on cane sourcing as the Company also projects a significant volume of sugarcanes moving back to RHI sugar mills.

On the other hand, he stated that RHI's Agribusiness Development Corporation/Plantation had began this FY 2015-16, an extensive collaboration with the planters by providing mechanical support to farms in Batangas and Negros Occidental, paving the way for quicker and more organized harvesting of sugarcanes and hauling, through a partnership with Metropac Movers, Inc. – a logistics company of Metro Pacific Investments Corp.

However, RHI still faces a lot of challenges --- headwinds that need to be overcome in all of its business units, i.e in the case of our sugar business, one of the world's largest sugar producers and our ASEAN neighbor, Thailand, is opening up new areas to boost its sugarcane industry. It is converting about 400,000 hectares of former rice lands to cultivate sugarcanes, and support the expansion of 12 existing sugar mills and the building of 20 new ones. Thus, dramatically increasing its sugar production from the present 11 million tons to 20 million tons of sugar annually by 2026. For reference, RHI's total annual sugar production in the Philippines is around 2.2 million to 2.4 million tons only. It is, therefore, imperative for the Company to manage its growth. RHI's production costs have to be more competitive in the market, anticipating the challenge of lower sugar prices in the coming seasons, which is also the pressure of the government to provide to the Filipino consumers. To do that, RHI's mills must have efficient equipment and effective people, and that RHI's relationship with planters and other partners is well nurtured, among others.

Further, Mr. Tubio informed that the increasing use of imported HFCS (High Fructose Corn Syrup) by beverage companies is displacing the demand for locally produced cane sugar, and has alarmed and threatened the sugarcane industry. It should therefore be fairly regulated and treated by the Philippine government in the same manner as imported sugar. Directly at stake is the livelihood of more than 700,000 marginal farmers and farm workers, which translates to affect about 3.5 million Filipinos.

For RHI's ethanol business, the Company needs to stabilize and further increase its daily production at both plants vis-à-vis the twin challenges of maintaining the environment and working out an optimal production mix between cane syrup and molasses. Targeted yields need to be sustained and production costs effectively managed.

The Government's proposed Comprehensive Tax Reform program, which would include new taxes on sugar and sugar-based products, and the proposal to impose taxes on sugar-sweetened beverages would definitely have some impact on RHI's business which the Company needs to comprehend and prepare for.

Meanwhile, he stated that RHI's co-generation program partnership with Global Business Power Corporation (GBPC) hit a snag as a result of the transmission line congestion created by the proliferation of solar energy companies all over Negros. The National Grid Corporation of the Philippines (NGCP) expects the completion of the power transmission highway in two to three years. Hopefully, this will also be "just in time" for RHI to make its co-generation project operational.

Mr. Tubio also stated that RHI is optimistic that it will continue to experience more robust growth this year and onwards, especially with the continuing support of the Board of

Directors, the agility of its Management Team to execute plans, the hard work of its employees, and the trust that the shareholders have on RHI to achieve its goals.

He then thanked the shareholders for staying with RHI and hope that the shareholders will continue to join the Company in seizing promising opportunities that abound in our key business interests: for sugar and ethanol, and other businesses that RHI may transform into.

Thereafter, on motion duly made and seconded, the Annual Report of the company for the fiscal year ending 30 September 2016 was approved, confirmed and ratified by the majority vote of the stockholders present.

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

On motion duly made and seconded, all acts, proceedings and resolutions of the Board of Directors and Management since the last annual meeting held on 2 March 2016 were approved, confirmed and ratified by the majority vote of the stockholders present.

VI. APPROVAL OF THE AMENDMENT TO ARTICLE VII OF THE ARTICLES OF INCORPORATION.

The Asst. Corporate Secretary, Atty. Florencio M. Mamauag, Jr. explained the proposed amendment to Article VII of the Articles of Incorporation. He reported that as of the date of the meeting, the Corporation has issued almost all, or specifically, 1,439,442,161 shares out of its 1,500,000,000 authorized capital stock, with a par value of One Peso per share.

He also informed that RHI's Board of Directors, in its meeting held on December 1, 2016, approved a Resolution amending Article VII of the Articles of Incorporation by increasing the authorized capital stock of Roxas Holdings, Inc., from One Billion Five Hundred Million Pesos, divided into One Billion Five Hundred Million shares with the par value of One Peso (PhP1.00) per share, to Two Billion Pesos, divided into Two Billion shares with the par value of One Peso (PhP1.00) per share.

