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(Company's Full Name)

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(Business Address: No. of Street City/Town/Province)

ATTY. AIMEE E. PEDAYO	8771-7800

SEC FORM 20-IS
Definitive Information Statement

September	30		March	16th Wed.
Month	*Day*	Form Type	*Month*	*Day*
Fiscal Year			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

Remarks = pls. Use black ink for scanning purposes

February 22, 2022

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

To: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Market & Securities Regulation Department

Attn: **Ms. Trixie Posadas**

Re: **Definitive Information Statement (SEC Form 20-IS)**

Dear Dir. Felizmenio, Jr. and Ms. Posadas:

Pursuant to your Office's Letter with attached Remarks dated 03 February 2021, **Roxas Holdings, Inc.** (the "Company" or "RHI") has amended the submitted Preliminary Information Statement and is now filing its Definitive Information Statement, in compliance with the letter and the remarks provided therein, *viz*:

Checklist of Requirements	SEC's Remarks	RHI's Reply
MANAGEMENT REPORT		
Revised SRC Rule 68		
COMPARATIVE FINANCIAL STATEMENTS		
Consolidated Audited Statements of Financial Position		
In comparative format as of the end of each of the two (2) most recent completed fiscal years. If the meeting is , beyond 135-days from the company's fiscal year end, a separate Interim Unaudited Statement of Financial Position as of the end of the most recent quarter with comparative figures as of the end of the preceding fiscal year shall likewise be filed	Please comply with the highlighted portion	The Company's Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2021, which discusses the Financial Position as required in this item, is included as an additional attachment to the 20-IS form.

In comparative format for the 3 most recently completed fiscal years or such shorter period as the company has been in existence. If the meeting date is beyond 135-days from the company's fiscal year end, separate interim unaudited statements for the most recent quarter with comparative figures for period ending of the same quarter of the preceding year shall likewise be filed	Please comply with the highlighted portion	The Company's Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2021, which discusses the Financial Position as required in this item, is included as an additional attachment to the 20-IS form.
Annex 68-J (Schedules) Sustainability Report and Integrated Annual Corporate Governance Report	Not required in management report to be distributed to shareholders as part of the information statement.	The Company has noted the comment of the SEC.
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)		
(a) 1st Quarter – December 2021		
(1) Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years.	Not complied with	The Company's Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2021, which discusses the Financial Position as required in this item, is included as an additional attachment to the 20-IS form.
(2) If FS shows losses from operation, explain the causes underlying these losses and the steps the registrant has taken or is taking to address this cause.		
(3) Past and future financial condition and results of operation, with particular emphasis on the prospects for the future.		
(4) Key Variable and Other Qualitative and Quantitative Factors.		
(5) Top Key Performance Indicators with discussion of		

the manner by which the company calculates or identifies the indicators presented on a comparable basis.		
If Material:		
(i) Any known trends, events, or uncertainties (Material Impact on Liquidity)	Not complied with	There is no known trend, event or uncertainty that has material impact on the liquidity of the Company.
(ii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation		The Company has discussed the events that will trigger direct or contingent financial obligation in pages 15-16 of the Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2021 (SEC Form No. 17-Q).
(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period		The Company has no material off-balance sheet arrangement, as discussed in page 30 of the Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2021 (SEC Form 17-Q).
(iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures		There is no material commitment for capital expenditures.
(v) Any known Trends, Events or Uncertainties (Material Impact on Sales)		The Company has included a discussion on the importance of raw sugar production, refined sugar production and ethanol production which would impact sales in page 28 of the Interim Unaudited Financial Statements and Management Discussion and

		Analysis for the first quarter ending 31 December 2021 (SEC Form 17-Q).
(vi) Any Significant Elements of Income or Loss (from continuing operations)		The Company has discussed the elements of income or loss (from continuing operations) in pages 19-20 of the Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2021 (SEC Form No. 17-Q).
(vii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)		This is not applicable.
The term "material" in this section shall refer to changes or items amounting to at least five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.		
(viii) Seasonal Aspects that has Material Effect on the FS		There is no seasonal aspect that has material effect on the FS.
Section 49 of the Revised Corporation Code		
Directors' qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representation in other corporations	Incomplete	The Company has discussed and elucidated the required information of the Directors in pages 12-17 of the 20-IS form.
A director attendance report, indicating the attendance of each director at each of the meetings of the board and its	Not complied with	The Company has included a report on the attendance of each director at each of the meetings of the board and its committees and in regular or

committees and in regular or special stockholder meeting		special stockholder meeting in pages 20-21 of the 20-IS form.
Appraisal and performance reports for the board and the criteria and procedure for assessment	Not complied with	The Company has further discussed the criterion for the board appraisal and performance assessment in page 27 of the 20-IS form.
A director compensation report prepared in accordance with this Code and the rules the Commission may prescribed	Incomplete. Disclose the total compensation received of each of the Board of Directors (Sec 29 of the RCC)	The Company has included a report on the per diems received by the members of the Board in pages 21-22 of the 20-IS form.
Director disclosures on self-dealings and related party transactions, if any	Disclose if any	There are no Directors involved in self-dealing and related party transactions.

Thank you for your kind attention.

Very truly yours,

Aimee E. Pedayo
Assistant Corporate Secretary/Legal
Manager & Deputy Compliance Officer

SEC Reg. No. 15-A

ROXAS HOLDINGS, INC.
14F, Net One Center, 26th St. cor. 3rd Avenue,
Bonifacio Global City, Taguig, Metro Manila

(632) 8771-7800
Telephone Number

30 September 2021
Fiscal Year Ending

Notice of Annual Meeting of Stockholders

- and -

SEC FORM 20 IS
Information Statement
Pursuant to Rule 20 of the
Securities Regulation Code

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **ROXAS HOLDINGS, INC.** will be conducted virtually via https://asm2022.rhi.com.ph/ on Wednesday**, March 16, 2022** at **10:00 o'clock in the morning** with the following Agenda:

(1) Call to Order
(2) Certification of Notice and Quorum
(3) Approval of the Minutes of the Annual Meeting of Stockholders held on March 17, 2021
(4) Presentation and Approval of the Annual Report to Stockholders
(5) Ratification of All Acts and Resolutions of the Board of Directors and Management
(6) Election of the Board of Directors
(7) Appointment of External Auditor and Fixing its Remuneration
(8) Other Matters
(9) Adjournment

The Board of Directors has fixed the close of business on January 5, 2022 as the Record Date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders.

Given the current circumstances, stockholders may only attend the meeting by remote communication, by voting in absentia, or by appointing the Chairman of the meeting as proxy.

Duly accomplished proxies shall be submitted on or before March 4, 2022 to the Office of the Assistant Corporate Secretary at the 14F Net One Center, 26th St. cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila or by email to: corporatesecretary@rhi.com.ph. Validation of proxies is set for March 9, 2022 at 2:00 p.m.

Stockholders intending to participate by remote communication should notify the Corporation by email to corporatesecretary@rhi.com.ph on or before March 4, 2022.

Stockholders may vote electronically in absentia, subject to validation procedures.

The explanation on the Agenda items and the procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in the Information Statement.

Copies of the Information Statement and Management Report, the Annual Report of the Company and other pertinent documents necessary under the circumstances are available in the Company's website and PSE Edge. The Notice of the Meeting shall also be published in the business section of two (2) newspaper of general circulation, in print and online format, for two (2) consecutive days no later than twenty-one (21) days prior to the date of the Annual Meeting of the Stockholders.

In compliance with the SEC Advisory dated May 6, 2015, a copy of the Interim Unaudited Financial Statements of the Company as of and for the quarter ended December 31, 2021 with Management Discussion and Analysis shall be posted on the website of the Company, as may be available under the SEC rules. A hard copy of the same Interim Unaudited Financial Statements will be provided to any requesting shareholder, free of charge, as soon as said Interim Unaudited Financial Statements becomes available.

AIMEE E. PEDAYO
Assistant Corporate Secretary

February 22, 2022

EXPLANATION OF AGENDA ITEMS

Call to order

The Chairman will formally open the meeting at approximately 10:00 o' clock in the morning.

Certification of notice and quorum (and rules of conduct and procedures)

The Corporate Secretary will certify that the notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Corporation has set up a designated online web address which may be accessed by the stockholders to register and vote *in absentia* on the matters presented for resolution at the meeting. A stockholder who votes *in absentia* as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting:

(i) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent prior to or during the meeting at corporatesecretary@rhi.com.ph and shall be limited to the Items in the Agenda. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting.

(ii) Each of the proposed resolutions will be shown on the screen during the live streaming as the same is taken up at the meeting.

(iii) Stockholders must notify the Company of their intention to participate in the Meeting by remote communication to be included in determining quorum, together with the stockholders who voted *in absentia* and by proxy.

(iv) Voting shall only be allowed for Stockholders registered in the Electronic Voting in Absentia system or through the Chairman of the meeting as proxy.

(v) Stockholders voting *in absentia*, who have previously registered, may cast their votes electronically at any time after validation, using such online web address prior to or during the meeting.

(vi) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting.

(vii) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.

(ix) The Office of the Corporate Secretary will tabulate all votes received and report the results of voting, immediately after the meeting.

(x) The meeting proceedings shall be recorded in audio and video format.

Approval of minutes of previous meeting

The minutes of the meeting held on March 17, 2021 are available at the Company's website, www.roxasholdings.com.ph.

Annual report

The Chairman, Mr. Pedro O. Roxas, and the President and Chief Executive Officer, Mr. Celso T. Dimarucut will report on the performance of the Company for Fiscal Year ending September 30, 2021.

The Company's Annual Report contains the "Message from the Chairman" and the "Message from the President and CEO". Copies of the Annual Report shall be available in the Company's website, www.roxasholdings.com.ph.

The Audited Financial Statements as of September 30, 2021 (AFS) is embodied in the Information Statement to be sent to the stockholders at least twenty-one days prior to the meeting.

Ratification of the acts of the Board of Directors and Officers

The actions of the Board and its committees were those taken since the annual stockholders' meeting on March 17, 2021 until March 16, 2022. The acts of the officers were those taken to implement the resolutions of the Board or its committees or made in the general conduct of business. A detailed list is provided in the Information Statement.

Election of directors (including the independent directors)

The Corporate Governance Committee of the Board would have evaluated and determined that the nine (9) nominees for directors, including the nominees for independent directors, have all the qualifications and competence necessary for the effective performance of the Board's roles and responsibilities, and none of the disqualifications to serve as members of the Board.

The profiles of the nominees to the Board are provided in the Information Statement.

Election of external auditor and fixing of its remuneration

The Audit Committee of the Board will endorse to the stockholders the election of the external auditor for the ensuing year as well as its proposed remuneration. The external auditor conducts an independent verification of the Company's financial statements and provides an objective assurance on the accuracy of its financial statements.

The profile of the external auditor is provided in the Information Statement.

Consideration of such other business as may properly come before the meeting

The Chairman will open the floor for comments and questions by the stockholders. Stockholders may raise other matters or issues that may be properly taken up at the meeting.

SAMPLE PROXY

The undersigned stockholder of **ROXAS HOLDINGS, INC.** (the "Company") hereby appoints _____ or the Chairman of the meeting, as *attorney-in-fact* and *proxy,* to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on March 16, 2022 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the minutes of previous meeting dated March 17, 2021

☐ For ☐ Against ☐ Abstain

2. Annual report and Management report for Fiscal year ending September 30, 2021

☐ For ☐ Against ☐ Abstain

3. Ratification of the acts of the Board of Directors and Officers

☐ For ☐ Against ☐ Abstain

4. Election of directors

☐ For all the nominee directors, please distribute my votes equally among the nominees

☐ For the following nominees only (Note: Total votes cast should not exceed number of shares held by stockholder multiplied by the number of directors to be elected)

	Number of shares:
Pedro O. Roxas	_____
Manuel V. Pangilinan	_____
Celso T. Dimarucut	_____
Christopher H. Young	_____
Ray C. Espinosa	_____
Alex Erlito S. Fider	_____
Independent Directors:	
Oscar J. Hilado	_____
Arlyn S. Villanueva	_____
Santiago T. Gabionza, Jr.	_____

☐ Abstain

5. Election of SyCip Gorres Velayo & Co. as the external auditor for Fiscal Year 2021-2022

☐ For ☐ Against ☐ Abstain

6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.
   ☐ Yes ☐ No

_____

PRINTED NAME OF STOCKHOLDER

_____

SIGNATURE OF STOCKHOLDER

_____

DATE

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **MARCH 4, 2022**, THE DEADLINE FOR SUBMISSION OF PROXIES. FOR CORPORATE STOCKHOLDERS, PLEASE ATTACH TO THIS PROXY FORM THE SECRETARY'S CERTIFICATE ON THE AUTHORITY OF THE SIGNATORY TO APPOINT THE PROXY AND SIGN THIS FORM.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   __ Preliminary Information Statement
   _/_ Definitive Information Statement

2. Name of Registrant as specified in its charter : **ROXAS HOLDINGS, INC.**

3. Province, country or other jurisdiction of incorporation or organization : Philippines

4. SEC Identification Number : 15 - A

5. BIR Tax Identification Code : 000-290-538

6. Address of principal office : 14F, Net One Center, 26th Street cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila

7. Registrant's telephone number : (632) 8771-7800

8. Date, time and place of meeting of security holders : March 16, 2022
   10:00 am
   Remote communication

9. Approximate date on which the Proxy Statement is first to be sent or given to security holders February 23, 2022

10. Securities registered pursuant to Sections 8 and 12 of the Code as of 30 September 2021.

Title of Each Class	Number of Shares of Stock Outstanding And Amount of Debt Outstanding
Common	1,547,935,799
Debt	None registered

11. Are any or all of the Registrant's securities listed on a Stock Exchange?

    Yes __/__ No _____

    If so, disclose name of the Exchange : Philippine Stock Exchange

ROXAS HOLDINGS, INC.
INFORMATION STATEMENT

GENERAL INFORMATION

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

Date	:	March 16, 2022
Time	:	10:00 am
URL	:	https://asm2022.rhi.com.ph/
Address of principal office of the company	:	14F Net One Center, 26th Street corner 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila
Approximate date on which the Information Statement is first to be sent or given to security holders	:	February 23, 2022

DISSENTER'S RIGHT OF APPRAISAL

A dissenting stockholder shall have the right of appraisal in the instances authorized under Sec. 80 of the Revised Corporation Code and in accordance with the procedure set out in Sec. 81 of the same Code. There are no matters included in the Agenda of the meeting which would give rise to an exercise of the right of appraisal.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The incumbent directors and officers of the company, since the beginning of the last fiscal year, do not have substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office. None of the incumbent directors, who are all nominated for re-election informed in writing that he intends to oppose any action to be taken during the annual meeting of shareholders.

CONTROL AND COMPENSATION INFORMATION

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

a) The number of shares outstanding and entitled to vote at the stockholders' meeting is 1,547,935,799 common shares.

b) The record date for the purpose of determining stockholders entitled to vote at the annual meeting of shareholders is January 5, 2022.

c) Stockholders are entitled to a cumulative voting in the election of directors. Section 23 of the Revised Corporation Code of the Philippines provides that every stockholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares of stock standing, at the time fixed in the by-laws, in his own name in the stock books of the corporation, or where the by-laws are silent, at the time of the election and the stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them, on the same principle, among as many candidates as he shall see fit.

For all other matters to be acted upon, each share is entitled to one (1) vote.

d) Security ownership of certain record and beneficial owners and management.

(1) Security ownership of certain record and beneficial owners of more than 5% of Registrant securities as of January 5, 2022

Title of Class	Name and Address of Owner	Number and Nature of Ownership (Indicate Record and/or Beneficial)		Percent of Class
Common	Roxas & Company, Inc. 7/F CG Building, 101 Aguirre St., Legaspi Village, Makati City (Shareholder)	318,341,705	Record and Beneficial	20.57%
Common	First Pacific Natural Resources Holdings BV Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands (Shareholder)	505,667,566	Beneficial	32.67%
Common	First Agri Holdings Corp. 10th Floor, MGO Building, De la Rosa cor Legaspi St., Makati City (Shareholder)	467,854,834	Beneficial	30.22%
Common	PCD Nominee Corp. 37F Tower 1 The Enterprise Center, Ayala Ave., Makati City (Shareholder)	445,747,616	Beneficial	28.8%

The members of the Board of Directors of Roxas & Co., Inc. (RCI) are Pedro O. Roxas, Santiago R. Elizalde, Francisco R. Elizalde, Edgar P. Arcos, Gerardo C. Ablaza, Jr., Aurelio R. Montinola III and Corazon De La Paz-Bernardo. Collectively, they have the power to decide how the shareholdings of RCI in RHI shall be voted. Pedro O. Roxas is authorized to vote the shares of RCI in the annual meeting. Manuel V. Pangilinan or Atty. Ray C. Espinosa or Atty. Alex Erlito S. Fider or Christopher H. Young or Celso T. Dimarucut are authorized to vote the shares of First Pacific Natural Resources Holdings BV and First Agri Holdings Corp.

(2) Security Ownership of Management as of January 5, 2022.

The following are the number of shares owned of record by the Directors and the President & Chief Executive Officer (PCEO) and the percentage of shareholdings of each:

Title of Class	*Name of Beneficial Owner*	*Citizenship*	*Number and Nature of Ownership*	*Percent of Class*
Common	Pedro O. Roxas Chairman of the Board	Filipino	1,026,640 (r & b)	0.0004 %
Common	Manuel V. Pangilinan Vice-Chairman of the Board	Filipino	61,547 (r)	0.0000 %
Common	Celso T. Dimarucut President/CEO	Filipino	50,000 (r)	0.0000%

Title of Class	*Name of Beneficial Owner*	*Citizenship*	*Number and Nature of Ownership*	*Percent of Class*
Common	Ray C. Espinosa Director	Filipino	430,831 (r & b)	0.0002 %
Common	Alex Erlito S. Fider Director	Filipino	50,000 (r)	0.0000 %
Common	Santiago T. Gabionza Independent Director	Filipino	50,000 (r)	0.0000 %
Common	Christopher H. Young Director	British	61,547 (r)	0.0000 %
Common	Oscar J. Hilado Independent Director	Filipino	50,000 (r)	0.0000 %
Common	Arlyn S. Villanueva Independent Director	Filipino	50,000 (r)	0.0000 %
	TOTAL		1,830,565 (r & b)	0.0006%

(3) Voting Trust Holders of 5% or More.

The company is not aware of any voting trust or similar arrangements among persons holding more than 5% of a class of shares.

(4) Change in Control.

First Pacific Natural Resources Holdings BV and its Philippine affiliate, First Agri Holdings Corporation (the First Pacific Group), have acquired a total of 973,522,400 common shares corresponding to 62.89% equity ownership in the company. The total equity ownership of Roxas and Company, Inc. (RCI) is 20.57%.

Market information

The high and low prices of ROX shares for each quarter of fiscal years 2021, 2020 and 2019 and the first quarter of FY 2022, as reported by the PSE, are shown below:

	FY2022		FY2021		FY2020		FY2019	
Quarter	High	Low	High	Low	High	Low	High	Low
1	1.33	1.04	2.00	1.63	2.39	1.74	4.00	1.74
2			2.25	1.36	1.84	1.36	3.28	1.36
3			1.54	1.42	1.67	1.28	2.82	1.28
4			1.52	1.20	2.36	1.33	2.14	1.33

As of February 21, 2022, the closing price of RHI's shares is ₱1.05 per share.

Stockholders

There were about 2,077 holders of the Company's common shares as of January 5, 2022. The top twenty (20) holders of the common shares as of said date were:

	Stockholder	Nationality	Total No. of Shares	%
1.	PCD Nominee Corporation	Filipino	903,137,836	57.687
2.	PCD Nominee Corporation	Non-Filipino	523,751,839	33.454
3.	Roxas & Company, Inc.	Filipino	99,624,995	6.363
4.	Insular Life Assurance Co., LTD	Filipino	1,198,520	0.077
5.	Jose A. Manzano Jr.	Filipino	1,029,007	0.066
6.	Gilbert Liu	Filipino	1,014,000	0.065

	Stockholder	Nationality	Total No. of Shares	%
7.	Emilio Pantoja	Filipino	785,078	0.050
8.	Armando M. Medina	Filipino	770,640	0.049
9.	Leonardo T. Siguion Reyna	Filipino	608,400	0.039
10.	Raul S. Roco	Filipino	486,720	0.031
11.	O. Ledesma & Co., Inc.	Filipino	446,160	0.028
12.	BMI Holding Corporation	Filipino	431,964	0.028
13.	Antonio G. Nieto	Filipino	367,450	0.023
14.	Corona Realty & Development Corp.	Filipino	365,040	0.023
15.	Lorna Perez Laurel	Filipino	354,900	0.023
16.	Abel Z. Silva III	Filipino	354,900	0.023
17.	Elaine Villar Rivilla	Filipino	346,788	0.022
18.	Rodolfo W. Antonino	Filipino	338,000	0.022
19.	Emma Lopez	Filipino	324,804	0.021
20.	Evelina M. Boongaling	Filipino	321,214	0.021
	Subtotal		1,536,058,255	98.00%

The total number of common shares owned by foreigners is 523,932,846 shares or 33.85% of the total outstanding common shares of the Company.

DIRECTORS AND OFFICERS

a) Nominees for election to the Board of Directors.

The following have been nominated for election to the Board of Directors:

Messrs. Pedro O. Roxas, Manuel V. Pangilinan, Celso T. Dimarucut, Ray C. Espinosa, Alex Erlito S. Fider, Christopher H. Young, Oscar J. Hilado (Independent Director), Arlyn S. Villanueva (Independent Director) and Santiago T. Gabionza, Jr. (Independent Director) have been nominated for election to the Board of Directors.

Messrs. Oscar J. Hilado and Santiago T. Gabionza, Jr., and Ms. Arlyn S. Villanueva are nominees and are eligible for election as Independent Directors of the company in accordance with Rule 38.1 of the Implementing Rules and Regulations of the Revised Securities Regulation Code, SEC Memorandum Circular No. 16, Series of 2006 and SEC Memorandum Circular No. 9, Series of 2011 and the revised Manual on Corporate Governance.

b) Procedure for nomination and election of directors.

Chapter III of the By-Laws of the Corporation provides:

Article 13.0. Qualifications and Disqualifications for Directors. - Any stockholder having at least fifty thousand (50,000) shares registered in his name may be elected as Director, provided, however, that any stockholder who possesses any of the disqualifications enumerated in the Manual on Corporate Governance which was approved and adopted by the Board of Directors of the Corporation on 25 September 2002, including any amendments thereto, shall be disqualified from being elected as a Director of the Corporation; Provided, moreover, that no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the corporation.

Article 14.0. Nominations for Director. - In addition to the right of the Board of Directors of the Corporation to make nominations for the election of Directors, nominations for the election of Directors may be made by any shareholder entitled to vote for the election of Directors if that shareholder complies with all of the provisions of this Article.

1.0. Nominations shall be received by the Chairman of the Board of Directors (which nominations may be sent to the Chairman through the Secretary of the Corporation) at least fifteen (15) working days prior to any meeting of the shareholders called for the election of Directors.

2.0. Each nomination under Article 14.0, par. 1.0, shall set forth (i) the name, age, business address, and, if known, residence address of each nominee, (ii) the principal occupation or employment of each nominee, (iii) the number of shares of stock of the corporation which are beneficially owned by each such nominee, and (iv) the interests and positions held by each nominee in other corporations. In addition, the shareholder making such nominations shall promptly provide any other information reasonably requested by the corporation.

3.0. The Board, by a majority vote, unless a greater majority is required under these By-Laws, may, in its discretion, determine and declare that a nomination was not made in accordance with the foregoing procedures, and/or that a nominee is disqualified for election as Director under these By-Laws and if the Board should so determine, the defective nomination and the nomination of a disqualified person shall be disregarded.

Moreover, the Manual on Corporate Governance of the corporation provides:

3.1. Qualifications of Directors

3.1.1. In addition to the qualifications for membership in the Board as provided for in the By-Laws of the Company, the Revised Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which may include, among others, the following:

3.1.1.1. College education or equivalent academic degree;

3.1.1.2. Practical understanding of the business of the Company;

3.1.1.3. Membership in good standing in relevant industry, business or professional organizations; and

3.1.1.4. Previous business experience.

3.2 Board Committees.

The Board shall maintain the following Committees to assist it in good corporate governance:

3.2.1 Executive Committee

The Executive Committee shall be composed of three (3) Directors to be elected by the Board. The Executive Committee shall have the functions that the Board will delegate.

3.2.2 Corporate Governance Committee

The Board shall establish a Corporate Governance Committee that is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. It shall be composed of at least three members, all of whom should be independent directors including the Chairman, or at least a majority thereof.

3.3.3. Audit and Risk Committee

The committee should be composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

3.3.4 Compensation Committee

The Compensation Committee shall consist of at least three (3) voting Directors, one (1) of whom must be an independent director.

c) Board of Directors and Officers.

Board of Directors & Corporate Secretary

Pedro O. Roxas is 65 years old and is a Filipino. He has been a member of the Board of Directors for 39 years or since year 1982. Mr. Roxas is the Chairman of the Board of Directors and is the Chairman of the Executive Committee and a member of the Corporate Governance Committee. He was elected as Acting President & Chief Executive Officer of the company on October 23, 2015. He is also the Chairman of the operating subsidiaries of the company, namely: Central Azucarera Don Pedro, Inc. (CADPI), Central Azucarera de la Carlota, Inc. (CACI), Roxol Bioenergy Corporation (RBC), San Carlos Bioenergy, Inc.(SCBI), and RHI Agri-Business Development Corporation (RHI-ADC).

Mr. Roxas is likewise the Executive Chairman of Roxas & Co., Inc. (RCI) and was the company's President and CEO until 2016; the Chairman of the Philippine Sugar Millers Association (PSMA); the Vice Chairman of the Asean Sugar Alliance; the President of Club Punta Fuego Inc. and of Fundación Santiago; an Independent Director of listed companies: Philippine Long Distance Telephone Company (PLDT) and Manila Electric Company (Meralco) and of non-listed firms: Banco de Oro (BDO) Private Bank, CEMEX Holdings, Philippines, Inc. and MAPFRE Insular; a Director of Brightnote Assets Corporation; a Trustee of Philippine Business for Social Progress (PBSP) and of Roxas Foundation, Inc. (RFI); and a Member of the Equestrian Directorate of Manila Polo Club.

Mr. Roxas was educated at Portsmouth Abbey School, Rhode Island, USA, and at the University of Notre Dame in Indiana, USA where he obtained his degree in Business Administration.

Mr. Roxas attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

Manuel V. Pangilinan is 75 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013 and has been a member for 8 years. He is the Vice-Chairman of the Board of Directors, a member of the Executive Committee and the Chairman of the Compensation Committee. Mr. Pangilinan founded First Pacific Company Limited in 1981 and served as its Managing Director until 1999. He was appointed Executive Chairman until June 2003 when he was named as CEO and Managing Director. He holds the position of President Commissioner of P. T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia.

In the Philippines, Mr. Pangilinan is the Chairman, President & CEO of PLDT, Inc. (PLDT). He is also the Chairman of Smart Communications, Inc. (Smart), Metro Pacific Investments Corporation (MPIC), Manila Electric Company (Meralco), ePLDT, Inc., PLDT Communications and Energy Ventures, Inc. (formerly Pilipino Telephone Corporation, Maynilad Water Services, Inc., Metro Pacific Tollways Corporation), Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Medical Doctors, Inc. (Makati Medical Center), Davao Doctors, Inc. and Colinas Verdes Corporation

(Cardinal Santos Medical Center), Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV5).

