

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Feb 24, 2017
2. SEC Identification Number
15-A
3. BIR Tax Identification No.
000-290-538
4. Exact name of issuer as specified in its charter
Roxas Holdings, Inc.
5. Province, country or other jurisdiction of incorporation
Metro Manila
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
14F Net One Center, 26th corner 3rd Avenue, Bonifacio Global City, Taguig, Metro
Manila
Postal Code
1634
8. Issuer's telephone number, including area code
771-7800
9. Former name or former address, if changed since last report
n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	1,421,798,681
11. Indicate the item numbers reported herein
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The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Roxas Holdings, Inc.

ROX

PSE Disclosure Form 4-16 - Issuance of Debt Securities
*References: SRC Rule 17 (SEC Form 17-C) and
 Section 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure

Convertible Note

Background/Description of the Disclosure

Convertible Note between Roxas Holdings, Inc. (RHI) and First Pacific Natural Resources Holdings, B.V.

Date of Approval by Board of Directors

Feb 1, 2017

Reason or purpose of the issuance, use of proceeds

To raise funds for operations

Terms and conditions

Principal amount or face value of the issue	Php 523,750,000.00
Coupon/interest rate	3
Conversion ratio	Initially set at One Common Share for every Php 4.19 of the value of the Convertible Note
Conversion period	Date of issuance of the Convertible Note up to & including the 10th business day immediately preceding the Redemption Date of 31 December 2017
Conversion price	Php 4.19
Number of underlying shares to be issued upon conversion	125,000,000
Percentage to total outstanding shares	-

Any provision in the adjustment(s) of the conversion price or number of underlying shares

The Conversion Price may from time to time be adjusted if any of the following events occur prior to exercise of the Conversion Rights in respect of the Convertible Notes: (1) reclassification, consolidation or subdivision of the issued and outstanding Common Shares; (2) Capitalization of Profits or Reserves by Way of Stock Dividend or Otherwise; (3) Capital Distribution; (4) Rights Issues of Common Shares or Options over Common Shares at less than the Current Market Price per Common Share on the date of the announcement of the terms of such issue or grant; (5) Rights Issues of Other Securities (including, without limitation, shares of stock, equities, bonds, notes, debentures, loan stock, or other evidences of indebtedness); (6) Any Issues at less than Current Market Price; (7) Modification of Rights of Conversion; (7) Other Offers to Holders of Common Shares; and (8) Other Events, as may be deemed appropriate by the Issuer.

Terms of payment

Please see below applicable provisions of the Convertible Note:

“5. ;Rights in Respect of the Convertible Notes

Each Convertible Note Unit entitles the Convertible Noteholder to: (i) payment of interest on the Interest Payment Date at the Interest Rate, the same to accrue until the Share Delivery Date or until the Redemption Date if no conversion shall take place, provided that there shall be no interest on accrued interest, subject to compliance with Condition 2; (ii) payment of the Redemption Price on Redemption Date, subject to compliance with Condition 5; (iii) the right to convert the Convertible Notes Units to Common Shares of the Issuer exercisable during the Conversion Period at the Conversion Price, subject to compliance with Condition 3.

For the avoidance of doubt, interest shall continue to accrue and be payable until the Share Delivery Date notwithstanding the exercise by the Convertible Noteholder of its Conversion Rights and the conversion of the Convertible Note Units into the Conversion Shares.

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2. Interest

(A) ;On the Interest Payment Date, the Issuer shall pay interest on the outstanding principal amount of the Convertible Notes at a rate per annum equal to the Interest Rate computed on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

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“Interest Payment Date” means, subject to Clause 5, 30 June 2017 and 30 September 2017;

Any provision(s) on events and/or consequences of default

Please see below applicable provisions of the Convertible Note:

“Schedule 7

1. Events of Default

Each of the following events and occurrences shall constitute an Event of Default under the Convertible Notes and this Instrument:

- (a) Failure to Deliver Conversion Shares – The Issuer fails to deliver the Conversion Shares to FP or any other Convertible Noteholder, as applicable, within six (6) months from the exercise by FP or any other Convertible Noteholder of its Conversion Right.
- (b) Payment Default – The Issuer fails to pay any of the principal, interest or any other sum payable by the Issuer under this Instrument and the Convertible Notes, as and when due and payable at the place and in the currency in which it is expressed to be payable.
- (c) Representation Default – Any representation or warranty made or repeated by the Issuer in this Instrument and the Convertible Notes is incorrect or misleading in any material respect when made or deemed to have been made or repeated; provided, however, that should any such breach of any material representation or warranty hereunder be, in the reasonable opinion of the Majority Convertible Noteholders, remediable, the Issuer shall have a period of thirty (30) days, from receipt by the Issuer of written notice with respect to such breach from Majority Convertible Noteholders, to cure any such breach or to otherwise make such representation or warranty correct or not misleading.
- (d) Other Provisions Default - The Issuer fails to perform or comply with any term, obligation or covenant contained in this Instrument and the Convertible Notes or in any other document issued pursuant thereto which would materially and adversely affect the ability of the Issuer to meet its obligations under this Instrument and the Convertible Notes and such failure is not remediable or, if remediable (in the reasonable opinion of the Majority Convertible Noteholders), shall continue unremedied during the applicable grace period or, in the absence of such grace period, within a period of thirty (30) days after written notice of such failure given by the Majority Convertible Noteholders is received by the Issuer.
- (e) Cross Default and Cross Acceleration – The Issuer fails to pay or defaults in the payment of any installment of the principal or interest relative to, or fails to comply with or to perform, any other obligation, or commits a breach or violation of any of the terms, conditions or stipulations, or shall otherwise accelerate or permit the acceleration, of any agreement, contract or document with any person to which the Issuer is a party, whether executed prior to or after the date hereof or under which the Issuer has agreed to act as guarantor, surety or accommodation party in the same amount or more, which, under the terms of such agreement, contract, document, guaranty or suretyship, including any agreement similar or analogous thereto, shall constitute a default thereunder after allowing for all applicable grace periods; provided, that no Event of Default shall occur under this paragraph unless the aggregate amount involved in the occurrence of one or more of the above events or breaches is at least One Hundred Million Pesos (Php100,000,000.00).
- (f) Cancellation of License - Any governmental approval now or hereafter necessary to enable the Issuer to comply with its obligations under this Instrument and the Convertible Notes or required for the conduct of its business and operations shall be modified, withdrawn, withheld, revoked, cancelled or otherwise terminated in a manner which, in the reasonable opinion of the Majority Convertible Noteholders, would adversely affect the ability of the Issuer to comply with such obligations or would materially and adversely affect the financial condition or operations of the Issuer.

Any other relevant details

Additional pars. on events of default:

g) Inability to Pay Debts; Bankruptcy Default - The Issuer becomes insolvent or unable to pay its Indebtedness when due or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the Issuer, in any bankruptcy, insolvency, administration, suspension of payment, rehabilitation, reorganization, winding-up, dissolution, moratorium or liquidation proceeding of the Issuer, or any other proceeding analogous in purpose and effect, unless for such petition filed against the Issuer, it is contested in good faith by the Issuer in appropriate proceedings; (ii) the making of a general assignment by the Issuer for the benefit of its creditors; (iii) the admission in writing by the Issuer of its general inability to pay its Indebtedness; (iv) the entry of any order of judgment of any competent court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of the Issuer or approving any reorganization, winding-up or liquidation of the Issuer; (v) the lawful appointment of a receiver or trustee to take possession of a substantial portion of the properties of the Issuer; or (vi) the taking of any corporate action by the Issuer to authorize any of the foregoing.

(h) Expropriation - Any act or deed or judicial or administrative proceedings in the nature of an expropriation, confiscation, nationalization, acquisition, seizure, sequestration or condemnation of or with respect to all or a material part of the business and operations of the Issuer, or all or substantially all of the property or assets of the Issuer, shall be undertaken or instituted by any governmental authority, unless such act, deed or proceeding is otherwise contested in good faith by the Issuer in an appropriate proceeding.

