



13 September 2016

Philippine Stock Exchange, Inc.

Disclosures Department
Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention: **Ms. Janet A. Incarnation**
Head, Disclosure Department

Subject: CDO on and Voluntary Suspension of the Bioethanol Subsidiary
of Roxas Holdings, Inc.

Gentlemen:

Please be advised that the Office of La Carlota City Mayor Luis Jalandoni III of Negros Occidental served a Cease and Desist Order (CDO) dated 09 September 2016 against Roxol Bioenergy Corporation (RBC), the bioethanol subsidiary of Roxas Holdings, Inc., for a period of thirty (30) days due to alleged foul odor coming from RBC's plant at Barangay Nagasi, La Carlota City.

The local government said the suspension of the CDO, which was served last Friday evening, may be lifted at any time as soon as RBC demonstrates a substantial mitigation of the complained odor. RBC is committed to institute long-term solutions to address the issue.

RBC had voluntarily suspended its operations last Friday morning and implemented 15 days earlier than scheduled, the regular annual off-season repairs and maintenance of its plant, and immediately addressed the alleged foul odor.

Very truly yours,

A handwritten signature in black ink, appearing to read "Florencio M. Mamauag, Jr.", written in a cursive style.

ATTY. FLORENCIO M. MAMAUAG, JR.

VP - Legal & Corporate Affairs
Compliance Officer & CIO