He was formerly Chairman of the Board of Trustees of the Ateneo de Manila Univerity and was a member of the Board of Overseers of the Wharton School. In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation Inc., One Meralco Foundation, Inc., and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College, Co-Chairperson of the Board of Trustees of Stratbase Albert de Rosario Institute and Co-Chairman of the U.S.-Philippine Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation Inc., Chairman Emeritus of the Samahang Basketbol ng Pilipinas and Chairman of the Amateur Boxing Association of the Philippines (ABAP).

Mr. Pangilinan has received numerous prestigious awards including Ten Outstanding Young Men of the Philippines (TOYM) Award for International Finance (1983), The Presidential Pamana ng Pilipino Award by the Office of the President of the Philippines (1996), Best CEO in the Philippines by the Institutional Investor (2004), CEO of the Year (Philippines) by Biz News Asia (2004), People of the Year by People Asia Magazine (2004), Distinguished World Class Businessman Award by the Association of Makati Industries, Inc. (2005), Management Man of the Year by the Management Association of the Philippines (2005), and Order of Lakandula (Rank of Komandante) by the Office of the President of the Philippines (2006).

He was voted as Corporate Executive Officer of the Year (Philippines) and Best Executive (Philippines) at the 2007 and 2008 Best-Managed Companies and Corporate Governance Polls conducted by Asia_Money. Mr. Pangilinan also received the Best CEO award from Finance Asia Magazine (2012) and the Executive of the Year Award from the Philippine Sports Writers Association (PSA) (2014). In July 2015, Jaycees Philippines and the Asian Institute of Management (AIM) conferred him the 2015 Ramon V. del Rosario (RVR) Lifetime Achievement Award for his outstanding contributions to nation-building and exemplary corporate citizenship.

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. He was awarded the First Honorary Doctorates Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorates in Science by the Far Eastern University in 2010, and in Humanities by the Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines.

Celso T. Dimarucut is 60 years old and is a Filipino. He was formerly appointed as EVP-CFO and Group Head of Finance last December 1, 2015 and recently appointed as the President and Chief Executive Officer of RHI last December 16, 2020.

Mr. Dimarucut, prior to joining the company, served as Senior Executive Vice President and Chief Finance Officer of Landco Pacific Corporation and its subsidiaries, Senior Vice President and Group Chief Finance Officer of Mediaquest Holdings, Inc. and its subsidiaries, Senior Vice President and Group Chief Finance Officer of ePLDT, Inc. and Subsidiaries, First Vice President and Group Controller of PLDT Group, First Vice-President and Group Financial Controller for domestic subsidiaries of Metropolitan Bank & Trust Company and Finance Head of Pilipino Telephone Corporation (Piltel). Mr. Dimarucut has more than 10 years of professional audit and business advisory experience gained from SyCip, Gorres Velayo & Co. and Prasetio Utomo & Co. (Jakarta, Indonesia). He graduated Cum Laude at the Polytechnic University of the Philippines with a degree of BS Commerce Major in Accounting. He is a Certified Public Accountant (CPA).

Mr. Pangilinan attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

Christopher H. Young is 64 years old and is a British citizen. He was elected as a member of the Board of Directors on May 13, 2015 and as a member of the Audit & Risk Committee on August 19, 2015. He has been a director for RHI for 7 years.

Mr. Young is the Executive Director and Chief Financial Officer of First Pacific Company Limited in Hong Kong. He is currently a Director of Metro Pacific Investments Corporation, Goodman Fielder Pty Limited, PacificLight Power Pte. Ltd., and FPM Power Holdings Limited. He is also a member of the Advisory Board of PLDT, Inc. Mr. Young is also a Commissioner of PT Indofood Sukses Makmur Tbk and a Trustee of IdeaSpace Foundation, Inc.

He worked for PricewaterhouseCoopers in London and Hong Kong from 1979 until 1987, at which time he joined First Pacific as Group Financial Controller. Mr. Young moved to Metro Pacific Corporation in 1995 as Finance Director until November 1998 when he became the Chief Financial Advisor of PLDT. He returned to First Pacific as Chief Financial Officer in 2015 and as a member of the Board in August 2017.

Mr. Young graduated at the Waid Academy at Fife, Scotland. He finished his Master of Arts in Economics with Honors at St. Andrews University. He has been a member of the Institute of Chartered Accountants in England and Wales since 1982.

Mr. Young attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

Ray C. Espinosa is 65 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013 and he has been a director for 9 years. Atty. Espinosa is an Associate Director of First Pacific Company Limited. He is a Director of PLDT Inc., Smart Communications, Inc., Manila Electric Company (Meralco), Metro Pacific Investments Corporation, Meralco PowerGen Corporation, First Agri Holdings Corporation and First Coconut Manufacturing Inc. He also serves as an Independent Director of Lepanto Consolidated Mining Company (Lepanto) and Maybank Philippines, Inc. (Maybank Philippines). He is the Chairman of the Audit Committee and Nomination Committee of Lepanto and the Risk Management Committee of Maybank Philippines.

Atty. Espinosa is the President and Chief Executive of Meralco, the Chief Corporate Services Officer of PLDT and Smart, and Head of PLDT's Regulatory and Strategic Affairs Office. He is also a Trustee of the Beneficial Trust Fund of PLDT. He is the Chairman of PhilStar Daily, Inc. and BusinessWorld Publishing, Inc. He is the Vice Chairman of First Agri Holdings, Inc. and First Coconut Manufacturing, Inc. He is also the President and Chief Executive Officer of Mediaquest Holdings, Inc.

He joined First Pacific in 2013. He is currently First Pacific Group's Head of Government and Regulatory Affairs and Head of Communications Bureau for the Philippines. Prior to joining the PLDT Group in 2000, Atty. Espinosa was a law partner at SyCip Salazar Hernandez & Gatmaitan, the largest law firm in the Philippines, until June 2000 and was a member of the firm's Executive Committee. He was a law lecturer at the Ateneo de Manila School of Law from 1983 to 1985 and in 1989. After finishing his Master of Laws degree, he worked as a foreign associate in Covington & Burling, the largest law firm in Washington, D.C., USA, from September 1987 to August 1988.

He is a member of the Integrated Bar of the Philippines, Philippine Bar Association, and Inter-Pacific Bar Association. He is also a member of the Executive Committee of LAWASIA Energy Section. Asia Law & Practice, Euromoney and The Asia Pacific Legal 500 named Atty. Espinosa as one of the leading capital market lawyers, and among the leading project finance lawyers, in the Philippines from 1996 to 2002.

Atty. Espinosa finished his Bachelor of Laws degree at the Ateneo de Manila University, graduating Salutatorian, and his Master of Laws degree at the University of Michigan Law School. Atty. Espinosa

placed first in the Philippine Bar Examinations of 1982, and was a Fellow of the University of Michigan Law School's Clyde Alton Dewitt Scholarship Foundation.

Atty. Espinosa attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

Alex Erlito S. Fider is 68 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013. He has been an RHI director for 8 years. His legal experience spans 30 years of involvement in corporate transactions and projects. His legal work extends to an array of corporate and financial matters to companies involved in public infrastructure, water, and power utilities, telecommunications, mass media, banking and finance, real estate development, and agriculture. He is a specialist in the various fields of commercial, civil, telecommunications and public utilities law. Atty. Fider is a Director and Corporate Secretary of several Philippine corporations, including Metro Pacific Tollways Corporation, Metro Pacific Tollways Development Corporation, Manila North Tollways Corporation, Tollways Management Corporation, Smart Communications, Inc. and Maynilad Water Services, Inc. He is actively involved in the Financial Executives Institute of the Philippines (FINEX) and Institute of Corporate Directors of which he is a Fellow. He is a member of the Board of Trustees of non-profit organizations like the Metropolitan Manila Cathedral Basilica Foundation and TV 5 Alagang Kapatid Foundation.

Atty. Fider graduated from the University of the Philippines with degrees in Economics and Law. He was admitted to the Philippine Bar in 1985 and undertook specialized courses in Strategic Economics and Corporate Governance in the Philippines and Australia, respectively.

Atty. Fider attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

Oscar J. Hilado is 84 years old and is a Filipino. He has been a member of the Board of Directors since May 11, 2016. He has been an Independent Director for RHI for 5 years. Mr. Hilado is the Lead Independent Director and is the Chairman of the Corporate Governance Committee. He is also a member of the Executive, Audit and Compensation Committees.

He is the Chairman of the Board of Philippine Investment Management (PHINMA), Inc.; Phinma Corp.; Phinma Energy Corporation; Phinma Property Holdings Corp.; and Union Galvasteel Corporation.

Mr. Hilado is also the Vice Chairman of Trans Asia Power Generation Corporation and Trans-Asia Petroleum Corporation.

He is the Chairman of the Executive Committee of Phinma Corp.

He is also a director of A. Soriano Corporation; First Philippine Holdings Corporation; Philex Mining Corporation; United Pulp and Paper Co., Inc.; Beacon Property Ventures, Inc.; Manila Cordage Company; Smart Communications, Inc.; Digital Telecommunications Philippines, Inc. (DIGITEL); Pueblo de Oro Development Corporation; Seven Seas Resorts and Leisure, Inc.; Asian Eye Institute; Rockwell Land Corporation; Araullo University, Inc.; Cagayan de Oro College, Inc.; University of Iloilo, Inc.; University of Pangasinan, Inc.; Southwestern University; PEN Holdings, Inc.; Microtel Inns & Suites (Pilipinas), Inc.; and Trans Asia Renewable Energy Corporation. Mr. Hilado is an Honorary Consul of Ecuador. He was awarded the MAP Management Man of the Year in 1991.

Mr. Hilado was a Smith Mundt/Fullbright scholar at the Harvard Graduate School of Business where he obtained his Master's Degree in Business Administration in 1962. He is a Certified Public Accountant (CPA) with a Bachelor of Science in Commerce degree from the De La Salle College in Bacolod in 1958. He earned his Doctorate in Business Management, Honoris Causa, from the De La Salle University in 1992 and in 2003, attained his Doctorate of Law, Honoris Causa, from the University of St. La Salle.

Mr. Hilado attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

Santiago T. Gabionza, Jr. is 64 years old and is a Filipino. He was elected as an Independent Director to the Board of Directors on April 30, 2019 and as a member of the Corporate Governance and Compensation Committees. He has been an Independent Director for RHI 2 years.

Atty. Gabionza is a founding partner of Villanueva Gabionza and Dy Law Offices; a Fellow at the Institute of Corporate Directors; and a member of the Board of Directors of various corporations. He is a member of the Asia Pacific Lawyers Association, Philippine Lawyers Literary Club, Inc., ASEAN Law Association of the Philippines, Philippine Trial Lawyers Association, and Philippine Bar Association. He is also a member of Club Filipino, Quezon City Sports Club, Mimosa Golf and Country Club, Tagaytay Highlands Country Club, The Tower Club and The Celebrity Club.

He was a former Director of the Legal Management Council of the Philippines and past Grand Master, Grand Lodge of Free and Accepted Masons of the Philippines.

He also served in various capacities, as: Legal Consultant for then Ministry of Human Settlements; Senior Associate Lawyer at Balgos & Perez Law Offices; former President of the Northern Power Development Corporation; Corporate Secretary/Rehabilitation Counsel of Victorias Milling Company, Inc.; Rehabilitation Receiver of Steel Corporation of the Philippines; former Consultant to the Secretary of the Department of National Defense; former Consultant of the Committee on Justice at the House of Representatives; former OIC-President, Member of the Board of Directors and Chairman of the Audit Committee of Maynilad Water Services, Inc. He was also a College Instructor at The Catanduanes College; a Professorial Lecturer at the Philippine School of Business Administration; a Lecturer at Business Law Journal; a staff of the Ateneo Law Journal; Associate Editor of The Lance - the official organ of Letran College; a past President of the Catandungan Foundation, Inc. and a former President of the Integrated Bar of the Philippines - Makati Chapter.

Atty. Gabionza graduated Summa Cum Laude with a Bachelor of Arts degree, major in Economics at Colegio de San Juan de Letran. He finished Second Honors with Bachelor of Laws at the Ateneo de Manila College of Law. He passed the Philippine Bar examinations in 1981.

Atty. Gabionza attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

Arlyn S. Villanueva is 65 years old and is a Filipino. She was elected as an Independent Director to the Board of Directors on April 30, 2019 and as Chairman of the Audit Committee. . She has been an Independent Director for RHI 2 years. Dr. Villanueva is a partner of accounting firm Sicangco Menor Villanueva CPAs (SMV). She sits as an independent director of the Metro Pacific Transport Corporation (MPTC), the transport group of the Metro Pacific conglomerate, since 2009 and the Manila North Tollways Corporation (MNTC) since 2014. She chairs the audit committees of both companies.

She is currently a member of the Professional Regulatory Commission's Board of Accountancy. She has been in practice for more than 35 years, with her field of competence being in audit and management consultancy. Dr. Villanueva is also involved in accreditation, performance evaluation, strategic planning and development, as well as forecasting and budgeting projects for academic institutions, being exposed to the academe for over 30 years.

In June 2014, she concluded her eight-year term as President of the Holy Angel University, which she had served for 33 years. Before she was appointed as University President in August 2006, she served as Dean and full professor of the College of Business & Accountancy for 25 years, and of the Graduate School for 10 years.

Dr. Villanueva was admitted as a Fellow of the Institute of Corporate Directors in August 2014.

She has held various positions at the Philippine Institute of Certified Public Accountants (PICPA), both at the local and national levels. She was President of the Philippine Association of Collegiate Schools of Business (PACSB) in 2005 and 2006. She is also a member of the Association of Certified Public Accountants in Education, the Management Association of the Philippines, the Philippine Marketing Association, and the International Council on Hotel, Restaurant and Institutional Education - Asia Chapter.

Dr. Villanueva was awarded the Most Outstanding President of PICPA in 2004.

Dr. Villanueva obtained her Accounting degree (BSC) from Holy Angel University in Angeles City in 1977 and passed the CPA licensure examinations in 1978. She pursued her studies and took her Master's Degree in Business Management from the Ateneo Graduate School of Business in 1982. She took her Doctorate Degree in Business Administration from De La Salle Graduate School of Business where she graduated in 2003 "With Distinction". In 2011, she pursued her post-doctorate studies and completed the Advance Management Program, a program designed for top executives from all over the world, at the Harvard Business School (AMP181) in Boston, Massachusetts; and in December 2014, she completed the one-year Challenges of Leadership Programme: Crafting Reflective Leaders at the Insead Business School in Fontainebleau, France.

Dr. Villanueva attended two sessions of the 2021 Corporate Governance Enhancement Seminar on September 17, 2021 and November 12, 2021.

The directors hold office for one (1) year from election until their successors are elected and qualified.

The members of the Board attended seminars on Corporate Governance in compliance with SEC rules and regulations.

Board of Advisors

Senen C. Bacani is 75 years old and is a Filipino. He was formerly a member of the Board of Directors and was elected as a member of the Board of Advisors on December 11, 2013. Mr. Bacani is the President of Ultrex Management & Investments Corp.; Chairman & President of La Frutera, Inc.; Chairman of Trully Natural Food Corporation; a Director of Swift Foods, Inc.; a Private Sector Representative of APEC Policy Partnership on Food Security, ABAC Philippines; Director of the Philippine Chamber of Agriculture & Food, Inc., Icebox Logistics Services, Inc., Franklin Baker Co. of the Philippines; and a Member of the Board of Advisors of East-West Seed Philippines, Inc. and of the National Competitiveness Council.

He is also a member of the Board of Trustees of the Philippine Rice Research Institute, and the Vice-Chairman of the Technical Advisory Committee of the PCARRD (DOST). Mr. Bacani is also involved in various non-government and people's organizations.

He obtained his degree in Bachelor of Science in Commerce at the De La Salle University, graduating Summa Cum Laude and Class Valedictorian, and his Masters in Business Administration at the University of Hawaii, USA. He passed the CPA Board Exams in 1966.

Corporate Officers.

Pedro O. Roxas (See above)

Manuel V. Pangilinan (See above)

Celso T. Dimarucut (See above)

Cynthia L. Dela Paz is 59 years old and is a Filipino. She has been the Corporate Secretary of the

Group since February 15, 2017. Atty. de la Paz is a senior partner at Picazo Buyco Tan Fider & Santos. She has been in the practice of corporate law and taxation for the last 27 years. She has been a Director of Tax Management Association of the Philippines (TMAP) for the last 10 years. Atty. de la Paz holds a law degree from the University of the Philippines and graduated from the same university with a degree in Psychology.

George T. Cheung is 47 years old and is a Filipino. He was appointed as Executive Vice-President, Chief Commercial Officer and Chief Risk Officer on January 15, 202. Mr. Cheung was formerly a Managing Partner in Commodity Partners Pte., Ltd., Head of Domestic Coal Trading of Trafigura Investment China, Ltd, based in Shanghai, Associate Director & General Manager-Sugar Division of Wilmar Sugar Pte. Ltd/Yihai Commercial Eagle Trading, General Manager at the Greater China Region of ED&F Man, a global supplier of sugar, and a Trading Manager of the Sugar Division in Hong Kong of Cargill, among others. He also served as VP-Head of Trading of PILMICO. Mr. Cheung obtained his degree in Bachelor of Science in Food Sciences and Technology at the University of British Columbia in Vancouver, British Columbia, Canada. He also earned his diploma in Business Administration at the International Correspondence Schools, and his Master in Business Administration (MBA) Global Executive program at the Duke University in Durham, North Carolina, USA.

Jose Manuel D. Mapa is 54 years old and is a Filipino. He was appointed as VP-General Manager of RHI Agri-business Development Corporation on January 8, 2018. Mr. Mapa obtained his MBA with High Academic Honors from the University of St. La Salle Graduate School in Bacolod and holds a Bachelor degree in Agribusiness Management from the University of the Philippines Los Baños in Laguna. Mr. Mapa served 2GO Group, Inc. for 20 years where he made major contribution as EVP for Key Accounts and Supply Chain Solutions (2015-2017) and EVP for Freight Sales and Operations – Luzon (2011-2014). Prior to that, he also worked as EVP for Corporate Sales at Negros Navigation Co., and as Operations Manager at Waterman Bacolod, Inc. He also manages a sugarcane farm in Talisay, Negros Occidental.

Frederick E. Reyes is 60 years old and is a Filipino. He was appointed as AVP & Deputy Head of Human Resources on February 1, 2014 and was promoted to VP & Deputy Head of Human Resources on January 5, 2015. He was as assigned as Corporate Governance Officer on December 16, 2020. Mr. Reyes was formerly the Director for Human Resources Services of Manila Water Company Inc. He has decades of experience in HR Operations having been in Vitarich in charge of Training, QC & Employee Relations. He joined Globe Telecom during its transition to become a “wireless” telephone company in charge of Training and Development from 1990 thru 1997, and also in Manila Water during its “privatization” years in 1997 thru 2012. Mr. Reyes obtained his degree in Industrial Engineering from the University of Sto. Tomas and is a licensed Industrial Engineer.

Jaynel R. Sulangi is 46 years old and is a Filipino. He was appointed VP/Head of Information & Communications Technology on March 21, 2018. Mr. Sulangi graduated Cum Laude with Bachelor of Science in Industrial Engineering degree at the University of the Philippines. Mr. Sulangi was VP for SAP Project Management at Deutsche Bank group before joining Roxas Holdings, Inc. He also worked at PLDT and Smart Communications, Inc. For seven years as Senior Manager, IT-Resource Planning (ERP) and later, as Solutions Architect, Program Management Office. He also worked at SAP, SSIP and Business Applications and Network Technologies. He is a Certified SAP Consultant in Planning Production Planning since 1997.

Veronica C. Cortez is 42 years old and is a Filipino. She is currently VP-Head of Finance and Administration having been promoted from her previous position as AVP of Finance from February 10, 2016. She was also appointed as Data Protection Officer and Deputy Risk Officer on December 16, 2020. She has over 10 years of experience in external auditing. She worked with SyCip Gorres Velayo & Co. (SGV) as Senior Director from September 2009 to 2015. She started her career with SGV as an Associate and moved to become Senior Associate, Associate Director and then Director. She also worked as a Senior Associate in the Resource Sharing Program of Ernst & Young Houston, Texas

Office. Ms. Cortez graduated with a degree in BS Accountancy from San Sebastian College Recoletos de Cavite and is a Certified Public Accountant (CPA).

Ma. Hazel L. Rabara-Retardo is 41 years old and is a Filipino. She is currently the Company's Treasurer and VP-Head of Legal and Treasury/Treasurer and Compliance Officer. She previously held the position of AVP for Corporate Governance and Deputy Compliance Officer, as well as Assistant Corporate Secretary from September 20, 2016. Prior to joining RHI, Atty. Rabara-Retardo was Vice President for Legal & Administrative Affairs/Corporate Secretary of Advanced Merchant Payments Lending Corporation, an affiliate of Amplifi Capital (HK) Ltd. and AMP Credit Technologies, Ltd, where she likewise provided support in legal and contracts management and other roles for the AMP Group which has operations in Hong Kong, Singapore and the United Kingdom. She also worked as Court Attorney V at the Office of the Presiding Justice Ernesto Acosta of the Court of Tax Appeals. Atty. Rabara-Retardo also worked as an associate in the Tan Venturanza Valdez Law Office where she was assigned as Corporate Secretary of various private and publicly-listed companies. She obtained her Bachelor of Laws degree and Bachelor of Arts Major in Political Science at the University of the Philippines- Diliman, Quezon City.

Josephine M. Logroño is 46 years old and is a Filipino. She was appointed as AVP and Group Head of Internal Audit on February 1, 2018. Ms. Logroño graduated with a degree in BS Accountancy from the University of Sto. Tomas. She is a Certified Public Accountant (CPA) and a Certified Internal Auditor. Ms. Logroño was formerly Audit Manager at Arthaland Corporation (2016-2017) and Shang Properties Inc. (2013-2016). She has over 16 years of experience in both internal and external auditing. She worked with Holcim Philippines, Inc. as Finance - Process Solution Officer and as an Internal Auditor from 2003 to 2010. She also served as an Associate Auditor at Sycip, Gorres, Velayo (SGV) & Co. from 1999 to 2003.

Aimee E. Pedayo is 30 years old and is a Filipino. She was appointed as Legal Manager on January 14, 2019 and was subsequently appointed as Assistant Corporate Secretary on June 4, 2020. Atty. Pedayo was an Associate at Puno and Puno Law Offices prior to joining the Company. Atty. Pedayo obtained her Bachelor of Science in Commerce, Major in Legal Management from De La Salle University-Manila. She obtained her Juris Doctor Degree from the Ateneo De Manila University-Law School, where she graduated with Second Honors.

Significant Employees

The Group is not highly dependent on the services of an employee who is not an Executive Officer so as to be a key in the business.

Family Relationships

There are no incumbent directors and officers related to each other within the fourth degree of consanguinity or affinity.

Legal Proceedings

The Group is not aware of any legal proceeding/s during the last five (5) years up to the present, involving the members of its Board of Directors, Executive Officers or their property before any court of law or administrative body in the Philippines or elsewhere. Moreover, the company is not in possession of any information indicating that the members of its Board of Directors or Executive Officers have been convicted by final judgment of any offense punishable under the laws of the Philippines or of any other country.

d) Certain Relationships and Related Transactions.

Mr. Manuel V. Pangilinan, Atty. Ray C. Espinosa and Mr. Christopher H. Young hold the positions of CEO and Managing Director, Associate Director and Chief Financial Officer, respectively of

First Pacific Company Limited. The First Pacific Group, through First Pacific Natural Resources Holdings BV (FPNRHBV) and First Agri Holdings Corp., owns 50.90% of the outstanding capital stock of the company as of 31 December 2015. Mr. Pedro O. Roxas is also the Executive Chairman and the President & CEO of Roxas and Company, Inc. (RCI). RCI owns 20.57% of the outstanding capital stock of the company as of 31 December 2021.

There is no transaction or proposed transaction during the last two (2) fiscal years to which the company was or is to be a party in relation to any director, any nominee for election as director, any security holder of certain record or beneficial owner or management or any member of the immediate families of the directors.

e) Disagreement with the Company.

No director has declined to stand for re-election to the Board of Directors since the date of the last meeting of shareholders because of a disagreement with the company on any matter relating to its operations, policies and practices.

f) Attendance

BOARD OF DIRECTORS MEETING

DIRECTORS	DATE OF MEETING					
	February 4, 2021	May 7, 2021	August 6, 2021	October 5, 2021	December 17, 2021	February 3, 2022
Pedro O. Roxas	✓	✓	x	✓	x	✓
Manuel V. Pangilinan	✓	✓	✓	✓	✓	✓
Celso T. Dimarucut	✓	✓	✓	✓	✓	✓
Christopher H. Young	✓	✓	✓	✓	✓	✓
Ray C. Espinosa	✓	✓	✓	✓	✓	x
Alex Erlito S. Fider	✓	✓	✓	✓	✓	✓
Oscar J. Hilado	✓	✓	✓	✓	✓	✓
Santiago T. Gabionza, Jr.	✓	✓	✓	✓	✓	✓
Arlyn S. Villanueva	✓	✓	✓	✓	✓	✓

AUDIT COMMITTEE MEETING

DIRECTORS	DATE OF MEETING					
	February 2, 2021	**May 4, 2021**	**August 3, 2021**	**September 27, 2021**	**December 13, 2021**	**January 31, 2022**
Arlyn S. Villanueva	✓	✓	✓	✓	✓	✓
Christopher H. Young	✓	✓	✓	✓	✓	✓
Oscar J. Hilado	✓	✓	✓	✓	✓	✓

ANNUAL STOCKHOLDERS' MEETING AND ORGANIZATION MEETING OF THE BOARD

DIRECTORS	DATE OF MEETING
	March 17, 2021
Pedro O. Roxas	✓
Manuel V. Pangilinan	✓
Celso T. Dimarucut	✓
Christopher H. Young	✓
Ray C. Espinosa	✓
Alex Erlito S. Fider	✓
Oscar J. Hilado	✓
Santiago T. Gabionza, Jr.	✓
Arlyn S. Villanueva	✓

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

a) Directors.

Art. 19 of the By-Laws of the company provides that the Board of Directors shall be given 6% of the net income of the corporation before tax to be distributed as fees in the following manner: 2% to the Executive Committee and 4% to the Board of Directors. Each member of the Board of Directors and the Board of Advisors receives a per diem of ₱25,000 for every meeting attended. Likewise, each member of the Executive Committee, Audit Committee, Executive Compensation Committee and Corporate Governance Committee receives a per diem of ₱25,000 for every meeting attended.

* Fees and remuneration of the members of the Board of Directors and Board of Advisors.

Name of Director	Position	Total Per Diems Received February 2021-February 2022 (tax inc.)
Pedro O. Roxas	Chairman	₱125,000
Manuel V. Pangilinan	Vice Chairman	₱175,000
Celso T. Dimarucut	Director/President and CEO	₱175,000
Christopher H. Young	Director	₱325,000
Ray C. Espinosa	Director	₱150,000
Alex Erlito S. Fider	Director	₱175,000
Arlyn S. Villanueva	Independent Director	₱325,000
Oscar J. Hilado	Independent Director	₱325,000
Santiago T. Gabionza Jr.	Independent Director	₱175,000

b) Executive Officers.