(i) Judgment Default - A final and executory judgment, decree or order for the payment of money, damages, fine or penalty or its equivalent shall be rendered against the Issuer which, together with all other judgments against the Issuer then outstanding and unsatisfied, may in the reasonable opinion of the Majority Convertible Noteholders materially and adversely affect the ability of the Issuer to comply with its obligations under this Instrument and the Convertible Notes, and (i) the Issuer has failed to demonstrate to the reasonable satisfaction of the Majority Convertible Noteholders within thirty (30) days of the judgment, decree or order being entered that it is reasonably certain that the judgment, decree or order will be satisfied, discharged or stayed within thirty (30) days of the judgment, decree or order being entered, or (ii) the said final judgment, decree or order is not paid, discharged, stayed or fully bonded within thirty (30) days after the date when payment of such judgment, decree or order is due.

(j) Event or Condition Affecting the Finance Documents - Any event or condition (including, without limitation, any change in the economic or financial condition of the Issuer) shall occur which, in the reasonable opinion of the Majority Convertible Noteholders, could reasonably be expected to have a material and adverse effect on the business, assets, condition or operations of the Issuer, as would materially and adversely affect the Issuer's ability to duly perform and observe, or to meet in the normal course, any of its obligations and duties under this Instrument and the Convertible Notes.

(k) Attachment – An attachment or garnishment of or levy upon any of the properties of the Issuer is made and is not discharged or stayed within thirty (30) days (or such longer period as the Issuer satisfies the Majority Convertible Noteholders is appropriate under the circumstances) of having been so imposed.

(l) Contest

The changes in this disclosure were made as an update as a result of the signing of the contracts between the Issuer and the subscriber.

Corporate background of note/bond holders

First Pacific Natural Resources Holdings, B.V. (FPNBV) is one of the major existing shareholders of RHI. FPNBV is wholly-owned by FP Natural Resources Holdings Limited.

Effect(s) on the ownership structure, including the list of principal shareholders with their corresponding shareholdings and percentage ownership to total outstanding shares before and after the transaction

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
to be disclosed on approval of the increase and conversion	-	-	-	-

Effect(s) on the capital structure

Issued Shares

Type of Security/Stock Symbol	Before	After
Common/ROX	1,439,442,161	1,564,442,161

Outstanding Shares

Type of Security/Stock Symbol	Before	After
Common/ ROX	1,421,798,681	1,546,798,681

Treasury Shares

Type of Security/Stock Symbol	Before	After
common/ROX	17,643,480	17,643,480

Listed Shares

Type of Security/Stock Symbol	Before	After
common/ ROX	1,439,442,161	1,564,442,161

Effect(s) on the public float, if any	To be disclosed on conversion
Effect(s) on foreign ownership level, if any	To be disclosed on conversion

Other Relevant Information

The Convertible Note shall have an aggregate principal amount of Five Hundred Twenty Three Million Seven Hundred Fifty Thousand Pesos (Php523,750,000.00).

The Convertible Note shall be convertible to One Hundred Twenty Five Million (125,000,000) new common shares of the Company to be issued out of an increase in its authorized capital stock from One Billion Five Hundred Million Pesos (Php1,500,000,000.00) divided into One Billion Five Hundred Million (1,500,000,000) common shares, each with a par value of One Peso (Php1.00) per share, to Two Billion Pesos (Php2,000,000,000.00) divided into Two Billion (2,000,000,000) common shares, each with a par value of One Peso (Php1.00) per share.

The issuance of shares to FPNRHBV and the increase in authorized capital stock are subject to shareholders' and SEC approval.

The shareholders' approval was solicited in the annual shareholders' meeting on February 15, 2017.

The changes in this disclosure were made as an update as a result of the signing of the contracts between the Issuer and the subscriber. These changes are on the interest rate, conversion ratio, adjustments to price, terms of payment and events of default.

Filed on behalf by:

Name	Florencio, Jr. Mamauag
Designation	VP - Legal, Compliance & Administration