Atty. Mamauag mentioned that the initial subscription to the increase in authorized capital stock is proposed to be made via a conversion of the Convertible Note issued to one of RHI's existing major shareholders, First Pacific Natural Resources Holdings, B.V.

Further, as previously disclosed to the Philippine Stock Exchange and to the Philippine Securities and Exchange Commission, the Convertible Note was approved by the Company's Board of Directors in its meeting on February 1, 2017.

The aggregate principal value of the Convertible Note is PhP523,750,000.00. On the other hand, the conversion rate of the Note is 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.

Atty. Mamauag also stated that the One Hundred Twenty Five Million shares that will be subscribed and issued will be listed with the Philippine Stock Exchange (PSE).

Thereafter, on motion duly made and seconded, the following corporate actions were unanimously approved and ratified by the shareholders present in person or by proxy in the meeting:

1. the proposed amendment to Article VII of the Articles of Incorporation of the corporation increasing the Authorized Capital Stock from P1.5 billion to P2.0 billion;
2. the issuance of, and the subsequent conversion of the Convertible Note into equity out of the shares arising from the increase in Authorized Capital Stock; and,
3. the listing of the One Hundred Twenty Five Million (125,000,000) shares to be issued out of the increase in the authorized capital stock with the PSE.

VII. ELECTION OF THE BOARD OF DIRECTORS

The Asst. Corporate Secretary, Atty. Mamauag, informed the Chairman, Mr. Roxas, that pursuant to Article 14, Section 1 of the By-Laws of the corporation as well as its Manual on Corporate Governance, nominations for election to the Board of Directors should be submitted in writing 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 E. ROXAS
2. MR. MANUEL V. PANGILINAN
3. MR. HUBERT D. TUBIO
4. MR. SANTIAGO R. ELIZALDE
5. ATTY. RAY C. ESPINOSA
6. MR. CHRISTOPHER H. YOUNG
7. ATTY. ALEX ERLITO S. FIDER

8. MR. DAVID L. BALANGUE and
9. MR. OSCAR J. HILADO.

Atty. Mamauag stated that Messrs. David L. Balangue and Oscar J. Hilado are being nominated as Independent Directors of the Corporation.

Since there are only nine (9) seats in the Board of Directors, a shareholder moved that all votes be cast in favor of all nine (9) nominees. The motion was submitted to a vote and the same was carried. The Chairman requested the Corporate Secretary to cast all votes in favor of the above-named nine (9) nominees.

VIII. ELECTION OF THE EXTERNAL AUDITOR

The Asst. Corporate Secretary, Atty. Mamauag, informed the Chairman, Mr. Roxas, that in accordance with the Manual on Corporate Governance, the Audit Committee recommends the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for fiscal year 2016-2017.

A stockholder moved for the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for fiscal year 2016-2017. Another stockholder seconded the motion. The Chairman placed the motion to a vote and the same was carried.

IX. OTHER MATTERS/ADJOURNMENT

During the open forum, a stockholder (Mr. Guillermo Gili, Jr.) inquired if the Company foresees that it will incur a net loss position towards the fiscal year end, since the Company reported that it incurred losses for the First Quarter of RHI's current fiscal year. Mr. Tubio assured the stockholders that, in contrast to the supposed position, the Company, especially with the assurance of its Chief Finance Officer, Mr. Celso T. Dimarucut, is targeting a 31 percent growth in EBITDA to P1.7 billion from P1.3 billion last fiscal year. The perceived First Quarter losses are mainly attributable to the reduction in raw sugar sales as the Group opted to preserve its raw sugar mill share from its first quarter production for later refining and sales to achieve higher profitability. Mr. Gili also raised the concern of increased competition in Negros amongst sugar producers, and whilst agreeing with Mr. Gili, Mr. Tubio explained that the Company is very much aware of the challenge and it has undertaken steps to address the concern through maximizing capacities and plant efficiencies, and continuing research and development to increase the productivity of sugar canes produced by the planters.

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

Attest:

PEDRO E. ROXAS
Chairman of the Board

FLORENCIO M. MAMAUAG, JR.
Asst. Corporate Secretary