Compensation of Executive Officers

Name and Principal position	Fiscal Year	Salary	Bonus	Other Annual Compensation
The CEO and four most highly compensated Executive Officers: • Celso T. Dimarucut - President and CEO • George T. Cheung - EVP and Chief Commercial Officer • Jaynel R. Sulangi - VP, ICT • Gil M. Morales – AVP – Plant Head, CADPI • Alexander A. Pino – AVP – Plant Head, SCBI	2022	₱38,880,000.00	₱6,446,600.00	₱480,000.00
All other officers and directors as a group unnamed*		₱26,455,596.00	₱4,349,146.00	-
The CEO and four most highly compensated Executive Officers: • Celso T. Dimarucut - President and CEO • George T. Cheung - EVP and Chief Commercial Officer • Pilipino T. Cayetano - VP, Chief Manufacturing Officer • Jaynel R. Sulangi - VP, ICT • Gil M. Morales – Head, Manufacturing Services	2021	₱40,800,000.00	₱6,646,600.00	₱–
All other officers and directors as a group unnamed*		₱23,793,516.00	₱3,912,146.00	-
The CEO and four most highly compensated Executive Officers:	2020	₱53,243,628.00	₱8,847,218.00	₱–

Name and Principal position	Fiscal Year	Salary	Bonus	Other Annual Compensation
• Hubert D. Tubio - President and CEO • Celso T. Dimarucut - EVP and CFO • Arcadio S. Lozada - EVP-COO, Sugar Business Unit • Jose B. Villanueva – VP, Chief Manufacturing Officer (CADPI and SCBI) • Pilipino T. Cayetano – VP, Chief Manufacturing Officer – Negros				
All other officers and directors as a group unnamed*		₱42,077,832.00	₱6,919,452.00	–
The CEO and four most highly compensated Executive Officers: • Hubert D. Tubio - President and CEO • Celso T. Dimarucut - EVP and CFO • Arcadio S. Lozada - EVP-COO, Sugar Business Unit • Jose B. Villanueva – VP, Chief Manufacturing Officer (CADPI and SCBI) • Pilipino T. Cayetano – VP, Chief Manufacturing Officer – Negros	2019	₱53,083,308	₱8,847,218	₱–
All other officers and directors as a group unnamed*		41,868,180	6,978,030	–

ELECTION OF EXTERNAL AUDITORS

The Audit Committee recommends the re-election of the Auditing Firm of SyCip Gorres Velayo & Company as external auditors for fiscal year 2021-2022. The auditing firm was elected as external auditors during the annual meeting of the company's shareholders on February 15, 2017. Representatives of the firm are expected to be present at the annual meeting of stockholders on March 16, 2022. They are expected to be available to respond to appropriate questions, as the need arise. Ms. Aileen L. Saringan is the Partner assigned to handle the company's account.

External Audit Fees and Services.

	Audit & Related Fees	Other Fees
Aggregate fees billed by Auditors for the last two (2) Fiscal Years	Php7,790,000.00	Not Applicable

Policies and Procedures.

The Audit Committee (the Committee) confers with the external auditors at the beginning of every fiscal year to discuss the audit plans and programs for the year. After the audit plans and programs are approved, the Committee then determines the reasonableness of the fees proposed by the external auditors for audit and other related services. The Committee approves the quarterly financial statements of the company before they are presented for the approval of the Board of Directors and thereafter submitted to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) as part of the company's compliance with the requirements of the Revised Securities Regulation Code (SRC). The Committee also approves the yearly audited financial statements of the company before they are submitted for the consideration and approval of the Board of Directors and thereafter submitted to the Bureau of Internal Revenue (BIR), the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) as part of the company's compliance with the requirements of the Philippine Internal Revenue Code and the Revised Securities Regulation Code (SRC).

The Committee is tasked under its revised Charter to a) develop and maintain free and open means of communication with the Board, the independent auditors, the internal auditors, and the financial and general management of the company; b) to perform any other activities as the Committee deems appropriate, or as requested by the Board, consistent with its Charter, the company's By-laws and other applicable laws; c) to maintain and update, as appropriate, its Charter; and d) to report regularly to the Board and to update the Board on any significant issues that arise with respect to financial reporting and disclosures and other material issues. Additionally, the Committee provides oversight on financial reporting and disclosures, oversight on risk management, oversight on internal audit function and internal controls and oversight on external audit.

There has been no disagreement with the external auditor, Sycip Gorres Velayo & Co., on accounting, financial concerns, and any disclosures in the Consolidated Financial Statements since its first election as external auditors of the company on February 15, 2017.

Financial Statements and other Reports.

The financial statements and other financial disclosures for the fiscal year ending September 30, 2021 are contained in the Company's Consolidated Financial Statements with corresponding Management's Discussion and Analysis or Plan of Operations for the same periods and are herein attached. Furthermore, financial statements and other disclosures for the quarter ending December 31, 2021 are contained in the Unaudited Interim Financial Statements of the Company, which will be posted in the website, as may be available.

Annual Meeting of Stockholders dated March 17, 2021

The stockholders voted for the adoption of the matters raised in the meeting via votes cast electronically through https://asm2021.rhi.com.ph/ and were verified by Banco de Oro - Trust & Investments Group, the company's stock transfer agent, Atty. Aimee E. Pedayo in her capacity as Assistant Corporate Secretary and the external auditor, Sycip Gorres Velayo & Co.

The stockholders were given the opportunity to leave their questions in a comment box provided on the website when they log in using the secured credentials provided by RHI. The stockholders were allowed to leave their questions or comments throughout the conduct of the meeting. During the meeting, one stockholder, Mr. Antonio G. Nieto asked "Why did RHI sell CAC & Roxol? Were there no other ways to raise funds? RHI recently increased its authorized capital stock from P1.5b to P2b. Were there no subscribers? Not even First Pacific? Why did RHI incur a big loss on this sale? Did they sell these 2 entities below book values? Is it true that RHI bought San Carlos over & above its fair market value to the tune of P1b? This amount which was classified as goodwill in its b/s was wholly written off last year even ballooning its last year losses to unbelievable level. What is the projected bottom line this year? Are we going to have a loss again?"

Mr. Dimarucut, RHI's President and CEO, addressed the question as follows:

"Dear Shareholders, as I have earlier indicated, RHI was beset with uncontrollable events that affected every facet of its business.

During the period 2016 and 2017, RHI managed to grow the Core EBITDA to P1.3 billion and P1.5 billion, respectively, from a little less than P1 billion in 2015 with higher production of refined sugar.

The sale of La Carlota assets to URC is a necessary step to de-risk the business. This sale resulted in 54% reduction in debt level from P9.8 billion to P4.4 billion. The expected reduction in the interest and operating expenses more than offset the expected income to be generated from these business units. More importantly, the reduction of debt levels is necessary for the Group to meet the agreements with our debtors, and conserve needed resources to grow the remaining business units.

Please recall that RHI underwent capital raising activities through a Stock Rights Offering in 2016 and Conversion of Convertible Notes in 2017. From these, RHI was able to generate Php1.1 Billion and PhP 525 Million, wherein a substantial portion came from the First Pacific group. However, since RHI has not been able to distribute dividends since 2015, it will be very difficult for RHI's principal shareholders, who are likewise publicly-listed companies, to get approval for further investments in RHI at this point in time.

The consideration on the La Carlota asset sale had been determined after arm's length negotiations with URC, and represents the fair market value of the assets, having regard to comparable market prices of similar assets located in the vicinity, and the potential earnings of the business sold. The recorded book value is no longer representative of the market value and thus we need to record an accounting loss.

The acquisition of SCBI in 2015 resulted in recognition of goodwill, as the difference between the net book value of assets acquired and the consideration. At the time RHI invested in in SCBI in 2015, the ethanol industry, stemming from its own experience in Roxol (which was built and commissioned by RHI in 2011), is enjoying competitive margins. However, with the recent changes in the industry, particularly the erosion of margin arising from increasing cost of feedstock, RHI has taken a more conservative view on the recoverability of the value of the goodwill and has recognized a non-cash and non-recurring impairment provision in the profit and loss.

RHI is focus in restoring its ability to maximize the 5 million Lkg bags refinery capacity of CADPI. CADPI is strategically located to better service the growing need for refined sugar of food and manufacturing companies. RHI has initiated and started work to accomplish this objective and expect to complete this work before the end of this calendar year in time for the start of next year's crop season. To this end, RHI expect to transition the Group this year and hopefully see the complete turnaround in fiscal year 2022."

No other questions were raised throughout the meeting.

The following were the matters discussed and the voting results for each item:

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Stockholders' Meeting held on 04 June 2020	**1,358,869,398** shares or **99.97%** of the total outstanding shares of stock present in the meeting.	NONE	**367,450 shares** or **0.00%** of the total issued and outstanding shares of stock present in the meeting.
Approval of the Annual Report to the Stockholders for the fiscal year ending 30 September 2020	**1,358,869,398** shares or **99.97%** of the total outstanding shares of stock present in the meeting.	NONE	**367,450** shares or **0.00%** of the total issued and outstanding shares of stock present in the meeting.
Approval of all acts and resolutions of the Board of Directors and Management	**1,358,869,398** shares or **99.97%** of the total outstanding shares of stock present in the meeting.	NONE	**367,450** shares or **0.00%** of the total issued and outstanding shares of stock present in the meeting.
Election of the Board of Directors	**1,359,236,848** shares or **100%** of the total outstanding shares of stock present in the meeting.	NONE	NONE
Election of the external auditors	**1,359,236,848** shares or **100%** of the total outstanding shares of stock present in the meeting.	NONE	NONE

The following were the Board of Directors present during the meeting:

1. Pedro O. Roxas
2. Mr. Manuel V. Pangilinan
3. Mr. Hubert D. Tubio
4. Atty. Ray C. Espinosa
5. Mr. Christopher H. Young
6. Atty. Alex Erlito S. Fider
7. Mr. Oscar J. Hilado (Independent Director)
8. Ms. Arlyn S. Villanueva (Independent Director)
9. Atty. Santiago T. Gabionza, Jr. (Independent Director)

The following were the Officers present during the meeting:

1. Mr. Pedro O. Roxas - Chairman of the Board of Directors
2. Mr. Manuel V. Pangilinan - Vice-Chairman of the Board of Directors
3. Mr. Celso T. Dimarucut - President & Chief Executive Officer
4. Atty. Cynthia Y. Ligeralde- Dela Paz - Corporate Secretary
5. Mr. George T. Cheung - EVP-Chief Commercial Officer/Chief Risk Officer
6. Mr. Pilipino T. Cayetano - VP-Chief Manufacturing Officer, CADPI & SCBI/ Chief Compliance Officer

7. Mr. Jose Manuel D. Mapa - VP-GM, RHI-ADC
8. Mr. Julius G. Rugas - VP-Head of Refined Sugar Operations, CADPI
9. Mr. Frederick E. Reyes - VP, Human Resources//Chief Governance Officer
10. Mr. Jaynel Sulangi - VP, Information & Communications Technology
11. Ms. Veronica C. Cortez - VP-Head of Finance & Administration/Deputy Risk Officer/Data Protection Officer
12. Atty. Ma. Hazel L. Rabara-Retardo - VP-Head of Legal & Treasury/Treasurer
13. Ms. Josephine M. Logroño - AVP, Internal Audit
14. Mr. Jaypee V. Jimenez - AVP, Procurement and Materials Management
15. Atty. Aimee E. Pedayo - Asst. Corporate Secretary/Legal Manager/ Deputy Corporate Information Officer/ Deputy Compliance Officer

The following stockholders were present via remote communication:

1. Mr. Antonio G. Nieto
2. Other stockholders of record authorized and appointed the Chairman, Mr. Pedro O. Roxas, as their proxy for the meeting

Stockholders with a total of 1,359,236,848 shares or 87.81% of the total issued and outstanding shares of stock, were present during the meeting.

Material information on the Current Stockholders and their voting rights

The number of shares outstanding and entitled to vote at the stockholders' meeting is 1,547,935,799 common shares which was determined as of the record date of January 5, 2022.

The Stockholders are entitled to a cumulative voting in the election of directors. Section 23 of the Revised Corporation Code of the Philippines provides that every stockholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares of stock standing, at the time fixed in the by-laws, in his own name in the stock books of the corporation, or where the by-laws are silent, at the time of the election and the stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them, on the same principle, among as many candidates as he shall see fit.

For all other matters to be acted upon, each share is entitled to one (1) vote.

Appraisals and performance report for the board and the criteria and procedure for assessment

The Audit Committee oversees and makes sure that all members of the Board of Directors answer a self-assessment questionnaire. The results thereof will be validated by the Compliance Officer and reported to the Board of Directors for discussion and approval. Similarly, the Audit Committee evaluates and assesses its performance with regard to the audit maters presented before it. In the Board of Directors' Meeting held last December 17, 2021, the Audit Committee presented a report to the Board of Directors about its overall performance for Crop Year 2020-2021.

The Board recognizes the importance of conducting regular performance assessments, individually and collectively. Assessments are recommended to be conducted annually to evaluate the Board's specific and overall performance for the past calendar year. The performance of the individual members of the Board of Directors are assessed according to the functions stated in the Board Charter and in the committee charters. The self-assessment questionnaire also takes into consideration the parameters set by the SEC such as Memorandum Circular 4, Series of 2012. Three (3) assessment instruments with corresponding evaluation criteria were accomplished by the directors, namely the

Board Self-Assessment, Board Committee and Self-Assessment. The questionnaire involves an evaluation of the Board's collective and individual performances regarding strategic decision making, oversight of risks, BOD organization, governance role, knowledge of the company circumstances, contribution and BDO interrelationship. The questionnaire is distributed by the Corporation's Corporate Secretary or Assistant Corporate Secretary and the accomplished form is submitted in confidence to the Corporate Secretary or Assistant Corporate Secretary. The results are tabulated and analyzed so that a comprehensive report can be generated for the appreciation of the Board. Prospectively, the annual self-assessment shall, as practicable, be supported by an external facilitator every three years and allow for a feedback mechanism for stockholders, as may be needed to conform to the Corporate Governance Code.

Director Disclosure on Self-dealing and Related Party Transactions

There are no Directors involved in self-dealing and related party transactions.

Items for Ratification: All Acts and Resolutions of the Board of Directors

Material actions or resolutions submitted for ratification are summarized below.

March 17, 2021 - Results of Annual Shareholders' Meeting:

1. Approval of the Annual report with accompanying Financial Statements for fiscal-year ending September 30, 2020;

2. Ratification of all acts, proceedings and resolutions by the Board and Management since the last annual meeting of June 4, 2020;

Results of Organizational Meeting of the Board of Directors:

Name		Position
Mr. Pedro O. Roxas	-	Chairman of the Board of Directors
Mr. Manuel V. Pangilinan	-	Vice-Chairman of the Board of Directors
Mr. Celso T. Dimarucut	-	President & Chief Executive Officer
Atty. Cynthia Y. Ligeralde- Dela Paz	-	Corporate Secretary
Mr. George T. Cheung	-	EVP-Chief Commercial Officer/Chief Risk Officer
Mr. Pilipino T. Cayetano	-	VP-Chief Manufacturing Officer, CADPI & SCBI Chief Compliance Officer
Mr. Jose Manuel D. Mapa	-	VP-GM, RHI-ADC
Mr. Julius G. Rugas	-	VP-Head of Refined Sugar Operations, CADPI
Mr. Frederick E. Reyes	-	VP-Human Resources/Chief Governance Officer
Mr. Jaynel R. Sulangi	-	VP-Information & Communications Technology
Ms. Veronica C. Cortez	-	VP-Head of Finance & Administration/ Deputy Risk Officer/Data Protection Officer
Atty. Ma. Hazel L. Rabara-Retardo	-	VP-Head of Legal & Treasury/Treasurer
Ms. Josephine M. Logroño	-	AVP-Internal Audit
Mr. Jaypee V. Jimenez	-	AVP-Procurement and Materials Management

Atty. Aimee E. Pedayo	-	Asst. Corporate Secretary/Legal Manager/ Deputy Corporate Information Officer/ Deputy Compliance Officer

May 7, 2021

a. Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Unaudited Financial Statements and Management Discussion and Analysis for the second quarter ending 31 March 2021, of the current fiscal year; and,

2. Approved the Press Release.

3. Other matters

b. Subscribed to the unsubscribed portion of Roxas Pacific Bioenergy Corporation's ("RPBC") authorized capital stock, specifically to Twenty Three Million Seven Hundred Eight Thousand One Hundred Sixty (23,708,160) common shares at a total subscription price of Two Billion Three Hundred Seventy Million Eight Hundred Sixteen Thousand Pesos (Php2,370,816,000.00) or One Hundred Pesos (Php100.00) per common share using the advances of RPBC with RHI; and

c. Subscribed to the unsubscribed portion of RHI Agri-Business Development Corporation's ("ADC") authorized capital stock, specifically to Three Million Nine Hundred Eighty Thousand (3,980,000) common shares at a total subscription price of Three Hundred Ninety Eight Million Pesos (Php398,000,000.00) or One Hundred Pesos (Php100.00) per common share paid using the advances of ADC with the Corporation.

August 9, 2021 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Unaudited Financial Statements and Management Discussion and Analysis for the third quarter ending 30 June 2021, of the current fiscal year; and

2. Approved the Press Release.

August 25, 2021 - Resignation of Mr. Julius G. Rugas as Vice President/Head - Refined Sugar Operations of Central Azucarera Don Pedro, Inc., subsidiary of Roxas Holdings, Inc.

October 17, 2021 – Resignation of Mr. Pilipino T. Cayetano as VP - CMO (CADPI and SCBI) and Chief Compliance Officer. Appointment of Atty. Ma. Hazel L. Rabara-Retardo as Compliance Officer.

December 17, 2021 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Audited Financial Statements and Management Discussion and Analysis for the fiscal year ending 30 September 2021;

2. Approved the Press Release;

3. Approved the issuance of Convertible Notes by RHI's subsidiary, San Carlos Bioenergy, Inc.;

4. Approved the Report of the Audit & Risk Committee for the fiscal year ending 30 September 2021; and

5. Set the holding of the Annual Stockholders Meeting on 16 March 2022 with Record Date for the said Meeting on 05 January 2022, and for the shareholders to attend through remote participation or voting in absentia or by appointing the Chairman of the meeting as proxy, subject to validation procedures, and the internal rules and procedures set by the Corporation.

January 14, 2022-Resignation of Mr. Jaypee V. Jimenez as AVP-Procurement and Materials Management.

February 3, 2022 - Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Unaudited Financial Statements and Management Discussion and Analysis for the third quarter ending 31 December 2021, of the current fiscal year; and

2. Approved the Press Release.

THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE A COPY OF ITS ANNUAL REPORT FOR THE FISCAL YEAR ENDED 30 SEPTEMBER 2021 ON SEC FORM 17-A.

PLEASE ADDRESS ALL REQUESTS FOR COPIES OF THE AFORESAID REPORTS TO ATTY. AIMEE E. PEDAYO, 14F, Net One Center, 26th Street cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila.

SIGNATURE

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

ROXAS HOLDINGS, INC.

By:

AIMEE E. PEDAYO
Asst. Corporate Secretary

February 22, 2022

REQUIREMENTS AND PROCEDURE FOR

ELECTRONIC VOTING IN ABSENTIA

AND

PARTICIPATION BY REMOTE COMMUNICATION

ELECTRONIC VOTING IN ABSENTIA

Stockholders as of January 5, 2022 ("Stockholders") have the option of electronic voting *in absentia* on the matters in the Agenda, after complete registration and successful validation. To access the Electronic Voting in Absentia system, stockholders are required to provide their active, primary electronic mail (e-mail) addresses to the Corporation by informing the Corporation, together with submission of documents necessary for validation, through email at *corporatesecretary@rhi.com.ph.* Stockholders may also inform their respective brokers who will provide the necessary information on behalf of the stockholders.

The following are needed for registration:

2.1 For individual Stockholders–

2.1.1 A recent photo of the stockholder, with the face fully visible (in JPG format). The file size should be no larger than 2MB;

2.1.2 A scanned copy of the stockholder's valid government-issued ID showing photo and personal details, signature, and preferably with residential address (in JPG format). The file size should be no larger than 2MB;

2.1.3 A valid and active e-mail address;

2.1.4 A valid and active contact number;

2.2 For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG format). The file size should be no larger than 2MB;

2.3 For Stockholders under Broker accounts –

2.3.1 A broker's certification on the Stockholder's number of shareholdings (in JPG format). The file size should be no larger than 2MB;

2.3.2 A recent photo of the stockholder, with the face fully visible (in JPG format). The file size should be no larger than 2MB;

2.3.3 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, signature and preferably with residential address (in JPG format). The file size should be no larger than 2MB;

2.3.4 A valid and active e-mail address;

2.3.5 A valid and active contact number;

2.4 For corporate Stockholders –

2.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG format). The file size should be no larger than 2MB;

2.4.2 A recent photo of the stockholder's representative, with the face fully visible (in JPG format). The file size should be no larger than 2MB;

2.4.3 A scanned copy of the valid government-issued ID of the stockholder's representative showing photo and personal details, signature and preferably with residential address (in JPG format). The file size should be no larger than 2MB;

4.4.4 A valid and active e-mail address of the Stockholder's representative;

4.4.5 A valid and active contact number of the Stockholder's representative.

The above documents shall be submitted to the Corporate Secretary by email through: corporatesecretary@rhi.com.ph.

Important Note: Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically *in absentia*, but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before March 4, 2022.

Considering the extraordinary circumstances in relation to COVID-19, the Company shall allow electronic, digital or scanned signature for the required documents, as applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents at a later time.

The deadline for registration to vote *in absentia* is March 4, 2022. Beyond this date, Stockholders may no longer avail of the option to vote *in absentia*.

After validation, shareholders will receive their unique access codes, together with the instructions sent to the e-mail address provided. Stockholders may then access the link https://asm2022.rhi.com.ph/ to complete the validation and start the voting process. Stockholders whose submission cannot be validated for being incomplete or for submitting unverifiable information shall not be allowed to proceed with registration and voting.

The validation process will be completed by the Corporation no later than three (3) business days from the final date of submission of proxies to the Corporation.

Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.

All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot and the registered Stockholder may vote as follows:

6.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.

6.2 For the Election of Directors, the registered Stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

Once voting on the agenda items is finished, the registered Stockholder can proceed to submit the accomplished ballot by clicking the 'Submit' button.

Electronic Voting in Absentia system will prompt the Stockholder to confirm the submission of the ballot. The votes cast *in absentia* will have equal effect as votes cast by proxy.

After the ballot has been submitted, Stockholders may no longer change their votes.

The Corporate Secretary will count and tabulate the votes cast *in absentia* together with the votes cast in person or by proxy. The Corporate Secretary shall report the results of voting, as validated, immediately after the Meeting.

PARTICIPATION BY REMOTE COMMUNICATION

Stockholders as of January 5, 2022 ("Stockholders") who are registered under the Electronic Voting in Absentia system can also participate in the Meeting on March 16, 2022 by remote communication by clicking the ASM live feed access in the same system.

Only those shareholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the stockholders who voted in absentia and by proxy, will be included in determining the existence of a quorum.

Shareholders participating by remote communication will not be able to vote unless they register in the Electronic Voting in Absentia system or authorize the Chairman to vote as proxy, on or before March 4, 2022.

Shareholders may send their questions and/or comments prior to or during the meeting at corporatesecretary@rhi.com.ph.

A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting.

Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted.

For any clarifications, please contact our Office of the Corporate Secretary through corporatesecretary@rhi.com.ph.

COVER SHEET

PW-15A

SEC Registration Number

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

(Company's Full Name)

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

(Business Address: No. Street City/Town/Province)

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
www.roxasholdings.com	(02) 8771-7800	–

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
2,080	February 18	September 30

CONTACT PERSON INFORMATION

The designed contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Ma. Hazel L. Rabara-Retardo	hazel.rabara@rhi.com.ph	(02) 8810-8901	–

Contact Person's Address

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

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: September 30, 2021

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. Republic of the Philippines
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

7. 14th Floor, Net One Center, 26th corner 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila
Address of principal office

1634
Postal Code

8. (02) 8771-7800
Issuer's telephone number, including area code

9. n.a.
Former name, former address, and former fiscal year, if changed since last report.

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 of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	1,547,935,799

11. Are any or all of these securities listed on a Stock Exchange.

Yes [x] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange, Inc. Common Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No [ ]

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

Yes [x] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in “Annex B”).

    Assuming that the number of shares held by non-affiliates as of November 29, 2021 is 254,546,187 and assuming further that the closing trading price as of the same date is ₱1.20 per share then the aggregate value of voting shares held by non-affiliates as of the said date is ₱305,455,424.40.

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

    Yes [ ] No [ ] Not Applicable [x]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

    (a) Any annual report to security holders;

    (b) Any information statement filed pursuant to SRC Rule 20;

    (c) Any prospectus filed pursuant to SRC Rule 8.1.

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

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.

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 "ROX".

Through the years, RHI became an integrated sugar company that has expanded its business interests to include bioethanol and co-generation. RHI has the following subsidiaries:

	Percentage of Ownership			Noncontrolling Interest				Principal Place of
	2021	2020	2019	**2020**	2020	2019	Nature of Business	Business
Central Azucarera Don Pedro, Inc. (CADPI)	**100.00%**	100.00%	100.00%	**–**	–	–	Production and selling of raw and refined sugar, molasses and related products	Taguig 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	Taguig City and Negros Occidental
CADP Insurance Agency, Inc. (CIAI)	**100.00%**	100.00%	100.00%	**–**	–	–	Insurance agency	Makati City
Roxol Bioenergy Corp. (RBC)	**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)	**100.00%**	100.00%	100.00%	**–**	–	–	Agricultural business	Makati City
Roxas Pacific Bioenergy Corporation (RPBC)	**100.00%**	100.00%	100.00%	**–**	–	–	Holding company for bioethanol investments	Negros Occidental
RHI Pacific Commercial Corp. (RHIPCC) [1]	**100.00%**	100.00%	100.00%	**–**	–	–	Selling arm of products of RHI Group	Makati City
San Carlos Bioenergy, Inc. (SCBI) [2]	**93.35%**	93.35%	93.35%	**6.65%**	6.65%	6.65%	Production and selling of bioethanol fuel	Negros Occidental
Najalin Agri Ventures, Inc. (NAVI)	**–**	–	95.82%	**–**	–	4.18%	Agricultural and industrial development	Negros Occidental
Roxas Power Corporation (RPC)	**50.00%**	50.00%	50.00%	**50.00%**	50.00%	50.00%	Sale of electricity	Nasugbu, Batangas
Northeastern Port Storage Corporation (NPSC) [3]	**100.00%**	100.00%	100.00%	**–**	–	–	Owning the depot and storage facilities used by SCBI	Negros Occidental

[1] *As at September 30, 2020 , RHIPCC has not yet started commercial operations.*
[2] *Acquired in April 2015 through RPBC.*
[3] *Indirect ownership through RPBC.*

As at fiscal year-end September 30, 2019, RHI also holds a 45.09% equity investment in HPCO, a sugar company located in Silay City, Negros Occidental. Subsequently, however, in November 2019, RHI divested its entire equity investment in HPCO.

As at fiscal year-end September 30, 2020, RHI sold its sugar mill and ethanol plant in La Carlota City, Negros Occidental and all of its equity interests in Najalin Agri-Ventures, Inc. to Universal Robina Corporation. Likewise, as at September 30, 2020, RHI and subsidiaries, collectively referred herein as "the Group", is one of the biggest raw sugar producers in the country with a capacity of twelve thousand (12,000) metric tons cane per day. The Group also owns the second largest sugar refinery with a capacity of eighteen thousand (18,000) Lkg bag. per day and one of the biggest ethanol producers in the country with a daily production capacity of one-hundred twenty-five thousand (125,000) liters.

Amid the challenges that come with the ASEAN integration, RHI thrives in a strong and young domestic market and is gradually setting its sights in the region.

Changes in Corporate Structure

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 Holdings BVI Limited (FPNRHBV), a subsidiary of First Pacific Company, Ltd. (First Pacific), a Hong Kong-based company. RCI remained the major shareholder of the Parent Company with 35% equity.

On February 28, 2015, First Pacific Agri Holdings Corporation (FPAHC), a Philippine affiliate of FPNRHBV, acquired 241,780,709 treasury shares of the Company amounting to ₱1.7 billion representing 24% interest in the Company. As a result, equity interest of RCI in the Parent Company was further diluted from 35% to 28%.

On May 2016, the Parent Company completed its stock rights offering 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”).

On June 8, 2016, the SEC approved the amendment in the Parent Company’s articles of incorporation to change the registered address to 14F, Net One Center, 26th cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila from 6th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City.

On February 1, 2017, the BOD approved the issuance of convertible debt securities amounting to ₱523,750,000 to FPNRHBV, convertible to 125,000,000 million common shares of RHI at the option of the holder and bears annual interest at 3%.

On February 15, 2017, the shareholders approved the amendment of the Parent Company’s articles of incorporation to increase the authorized capital stock from 1,500,000,000 to 2,000,000,000 divided into 2,000,000,000 with par value of ₱1.00 per share. On February 17, 2017, FPNRHBV exercised its conversion rights in respect of the convertible debt securities to be issued out of the increase in authorized capital stock at a conversion rate of ₱4.19 for every common share, or a total of 125,000,000 new common shares.

On July 14, 2017, the Parent Company’s application for increase in authorized capital stock using the convertible debt securities as payment for subscription was approved by SEC.

Business Description

RHI is one of the largest integrated sugar business and the biggest ethanol producer in the Philippines. At the forefront of the Philippine sugar and ethanol industries, it is a trusted brand recognized for its contributions and legacy in the areas of sugar and bio-ethanol production.

With a history that is close to a century, RHI owns and operates the largest milling operations in the Philippines as well as the second largest sugar refiner, and two of the country’s pioneering bioethanol plants. Together, the complementary locations of the sugar mills and ethanol plants enable RHI to serve customers throughout the Philippines.

(a) Principal Products, Markets and Relative Contribution to Consolidated Revenue

RHI has reorganized its subsidiaries to form two Strategic Business Units (SBUs) defined along its two core product lines: sugar and bioethanol, offering the following principal products and services:

1. ***Sugar.*** The Group produces raw and refined sugar in different grades. Big industrial users, including food and beverage, and pharmaceutical companies, prefer the Group’s premium raw sugar for blending in their own products. Customers with unique product specifications, such as packaging and delivery, also rely on the Group to provide them with customized sugar solutions.

2. ***Bioethanol.*** The Group, through SCBI, produces ethanol for local oil companies in compliance with the Biofuels Act of 2006 which mandates the blending of 10% ethanol in gasoline.

3. ***Tolling/Refining.*** The Group, through CADPI, offers tolling or refining services to raw sugar owners.

The relative contribution of each principal product and service to consolidated revenue for the years ended September 30, 2021, 2020 and 2019 follow:

	Fiscal Year Ended September 30		
	2021	2020	2019
Refined sugar	30.9%	16.0%	26.1%
Bioethanol	34.2%	30.3%	29.9%
Raw sugar	7.4%	30.7%	26.3%
Milling revenue	15.6%	18.6%	11.8%
Others	11.9%	4.4%	5.9%
	100.0%	100.0%	100.0%

CADPI sells sugar mainly to the domestic market but cater to foreign buyers when opportunity arises. On the other hand, molasses is sold by CADPI only to the domestic market. SCBI sells anhydrous alcohol directly to domestic oil companies.

(b) Distribution Methods

Distribution is through direct selling to various traders and industrial users. They are not dependent on specific entities for the distribution of their products.

SCBI sells bioethanol fuel to the domestic market directly to oil companies. Majority of the major oil companies purchase their ethanol requirements from the Group.

(c) Competition

Over the years, RHI has developed solid relationships with high quality, tier one customers. Through its excellent level of service and reliability, and quality products, RHI has established a long-term relationship with its customers, which include multinational food and beverage, and pharmaceutical companies.

CADPI supplies sugar to entities engaged in pharmaceutical, food, and beverage businesses, among others. Raw sugar is also supplied to households and small and medium-sized enterprises through wholesalers and retailers.

Raw sugar producers in the country include URC-Balayan in Batangas and Victorias Milling Company, Inc., Binalbagan-Isabela Sugar Company, HPCO and Lopez Sugar Corporation in Negros. The main competitors of CADPI's refined sugar production are Victorias Milling Company, Inc., Lopez Sugar Corporation, and Central Azucarera de Tarlac in Central Luzon.

SCBI supplies bioethanol fuel to oil companies. Some of its competitors are Green Futures Innovations, Inc., Leyte Agri Corp., and Cavite Biofuels Producers Inc.

(d) Sources and Availability of Raw Materials

CADPI sources its sugar cane requirements from planters and traders in Batangas. SCBI sources its molasses and sugar cane requirements from planters and traders in San Carlos City, Negros Occidental.

Sourcing of cane has been challenging in previous crop years. As such, the management created RHI-ADC to assist in cane sourcing requirements of the Group. RHI-ADC aims to improve farm productivity in the milling districts, increase the volume of canes delivered to RHI mills and create new revenue streams.

The Group's principal suppliers are (i) Central Azucarera De Bais, Inc. (ii) John Thompson – A division of Actom Pty Ltd (iii) Central Azucarera De San Antonio, Inc. (iv) The Dynamic Triple C

Marketing Corp. (v) Crystal Sugar Company, Inc. (vi) Ala-Eh Trucking and Hauling Services Association, Inc. (vii) Central Pilipinas Power and Automation, Inc. (viii) All Asian Bioethanol Corp and (ix) Progreen AgriCorp, Inc..

The Group's main contracts with principal suppliers are as follows:

1. Hauling Services Contracts

   The Group has agreements with various service providers for hauling services for the transport of sugarcane from the plantations to milling facilities. Hauling expenses are recorded as part of the cost of raw and refined sugar sold.

2. Manpower Supply Contract

   The Group has various agreements with service providers for the supply of manpower for the upkeep, maintenance and continuous operation of the Group's sugar mills.

3. Milling Contracts

   The Group has milling contracts with the planters, which provide for a 35% and 65% sharing between the Mills and the planters, respectively, of sugar, molasses and other sugar cane by-products, excluding bagasse, produced every crop year.

   In December 2017, milling contracts of CADPI with the planters were revised to provide for a 32% and 68% sharing between CADPI and the planters, respectively. This agreement is effective until crop year 2021 to 2022. Renewal is upon mutual consent of both parties thereafter.

(e) Dependence to Single or a Few Customers

The Group has established long-term relationships with various customers and is not dependent on a single or a few customers to generate revenue. Most of these customer relationships have been in place for as long as 15 years, with some companies sourcing sugar from RHI since its inception. Furthermore, with its wide network of customers, the Group enjoys customer diversification and is not reliant on only a select group of clients.

(f) Transactions with and/or Dependence on Related Parties

Please refer to Note 19, *Related Party Transactions and Balances* to the consolidated financial statements.

(g) Patents, Trademarks and Copyrights

RHI, CADPI, SCBI and RHI-ADC have the following registered trademarks:

Company	Trademarks
Roxas Holdings, Inc.	RHI Roxas Holdings, Inc.
Central Azucarera Don Pedro, Inc.	Central Azucarera Don Pedro, Inc.
San Carlos Bioenergy, Inc.	San Carlos Bioenergy, Inc.
RHI Agri-Business Development Corporation	ADC RHI Agri-Business Development Corporation

(h) Need for government approvals of principal products

The Group's sugar business principally regulated by Republic Act No. 10659, otherwise known as the Sugarcane Industry Development Act of 2015, and the policies and the rules and regulations

of the Philippine Sugar Regulatory Administration ("SRA") while its bioethanol business is principally regulated by RA 9367, otherwise known as the Biofuels Act of 2006, and the rules and regulations issued by the Philippine Department of Energy ("DOE").

(i) Effect of existing or probable governmental regulations on the business

Republic Act No. 10963 – Tax Reform for Acceleration and Inclusion (TRAIN)

The law imposes an excise tax of six pesos (Php 6.00) per liter on sugar sweetened beverages and twelve pesos (Php 12.00) per liter on sweetened beverages using high fructose corn syrup, among others. It tasked the Food and Drug Administration to require manufacturers and importers of sweetened beverages to indicate the type of sweetener used in the label, and the equivalent volume of liter per serving if the beverage is in powder form. The law resulted to a decrease in the use and importation of high fructose corn syrup domestically, and the resurgence of the use of sugar by manufacturers of sweetened beverages.

Sugar Industry Development Act

Republic Act No. 10659, otherwise known as the Sugar Industry Development Act of 2015 ("SIDA") was enacted to law on 27 March 2015. The SIDA was passed to promote the competitiveness of the sugarcane industry by providing for the establishment of various government-led program which aim to maximize the utilization of sugarcane resources, and increase the incomes of farmers through improved productivity, product diversification, job generation, and increased efficiency of sugar mills. On 4 August 2015, the Implementing Rules and Regulation of the SIDA (the "SIDA IRR") were approved.

The Productivity Improvement Programs under the SIDA include the Block Farm Program wherein small farms can consolidate to be able to take advantage of the economies of scale in the production of sugarcane. Those who will not qualify for the Block Farm Program, can avail of the Farm Support Program which will include the provision of socialized credit, farm management and technical assistance, and professional services. On the other hand, the Farm Mechanization Program focuses on encouraging and training farmers to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane. Finally, to facilitate the transport of sugarcane to mills and distilleries and enhance the marketing and export of sugar and other products derived from sugarcane, farm-to-mill roads and irrigation facilities shall be provided.

The SRA under the Department of Agriculture is the main agency overseeing the sugar industry. With the enactment of the SIDA, the regulatory functions of the SRA as provided for in Executive Order No. 18 s. 1986 were significantly increased.

First, the SRA established a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar. In line with this objective, certain individuals and entities are now required to register with the SRA. Second, the SRA was tasked to classify imported sugar according to its appropriate classification when imported at a time that domestic production is sufficient to meet domestic sugar requirements. Third, it now provides for extension services such as technical assistance and advice, conduct of tests, propagation, and dissemination of high yielding varieties, and operation of demonstration farms. Lastly, in coordination with the DOST, it intensified research and development in this area.

Laws Related to Sugar Trade

In August 1987, the SRA issued Sugar Order No.1 which served as the basis for the annual sugar allocation for sugar produced in the Philippines. The said order allocated the country's total domestic sugar into the following categories: "A" for export to the US, "B" for domestic sugar, "C" for reserve sugar, and "D" for export to other foreign markets. These allocations are determined by the SRA Board at the beginning of every crop year. These same allocations affect the total amount of raw sugar available for domestic refineries. The SRA releases Sugar Orders all throughout every year after its creation. As part of the US sugar import quota system, the

Philippines is also given annual sugar export allocations which vary for every crop year. Early 2017, the SRA issued Sugar Order No. 3 and Sugar Order No.3-A, regulating and providing the guidelines in importing High-Fructose Corn Syrup (HFCS) and Purely Chemical Fructose, which products are commonly used by beverage companies as sugar substitute.

On 17 June 1997, Executive Order No. 420 was issued which modified the rates of duty on sugar as provided under the Tariff and Customs Code of 1978, as amended, in order to implement the ASEAN preferential rates of duty on cane sugar and beet sugar, among others. Under the Order, the tariff on these products was placed at 65% from 1997 up to 1998; after which, sugar could be placed under the sensitive list allowing the gradual phase-down of tariffs. Additionally, it provided that the margins of preference (MOP) accorded under the ASEAN Preferential Trading Arrangements (PTA) will no longer be extended to any of the products covered under the same Order.

On 9 January 2004, Executive Order No. 268 was issued, which modified the rates of duty on other sugars under Section 104 of the Tariff and Customs Code of 1978, as amended, in order to implement the commitment to reduce the tariff rates on sixty percent (60%) of the products in the inclusion list to zero percent (0%) under the Common Effective Preferential Tariff (CEPT) scheme for the Asean Free Trade Area (AFTA).

On 3 March 2004, Executive Order No. 295 was issued, which provided that sugar which are entered and withdrawn from warehouses in the Philippines for consumption shall be levied the MFN (Most Favored Nation) rates of duty therein prescribed. Moreover, the Order provides that sugar which are entered and withdrawn from warehouses in the Philippines for consumption shall be imposed the ASEAN CEPT rates of duty therein prescribed subject to qualification under the Rules of Origin as provided for in the Agreement on the CEPT Scheme for the ASEAN Free Trade Area.

Biofuels Act of 2006

Republic Act No. 9367, also known as “The Biofuels Act of 2006”, aims to reduce the dependence of the transport sector on imported fuel with due regard to the protection of public health, the environment and natural ecosystems consistent with the country’s sustainable economic growth that would expand opportunities for livelihood by mandating the use of biofuels as a measure to develop and utilize indigenous and sustainably-sourced clean energy sources, and to mitigate toxic and greenhouse gas (GHG) emissions, increase rural employment and income and ensure the availability of alternative fuels.

The law provides that all liquid fuels for motors and engines sold in the Philippines shall contain locally sourced biofuels components. It further provides that within two (2) years from the effectivity of the law, at least 5% bioethanol shall comprise the annual total volume of gasoline fuel actually sold and distributed by each and every oil company in the country, subject to the requirement that all bioethanol blended gasoline shall contain a minimum of 5% bioethanol fuel by volume. Further, the law mandated that all gasoline fuel sold by every oil company in the Philippines should contain a minimum 10% blend of bioethanol starting August 6, 2011.

Department Circular No. DC 2007-05-006 was issued by the DOE on 17 May 2007 to implement the Biofuels Act of 2006. It covers the production, blending, storage, handling, transportation, distribution, use, and sale of biofuels, biofuel-blends and biofuel feedstock in the Philippines.

In 2008, a Joint Administrative Order known as the “Guidelines Governing the Biofuel Feedstock Production and Biofuels and Biofuel Blends Production, Distribution and Sale” (the “Guidelines”) was issued by various Philippine government agencies. The Guidelines were issued to govern the biofuel feedstock production and biofuels and biofuel blends production, distribution and sale of biofuels. The objectives of the Guidelines are to develop and utilize indigenous renewable and sustainably-sourced clean green energy sources to reduce dependence on imported oil, to mitigate toxic and GHG emissions, to increase rural employment and income, to promote the development of the biofuel industry in the country and to encourage private sector participation and to institute mechanisms which will fast track investments in the biofuel industry and to promote biofuel workers’ welfare and protection, among others.

Other laws and regulations related to the business:

Foreign Investment Act of 1991

The Foreign Investment Act of 1991 ("FIA") liberalized the entry of foreign investment into the Philippines. Under the FIA, foreigners can own as much as 100% equity of domestic market enterprises, except in areas specified in the Foreign Investment Negative List. This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. The oil refining and distribution business is not found in the latest 9th Negative List of the FIA.

In connection with the ownership of private land, however, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

For the purpose of complying with nationality laws, the term "Philippine National" is defined under the FIA as any of the following:

(a) a citizen of the Philippines;

(b) a domestic partnership or association wholly-owned by citizens of the Philippines;

(c) a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;

(d) a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or

(e) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

For as long as the percentage of Filipino ownership of the capital stock of the corporation is at least 60% of the total shares outstanding and voting, the corporation shall be considered as a 100% Filipino-owned corporation. A corporation with more than 40% foreign equity may be allowed to lease private land for a period of 25 years, renewable for another 25 years.

Local Government Code

The Local Government Code ("LGC") establishes the system and powers of provincial, city, municipal, and *barangay* governments in the country. The LGC general welfare clause states that every local government unit ("LGU") shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (the "ECC") prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau (the "EMB"), determines whether a project is environmentally critical or located in an environmentally critical area and processes all applications for an ECC. As a requirement for the issuance of an ECC, an environmentally critical project must submit an Environment Impact Statement ("EIS") to the EMB while a non-environmentally critical project in an environmentally critical area is generally required to submit an Initial Environmental Examination (the "IEE") to the proper EMB regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and the ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund when an ECC is eventually issued. In any case, the establishment of an Environmental Monitoring Fund must not occur later than the initial construction phase of the project. The Environmental Monitoring Fund must be used to support the activities of a multi-partite monitoring team, which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

Philippine Clean Water Act of 2004

In 2004, Republic Act No. 9275, or the "Philippine Clean Water Act", was enacted to streamline processes and procedures in the prevention, control, and abatement of pollution in the country's water resources and provide for a comprehensive water pollution management program focused on pollution prevention. The law primarily applies to the abatement and control of water pollution from land based sources. The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked by the Implementing Rules of the Philippine Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law.

(j) Research and Development

CADPI contributes ₱2.00 per Lkg. of sugar produced to the Philippine Sugar Research Institute Foundation, Inc. (PHILSURIN) in compliance with SRA Sugar Order No. 2, Series of 1995.

CADPI was the first sugar factory in the country which volunteered in the Industrial Environmental Management Project (IEMP) funded by the United States Agency for Industrial Development (US-AID) under the supervision of the DENR. IEMP advocates waste minimization through Pollution Management Appraisals (PMA).

(k) Cost and Effects of Compliance with Environmental Laws

The Group is subject to various environmental laws related to clean air and water quality, proper handling and disposal of solid, hazardous and chemical wastes, DOE's Renewable Energy Safety, Health and Environment Rules and Regulations (RESHERR). All subsidiary plants are covered by Environmental Compliance Certificates issued by Environmental Management Bureau DENR. All plants also have valid wastewater Discharge permits issued by EMB DENR.

The following are the significant environmental programs implemented to comply with various requirements:

1. Installation of wastewater treatment and impounding facilities prior to disposal as land fertilizer or for irrigation.
2. Installation of air pollution control devices for equipment emitting regulated air pollutants, i.e., wet gas scrubbers
3. Regular sampling and testing of air and water samples based on regulatory requirements and secure permit to operate from responsible government agencies.
4. Implement solid waste management program that includes waste segregation and construction of material recovery facility (MRF), proper disposal to accredited sanitary landfill and reuse of solid waste as fertilizers.
5. Implement hazardous waste management program that includes proper segregation, storage, disposal and inventory of materials categorized as hazardous waste.
6. Implement an environmental management system that is aligned with ISO 14001:2015 standards. This system helps the company to identify, manage, monitor and control the environmental issues in a holistic manner.

(l) Total number of employees and number of full-time employees

As at September 30, 2021, the Company has the following number of employees:

	No. of Employees
Executive	14
Managers	167
PT/MRF/DRF	458
Total	**639**

CADPI has a standing Collective Bargaining Agreement (CBA) with the Batangas Labor Union (BLU) for a period of five years from May 1, 2017 to April 30, 2022 and with Central Azucarera Don Pedro, Inc. Professional and Technical Monthly Paid Workers Union Charter-Member of the National Congress Of Unions in the Sugar Industry of the Philippines-Trade Union Congress of the Philippines (CADPPTMPWU-NACUSIP-TUCP) for a period of five years from July 1, 2021 to June 30, 2026. For the past three years, the labor unions of CADPI have not staged a strike. The Management is currently in negotiations with BLU for revision, if any of its CBA for the next five years.

SCBI has a CBA with its employees under the union, San Carlos Bioenergy Employees Labor Union – All Workers Alliance Trade Unions (SCBELU-AWATU) for a period of five years from March 2, 2020 to March 2, 2025. For the past three years, the labor union of SCBI has not staged

a strike.

Item 2. Properties

The Parent Company owns a parcel of land located in Nasugbu, Batangas valued at ₱4,043.3 million as of September 30, 2021.

CADPI is the owner of sugar milling and refining facilities, machineries and furniture and fixtures, transportation equipment and tools located in Nasugbu, Batangas. As of September 30, 2021, these properties are valued, net of depreciation, at ₱2,761.4 million.

CACI is the owner of parcels of land located in La Carlota City and Municipalities of Pontevedra and Hinigaran in Negros Occidental. As of September 30, 2021, properties are valued at ₱105.0 million.

RBC is the owner of a parcel of land located in La Carlota City, Negros Occidental. As of September 30, 2021, these properties are valued at ₱1.9 million.

SCBI is the owner of a bioethanol plant as well as parcels of land and machineries, fixtures and transportation equipment located in Brgys. Punao and Palampas, San Carlos City, Negros Occidental. As of September 30, 2021, these properties are valued, net of depreciation at ₱2,709.2 million.

Item 3. Legal Proceedings

In the ordinary course of its business, the Parent Company and its subsidiaries are engaged in litigations either as complainant or defendant. In the opinion of the Group, these cases do not have any material adverse effect on its financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders, through solicitation of proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market information

The Company's common shares are listed in the Philippine Stock Exchange. The high and low prices of ROX shares for each quarter of fiscal years 2021, 2020 and 2019, as reported by the PSE, are shown below:

	FY2021		FY2020		FY2019	
Quarter	Low	High	Low	High	Low	High
1	1.63	2.00	1.74	2.39	1.74	4.00
2	1.36	2.25	1.36	1.84	1.36	3.28
3	1.42	1.54	1.28	1.67	1.28	2.82
4	1.20	1.52	1.33	2.36	1.33	2.14

As of November 29, 2021, the closing price of RHI's shares is ₱1.20 per share.

Stockholders

There were about 2,080 holders of the company's common shares as of September 30, 2021. The top twenty (20) holders of the common shares as of said date were:

	Stockholder	Nationality	Total No. of Shares	%
1.	PCD Nominee Corporation	Filipino	902,999,743	57,678
2.	PCD Nominee Corporation	Non-Filipino	523,846,839	33.460
3.	Roxas & Company, Inc.	Filipino	99,624,995	6.363
4.	Insular Life Assurance Co., LTD	Filipino	1,198,520	0.077
5.	Jose A. Manzano Jr.	Filipino	1,029,007	0.066
6.	Gilbert Liu	Filipino	1,014,000	0.065
7.	Emilio Pantoja	Filipino	785,078	0.050
8.	Armando M. Medina	Filipino	770,640	0.049
9.	Leonardo T. Siguion Reyna	Filipino	608,400	0.039
10.	Raul S. Roco	Filipino	486,720	0.031
11.	O. Ledesma & Co., Inc.	Filipino	446,160	0.028
12.	BMI Holding Corporation	Filipino	431,964	0.028
13.	Antonio G. Nieto	Filipino	367,450	0.023
14.	Corona Realty & Development Corp.	Filipino	365,040	0.023
15.	Lorna Perez Laurel	Filipino	354,900	0.023
16.	Abel Z. Silva III	Filipino	354,900	0.023
17.	Elaine Villar Rivilla	Filipino	346,788	0.022
18.	Rodolfo W. Antonino	Filipino	338,000	0.022
19.	Emma Lopez	Filipino	324,804	0.021
20.	Evelina M. Boongaling	Filipino	321,214	0.021
	Subtotal		1,536,015,162	99.12%
	Other Shareholders		13,649,222	0.88%
	Grand Total		1,549,664,384	100%

Dividends

a) History of dividends paid:

Declaration Date	Record Date	Type and Amount of Dividends
28 June 2006	14 July 2006	Cash - ₱0.06 per share
27 September 2006	12 October 2006	Cash - ₱0.06 per share
20 June 2007	13 July 2007	Cash - ₱0.06 per share
19 September 2007	15 October 2007	Cash - ₱0.05 per share
25 June 2008	15 July 2008	Cash - ₱0.06 per share
3 October 2008	15 October 2008	Cash - ₱0.06 per share
24 June 2009	15 July 2009	Cash - ₱0.06 per share
17 September 2012	01 October 2012	Cash - ₱0.06 per share
12 December 2012	28 December 2012	Cash - ₱0.04 per share
07 August 2013	30 August 2013	Cash - ₱0.06 per share
06 November 2013	20 November 2013	Cash - ₱0.06 per share
06 August 2014	22 August 2014	Cash - ₱0.12 per share
05 December 2014	22 December 2014	Cash - ₱0.12 per share
19 August 2015	04 September 2015	Cash - ₱0.12 per share

The Parent Company's ability to declare and pay dividends on its common equity is generally limited by the Corporation Code of the Philippines such as the prohibition on capital impairment and the limitation on the discretion of the Board of Directors to declare dividends based on their fiduciary duty, among others. The Parent Company's policy is to declare a minimum of 35% of its annual earnings as cash or stock dividend payable out of its unrestricted retained earnings.

Recent Sales of Unregistered Securities

a) Securities Sold

A Stock Rights Offering of 266,753,974 Common Shares was conducted by the Company and sold during the Offer Period of May 12-18, 2016 to its stockholders of record as of May 4, 2016. The Offer Price is ₱4.19 per Rights Share at an entitlement ratio of 1 Rights Share for 4.33 Common Shares held as of record date. After the Offer Period, all shares were fully subscribed. These shares were likewise listed with the Philippine Stock Exchange (PSE).

On February 1, 2017, the BOD approved the issuance of convertible debt securities amounting to ₱523,750,000 to FPNRHBV, convertible to 125,000,000 million common shares of RHI at the option of the holder and bears annual interest at 3%.

On February 15, 2017, the shareholders approved the amendment of the Parent Company's articles of incorporation to increase the authorized capital stock from 1,500,000,000 to 2,000,000,000 divided into 2,000,000,000 with par value of ₱1.00 per share. On February 17, 2017, FPNRHBV exercised its conversion rights in respect of the convertible debt securities to be issued out of the increase in authorized capital stock at a conversion rate of ₱4.19 for every common share, or a total of 125,000,000 new common shares.

On July 14, 2017, the Parent Company's application for increase in authorized capital stock using the convertible debt securities as payment for subscription was approved by SEC. On November 9, 2017, the PSE approved the listing of these newly-subscribed 125,000,000 common shares.

b) Exemption from Registration Claimed

On July 12, 2013, the Securities and Exchange Commission (SEC) issued a Resolution exempting the issuance of Thirty Five Million (35,000,000) common shares for the Group's Employee Stock Option Plan 1 (ESOP 1) from the registration requirement of the Commission.

Also, on May 6, 2014, the SEC issued a Resolution exempting the issuance of Thirty Million (30,000,000) common shares for the Group's ESOP 2 from the registration requirement of the SEC.

On March 30, 2016, the SEC approved the Parent Company's Request for Confirmation of Exemption from Registration of 266,753,974 Common Shares from the registration requirements under the SRC Rules. These shares were subject of the Stock Rights Offering as described above.

On July 14, 2017, the Parent Company's application for increase in authorized capital stock using the convertible debt securities as payment for subscription, was approved by SEC, together with a confirmation of exemption from registration of these 125,000,000 common shares.

c) Description of Registrant's Securities

The authorized capital stock of the company is Two Billion Pesos (₱2,000,000,000.00), Philippine currency, consisting of Two Billion (2,000,000,000) common shares with par value of One Peso (₱1.00) per share. As of September 30, 2021, the company's total outstanding capital stock is 1,547,935,799 shares. Shares in treasury total 17,643,480 common shares.

The shareholders do not have pre-emptive rights to subscribe to issues or disposition of the shares of stock of the company of any class unless the Board of Directors decides otherwise. There are no provisions in its Charter or By-laws, which would delay, defer or prevent a change in the control of the company.

Item 6. Management's Discussion and Analysis or Plan of Operation

FULL FISCAL YEAR 2020-2021

Events arising from Global Outbreak of COVID-19 Pandemic

The COVID-19 pandemic which broke out in early 2020 resulted to nationwide mandated lockdowns and negatively impacted the Philippine economy. The community quarantine imposed decreased demand for fuel that resulted to early plant shutdown of the Group's alcohol units. The group also produced 70% alcohol which were sold and donated to help with the pandemic. As part of the Group's plans to support its working capital requirements, the Group is continuously in coordination with respective banks for the refinancing of short-term obligations for a minimum period of at least 7 years after September 30, 2020. As at September 30, 2021, the term out of ₱3.3 billion out of ₱4.8 billion short-term loans has been duly approved by creditor banks and converted to long-term borrowings while the remaining loan still going thorough credit reviews Management has also been implementing plant efficiency and sustainability measures as well as cost cutting programs to improve results of operations.

Financial Highlights and Key Performance Indicators

	September 30		Increase (Decrease)	
Amounts in Thousands except Closing Price per Shares	**2021 (Audited)**	2020 (Audited)	Amount	%
Balance Sheet				
Fixed assets	**₱9,778,519**	₱9,752,071	₱26,448	0%
Total assets	**12,738,293**	14,027,346	(1,289,053)	(9%)
Shareholders' equity	**5,156,742**	5,850,165	(693,423)	(12%)
Net debt [(1)]	**4,887,826**	4,481,953	(405,873)	9%
Equity ratio	**40.5%**	41.7%	(1.2%)	(3%)
Net debt as % of equity	**0.95x**	0.77x	0.18	24%
Shares				
Market capitalization	**1,934,920**	2,600,532	(665,612)	(26%)
Total shares issued	**1,547,936**	1,547,936	–	–
Closing price per share	**1.25**	1.68	(0.43)	(26%)

	Years Ended September 30		Increase (Decrease)	
Amounts in Thousands except Operational Data	**2021**	2020[(2)]	Amount	%
Revenues and Earnings				
Revenues	**₱4,589,412**	₱4,798,579	(₱209,167)	(4%)
Gross profit	**(105,160)**	101,823	(206,983)	(203%)
Depreciation and amortization	**504,197**	844,030	(339,833)	(40%)
Operating expenses	**614,123**	738,424	(124,301)	(17%)
Interest	**338,286**	395,997	(57,711)	(15%)
Net loss	**(938,920)**	(2,356,860)	1,417,940	60%
Core net loss	**(938,920)**	(974,184)	35,264	4%
Return on equity	**(18.21%)**	(40.29%)	22.08%	55%
Earnings per share	**(0.60)**	(1.51)	0.91	60%
Cash Flow and Investments				
Cash flow from operations	**383,638**	914,966	(531,328)	(58%)
Investment in fixed assets	**325,505**	335,087	(9,582)	(3%)
Operational Data *(volume in thousands)*				
Tons cane milled	**733**	655	78	12%
Production:				
Raw sugar (Lkg)	**1,214**	1,253	(39)	(3%)
Refined sugar (Lkg)	**1,034**	1,088	(54)	(5%)
Ethanol (liters)	**28,860**	14,359	14,501	101%

[(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)] Continuing operations only.

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 revenue and computed as the gross amount of raw sugar output of CADPI. It pertains to production capacity\y, ability to source sugar canes, efficiencies and the productivity of manufacturing facilities.

2. Refined sugar production - the most important determinant of revenue 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 feedstock undergoing fermentation, distillation and dehydration processes.

4. 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.

Results of Operations

Revenue

	Years Ended September 30		Increase (Decrease)	
Amounts in Thousands	**2021**	2020[1]	Amount	%
Refined sugar	**₱1,417,968**	₱1,479,693	(₱61,725)	(4%)
Milling revenue	**715,623**	461,472	254,151	55%
Molasses	**345,086**	232,134	112,952	49%
Raw sugar	**339,489**	1,457,274	(1,117,785)	(77%)
Tolling fees	**88,228**	158,198	(69,970)	(44%)
	2,906,394	3,788,771	(882,377)	(23%)
Alcohol	**1,570,723**	975,092	595,631	61%
Farm services	**60,650**	21,807	38,843	178%
Power	**44,955**	7,914	37,041	468%
Carbon dioxide	**6,690**	4,995	1,695	34%
	₱4,589,412	₱4,798,579	(₱209,167)	(4%)

[1] *Continuing operations only.*

Consolidated revenue amounted to ₱4,589.4 million in 2021, a decrease of ₱209.2 million or 4% versus ₱4,798.6 million in 2020. The decrease is due to decrease in volume sold, particularly, raw sugar caused by the sale of sugar mill in La Carlota City, Negros Occidental. Sugar operations contributed ₱2,906.4 million or 64% of total revenue in 2021, while ₱1,570.7 million or 36% of total revenue came from alcohol operations.

Sugar. Revenue from sugar operations decreased by ₱882.4 million or 23% against last year's revenue of ₱3,788.8 million, primarily due to decrease in volume sold of raw sugar, refined sugar and tolling. Raw sugar sales volume decreased by 765 Lkg or 78% this year from 986 Lkg in 2020 while refined sugar sales volume decreased by 59 Lkg or 8% versus last year's sales volume of 763 Lkg. Average selling prices per Lkg of raw and refined sugar in 2021 amounted to ₱1,535 and ₱2,013, respectively, from ₱1,479 and ₱1,939, respectively in 2020.

Alcohol. Revenue from alcohol operations amounted to ₱1,570.7 million and ₱975.1 million in 2021 and 2020, respectively. The increase is primarily due to higher production volume in 2021 by 101%.

Gross Income

Consolidated gross income in 2021 decreased by ₱207.0 million or 203% from ₱101.8 million last fiscal year and gross profit rate decreased from 2.1% in 2020 to gross loss rate of 2.3% in 2021. The decreased gross profit is attributable to prolonged La Nina phenomenon that caused a general decline in the yields of sugarcanes and likewise extended the harvesting and milling operations.

Operating Expenses

	Years Ended September 30		Increase (Decrease)	
Amounts in Thousands	**2021**	2020[1]	Amount	%
Salaries, wages and other employee benefits	**₱318,653**	₱347,055	(₱28,402)	(8%)
Outside services	**63,013**	60,325	2,688	4%
Depreciation and amortization	**60,609**	73,626	(13,017)	(18%)
Taxes and licenses	**44,694**	84,799	(40,105)	(47%)
Provision for impairment losses on receivables	**20,837**	28,533	(7,696)	(27%)
Selling expenses	**20,257**	35,369	(15,112)	(43%)
Provision for probable losses	**20,079**	–	20,079	100%
Communication, light and water	**12,268**	17,249	(4,981)	(29%)
Materials and consumables	**7,980**	5,902	2,078	35%
Corporate social responsibility	**5,715**	3,594	2,121	59%
Repairs and maintenance	**5,325**	3,554	1,771	50%
Travel and transportation	**3,691**	6,121	(2,430)	(40%)
Representation and entertainment	**1,877**	2,047	(170)	(8%)
Others	**29,125**	70,250	(41,125)	(59%)
	₱614,123	₱738,424	(124,301)	(17%)

[1] Continuing operations only.

Operating expenses decreased by ₱124.3 million or 17% from ₱738.4 million in 2020 to ₱614.1 million in 2021.

Interest

Interest expense for the current fiscal year amounted to ₱338.3 million versus ₱396.0 million in 2020, attributed to payment of long-term loans in 2020.

Net Income

Consolidated net loss after tax decreased by ₱417.9 million versus ₱2,356.9 million in 2020. Consequently, loss per share is ₱0.60 and ₱1.51 as at September 30, 2021 and 2020, respectively.

Discontinued operations

The results of operations of the Group's sugar milling and distillery operations in La Carlota City, Negros Occidental are presented as discontinued operations in the consolidated financial statements as at September 30, 2020.

Revenue and gross profit from discontinued operations amounted to ₱4,497.8 million and ₱295.8 million, respectively.

Net loss from discontinued operations resulted to ₱1,533.6 million after incurring operating expenses and interest expense amounting to ₱369.2 million and ₱243.6 million, respectively.

Financial Position

Consolidated total assets as at September 30, 2021 amounted to ₱12,738.3 million against ₱14,027.3 million as at September 30, 2020. This decrease is due to decrease in receivables by ₱719.2 million as a result of extended collection efforts and decrease in cash by ₱829.6 million due to payment of short-term borrowings and additional investment in fixed assets.

Consolidated total liabilities as at September 30, 2021 amounted to ₱7,581.6 million, lower by ₱595.6 million than last year's balance of ₱8,177.2 million.

Book value per share decreased to ₱3.33 as at September 30, 2021 from ₱3.78 as at September 30, 2020.

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.

FULL FISCAL YEAR 2019-2020

On September 18, 2020, the BOD approved the sale of the Group's sugar mill and ethanol plant in La Carlota City, Negros Occidental and RHI's investment consisting of shares in NAVI (the "Sale Transaction") to URC. Under the terms of the Sale Transaction, URC will acquire all buildings, improvements, machineries and equipment, laboratory equipment, as well as the land on which these plant and buildings are located and investment properties that are necessary for the continuing operations of the mill and ethanol plant. On September 30, 2020, the parties proceeded to close the Sale Transaction, with the signing and delivery of the definitive sale agreements as well as performance of all conditions necessary for the closing of the transaction. The sale of the mill and ethanol plant located at La Carlota City, Negros Occidental represents a disposal of a separate major operating segment of the Group hence, the consolidated statements of income present its results of operations as discontinued operations.

Events arising from Global Outbreak of COVID-19 Pandemic
The COVID-19 pandemic which broke out in early 2020 resulted to nationwide mandated lockdowns and negatively impacted the Philippine economy. The community quarantine imposed decreased demand for fuel that resulted to early plant shutdown of the Group's alcohol units. The group also produced 70% alcohol which were sold and donated to help with the pandemic. As part of the Group's plans to support its working capital requirements, the Group is continuously in coordination with respective banks for the refinancing of short-term obligations for a minimum period of at least 7 years after September 30, 2020. Management has also been implementing plant efficiency and sustainability measures as well as cost cutting programs to improve results of operations.

Financial Highlights and Key Performance Indicators

	September 30		Increase (Decrease)	
Amounts in Thousands except Closing Price per Shares	**2020 (Audited)**	2019 (Audited)	Amount	%
Balance Sheet				
Fixed assets	**₱9,752,071**	₱15,075,768	(₱5,323,697)	(35%)
Goodwill	**–**	1,079,615	(1,079,615)	(100%)
Total assets	**14,027,346**	21,917,434	(7,890,088)	(36%)
Shareholders' equity	**5,850,165**	9,164,335	(3,314,170)	(30%)
Net debt [(1)]	**4,481,953**	9,848,593	(5,366,640)	(54%)
Equity ratio	**41.7%**	41.8%	(0.1)	(1%)
Net debt as % of equity	**0.77x**	1.07x	(0.30)	(29%)
Shares				
Market capitalization	**2,600,532**	3,699,567	(1,099,035)	(30%)
Total shares issued	**1,547,936**	1,547,936	–	–
Closing price per share	**1.68**	2.39	(0.71)	(30%)

	Years Ended September 30		Increase (Decrease)	
Amounts in Thousands except Operational Data	**2020**	2019	Amount	%
Revenues and Earnings				
Revenues	**₱9,296,176**	₱12,919,513	(₱3,623,337)	(28%)
Gross profit	**397,636**	307,660	89,976	29%
Depreciation and amortization	**1,260,142**	566,516	693,626	122%
Operating expenses	**1,107,634**	1,127,198	(19,564)	(2%)
Interest	**639,640**	704,157	(64,517)	(9%)
Net loss	**(3,825,785)**	(1,888,936)	(1,936,849)	103%
Core net loss	**(1,181,570)**	(1,312,711)	131,141	(10%)
Return on equity	**(65.40%)**	(20.61%)	(44.79%)	217%
Earnings per share	**(2.46)**	(1.22)	(1.24)	102%
Cash Flow and Investments				
Cash flow from operations	**914,966**	1,786,112	(871,146)	(49%)
Investment in fixed assets	**335,087**	268,999	66,088	25%

	Years Ended September 30		Increase (Decrease)	
Amounts in Thousands except Operational Data	**2020**	2019	Amount	%
Operational Data *(volume in thousands)*				
Tons cane milled	**2,388**	2,402	(14)	(1%)
Production:				
Raw sugar (Lkg)	**4,505**	4,652	(147)	(3%)
Refined sugar (Lkg)	**1,088**	1,724	(636)	(37%)
Ethanol (liters)	**44,066**	76,311	32,245	(42%)

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

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

5. Raw sugar production - a principal determinant of consolidated revenue 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.

6. Refined sugar production - the most important determinant of revenue 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.

7. 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 feedstock undergoing fermentation, distillation and dehydration processes.

8. 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.

Results of Operations

Revenue

	Years Ended September 30				Increase (Decrease)	
	2020					
Amounts in Thousands	**Continuing**	**Discontinued**	**Total**	2019	Amount	%
Refined sugar	**₱1,479,693**	**₱–**	**₱1,479,693**	₱3,370,338	(₱1,890,645)	(56%)
Raw sugar	**1,457,274**	**1,392,505**	**2,849,779**	3,403,556	(553,777)	(16%)
Milling revenue	**461,472**	**1,265,767**	**1,727,239**	1,520,387	206,852	14%
Molasses	**232,134**	**122**	**232,256**	490,558	(258,302)	(53%)
Tolling fees	**158,198**	**–**	**158,198**	214,915	(56,717)	(26%)
	3,788,771	**2,658,394**	**6,447,165**	8,999,754	(2,552,589)	(28%)
Alcohol	**975,092**	**1,839,203**	**2,814,295**	3,861,260	(1,046,965)	(27%)
Farm services	**21,807**	**–**	**21,807**	17,759	4,048	23%
Power	**7,914**	**–**	**7,914**	28,966	(21,052)	(73%)
Carbon dioxide	**4,995**	**–**	**4,995**	11,774	(6,779)	(58%)
	₱4,798,579	**₱4,497,597**	**₱9,296,176**	₱12,919,513	(₱3,623,337)	(28%)

Consolidated revenue amounted to ₱9,296.2 million in 2020, a decrease of ₱3,632.3 million or 28% versus ₱12,919.5 million in 2019. The decrease is due to decrease in volume sold, particularly, refined sugar and alcohol. Sugar operations contributed ₱6,447.2 million or 69% of total revenue in 2020, while ₱2,814.3 million or 30% of total revenue came from alcohol operations.

Sugar. Revenue from sugar operations decreased by ₱2,552.6 million or 28% against last year's revenue of ₱8,999.8 million, primarily due to decrease in volume sold of refined sugar, raw sugar and molasses. Raw sugar sales volume decreased by 348 Lkg or 17% this year from 2,274 Lkg in 2019 while refined sugar sales volume decreased by 936 Lkg or 55% versus last year's sales volume of 1,699 Lkg. Average selling prices per Lkg of raw and refined sugar in 2020 amounted to ₱1,479 and ₱1,939, respectively, from ₱1,496 and ₱1,984, respectively in 2019.

Alcohol. Revenue from alcohol operations amounted to ₱2,814.3 million and ₱3,861.3 million in 2020 and 2019, respectively. The decrease is primarily due to lower production volume in 2020 by 30% due to early plant shutdown caused by the pandemic.

Gross Income

Consolidated gross income in 2020 increased by ₱90.0 million or 29% from ₱307.7 million last fiscal year and gross profit rate increased from 2.4% in 2019 to 4.3% in 2020. The increased gross profit is attributable to lower sugar manufacturing cost offset by slim margin on alcohol due to high molasses cost and low production volume as a result of early plant shutdown due to the pandemic, low refined sugar production with limited available bagasse and cost efficient alternative fuel. Total TCM in 2020 and 2019 amounted to 2,388 and 2,402 metric tons (MT), respectively.

Operating Expenses

	Years Ended September 30					
	2020				Increase (Decrease)	
Amounts in Thousands	**Continuing**	**Discontinued**	**Total**	2019	Amount	%
Salaries, wages and other employee benefits	**₱347,055**	**₱183,424**	**₱530,479**	₱440,435	₱90,044	20%
Taxes and licenses	**84,799**	**45,004**	**129,803**	114,404	15,399	13%
Depreciation and amortization	**73,626**	**4,576**	**78,202**	60,005	18,197	30%
Outside services	**60,325**	**63,355**	**123,680**	123,680	(46,863)	(27%)
Provision for probable losses	**–**	**–**	**–**	120,000	(120,000)	(100%)
Selling expenses	**35,369**	**7,502**	**42,871**	63,714	(20,843)	(33%)
Provision for impairment losses on receivables	**28,533**	**7,581**	**36,114**	4,863	31,251	643%
Communication, light and water	**17,249**	**4,254**	**21,503**	20,659	844	4%
Travel and transportation	**6,121**	**4,822**	**10,943**	19,821	(8,878)	45%
Materials and consumables	**5,902**	**1,320**	**7,222**	9,642	2,420	(25%)
Corporate social responsibility	**3,594**	**2,678**	**6,272**	7,497	1,225	(16%)
Repairs and maintenance	**3,554**	**4,905**	**8,459**	11,743	(3,284)	(28%)
Representation and entertainment	**2,047**	**8,090**	**10,137**	7,538	2,599	34%
Others	**70,250**	**31,699**	**101,949**	76,334	(25,616)	34%
	₱738,424	**₱369,210**	**₱1,107,634**	₱1,127,198	(19,564)	(2%)

Operating expenses decreased by ₱19.6 million or 2% from ₱1,127.2 million in 2019 to ₱1,107.6 million in 2020.

Interest

Interest expense for the current fiscal year amounted to ₱639.6 million versus ₱704.2 million in 2019, attributed to payment of maturing long-term loans in 2020.

Share in Net Earnings of an Associate

Due to the sale of investment in associate, the Company's share in the latter's earnings decreased to ₱2.2 million in 2020 from ₱41.3 million in 2019.

Net Income

Consolidated net loss after tax increased by ₱1,936.9 million versus ₱1,888.9 million in 2019, due to impairment of goodwill recognized and loss from sale of assets in 2020.

Financial Position

Consolidated total assets as at September 30, 2020 amounted to ₱14,027.3 million against ₱21,917.4 million as at September 30, 2019. This decrease is due to (a) sale of South Negros assets (b) decrease in inventory and (c) impairment of goodwill.

Consolidated total liabilities as at September 30, 2020 amounted to ₱8,177.2 million, lower by

₱4,575.9 million than last year's balance of ₱12,753.1 million.

Book value per share decreased to ₱3.78 as at September 30, 2020 from ₱5.92 as at September 30, 2019.

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.

Item 7. Financial Statements

Refer to the attached Audited Consolidated Financial Statements.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

There has been no disagreement with the external auditor, Sycip Gorres Velayo & Co., on accounting, financial concerns, and disclosures in the Consolidated Financial Statements, attached herein.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors and Executive Officers of the Issuer

Board of Directors & Corporate Secretary

Pedro E. Roxas is 65 years old and is a Filipino. He has been a member of the Board of Directors since year 1982. Mr. Roxas is the Chairman of the Board of Directors and is the Chairman of the Executive Committee and a member of the Corporate Governance Committee. He was elected as Acting President & Chief Executive Officer of the company on October 23, 2015. He is also the Chairman of the operating subsidiaries of the company, namely: Central Azucarera Don Pedro, Inc. (CADPI), Central Azucarera de la Carlota, Inc. (CACI), Roxol Bioenergy Corporation (RBC), San Carlos Bioenergy, Inc.(SCBI), and RHI Agri-Business Development Corporation (RHI-ADC).

Mr. Roxas is likewise the Executive Chairman of Roxas & Co., Inc. (RCI) and was the company's President and CEO until 2016; the Chairman of the Philippine Sugar Millers Association (PSMA); the Vice Chairman of the Asean Sugar Alliance; the President of Club Punta Fuego Inc. and of Fundación Santiago; an Independent Director of listed companies: Philippine Long Distance Telephone Company (PLDT) and Manila Electric Company (Meralco) and of non-listed firms: Banco de Oro (BDO) Private Bank, CEMEX Holdings, Philippines, Inc. and MAPFRE Insular; a Director of Brightnote Assets Corporation; a Trustee of Philippine Business for Social Progress (PBSP) and of Roxas Foundation, Inc. (RFI); and a Member of the Equestrian Directorate of Manila Polo Club.

Mr. Roxas was educated at Portsmouth Abbey School, Rhode Island, USA, and at the University of Notre Dame in Indiana, USA where he obtained his degree in Business Administration.

Manuel V. Pangilinan is 75 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013 and is the Vice-Chairman of the Board of Directors, a member of the Executive Committee and the Chairman of the Compensation Committee. Mr. Pangilinan founded First Pacific Company Limited in 1981 and served as its Managing Director until 1999. He was appointed Executive Chairman until June 2003 when he was named as CEO and Managing Director. He holds the position of President Commissioner of P. T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia.

In the Philippines, Mr. Pangilinan is the Chairman, President & CEO of PLDT, Inc. (PLDT). He is also the Chairman of Smart Communications, Inc. (Smart), Metro Pacific Investments Corporation (MPIC), Manila Electric Comany (Meralco), ePLDT, Inc., PLDT Communications and Energy Ventures, Inc. (formerly Pilipino Telephone Corporation, Maynilad Water Services, Inc., Metro Pacific Tollways Corporation), Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Medical Doctors, Inc. (Makati Medical Center), Davao Doctors, Inc. and Colinas Verdes Corporation (Cardinal Santos Medical Center), Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV5).

He was formerly Chairman of the Board of Trustees of the Ateneo de Manila Univerity and was a member of the Board of Overseers of the Wharton School. In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation Inc., One Meralco Foundation, Inc., and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College, Co-Chairperson of the Board of Trustees of Stratbase Albert de Rosario Institute and Co-Chairman of the U.S.-Philippine Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation Inc., Chairman Emeritus of the Samahang Basketbol ng Pilipinas and Chairman of the Amateur Boxing Association of the Philippines (ABAP).

Mr. Pangilinan has received numerous prestigious awards including Ten Outstanding Young Men of the Philippines (TOYM) Award for *International Finance* (1983), The Presidential Pamana ng Pilipino Award by the Office of the President of the Philippines (1996), Best CEO in the Philippines by the *Institutional Investor* (2004), CEO of the Year (Philippines) by *Biz News Asia* (2004), People of the Year by *People Asia Magazine* (2004), Distinguished World Class Businessman Award by the Association of Makati Industries, Inc. (2005), Management Man of the Year by the Management Association of the Philippines (2005), and Order of Lakandula (Rank of Komandante) by the Office of the President of the Philippines (2006).

He was voted as Corporate Executive Officer of the Year (Philippines) and Best Executive (Philippines) at the 2007 and 2008 Best-Managed Companies and Corporate Governance Polls conducted by *Asia Money*. Mr. Pangilinan also received the Best CEO award from *Finance Asia Magazine* (2012) and the Executive of the Year Award from the Philippine Sports Writers Association (PSA) (2014). In July 2015, Jaycees Philippines and the Asian Institute of Management (AIM) conferred him the 2015 Ramon V. del Rosario (RVR) Lifetime Achievement Award for his outstanding contributions to nation-building and exemplary corporate citizenship.

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. He was awarded the First Honorary Doctorates Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorates in Science by the Far Eastern University in 2010, and in Humanities by the Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines.

Celso T. Dimarucut is 61 years old and is a Filipino. He was formerly appointed as EVP-CFO and Group Head of Finance last December 1, 2015 and recently appointed as the President and Chief Executive Officer of RHI last December 16, 2020.

Mr. Dimarucut, prior to joining the company, served as Senior Executive Vice President and Chief Finance Officer of Landco Pacific Corporation and its subsidiaries, Senior Vice President and Group Chief Finance Officer of Mediaquest Holdings, Inc. and its subsidiaries, Senior Vice President and Group Chief Finance Officer of ePLDT, Inc. and Subsidiaries, First Vice President and Group Controller of PLDT Group, First Vice-President and Group Financial Controller for domestic subsidiaries of Metropolitan Bank & Trust Company and Finance Head of Pilipino Telephone Corporation (Piltel). Mr. Dimarucut has more than 10 years of professional audit and business advisory experience gained from SyCip, Gorres Velayo & Co. and Prasetio Utomo & Co. (Jakarta,

Indonesia). He graduated Cum Laude at the Polytechnic University of the Philippines with a degree of BS Commerce Major in Accounting. He is a Certified Public Accountant (CPA).

Christopher H. Young is 64 years old and is a British citizen. He was elected as a member of the Board of Directors on May 13, 2015 and as a member of the Audit & Risk Committee on August 19, 2015.

Mr. Young is the Executive Director and Chief Financial Officer of First Pacific Company Limited in Hong Kong. He is currently a Director of Metro Pacific Investments Corporation, Goodman Fielder Pty Limited, PacificLight Power Pte. Ltd., and FPM Power Holdings Limited. He is also a member of the Advisory Board of PLDT, Inc. Mr. Young is also a Commissioner of PT Indofood Sukses Makmur Tbk and a Trustee of IdeaSpace Foundation, Inc.

He worked for PricewaterhouseCoopers in London and Hong Kong from 1979 until 1987, at which time he joined First Pacific as Group Financial Controller. Mr. Young moved to Metro Pacific Corporation in 1995 as Finance Director until November 1998 when he became the Chief Financial Advisor of PLDT. He returned to First Pacific as Chief Financial Officer in 2015 and as a member of the Board in August 2017.

Mr. Young graduated at the Waid Academy at Fife, Scotland. He finished his Master of Arts in Economics with Honors at St. Andrews University. He has been a member of the Institute of Chartered Accountants in England and Wales since 1982.

Ray C. Espinosa is 65 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013. Atty. Espinosa is an Associate Director of First Pacific Company Limited. He is a Director of PLDT Inc., Smart Communications, Inc., Manila Electric Company (Meralco), Metro Pacific Investments Corporation, Meralco PowerGen Corporation, First Agri Holdings Corporation and First Coconut Manufacturing Inc. He also serves as an Independent Director of Lepanto Consolidated Mining Company (Lepanto) and Maybank Philippines, Inc. (Maybank Philippines). He is the Chairman of the Audit Committee and Nomination Committee of Lepanto and the Risk Management Committee of Maybank Philippines.

Atty. Espinosa is the President and Chief Executive of Meralco, the Chief Corporate Services Officer of PLDT and Smart, and Head of PLDT's Regulatory and Strategic Affairs Office. He is also a Trustee of the Beneficial Trust Fund of PLDT. He is the Chairman of PhilStar Daily, Inc. and BusinessWorld Publishing, Inc. He is the Vice Chairman of First Agri Holdings, Inc. and First Coconut Manufacturing, Inc. He is also the President and Chief Executive Officer of Mediaquest Holdings, Inc.

He joined First Pacific in 2013. He is currently First Pacific Group's Head of Government and Regulatory Affairs and Head of Communications Bureau for the Philippines. Prior to joining the PLDT Group in 2000, Atty. Espinosa was a law partner at SyCip Salazar Hernandez & Gatmaitan, the largest law firm in the Philippines, until June 2000 and was a member of the firm's Executive Committee. He was a law lecturer at the Ateneo de Manila School of Law from 1983 to 1985 and in 1989. After finishing his Master of Laws degree, he worked as a foreign associate in Covington & Burling, the largest law firm in Washington, D.C., USA, from September 1987 to August 1988.

He is a member of the Integrated Bar of the Philippines, Philippine Bar Association, and Inter-Pacific Bar Association. He is also a member of the Executive Committee of LAWASIA Energy Section. *Asia Law & Practice*, *Euromoney* and *The Asia Pacific Legal 500* named Atty. Espinosa as one of the leading capital market lawyers, and among the leading project finance lawyers, in the Philippines from 1996 to 2002.

Atty. Espinosa finished his Bachelor of Laws degree at the Ateneo de Manila University, graduating Salutatorian, and his Master of Laws degree at the University of Michigan Law School. He took up Bachelor of Science in Pre-Medicine at the University of Santo Tomas. Atty. Espinosa placed first in the Philippine Bar Examinations of 1982, and was a Fellow of the University of Michigan Law School's Clyde Alton Dewitt Scholarship Foundation.

Alex Erlito S. Fider is 68 years old and is a Filipino. He was elected to the Board of Directors on December 3, 2013. His legal experience spans 30 years of involvement in corporate transactions and projects. His legal work extends to an array of corporate and financial matters to companies involved in public infrastructure, water, and power utilities, telecommunications, mass media, banking and finance, real estate development, and agriculture. He is a specialist in the various fields of commercial, civil, telecommunications and public utilities law. Atty. Fider is a Director and Corporate Secretary of several Philippine corporations, including Metro Pacific Tollways Corporation, Metro Pacific Tollways Development Corporation, Manila North Tollways Corporation, Tollways Management Corporation, Smart Communications, Inc. and Maynilad Water Services, Inc. He is actively involved in the Financial Executives Institute of the Philippines (FINEX) and Institute of Corporate Directors of which he is a Fellow. He is a member of the Board of Trustees of non-profit organizations like the Metropolitan Manila Cathedral Basilica Foundation and TV 5 Alagang Kapatid Foundation.

Atty. Fider graduated from the University of the Philippines with degrees in Economics and Law. He was admitted to the Philippine Bar in 1985 and undertook specialized courses in Strategic Economics and Corporate Governance in the Philippines and Australia, respectively.

Oscar J. Hilado is 84 years old and is a Filipino. He has been a member of the Board of Directors since May 11, 2016. Mr. Hilado is the Lead Independent Director and is the Chairman of the Corporate Governance Committee. He is also a member of the Executive, Audit and Compensation Committees.

He is the Chairman of the Board of Philippine Investment Management (PHINMA), Inc.; Phinma Corp.; Phinma Energy Corporation; Phinma Property Holdings Corp.; and Union Galvasteel Corporation.

Mr. Hilado is also the Vice Chairman of Trans Asia Power Generation Corporation and Trans-Asia Petroleum Corporation.

He is the Chairman of the Executive Committee of Phinma Corp.

He is also a director of A. Soriano Corporation; First Philippine Holdings Corporation; Philex Mining Corporation; United Pulp and Paper Co., Inc.; Beacon Property Ventures, Inc.; Manila Cordage Company; Smart Communications, Inc.; Digital Telecommunications Philippines, Inc. (DIGITEL); Pueblo de Oro Development Corporation; Seven Seas Resorts and Leisure, Inc.; Asian Eye Institute; Rockwell Land Corporation; Araullo University, Inc.; Cagayan de Oro College, Inc.; University of Iloilo, Inc.; University of Pangasinan, Inc.; Southwestern University; PEN Holdings, Inc.; Microtel Inns & Suites (Pilipinas), Inc.; and Trans Asia Renewable Energy Corporation. Mr. Hilado is an Honorary Consul of Ecuador. He was awarded the MAP Management Man of the Year in 1991.

Mr. Hilado was a Smith Mundt/Fullbright scholar at the Harvard Graduate School of Business where he obtained his Master's Degree in Business Administration in 1962. He is a Certified Public Accountant (CPA) with a Bachelor of Science in Commerce degree from the De La Salle College in Bacolod in 1958. He earned his Doctorate in Business Management, Honoris Causa, from the De La Salle University in 1992 and in 2003, attained his Doctorate of Law, Honoris Causa, from the University of St. La Salle.

Santiago T. Gabionza, Jr. is 64 years old and is a Filipino. He was elected as an Independent Director to the Board of Directors on April 30, 2019 and as a member of the Corporate Governance and Compensation Committees.

Atty. Gabionza is a founding partner of Villanueva Gabionza and Dy Law Offices; a Fellow at the Institute of Corporate Directors; and a member of the Board of Directors of various corporations. He is a member of the Asia Pacific Lawyers Association, Philippine Lawyers Literary Club, Inc., ASEAN Law Association of the Philippines, Philippine Trial Lawyers Association, and Philippine Bar Association. He is also a member of Club Filipino, Quezon City Sports Club, Mimosa Golf and Country Club, Tagaytay Highlands Country Club, The Tower Club and The Celebrity Club.

He was a former Director of the Legal Management Council of the Philippines and past Grand Master, Grand Lodge of Free and Accepted Masons of the Philippines.

He also served in various capacities, as: Legal Consultant for then Ministry of Human Settlements; Senior Associate Lawyer at Balgos & Perez Law Offices; former President of the Northern Power Development Corporation; Corporate Secretary/Rehabilitation Counsel of Victorias Milling Company, Inc.; Rehabilitation Receiver of Steel Corporation of the Philippines; former Consultant to the Secretary of the Department of National Defense; former Consultant of the Committee on Justice at the House of Representatives; former OIC-President, Member of the Board of Directors and Chairman of the Audit Committee of Maynilad Water Services, Inc. He was also a College Instructor at The Catanduanes College; a Professorial Lecturer at the Philippine School of Business Administration; a Lecturer at Business Law Journal; a staff of the Ateneo Law Journal; Associate Editor of The Lance - the official organ of Letran College; a past President of the Catandungan Foundation, Inc. and a former President of the Integrated Bar of the Philippines - Makati Chapter.

Atty. Gabionza graduated Summa Cum Laude with a Bachelor of Arts degree, major in Economics at Colegio de San Juan de Letran. He finished Second Honors with Bachelor of Laws at the Ateneo de Manila College of Law. He passed the Philippine Bar examinations in 1981.

Arlyn S. Villanueva is 65 years old and is a Filipino. She was elected as an Independent Director to the Board of Directors on April 30, 2019 and as Chairman of the Audit Committee. Dr. Villanueva is a partner of accounting firm Sicangco Menor Villanueva CPAs (SMV). She sits as an independent director of the Metro Pacific Transport Corporation (MPTC), the transport group of the Metro Pacific conglomerate, since 2009 and the Manila North Tollways Corporation (MNTC) since 2014. She chairs the audit committees of both companies.

She is currently a member of the Professional Regulatory Commission's Board of Accountancy. She has been in practice for more than 35 years, with her field of competence being in audit and management consultancy. Dr. Villanueva is also involved in accreditation, performance evaluation, strategic planning and development, as well as forecasting and budgeting projects for academic institutions, being exposed to the academe for over 30 years.

In June 2014, she concluded her eight-year term as President of the Holy Angel University, which she had served for 33 years. Before she was appointed as University President in August 2006, she served as Dean and full professor of the College of Business & Accountancy for 25 years, and of the Graduate School for 10 years.

Dr. Villanueva was admitted as a Fellow of the Institute of Corporate Directors in August 2014.

She has held various positions at the Philippine Institute of Certified Public Accountants (PICPA), both at the local and national levels. She was President of the Philippine Association of Collegiate Schools of Business (PACSB) in 2005 and 2006. She is also a member of the Association of Certified Public Accountants in Education, the Management Association of the Philippines, the Philippine Marketing Association, and the International Council on Hotel, Restaurant and Institutional Education - Asia Chapter.

Dr. Villanueva was awarded the Most Outstanding President of PICPA in 2004.

Dr. Villanueva obtained her Accounting degree (BSC) from Holy Angel University in Angeles City in 1977 and passed the CPA licensure examinations in 1978. She pursued her studies and took her Master's Degree in Business Management from the Ateneo Graduate School of Business in 1982. She took her Doctorate Degree in Business Administration from De La Salle Graduate School of Business where she graduated in 2003 "With Distinction". In 2011, she pursued her post-doctorate studies and completed the Advance Management Program, a program designed for top executives from all over the world, at the Harvard Business School (AMP181) in Boston, Massachusetts; and in December 2014, she completed the one-year Challenges of Leadership Programme: Crafting Reflective Leaders at the Insead Business School in Fontainebleau, France

The directors hold office for one (1) year from election until their successors are elected and qualified.

The members of the Board attended seminars on Corporate Governance in compliance with SEC rules and regulations.

Board of Advisors

Senen C. Bacani is 76 years old and is a Filipino. He was formerly a member of the Board of Directors and was elected as a member of the Board of Advisors on December 11, 2013. Mr. Bacani is the President of Ultrex Management & Investments Corp.; Chairman & President of La Frutera, Inc.; Chairman of Trully Natural Food Corporation; a Director of Swift Foods, Inc.; a Private Sector Representative of APEC Policy Partnership on Food Security, ABAC Philippines; Director of the Philippine Chamber of Agriculture & Food, Inc., Icebox Logistics Services, Inc., Franklin Baker Co. of the Philippines; and a Member of the Board of Advisors of East-West Seed Philippines, Inc. and of the National Competitiveness Council.

He is also a member of the Board of Trustees of the Philippine Rice Research Institute, and the Vice-Chairman of the Technical Advisory Committee of the PCARRD (DOST). Mr. Bacani is also involved in various non-government and people's organizations.

He obtained his degree in Bachelor of Science in Commerce at the De La Salle University, graduating Summa Cum Laude and Class Valedictorian, and his Masters in Business Administration at the University of Hawaii, USA. He passed the CPA Board Exams in 1966.

Vicente S. Pérez is 63 years old and is a Filipino. He was elected as a member of the Board of Advisors on March 25, 2009. Mr. Pérez is an avid environment advocate and renewable energy investor. He is CEO of Alternergy, a wind and mini-hydro power developer, and Chairman of Merritt Partners, an energy advisory firm, and Chairman of Solar Pacific, an off-grid island solar PV developer.

He has been an independent director of regional companies in Australia, the Philippines and Singapore. He is an independent director of ST Telemedia, the Temasek holding company for telecom, data centers and mobile technology, and is an Independent Board Adviser of Banco de Oro, the Philippines' largest commercial bank. He is a member of the Advisory Boards of Coca-Cola FEMSA Philippines, Geneva-based Pictet Clean Energy Fund, and the Yale Center for Business and Environment. His philanthropy involvements are focused on the environment. Mr. Pérez is chairman of the National Advisory Council of WWF-Philippines and treasurer of the WWF-International Board, and a trustee/adviser of the Asian Conservation Foundation, Bhutan Foundation, Solar Energie Foundation and Solar Car Challenge Foundation. Mr. Pérez was Philippine Energy Minister from 2001 to 2005. He boosted energy self- sufficiency, promoted clean indigenous energy, and crafted an ambitious renewable policy framework. He served briefly in early 2001 as Deputy Minister for Trade and Industry.

Prior to 2001, Mr. Pérez had 17 years' experience first in Latin American debt restructuring at Mellon Bank in Pittsburgh, and later in debt trading, capital markets, and private equity in emerging countries at Lazard in London, New York and Singapore. At 35, he became General Partner at New York investment bank Lazard Frères as head of its Emerging Markets Group. He was Managing Director of Lazard Asia in Singapore from 1995 until 1997.
Mr. Pérez founded Next Century Partners in 1997, a private equity firm based in Singapore. In 2000, he founded Asian Conservation Company that acquired El Nido Resorts, an award- winning eco-tourism destination in Palawan. In 2006, he invested in Northwind Power, the first commercial wind farm in Southeast Asia.

He has consulted for the Asian Development Bank (ADB), International Finance Corporation (IFC) and numerous firms on renewable energy. With his various involvements, the media has dubbed him as the Philippines' "renewable czar".

Mr. Pérez obtained an MBA from the Wharton Business School of the University of Pennsylvania in 1983 and a Bachelor's Degree in Business Economics from the University of the Philippines in 1979. He was a 2005 World Fellow at Yale University, where he lectured an MBA class on renewable power in emerging countries.

Corporate Officers

Pedro E. Roxas (See above.)

Manuel V. Pangilinan (See above.)

Celso T. Dimarucut (See above.)

Cynthia L. Dela Paz is 59 years old and is a Filipino. She has been the Corporate Secretary of the Group since February 15, 2017. Atty de la Paz has been a practicing corporate lawyer for the last twenty-seven (27) years, and is a senior partner at Picazo Buyco Tan Fider & Santos. She presently serves as corporate secretary or assistant corporate secretary of various Philippine companies. Her practice areas include project financing, debt capital market transactions, mergers and acquisitions and investments. She also has special practice in taxation and directly participates in tax reform initiatives and other advocacies relating to tax administration and practice through the professional tax organization, Tax Management Association of the Philippines (TMAP), of which she has been a director for the last ten (10) years.

George T. Cheung is 47 years old and is a Filipino. He was appointed as Executive Vice-President, Chief Commercial Officer and Chief Risk Officer on January 15, 2020. Mr. Cheung was formerly a Managing Partner in Commodity Partners Pte., Ltd., Head of Domestic Coal Trading of Trafigura Investment China, Ltd, based in Shanghai, Associate Director & General Manager-Sugar Division of Wilmar Sugar Pte. Ltd/Yihai Commercial Eagle Trading, General Manager at the Greater China Region of ED&F Man, a global supplier of sugar, and a Trading Manager of the Sugar Division in Hong Kong of Cargill, among others. He also served as VP-Head of Trading of PILMICO. Mr. Cheung obtained his degree in Bachelor of Science in Food Sciences and Technology at the University of British Columbia in Vancouver, British Columbia, Canada. He also earned his diploma in Business Administration at the International Correspondence Schools, and his Master in Business Administration (MBA) Global Executive program at the Duke University in Durham, North Carolina, USA.

Pilipino T. Cayetano[2] is 52 years old and is a Filipino. He was appointed as Vice President/Chief Manufacturing Officer of Central Azucarera de la Carlota, Inc. (CACI) on May 3, 2019 and as VP/CMO of CACI and Roxol Bioenergy Corporation (RBC) effective August 1, 2019 He was appointed as VP/CMO of CADPI and SCBI effective October 12, 2020.

Mr. Cayetano was a consistent academic scholar who graduated with a Bachelor of Science degree in Electronics and Communications Engineering at the Polytechnic University of the Philippines. He is a registered Electronics and Communications Engineer.

He has 25 years of experience in the fast moving consumer goods industry, covering the end-to-end process of supply chain. He has strong foundation in Continuous Improvement and Operational Excellence. He had received several awards as a leader for consistently exceeding business key performance targets in quality, productivity and cost.

Mr. Cayetano served as Processing Operations Director of Cargill Joy Meat Products, Inc. (C-Joy), a joint venture between Jollibee and Cargill from 2016 to 2019. He spent over 20 years at Coca Cola Bottlers Philippines, Inc. (CCBPI) as plant head of major operating units: Sta. Rosa 1 and 2; Davao; and San Fernando, Pampanga. He also served as Manufacturing Director at Zenith Foods Corporation, a subsidiary of Jollibee Foods Corp. He also worked as Senior Operations Manager at B/E Aerospace BV - Philippine Branch and as Plant Operations Manager at San Miguel Packaging Specialist, Inc. in San Fernando, Pampanga.

Jose Manuel L. Mapa is 54 years old and is a Filipino. He was appointed as VP-General Manager of RHI Agri-business Development Corporation on January 8, 2018. Mr. Mapa obtained his MBA with High Academic Honors from the University of St. La Salle Graaduate School in Bacolod and holds a

[2] Mr. Cayetano has resigned effective October 17, 2021.

Bachelor degree in Agribusiness Management from the University of the Philippines Los Baños in Laguna. Mr. Mapa served 2GO Group, Inc. for 20 years where he made major contribution as EVP for Key Accounts and Supply Chain Solutions (2015-2017) and EVP for Freight Sales and Operations – Luzon (2011-2014). Prior to that, he also worked as EVP for Corporate Sales at Negros Navigation Co., and as Operations Manager at Waterman Bacolod, Inc. He also manages a sugarcane farm in Talisay, Negros Occidental.

Julius G. Rugas[3] is 45 years old and is a Filipino. He was appointed as VP-Manufacturing Operations Head of Central Azucarera Don Pedro, Inc. on July 1, 2019. He was appointed as VP-Head of Refined Sugar Operations on January 17, 2021. Mr. Rugas has over 21 years of experience working in various leadership and technical roles in plant operations. Prior to joing the RHI Group, Mr. Rugas was with URC Branded Consumer Foods group. He headed some of URC's major plants such as the Cavite and Canlubang operations. He also worked for RFM Meat Division where he performed the roles of Plant Manager and QA Manager. He started his career in Unilver where he was involved in quality assurance and food solutions. He is a BS Food Technology graduate of the University of Santo Tomas.

Frederick E. Reyes is 60 years old and is a Filipino. He was appointed as AVP & Deputy Head of Human Resources on February 1, 2014 and was promoted to VP & Deputy Head of Human Resources on January 5, 2015. He was appointed as Chief Governance Officer on December 16, 2020. Mr. Reyes was formerly the Director for Human Resources Services of Manila Water Company Inc. He has decades of experience in HR Operations having been in Vitarich in charge of Training, QC & Employee Relations. He joined Globe Telecom during its transition to become a "wireless" telephone company in charge of Training and Development from 1990 thru 1997, and also in Manila Water during its "privatization" years in 1997 thru 2012. Mr. Reyes obtained his degree in Industrial Engineering from the University of Sto. Tomas and is a licensed Industrial Engineer.

Jaynel R. Sulangi is 46 years old and is a Filipino. He was appointed VP/Head of Information & Communications Technology on March 21, 2018. Mr. Sulangi graduated Cum Laude with Bachelor of Science in Industrial Engineering degree at the University of the Philippines. Mr. Sulangi was VP for SAP Project Management at Deutsche Bank group before joining Roxas Holdings, Inc. He also worked at PLDT and Smart Communications, Inc. For seven years as Senior Manager, IT-Resource Planning (ERP) and later, as Solutions Architect, Program Management Office. He also worked at SAP, SSIP and Business Applications and Network Technologies. He is a Certified SAP Consultant in Planning Production Planning since 1997.

Veronica C. Cortez is 42 years old and is a Filipino. She is currently VP-Head of Finance and Administration having been promoted from her previous position as AVP of Finance from February 10, 2016. She was also appointed as Data Protection Officer and Deputy Risk Officer on December 16, 2020. She has over 10 years of experience in external auditing. She worked with SyCip Gorres Velayo & Co. (SGV) as Senior Director from September 2009 to 2015. She started her career with SGV as an Associate and moved to become Senior Associate, Associate Director and then Director. She also worked as a Senior Associate in the Resource Sharing Program of Ernst & Young Houston, Texas Office. Ms. Cortez graduated with a degree in BS Accountancy from San Sebastian College Recoletos de Cavite and is a Certified Public Accountant (CPA).

Ma. Hazel L. Rabara-Retardo is 41 years old and is a Filipino. She is currently the Company's Treasurer and VP-Head of Legal and Treasury. She previously held the position of AVP for Corporate Governance and Deputy Compliance Officer, as well as Assistant Corporate Secretary from September 20, 2016. Prior to joining RHI, Atty. Rabara-Retardo was Vice President for Legal & Administrative Affairs/Corporate Secretary of Advanced Merchant Payments Lending Corporation, an affiliate of Amplifi Capital (HK) Ltd. and AMP Credit Technologies, Ltd, where she likewise provided support in legal and contracts management and other roles for the AMP Group which has operations in Hong Kong, Singapore and the United Kingdom. She also worked as Court Attorney V at the Office of the Presiding Justice Ernesto Acosta of the Court of Tax Appeals. Atty. Rabara-Retardo also worked as an associate in the Tan Venturanza Valdez Law Office where she was assigned as Corporate Secretary of various private and publicly-listed companies. She obtained her Bachelor of

[3] Mr. Rugas has resigned effective August 25, 2021.

Laws degree and Bachelor of Arts Major in Political Science at the University of the Philippines-Diliman, Quezon City.

Jaypee V. Jimenez is 37 years old and is a Filipino. He was appointed AVP/Head of Procurement & Materials Management of February 15, 2018. Mr. Jimenez graduated with a B.S. mechanical Engineering degree at the Polytechnic University of the Philippines and later took up Masters in Business Administration at the De La Salle University. He is affiliated with the Philippine Society of Mechanical Engineers and Philippine Institute of Supply Management. Mr. Jimenez was Senior Manager of Procurement at Roxas Holdings, Inc. from June 2016 to February 2018, serving both the sugar and bioethanol units. Prior to that, he was Manager for MRO Procurement at Aboitiz Power Corporation. He also served as Supervisor for Procurement at AP Renewables, Inc., as Procurement Engineer at Bilfal Heavy Industries at the Kingdom of Saudi Arabia, and as Engineering Buyer at the Asian Terminals Incorporated.

Josephine M. Logroño is 46 years old and is a Filipino. She was appointed as AVP and Group Head of Internal Audit on February 1, 2018. Ms. Logroño graduated with a degree in BS Accountancy from the University of Sto. Tomas. She is a Certified Public Accountant (CPA) and a Certified Internal Auditor. Ms. Logroño was formerly Audit Manager at Arthaland Corporation (2016-2017) and Shang Properties Inc. (2013-2016). She has over 16 years of experience in both internal and external auditing. She worked with Holcim Philippines, Inc. as Finance - Process Solution Officer and as an Internal Auditor from 2003 to 2010. She also served as an Associate Auditor at Sycip, Gorres, Velayo (SGV) & Co. from 1999 to 2003.

Aimee E. Pedayo is 30 years old and is a Filipino. She was appointed as Legal Manager on January 14, 2019 and was subsequently appointed as Assistant Corporate Secretary on June 4, 2020. Atty. Pedayo was an Associate at Puno and Puno Law Offices prior to joining the Company. Atty. Pedayo obtained her Bachelor of Science in Commerce, Major in Legal Management from De La Salle University-Manila. She obtained her Juris Doctor Degree from the Ateneo De Manila University-Law School, where she graduated with Second Honors.

Significant Employees

The Group is not highly dependent on the services of an employee who is not an Executive Officer so as to be a key in the business.

Family Relationships

There are no family relations among the Directors or Officers of the Group.

Legal Proceedings

The Group is not aware of any legal proceeding/s during the last five (5) years up to the present, involving the members of its Board of Directors, Executive Officers or their property before any court of law or administrative body in the Philippines or elsewhere. Moreover, the company is not in possession of any information indicating that the members of its Board of Directors or Executive Officers have been convicted by final judgment of any offense punishable under the laws of the Philippines or of any other country.

Item 10. Executive Compensation

Compensation of Executive Officers

Name and Principal position	Fiscal Year	Salary	Other Employee Benefits	Other Annual Compensation
The CEO and four most highly compensated Executive Officers: • Celso T. Dimarucut - President and CEO • George T. Cheung - EVP and Chief Commercial Officer • Pilipino T. Cayetano – VP, Chief Manufacturing Officer • Jaynel R. Sulangi – VP, ICT • Gil M. Morales – Head, Manufacturing Services	2021	₱40,800,000	₱6,646,600	₱–
All other officers and directors as a group unnamed*		23,793,516	3,912,146	–
The CEO and four most highly compensated Executive Officers: • Hubert D. Tubio - President and CEO • Celso T. Dimarucut - EVP and CFO • Arcadio S. Lozada - EVP-COO, Sugar Business Unit • Jose B. Villanueva – VP, Chief Manufacturing Officer (CADPI and SCBI) • Pilipino T. Cayetano – VP, Chief Manufacturing Officer – Negros	2020	₱53,243,628	₱8,847,218	₱–
All other officers and directors as a group unnamed*		46,943,808	7,717,088	–
The CEO and four most highly compensated Executive Officers: • Hubert D. Tubio - President and CEO • Celso T. Dimarucut - EVP and CFO • Arcadio S. Lozada - EVP-COO, Sugar Business Unit • Jose B. Villanueva – VP, Chief Manufacturing Officer (CADPI and SCBI) • Pilipino T. Cayetano – VP, Chief Manufacturing Officer – Negros	2019	₱53,083,308	₱8,847,218	₱–
All other officers and directors as a group unnamed*		41,868,180	6,978,030	–

Compensation of Directors

Article 19 of the By-Laws of the Parent Company provides that the Board of Directors shall be given 6% of the net income of the corporation before tax to be distributed as fees in the following manner: 2% to the Executive Committee and 4% to the Board of Directors. Each member of the Board of Directors and of the Board of Advisors receives a per diem of ₱25,000.00 for every meeting attended. Each member of the Audit & Risk Committee, Compensation Committee, and Nomination, Election & Governance Committee, receives a per diem of ₱25,000.00 for every meeting attended. Except for the Chairman, the members of the Executive Committee receive a per diem of ₱25,000.00 for every meeting attended.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The table below shows persons of groups known to the Group as of September 30, 2021 to be directly or indirectly the record or beneficial owner of more than 5% of the Parent Company's voting securities:

Title of Class	Name and Address of Owner	Number and Nature of Ownership (Indicate Record and/or Beneficial)		Percent of Class
Common	Roxas & Company, Inc. 7/F CG Building, 101 Aguirre St., Legaspi Village, Makati City (Shareholder)	318,341,705	Record and Beneficial	20.57%
Common	First Pacific Natural Resources Holdings BV Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands (Shareholder)	505,667,566	Beneficial	32.67%
Common	First Agri Holdings Corp. 10th Floor MGO Building Dela Rosa cor Legaspi Sts. Makati City (Shareholder)	467,854,834	Beneficial	30.22%
Common	PCD Nominee Corp 37F Tower 1 Enterprise Center Makati City (Shareholder)	445,747,616	Beneficial	28.8%

The members of the Board of Directors of Roxas & Co., Inc. (RCI) are Antonio J. Roxas, Pedro E. Roxas, Carlos R. Elizalde, Francisco Jose R. Elizalde, Fernando L. Gaspar, Guillermo D. Luchangco, and Corazon De La Paz-Bernardo. Collectively, they have the power to decide how the shareholdings of RCI in RHI shall be voted. Pedro E. Roxas is authorized to vote the shares of RCI in the annual meeting.

Security Ownership of Management as of September 30, 2021

The following are the number of shares owned of record by the Directors and the President & Chief Executive Officer (PCEO) and the percentage of shareholdings of each:

Title of Class	*Name of Beneficial Owner*	*Citizenship*	*Number and Nature of Ownership*	*Percent of Class*
Common	Pedro E. Roxas Chairman of the Board	Filipino	1,026,640 (r & b)	0.0004 %
Common	Manuel V. Pangilinan Vice-Chairman of the Board	Filipino	61,547 (r)	0.0000 %
Common	Celso T. Dimarucut President/CEO	Filipino	50,000 (b)	0.0000%
Common	Ray C. Espinosa Director	Filipino	430,831 (r & b)	0.0002 %
Common	Alex Erlito S. Fider Director	Filipino	50,000 (r)	0.0000 %
Common	Santiago T. Gabionza Independent Director	Filipino	50,000 (r)	0.0000 %
Common	Christopher H. Young Director	British	61,547 (r)	0.0000 %
Common	Oscar J. Hilado Independent Director	Filipino	50,000 (r)	0.0000 %
Common	Arlyn S. Villanueva Independent Director	Filipino	50,000 (r)	0.0000 %
	TOTAL		1,863,960 (r & b)	0.0006%

Item 12. Certain Relationships and Related Transactions

Mr. Manuel V. Pangilinan, Atty. Ray C. Espinosa and Mr. Christopher H. Young hold the positions of CEO and Managing Director, Associate Director and Executive Director and Chief Financial Officer, respectively of First Pacific Company Limited. The First Pacific Group, through First Pacific Natural Resources Holdings BV (FPNRHBV) and First Agri Holdings Corp., owns 62.93% of the outstanding capital stock of the company as of November 30, 2019. Mr. Pedro E. Roxas is also the Executive Chairman and the President & CEO of Roxas and Company, Inc. (RCI). RCI owns 20.57% of the outstanding capital stock of the company as of November 30, 2019.

There is no transaction or proposed transaction during the last two fiscal years to which the Group was or is to be a party in relation to any director, any nominee for election as director, any security holder of certain record or beneficial owner or management or any member of the immediate families of the directors.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

In compliance with SEC Memorandum Circular No. 2 dated April 5, 2002, the Group submitted its Manual on Corporate Governance on August 30, 2002. Since its effectivity on January 1, 2003, the company complied with the principles contained in the Manual insofar as they may be relevant to its businesses. It likewise established an evaluation system to measure or determine the level of compliance of its Board of Directors and top-level management with the Manual. Measures are also being undertaken by the company to ensure full compliance with the leading practices it has adopted in the Manual such as the constitution of the Executive Committee, Audit & Risk Committee, Executive Compensation Committee and the Nomination, Election & Governance Committee, the election of the required number of independent directors to its Board of Directors and the amendment of Article 13 of its By-Laws on the qualifications and disqualifications of its directors in order to adopt the provisions of the Manual. The company has not deviated from or violated the provisions of the Manual and it will improve on its corporate governance as may be required by law or the exigency of business. A revised Manual on Corporate Governance was submitted on May 25, 2017 to comply with the directive of Memorandum Circular No. 19, series of 2016 of the SEC.

Insider Trading Policy

The Company has an Insider Trading Policy which prohibits the purchase, sale, or trading in securities of the Company or another corporation while in possession of material non-public information. The Policy likewise prohibits the giving of material non-public information, directly or indirectly, to anyone. A violation of the Policy subjects the member of the Board of Directors, Board of Advisors, officer, or employee to disciplinary action in addition to possible civil and criminal actions.

Whistle Blowing Policy

The Group has a public interest disclosure or a whistle blowing policy whereby all employees have the right and moral responsibility to report improper actions and omissions. A workplace culture is developed in which employees who act in good faith and in compliance with the law are protected from interference in or retaliation for reporting improper actions and cooperating with subsequent investigations and proceedings. Public Interest Disclosure is required when employees, in good faith, believe superiors or colleagues are engaged in an improper course of illegal or unethical conduct, and they must be able to disclose such conduct free from fear or intimidation or reprisal.

Policy on Related Party Transactions

The Company has a Related Party Transactions Policy which sets out the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking

director relationships of members of the Board. The Policy also includes rules and procedures in relation to Material Related Party Transactions set out by the Securities and Exchange Commission.

Policy on Data Privacy

The Company recognizes the importance of the privacy of every individual it associates with. Thus, to strengthen this campaign, the Policy on Data Privacy was adopted to make sure that all employees who handle matters involving personal information of individuals are aware of their roles in safeguarding this information. Personal information of individuals must be held in confidence by all employees and disclosure should only be done with the individual's written consent or when requested by a Court or law enforcement agency.

In accordance with the requirement of the National Privacy Commission, the Company has appointed a Data Protection Officer and a Compliance Office for Privacy to oversee the compliance of the Company to relevant privacy laws and issuances. The Company has also established protocols in the Policy to ensure that all employees are properly informed about the measures to be taken if a data breach occurs and how it will be promptly addressed. Updates and frequent review of privacy controls are being done to protect the Personal Information in the Company's safekeeping.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

(1) Audited Consolidated Financial Statements for the years ended September 30, 2019, 2018 and 2017
- Statement of Management's Responsibility for Consolidated Financial Statements
- Independent Auditor's Report
- Consolidated Statements of Financial Position
- Consolidated Statements of Income
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Notes to the Consolidated Financial Statements
- Supplementary Schedule of Adoption of Effective Accounting Standards and Interpretations

(2) Supplementary Schedules
- Required by SRC Rule 68.1, As Amended
  - Schedule A. Financial Asset
  - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
  - Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
  - Schedule D. Intangible Assets – Other Assets
  - Schedule E. Long-term Debt
  - Schedule F. Indebtedness to Related Parties
  - Schedule G. Guarantee of Securities of Other Issuers
  - Schedule H. Capital Stock
- Schedule of Financial Soundness Indicators
- Corporate Structure

Reports on SEC Form 17-C

Material actions or resolutions are summarized below.

2020-2021

November 13, 2020 – Resignation of Ms. Anna G. Yu as AVP - Treasury, Chief Risk & Credit Officer

December 17, 2020 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Audited Financial Statements and Management Discussion and Analysis for the fiscal year ending 30 September 2020;

2. Approved the Press Release;

3. Set the holding of the Annual Stockholders Meeting on 17 March 2021 with Record Date for the said Meeting on 8 January 2021, and for the shareholders to attend through remote participation or voting in absentia or by appointing the Chairman of the meeting as proxy, subject to validation procedures, and the internal rules and procedures set by the Corporation;

4. Appointed the following officers of RHI to the positions indicated herein:

    a. Celso T. Dimarucut – President and Chief Executive Officer (PCEO) effective immediately

    b. George T. Cheung - Executive Vice-President, Chief Commercial Officer and Chief Risk Officer (effective January 15, 2021)

    c. Ma. Hazel L. Rabara-Retardo - Treasurer effective immediately.

    d. Other key executive positions were also confirmed to be held by the following persons effective immediately, concurrently with their existing functions:

        i. Pilipino T. Cayetano - Chief Compliance Officer

        ii. Frederick E. Reyes - Chief Governance Officer

        iii. Veronica C. Cortez - Deputy Risk Officer/ Data Privacy Officer

        iv. Atty. Aimee E. Pedayo - Assistant Corporate Secretary/ Deputy Compliance Officer

January 11, 2021 Change in Designation of Mr. Julius G. Rugas from VP - Manufacturing Operations Head – CADPI to VP - Head, Refined Sugar Operations - CADPI

February 5, 2021 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2020, of the current fiscal year; and,

2. Approved the Press Release.

March 17, 2021 - Results of Annual Shareholders' Meeting:

1. Approval of the Annual report with accompanying Financial Statements for fiscal-year ending September 30, 2020;

2. Ratification of all acts, proceedings and resolutions by the Board and Management since the last annual meeting of June 4, 2020;

Results of Organizational Meeting of the Board of Directors:

Name		Position
Mr. Pedro E. Roxas	-	Chairman of the Board of Directors
Mr. Manuel V. Pangilinan	-	Vice-Chairman of the Board of Directors
Mr. Celso T. Dimarucut	-	President & Chief Executive Officer
Atty. Cynthia Y. Ligeralde- Dela Paz	-	Corporate Secretary
Mr. George T. Cheung	-	EVP-Chief Commercial Officer/Chief Risk Officer
Mr. Pilipino T. Cayetano	-	VP-Chief Manufacturing Officer, CADPI & SCBI/ Chief Compliance Officer
Mr. Jose Manuel D. Mapa	-	VP-GM, RHI-ADC
Mr. Julius G. Rugas	-	VP-Head of Refined Sugar Operations, CADPI
Mr. Frederick E. Reyes	-	VP-Human Resources/Chief Governance Officer
Mr. Jaynel R. Sulangi	-	VP-Information & Communications Technology
Ms. Veronica C. Cortez	-	VP-Head of Finance & Administration/Deputy Risk Officer/Data Protection Officer
Atty. Ma. Hazel L. Rabara-Retardo	-	VP-Head of Legal & Treasury/Treasurer
Ms. Josephine M. Logroño	-	AVP-Internal Audit
Mr. Jaypee V. Jimenez	-	AVP-Procurement and Materials Management
Atty. Aimee E. Pedayo	-	Asst. Corporate Secretary/Legal Manager/ Deputy Corporate Information Officer/ Deputy Compliance Officer

May 10, 2021 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Unaudited Financial Statements and Management Discussion and Analysis for the second quarter ending 31 March 2021, of the current fiscal year; and,

2. Approved the Press Release.

August 9, 2021 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Unaudited Financial Statements and Management Discussion and Analysis for the third quarter ending 30 June 2021, of the current fiscal year; and

2. Approved the Press Release.

August 25, 2021 - Resignation of Mr. Julius G. Rugas as Vice President/Head - Refined Sugar Operations of Central Azucarera Don Pedro, Inc., subsidiary of Roxas Holdings, Inc.

October 17, 2021 – Resignation of Mr. VP - CMO (CADPI and SCBI) and Chief Compliance Officer. Appointment of Atty. Ma. Hazel L. Rabara-Retardo as Compliance Officer.

2019-2020

December 4, 2019 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Audited Financial Statements and Management Discussion and Analysis for the fiscal year ending 30 September 2019;
2. Approved the Press Release and,
3. Approved the holding of the Annual Stockholders Meeting on 18 March 2020 and setting the Record Date for the said Meeting on 31 December 2019

February 4, 2020 – Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Unaudited Financial Statements and Management Discussion and Analysis for the first quarter ending 31 December 2019, of the current fiscal year; and,

2. Approved the Press Release.

March 13, 2020 – Postponement of the Annual Shareholders meeting indefinitely, due to coronavirus 19 pandemic

April 17, 2020 – Setting May 13, 2020 as tentative date of Annual Shareholders meeting

May 12, 2020 – Postponement of the Annual Shareholders Meeting to June 4, 2020, and holding of the said meeting online, by allowing the shareholders to attend the meeting by remote communication, by voting in absentia, or by appointing the Chairman of the meeting as proxy.

June 4, 2020 - Results of Annual Shareholders' Meeting:

3. Approval of the Annual report with accompanying Financial Statements for fiscal-year ending September 30, 2019;

4. Ratification of all acts, proceedings and resolutions by the Board and Management since the last annual meeting of April 30, 2019;

Results of Organizational Meeting of the Board of Directors:

Name		Position
Mr. Pedro E. Roxas	-	Chairman of the Board of Directors
Mr. Manuel V. Pangilinan	-	Vice-Chairman of the Board of Directors
Mr. Hubert D. Tubio	-	President & Chief Executive Officer
Atty. Cynthia Y. Ligeralde- Dela Paz	-	Corporate Secretary
Mr. Celso T. Dimarucut	-	EVP/Chief Finance Officer
Mr. Arcadio S. Lozada, Jr.	-	EVP/Operations Advisor
Mr. Jose B. Villanueva III	-	VP-Chief Manufacturing Officer, CADPI/ SCBI
Mr. Pilipino T. Cayetano	-	VP-Chief Manufacturing Officer, CACI/ RBC
Mr. Jose Manuel L. Mapa	-	VP-GM, RHI-ADC
Mr. Julius G. Rugas	-	VP-Manufacturing Operations Head, CADPI
Mr. Frederick E. Reyes	-	VP, Human Resources
Mr. Jaynel R. Sulangi	-	VP, Information & Communications Technology
Ms. Anna G. Yu	-	AVP, Treasury; Chief Risk & Credit Officer
Ms. Veronica C. Cortez	-	AVP, Finance Head
Ms. Daisy Perpetua A. Bo	-	AVP, QA/Safety/EMS/IE
Atty. Ma. Hazel L. Rabara-Retardo	-	Asst. Corporate Secretary; AVP Governance & OIC- Compliance Officer; Data Protection Officer; Corporate Information Officer
Ms. Josephine M. Logroño	-	AVP, Internal Audit
Mr. Jaypee V. Jimenez	-	AVP, Procurement and Materials Management
Atty. Aimee E. Pedayo	-	Asst. Corporate Secretary; Deputy Corporate Information Officer; Deputy Compliance Officer

The Board of Directors also elected the following Directors to the standing Committees of RHI as follows:

Executive Committee:

Mr. Pedro E. Roxas	-	Chairman
Mr. Manuel V. Pangilinan	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Audit Committee:

Ms. Arlyn S. Villanueva	-	Chairman (Independent Director)
Mr. Christopher H. Young	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Corporate Governance Committee (formerly, Governance, Nomination & Election Committee):

Mr. Oscar J. Hilado	-	Chairman (Independent Director)
Mr. Pedro E. Roxas	-	Member
Mr. Santiago T. Gabionza, Jr.	-	Member (Independent Director)

Compensation Committee:

Mr. Manuel V. Pangilinan	-	Chairman
Mr. Santiago T. Gabionza, Jr.	-	Member (Independent Director)
Mr. Oscar J. Hilado	-	Member (Independent Director)

Mr. Oscar J. Hilado was likewise elected as Lead Independent Director of the Company.

September 18, 2020 - the RHI Board approved the sale of the Company's sugar mill and ethanol plant in La Carlota City, Negros Occidental and RHI's investment properties consisting of shares in Najalin Agri-Ventures, Inc.

September 30, 2020 – Resignation of Mr. Jose B. Villanueva III as Vice President/Chief Manufacturing Officer - SCBI & CADPI effective September 30, 2020.

October 12, 2020 – Change of Designation of Mr. Pilipino T. Cayetano from Vice President/Chief Manufacturing Officer – CACI & RBC to Vice President/Chief Manufacturing Officer - CADPI & SCBI.

October 31, 2020 – Retirement of Mr. Hubert D. Tubio as President and CEO.

2018-2019

November 7, 2018 – Certificate of Attendance of the following Officers for the Annual Mandatory Corporate Governance Seminar:

1. Mr. Arcadio S. Lozada, Jr.
2. Ms. Josephine M. Logrono

December 12, 2018 – Certificate of Attendance of the following Officers for the Annual Mandatory Corporate Governance Seminar:

3. Mr. Hubert D. Tubio
4. Mr. Frederick E. Reyes
5. Mr. Jaynel R. Sulangi
6. Mr. Bernard Jose S. Lachica
7. Mr. Jaypee V. Jimenez

December 17, 2018 – Resignation of Mr. Fernando H. Corpuz Vice-President and General Manager of Central Azucarera Don Pedro, Inc., a subsidiary of Roxas Holdings, Inc., has resigned from RHI effective 15 December 2018.

February 12, 2019 – Results of the Regular Board Meeting of the RHI Board of Directors:

1. Approved RHI's Financial Statements and Management Discussion and Analysis for the first quarter ending December 31, 2018;

2. Approved the holding of the Annual Stockholders Meeting on 3 April 2019 to be held at the Manila Polo Club, and setting the Record Date for the said Meeting on 28 February 2019;

3. Approved the Press release on the First Quarter of Operations for Fiscal Year 2018-2019; and,

4. Confirmed the appointment of Ms. Anna Gonzales-Yu as AVP- Head, Treasury to replace Ms. Kathrina Estrella L. Sebastian who tendered her resignation.

February 12, 2019 – Press Release on the Results of Operations for the First Quarter ending December 31, 2018 of Fiscal Year 2018-2019

February 15, 2019 – Resignation of Mr. David L. Balangue as Independent Director of Roxas Holdings, Inc. effective 15 February 2019.

March 15, 2019 – Resignation of Mr. Bernard Jose S. Lachica as Vice President and Chief Manufacturing Officer (CMO) of Sugar SBU

April 30, 2019 – Results of Annual Shareholders' Meeting:

5. Approval of the Annual report with accompanying Financial Statements for fiscal-year ending September 30, 2018;

6. Ratification of all acts, proceedings and resolutions by the Board and Management since the last annual meeting of February 12, 2019.

Results of Organizational Meeting of the Board of Directors:

The Board of Directors of Roxas Holdings, Inc., in its organizational meeting held on, April 30, 2019, elected the following officers:

Name		Position
Mr. Pedro E. Roxas	-	Chairman of the Board of Directors
Mr. Manuel V. Pangilinan	-	Vice-Chairman of the Board of Directors
Mr. Hubert D. Tubio	-	President & Chief Executive Officer
Atty. Cynthia Y. Ligeralde- Dela Paz	-	Corporate Secretary
Mr. Celso T. Dimarucut	-	EVP/Chief Finance Officer
Mr. Arcadio S. Lozada, Jr.	-	EVP/COO, Sugar Business Unit
Mr. George T. Cheung	-	SVP, Commercial Operations
Mr. Jose B. Villanueva III	-	VP-Chief Manufacturing Officer, Alcohol Mr.
Esteban H. Coscolluela	-	VP-GM, CACI
Mr. Jose Manuel L. Mapa	-	VP-GM, RHI-ADC
Mr. Frederick E. Reyes	-	VP, Human Resources
Mr. Jaynel Sulangi	-	VP, Information & Communications Technology
Ms. Anna G. Yu	-	AVP, Treasury; Chief Risk & Credit Officer
Ms. Veronica C. Cortez	-	AVP, Finance Head
Ms. Daisy Perpetua A. Bo	-	AVP, QA/Safety/EMS/IE

Atty. Ma. Hazel L. Rabara-Retardo	-	Asst. Corporate Secretary; AVP Governance & Deputy Compliance Officer; Data Protection Officer
Ms. Josephine M. Logroño	-	AVP, Internal Audit
Mr. Jaypee V. Jimenez	-	AVP, Procurement and Materials Management

The Board of Directors also elected the following Directors to the standing Committees of RHI as follows:

Executive Committee:

Mr. Pedro E. Roxas	-	Chairman
Mr. Manuel V. Pangilinan	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Audit Committee:

Ms. Arlyn S. Villanueva	-	Chairman (Independent Director)
Mr. Christopher H. Young	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Corporate Governance Committee (formerly, Governance, Nomination & Election Committee):

Mr. Oscar J. Hilado	-	Chairman (Independent Director)
Mr. Pedro E. Roxas	-	Member
Mr. Santiago T. Gabionza, Jr.	-	Member (Independent Director)

Compensation Committee:

Mr. Manuel V. Pangilinan	-	Chairman
Mr. Santiago T. Gabionza, Jr.	-	Member (Independent Director)
Mr. Oscar J. Hilado	-	Member (Independent Director)

Mr. Oscar J. Hilado was likewise elected as Lead Independent Director of the Company.

May 2, 2019 - Appointment of Mr. Pilipino T. Cayetano as Vice President - Chief Manufacturing Officer (CMO)

May 9, 2019 - Results of the Regular Board Meeting of the RHI Board of Directors:

1. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the Second Quarter of Fiscal Year ending 30 September 2019 and press release; and,

2. Confirmed the appointment of Mr. Pilipino T. Cayetano as RHI's Vice-President, Chief Manufacturing Officer.

May 30, 2019 – Resignation of Mr. George T. Cheung, Senior Vice President – Commercial Operations of Roxas Holdings, Inc., effective 02 June 2019.

June 4, 2019 – Appointment of Mr. Elvi Manuel G. Bayle as Vice President – Commercial Operations effective June 4, 2019.

July 3, 2019 – Appointment of the following officers:

1. Mr. Julius Rugas as Vice President – Manufacturing Operations Head - CADPI
2. Mr. Gil M. Morales as Assistant Vice President for Project Management - CACI effective July 1, 2019.

August 1, 2019 - Results of the Board Meeting of the RHI Board of Directors

1. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the Third Quarter of Fiscal Year ending 30 September 2019 and the accompanying Press Release; and,

2. Confirmed the appointments of the following officers:

    a. Mr. Elvi Manuel G. Bayle as VP-Group Head, Commercial Operations to replace Mr. George T. Cheung;

    b. Mr. Julius G. Rugas as VP- Manufacturing Operations Head, Central Azucarera Don Pedro, Inc. (CADPI), to replace the former VP-General Manager Ferdinand Corpuz; and,

    c. Mr. Gil M. Morales as AVP for Project Management, Central Azucarera de la Carlota, Inc. (CACI)

September 13, 2019 – Resignation of Mr. Elvi Manuel G. Bayle, Vice President & Group Head – Commercial Operations of Roxas Holdings, Inc., effective 14 September 2019.

October 1, 2019 – Change in Officers:

1. Appointment of Mr. Alexander A. Pino as AVP and Factory Operations Head of San Carlos Bioenergy Inc., a subsidiary of Roxas Holdings, Inc. effective October 1, 2019.

2. Retirement of Mr. Simon P. Turno III as AVP- Factory Operations Head of CADPI effective October 1, 2019.

October 15, 2019 – Appointment of Mr. Edward R. Villanueva as AVP and Factory Operations Head of Central Azucarera Don Pedro, Inc., a subsidiary of Roxas Holdings, Inc. effective October 15, 2019.

2017-2018

October 27, 2017 – Resignation of Mr. Paul Edwin Lazaro as Assistant Vice President – Internal Audit

December 6, 2017 – Board Actions:

1. Approved RHI's Audited Financial Statements and Management Discussion and Analysis for the fiscal year ending 30 September 2017; and,

2. Approved the holding of the Annual Stockholders Meeting on 21 February 2018 to be held at the Manila Polo Club, and setting the Record Date for the said Meeting on 29 December 2017.

January 8, 2018 – Appointment of Mr. Jose Manuel L. Mapa as VIce-President and General Manager of Agribusiness Development Corporation (ADC)

January 10, 2018 – Resignation of Earl Eric Nestor H. Ferrer as Vice President - Information and Communication Technology

January 23, 2018 – Appointment of Jhoel P. Raquedan as Vice President – Group Head, Legal & Corporate Affairs

February 1, 2018 – Appointment of Ms. Josephine M. Logroño as Assistant Vice President and Group Head of Internal Audit

February 7, 2018 – Board Approvals:

1. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the First Quarter ending 31 December 2017;

2. Approved the Press Release of the Corporation;

3. Approved the postponement of the Annual Stockholders Meeting from 21 February 2018 to 26 March 2018 still to be held at the Turf Room, Manila Polo Club, McKinley Road, Forbes Park, Makati City;

4. Confirmed the appointment of the following officers to the positions as stated:

    a. Jose Manuel V. Mapa as Vice-President/General Manager, RHI Agri-Business Development Corporation;
    b. Atty. Jhoel P. Raquedan as Assistant Corporate Secretary/ Vice-President, Group Head – Legal and Corporate Affairs/ Compliance Officer;
    c. Josephine M. Logroño as AVP- Group Head, Internal Audit; and,
    d. Atty. Ma. Hazel L. Rabara-Retardo as Data Protection Officer, in addition to her role as AVP – Governance and Compliance/Assistant Corporate Secretary/Deputy Compliance Officer; and,

5. Approved the amendment of Article 8 of the By-Laws of the Corporation, changing the date of the annual shareholders' meeting to every second Wednesday of March of each fiscal year.

February 15, 2018 – Promotion of existing officers of the RHI Group to Executive-rank positions

Jaypee V. Jimenez as AVP – Head Procurement and Materials Management, RHI;
Simon P. Turno, III as AVP – Factory Operations Head, CADPI;
Genaro B. Bernabe as AVP – Factory Operations Head, CACI; and
Damaso T. Agudeo as AVP – Factory Operations Head, SCBI

March 2, 2018 – Postponement of Annual Shareholders' Meeting previously scheduled on March 26, 2018 to April 11, 2018.

March 21, 2018 – Appointment of Mr. Jaynel Sulangi as Vice-President - Information & Communications Technology Head

April 11, 2018 – Results of the Organizational Board Meeting of Roxas Holdings, Inc.

2016-2017

December 1, 2016 – Board Actions:

1. Approved RHI's Audited Financial Statements and Management Discussion and Analysis for the fiscal year ending 30 September 2016;

2. Approved the holding of the Annual Stockholders Meeting on 15 February 2017 to be held at the Turf Room, Manila Polo Club, McKinley Road, Forbes Park, Makati City and setting the Record Date for the said Meeting on 28 December 2016;

3. Approved the Increase in Authorized Capital Stock of RHI from One Billion Five Hundred Million Pesos (Php1,500,000,000.00) to Two Billion Pesos (Php2,000,000,000.00) divided into Two Billion Common Shares with par value of One Peso (Php 1.00) per share;

4. Approved the Issuance of at least Twenty Five Percent (25%) common shares out of the above Increase in Authorized Capital Stock (the "Initial Shares) through private placement of existing majority shareholder or shareholders and submit for approval of the RHI Shareholders' the following matters in the next Annual Stockholders' Meeting:

    a. Delegation of the authority to determine the terms and conditions of the Initial Shares, including the offer price, of the private placement to the Board of Directors;

b. Waiver of any public offering requirement over the Initial Shares; and,

c. c. Approval to list the Initial Shares with the Philippine Stock Exchange;

5. Approval of the recommendation of the Audit Committee to appoint and thereafter, submit for the approval of the Shareholders,' the change in the external auditor of RHI from Reyes, Tacandong and Company to SyCip Gorres Velayo & Co. as RHI's external auditors for the fiscal year 1 October 2016 - 30 September 2017; and,

6. Confirmed the appointment of Ms. Ma. Hazel L. Rabara-Retardo as AVP, Governance and Deputy Compliance Officer.

December 6, 2016 – Resignation of Ms. Jesselyn P. Panis as SVP-Deputy Sugar Business Unit Head

January 3, 2017 – Appointment of Servillaro Jose I. Dunglao as VP for Administrative Services

February 1, 2017 – Board Actions:

2. Approved RHI's Interim Financial Statements and Management Discussion and Analysis for the First Quarter ending December 31, 2016, of the current fiscal year;

3. Authorized the Company to enter into a Convertible Note Instrument with an affiliate, First Pacific Natural Resources Holdings BV, for an estimated principal value of Five Hundred Twenty Three Million Seven Hundred Fifty Thousand Pesos (Php523,750,000.00) convertible into equity, upon the submission and approval of the increase in authorized capital stock of RHI to its shareholders and the Securities and Exchange Commission; and,

4. Confirmed the appointment of Mr. Servillano Jose I. Dunglao as RHI's Vice-President, Administrative Services.

February 16, 2017: Results of Annual Shareholders' Meeting:

1. The shareholders approved the Consolidated Financial Report of RHI to the shareholders for the fiscal year ended September 30, 2016.

2. The shareholders approved the amendment of Article VII of the Articles of Incorporation of RHI to increase the authorized capital stock from One Billion Five Hundred Million Pesos (Php 1,500,000,000.00) divided into One Billion Five Hundred common shares to Two Billion Pesos (Php 2,000,000,000.00) divided into Two Billion common shares, still with a par value of One Peso (Php1.00) per share, and in connection therewith, approved the below actions:

a. Conversion into equity of the Convertible Note to be issued to First Pacific Natural Resources Holdings, B.V., in the principal amount of Five Hundred Twenty Three Million Seven Hundred Fifty Thousand Pesos (PhP523,750,000.00) at a conversion rate of 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 ("Converted Shares"); and,

b. Listing of the Converted Shares with the Philippine Stock Exchange.

Results of Organizational Meeting of the Board of Directors:

The Board of Directors of Roxas Holdings, Inc., in its organizational meeting held on, February 15, 2017, elected the following officers:

Name		Position
Mr. Pedro E. Roxas	-	Chairman of the Board of Directors
Mr. Manuel V. Pangilinan	-	Vice-Chairman of the Board of Directors
Mr. Hubert D. Tubio	-	President & Chief Executive Officer
Atty. Cynthia Y. Ligeralde- Dela Paz	-	Corporate Secretary

Mr. Celso T. Dimarucut	-	EVP/Chief Finance Officer
Mr. Arcadio S. Lozada, Jr.	-	EVP/COO, Sugar Business Unit
Mr. Luis O. Villa-Abrille	-	EVP/COO, Ethanol Business Unit
Mr. George T. Cheung	-	SVP, Commercial Operations
Atty. Florencio M. Mamauag, Jr.	-	Asst. Corporate Secretary; VP, Legal & Corporate Affairs; Compliance Officer; Chief Information Officer
Mr. Fernando H. Corpuz	-	VP/GM, CADPI
Mr. Esteban H. Coscolluela	-	VP/GM, CACI
Mr. Minrado A. Roño	-	VP/GM, ADC/Plantation
Mr. Jose Rojo G. Alisla	-	VP/, Agro-Industrial Research and Development/Farm Operations
Mr. Frederick E. Reyes	-	VP, Human Resources
Mr. Servillano A. Dunglao	-	VP, Administrative Services
Mr. Paul Edwin V. Lazaro	-	AVP, Internal Audit
Ms. Kathrina Estrella L. Sebastian	-	AVP, Treasury; Chief Risk & Credit Officer
Ms. Veronica Canela-Cortez	-	AVP, Finance Head
Ms. Daisy Perpetua A. Bo	-	AVP, QA/Safety/EMS/IE
Atty. Ma. Hazel L. Rabara-Retardo	-	Asst. Corporate Secretary; AVP Governance & Deputy Compliance Officer

The Board of Directors also elected the following Directors to the standing Committees of RHI as follows:

Executive Committee:

Mr. Pedro E. Roxas	-	Chairman
Mr. Manuel V. Pangilinan	-	Member
Mr. David L. Balangue	-	Member (Independent Director)

Audit Committee:

Mr. David L. Balangue	-	Chairman (Independent Director)
Mr. Christopher H. Young	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Corporate Governance Committee (formerly, Governance, Nomination & Election Committee):

Mr. Oscar J. Hilado	-	Chairman (Independent Director)
Mr. Pedro E. Roxas	-	Member
Mr. David L. Balangue	-	Member (Independent Director)

Compensation Committee:

Mr. Manuel V. Pangilinan	-	Chairman
Mr. Santiago R. Elizalde	-	Member
Mr. Oscar J. Hilado	-	Member (Independent Director)

Mr. David L. Balangue was likewise elected as Lead Independent Director of the Company.

April 17, 2017 – The Company has appointed Mr. Earl Eric Nestor H. Ferrer as Vice- President – Information and Communication Technology, effective April 17, 2017.

May 2, 2017 – Resignation of Mr. Servillano Jose I. Dunglao as VP- Administrative Services (Administration/Security/CSR/Corporate Safety)

May 11, 2017 – Board Actions:

1. Approved **RHI's Interim Financial Statements and Management Discussion and Analysis** for the **Second Quarter** of Fiscal Year ending **September 30, 2017**;

2. Approved the **Revised Manual on Corporate Governance** in compliance with SEC Memorandum Circular No. 19, series of 2016; and,

3. Confirmed the appointment of **Mr. Earl Eric Nestor H. Ferrer** as RHI's Vice-President, Information and Communication Technology.

August 10, 2017 - The Board of Directors of Roxas Holdings, Inc. approved RHI's Interim Financial Statements and Management Discussion and Analysis for the Third Quarter (ending June 30, 2017) of Fiscal Year ending September 30, 2017

September 29, 2017 - Resignation of Mr. Jose Rojo G. Alisla as VP/GM, RHI Agri-business Development Corporation

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of City of Makati on DEC 17 2021.

By:

PEDRO E. ROXAS
Chairman of the Board

CELSO T. DIMARUCUT
President and CEO

VERONICA C. CORTEZ
VP – Finance and Administration

AIMEE E. PEDAYO
Asst. Corporate Secretary

SUBSCRIBED AND SWORN to before me this DEC 17 2021 day of _____ 2021 affiants exhibiting to me their government-issued IDs, as follows:

Names	ID No.	Date of Issue	Place of Issue
Pedro E. Roxas	N11-77-003593	March 19, 2018	LTO Makati
Celso T. Dimarucut	P5791534A	January 27, 2018	DFA Manila
Veronica C. Cortez	N03-05-010126	September 23, 2019	LTO Imus, Cavite
Aimee E. Pedayo	273-720-041	–	–

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Series of 2021.

ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. M-[illegible] MAKATI CITY
UNTIL DECEMBER 31, 2021
(per Supreme Court En Banc Resolution
dated June 22, 2021)
PTR No. 8530267/01-04-2021/MAKATI CITY
IBP No. 142544/01-04-2021/RIZAL
MCLE COMPLIANCE No. VI-0027026/05-28-2019
ROLL NO. 36452/TIN No. 106-099-102-000
Unit G-14 Makati Executive Tower 3
San. Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
Index to the Consolidated Financial Statements
As at and For the Year Ended September 30, 2021

Schedule I : Supplementary schedules required by Annex 68-E

Schedule	Description
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements
D	Intangible Assets – Other Assets - N/A
E	Long-term Borrowings
F	Indebtedness to Related Parties (Long-term Loans from Related Companies) - N/A
G	Guarantees of Securities of Other Issuers - N/A
H	Capital Stock

Schedule II : Supplementary schedules of financial soundness indicators

Schedule III : Schedule of all effective standards and interpretation (Part 1, 4J)

Schedule IV : Map of the relationships of the companies within the group

Schedule V : Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C, Annex 68-C)

N/A – Not applicable

SCHEDULE I

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE A
FINANCIAL ASSETS
SEPTEMBER 30, 2021
(Amounts in Thousands)

Description	Carrying Value	Fair Value
Cash on hand	₱662	₱662
Loans and receivables:		
Cash in banks	56,207	56,207
Trade receivables*	397,528	397,528
Due from employees*	28,516	28,516
Others*	68,575	68,575
	₱551,488	₱551,488

**Net of related allowance for impairment losses totaling to ₱119.9 million.*

SCHEDULE I

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE B

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

SEPTEMBER 30, 2021

(Amounts in Thousands)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
Various employees (educational loans/advances)	₱30,872	₱45,349	(₱47,572)	₱–	₱28,649	₱–	₱28,649

SCHEDULE I

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE C
AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Amounts in Thousands)

Debtor	Name and designation of creditor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
Intercompany trade transactions								
Roxas Holdings, Inc. (RHI)	Central Azucarera Don Pedro, Inc. (CADPI)	₱68	₱213	(₱221)	₱–	₱60	₱–	₱60
CADPI	RHI	52,335	50,000	(52,335)	–	50,000	–	50,000
	Central Azucarera De La Carlota, Inc. (CACI)	3,473	–	(3,473)	–	–	–	–
	RHI-Agribusiness Development Corp. (RHIADC)	69	213	(282)	–	–	–	–
	Roxol Bioenergy Corp. (RBC)	68	51	(119)	–	–	–	–
	San Carlos Bioenergy, Corp (SCBI)	59,769	15,639	(74,442)	–	966		966
CACI	CADPI	271	–	–	–	271	–	271
	RHIADC	523	–	–	–	523	–	523
RBC	SCBI	720	–	–	–	720	–	720
SCBI	CADPI	500	213	(687)	–	26	–	26
	RHIADC	–	21,399	(20,770)	–	629	–	629
RHIADC	CADPI	1,468	213	(1,621))	–	60	–	60
		119,264	87,941	(153,950)	–	53,255	–	53,255
Intercompany non-trade transactions								
RHI	RBC	565,778	501,328	(44,010)	–	1,023,096	–	1,023,096
	Roxas Power Corporation (RPC)	389	–	–	–	389	–	389
	ADC	–	5,971	–	–	5,971		5,971
CADPI	RHI	–	1,239,228	(765,188)	–	474,040	–	474,040

(Forward)

Debtor	Name and designation of creditor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
CACI	RHI	₱95,863	₱847,438	(₱383,767)	₱–	₱559,534	₱–	₱559,534
SCBI	Roxas Pacific Bioenergy, Inc. (RPBC)	900,813	–	–	–	900,813	–	900,813
	RHI	1,016,626	985,314	(802,068)	–	1,199,872	–	1,199,872
RPBC	RHI	2,370,817	77	(2,370,817)	–	77	–	77
RHIADC	RHI	391,832	–	(391,832)	–	–	–	–
CADPI Insurance Agency, Inc.(CADPIAI)	RHI	621	–	–	–	621	–	621
CADPI Port Services, Inc. (CADPSI)	RHI	397	–	–	–	397	–	397
Northeastern Port and Storage Corporation	RHI	96	1,955	–	–	2,051	–	2,051
		5,343,232	3,581,311	(4,757,682)	–	4,166,861	–	4,166,861
		₱5,462,496	₱3,669,252	(₱4,911,632)	₱–	₱4,220,116	₱–	₱4,220,116

SCHEDULE I

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E
LONG-TERM BORROWINGS
SEPTEMBER 30, 2021
(Amounts in Thousands)

Date Availed	Terms	Amount shown under "Current portion of long-term borrowings" account in the consolidated statement of financial position	Amount shown under "Noncurrent portion of long-term borrowings" account in the consolidated statement of financial position*
September 29, 2021	Payable in equal semi-annual amortization amounting to ₱125.0 million starting December 2023 until June 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 5.75% for two years subject to repricing thereafter	₱–	₱1,985,000
December 22, 2020	Payable in quarterly amortization amounting to ₱32.9 million for five years starting March 2023 until September 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 6.00% for two years subject to repricing thereafter	–	1,250,000
August 5, 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	–	1,000
		₱–	₱3,236,000

**Net of transaction cost*

Details are discussed in Note 15 to consolidated financial statements.

SCHEDULE I

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE H
CAPITAL STOCK
SEPTEMBER 30, 2021

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under "capital stock" account in the consolidated statement of financial position	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors and officers	Others
Common shares - "Class A" at ₱1 par value	2,000,000,000	1,547,935,799	65,000,000	1,291,864,105	1,525,507	254,546,187

SCHEDULE II

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

SEPTEMBER 30, 2021 and 2020

	2021	2020
Financial Ratios required under Loan Covenants		
Debt to Equity Ratio (not more than 2.33)	1.47	1.40
Debt Service Coverage Ratio (at least 1.25)	(0.02)	(0.07)
Others		
Return on Equity	(18.21%)	(66.50%)
Return on Asset	(7.37%)	(27.73%)
Asset-to-Equity Ratio	2.47	2.40
Current Ratio	0.40	0.40
Book Value per Share	₱3.33	₱3.78

SCHEDULE III

ROXAS HOLDINGS, INC.AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF ADOPTION OF EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS

SEPTEMBER 30, 2021

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		**Adopted**	**Not Early Adopted**	**Not Applicable**
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRS Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
	Amendments to PFRS 2: Definition of Vesting Condition	✓		
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions		✓	
PFRS 3 (Revised)	Business Combinations	✓		
	Amendments to PFRS 3 : Accounting for Contingent Consideration in a Business Combination	✓		
	Amendments to PFRS 3 : Scope Exceptions for Joint Arrangements			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		Adopted	Not Early Adopted	Not Applicable
PFRS 4	Insurance Contracts		✓	
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts		✓	
	Amendments to PFRS 4: Applying PFRS 9, *Financial Instruments*, with PFRS 4		✓	
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Changes in Method of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements	✓		
	Amendments to PFRS 7: Servicing Contracts			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8 : Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Asset	✓		
PFRS 9	Financial Instruments	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		Adopted	Not Early Adopted	Not Applicable
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
	Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception			✓
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
	Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception			✓
	Clarification of the Scope of the Standard		✓	
PFRS 13	Fair Value Measurement	✓		
	Amendments to PFRS 13 : Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
PFRS 16	Leases	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1, Disclosure Initiative	✓		
PAS 2	Inventories	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		Adopted	Not Early Adopted	Not Applicable
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative		✓	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 : Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses		✓	
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendments to PAS 16 and 38: Proportionate Restatement of Accumulated Amortization			✓
	Amendments to PAS 16 and PAS 41: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
	Regional Market Issue Regarding Discount Rate			✓
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		Adopted	Not Early Adopted	Not Applicable
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
	Amendment: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception			✓
	Amendments to PAS 28: Measuring an Associate or Joint Venture at Fair Value		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	✓		
	Amendment to PAS 32: Classification of Rights Issues	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Disclosure of Information 'Elsewhere in the Interim Financial Report'	✓		
PAS 36	Impairment of Assets	✓		
	Amendment to PAS 36: Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		

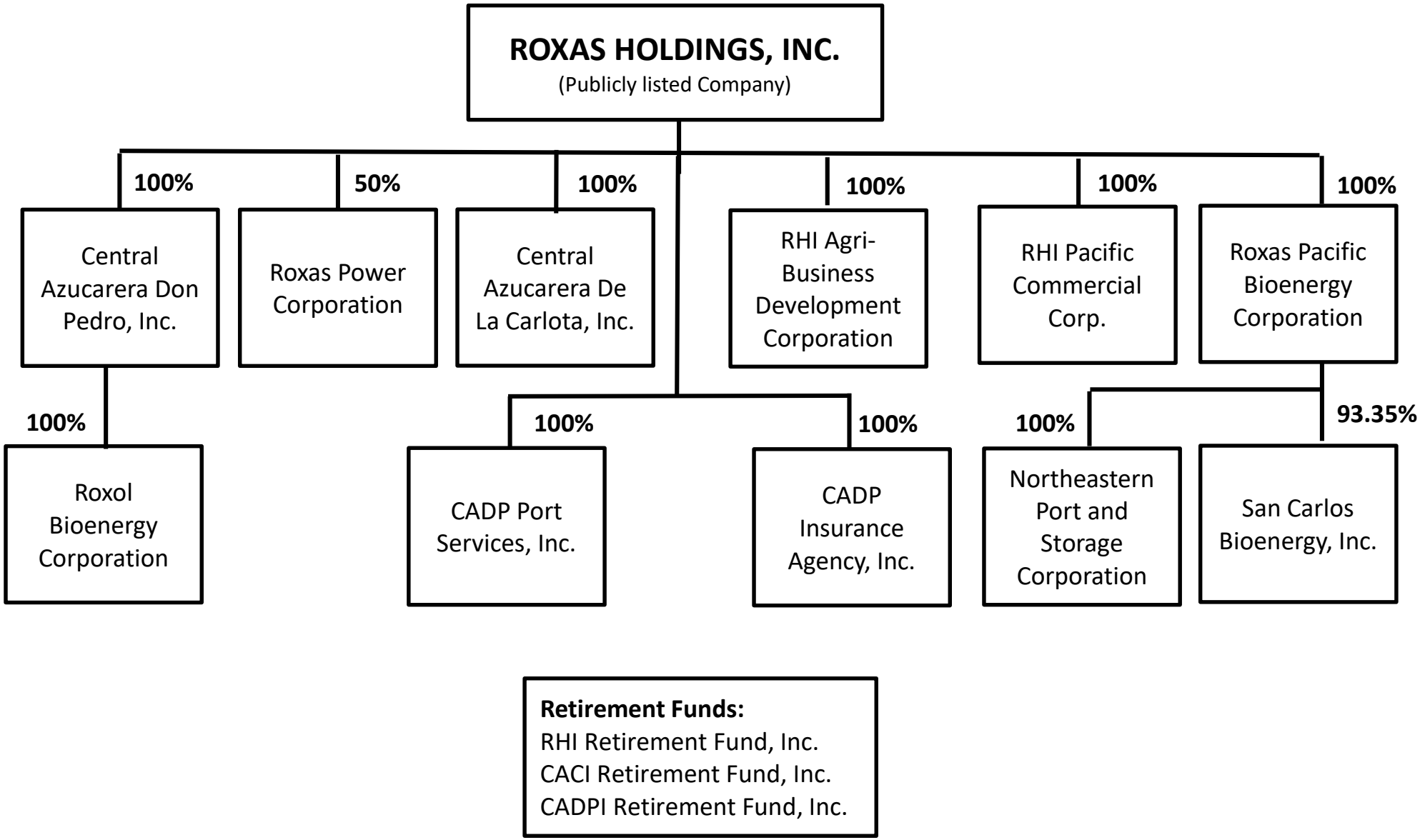
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		Adopted	Not Early Adopted	Not Applicable
PAS 38	Intangible Assets	✓		
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
	Interrelationship between PFRS 3 and PAS 40	✓		
	Amendments to PAS 40: Transfers of Investment Property		✓	
PAS 41	Agriculture	✓		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		Adopted	Not Early Adopted	Not Applicable
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC - 9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
IFRIC 22	Foreign Currency Transactions and Advance Consideration		✓	
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as at September 30, 2021		Adopted	Not Early Adopted	Not Applicable
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs	✓		

SCHEDULE IV

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
CORPORATE STRUCTURE
September 30, 2021



SCHEDULE V

ROXAS HOLDINGS, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

AS OF SEPTEMBER 30, 2021

Retained earnings, beginning	₱2,780,083,338
Cumulative unrealized fair value gain on investment properties, net of tax, beginning	(1,950,272,985)
Revaluation increment on land transferred to retained earnings on deemed cost adjustment, net of tax	(958,591,519)
Treasury stock	(52,290,236)
Retained earnings available for dividend declaration, beginning	(181,071,402)
Net income earned during the year	125,364,566
Unrealized fair value gain on investment properties, net of tax	(2,977,493)
Unappropriated retained earnings available for dividend declaration at end of year	(₱58,684,329)

ROXAS HOLDINGS, INC. SUSTAINABILITY REPORT

CORPORATE PROFILE

Roxas Holdings, Inc. (RHI) is one of the largest integrated sugar and ethanol producers in the Philippines and pioneer of the agri-business in the country. It manages sugar mill/refinery Central Azucarera Don Pedro, Inc. (CADPI) in Nasugbu, Batangas and ethanol producer – San Carlos Bioenergy, Inc. (SCBI) in San Carlos City in Negros Occidental; as well as agri-business mover, RHI Agri-business Development Corporation (RHI-ADC). Further information on RHI, listed as ROX at the Philippine Stock Exchange, Inc. (PSEi), can be obtained at www.roxasholdings.com.ph.

VISION: To be a world-class leader in sugarcane-based products and services in the Asia Pacific.

MISSION:

For customers: To provide quality sugar cane-based products and services.
For partners: To be fair and transparent in its dealings.
For stockholders: To enhance shareholder value with reasonable return on equity.
For people: To provide professional growth, development and recognition.
For communities: To be a responsible corporate citizen.

VALUES

RELIABILITY & RELEVANCE

Reliability: We fulfill expectations and deliver our commitments with all stakeholders.
Relevance: We are mindful of the constant challenges and changes affecting the environment, and address them with creative, fresh and competent solutions.

HIGH STANDARDS
We constantly set high standards and ethics in our operations and with our products, and strive to exceed them.

INTEGRITY
We consider doing business following the time-tested principles of fairness, transparency and honesty.

OPERATIONAL HIGHLIGHTS: SUGAR BUSINESS UNIT

The sugar business was faced with hurdles throughout Crop Year (CY) 2020-2021. The imposition of varying levels of community quarantine to contain the spread of COVID-19 and the gravity of the La Nina this year have affected operations. Despite this, the Group continues its thrust of resiliency and continues to rise amidst the challenges faced.

CENTRAL AZUCARERA DON PEDRO, INC. (CADPI)

Batangas-based Central Azucarera Don Pedro, Inc. (CADPI) ended its milling operations for crop year (CY) 2020-2021 last May 08, 2021 with 21 weeks of milling operation, which is five weeks longer than the 16 weeks of milling operation during CY 2019-2020.

Despite the 2% decrease in market share from 51% last CY, CADPI still managed to be the leading mill of choice in the Batangas area.

It was able to mill 733,271 tons of cane, which is 12% higher than the 654,905 tons cane milled (TCM) in the previous crop year. Despite this, the raw sugar yield was only 1.655 LKg/TC or 13% lower compared to the previous period.

The main factors which slowed down the milling operation this crop year were low farm productivity and dwindling number of manual cane cutters.

Sugar refined by CADPI with an actual amount of 1.03 million LKg for the period was 5% lower than the previous year which generated an actual production volume of 1.34 million LKg.

The economic impact of the COVID-19 Pandemic has substantially affected all businesses across the nation. In spite of the measures to mitigate such impact, the pandemic has affected the operation and OSR activities of the plant since March 2020. Yet, CADPI showed its resiliency by responding to the challenges and coming up with different and more cost-effective ways of doing business. For some internal and external communications, the company has engaged and utilized the use of online platforms.

CADPI has been optimizing the use of bagasse and biomass as fuel for its boilers and as part of the Business Strategic Plan for the upcoming crop year, CADPI will be utilizing its retrofitted Boiler 5 which will now be a multifuel boiler that is capable of using coal, rice hull, coconut husk, PBF and the like.

With CADPI's continuous efforts to improve the Mill, Refinery and its over-all plant efficiency, the company reciprocally ensures that the people running the facility are well-equipped with knowledge and experience. And with the provision of all necessary resources, CADPI would always be buoyant over business challenges.

SUSTAINABLE DEVELOPMENT GOALS

OPERATIONAL HIGHLIGHTS: ETHANOL BUSINESS UNIT

The Group's ethanol business had its share of challenges during the crop year. Continued rain from the La Nina phenomenon and the imposition of different levels of community quarantine affected the unit's operations.

Amid the challenges, RHI's ethanol business continues, with further operational enhancements being implemented regularly.

SAN CARLOS BIOENERGY, INC. (SCBI)

Despite the continuing operational challenges in San Carlos Bioenergy, Inc. (SCBI), together with the impact of the COVID-19 pandemic, it still managed to increase distillery operating days to 296 in CY 2020-2021 from 170 days in the previous crop year. SCBI also milled for a longer period in CY 2020-2021 with 189 days, from 144 days for the same period last year.

SCBI was able to produce higher volume of AHA at 29 million liters compared to 16 million in the last crop year. The plant also maintained a very good biogas displacement at 12%, vs. 14% in CY 2019-2020.With longer operating days, the ethanol plant exported 9,227 megawatts hour (MWh), which is higher than the 1,361MWh exported in the past year.

Meanwhile, the LKg/TC of SCBI went down to 1.81 from 1.87, and it milled 241,941 tons compared to 108,789 Tons Cane Milled (TCM) in CY 2019-2021.

Faced with the pressing concern on the very high price of molasses, SCBI changed its strategy by using cane syrup as its main feedstock in its distillery operations.

The pronounced lack of molasses had hampered the production of bioethanol in the country but SCBI continued with its operations while finding other ways to manage the crippling inadequacy of feedstock.

The Plant also rolled out significant repairs on its steam turbine generator, evaporators, and storage tanks; and established procedures to ensure that SCBI would remain resilient in any situation.

RHI AGRI-BUSINESS DEVELOPMENT CORPORATION (ADC)

RHI Agri-business Development Corporation (ADC) understands that for a sugar business to be sustainable, there should be a steady flow of its primary raw material. To support the mill, ADC works towards sustainability of sugarcane agriculture within its mill districts, for it to meet the needs of present and future generations. ADC has identified the major problems facing the farms and continues to help farmers address these concerns and become more productive and ensure long term sustainability.

A majority of planters in Western Batangas are used to applying only one type of fertilizer in sugarcane farming. This is a cultural practice which ADC is working on addressing. ADC assists farmers in having their soil analyzed in the laboratory in collaboration with SRA and PHILSURIN. This year, ADC assisted planters by providing different types of fertilizers as well as agricultural lime on loan. ADC also promotes the use of organic fertilizers such as mudpress (a by-product of the sugar mill), liquid distillery effluent (spentwash) and chicken dung.

About 80% of sugarcane farmers in the Philippines are small farmers owning or working on farms 5 hectares and below. Farmers in this category generally cannot afford to buy tractors on their own and there are not enough service providers to cater to their needs, resulting to low farm productivity. ADC owns 14 tractors with attached implements that are rented out to farmers within the mill district. This crop cycle, it has provided tractor services to farmers covering about 500 hectares.

ADC continues to propagate the latest high yielding sugarcane varieties (HYVs) both from PHILSURIN and SRA. It is an active member of PHILSURIN, the private industry research group which breeds HYVs and distributes these to its members. ADC is also accredited by SRA to implement government-funded development projects in RHI mill districts. ADC operates nurseries

where these HYVs are planted and sells them to planters at cost. In crop year 2020-21, it distributed 267 lacsas of HYV canepoints/planting materials to 51 small farmers covering around 67 hectares of farms.

One of the continuing major concerns plaguing the sugar industry is sugarcane harvesting. This is true not only in our mill districts but all over the country. ADC was the first to introduce sugarcane mechanical harvesters in Batangas 5 years ago. The sale of CACI and Roxol in October 2020 prompted management to transfer majority of its harvesting equipment and other ADC assets from Negros to Batangas. In CADPI, ADC provided company-owned and third party-owned mechanical harvesters. Used during the latter part of the milling season, the harvesters generated an output of 13,593 tons of cane. The remaining units of semi-mechanized grab loaders left in Negros were leased out to harvest around 500 hectares, and most of these units were subsequently transferred to Batangas to serve the growing need there for such equipment.

ADC continuously explores innovation in sugarcane farming such as drone application of liquid fertilizers, ripeners and other farm inputs. It has partnered with SRA on area digitization, GIS processing and map layout, remote sensing technologies, all of which are used for crop estimation.

CORPORATE GOVERNANCE

Corporate Governance and Sustainability

Roxas Holdings, Inc. (RHI), as a listed organization and among the leading integrated sugar and bioethanol producers in the Philippines, puts high importance on corporate governance.

In compliance with the circular of the Securities and Exchange Commission (SEC) requiring all listed companies to submit new versions of their respective Manual on Corporate Governance, RHI released its Revised Manual on Corporate Governance in 2017.

The Corporate Governance Committee unanimously approved the 2017 RHI Revised Manual on Corporate Governance, which contains the 16 principles below:

1. RHI shall be headed by a competent, working Board to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.
2. The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Company's articles and by-laws, and other legal pronouncements and guidelines shall be clearly made known to all directors as well as to stockholders and other stakeholders.
3. To show full commitment to the Company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the Company's businesses.
4. The Board shall endeavor to exercise objective and independent judgment on all corporate affairs.
5. The best measure of the Board's effectiveness is through an assessment process. The Board shall regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.
6. Members of the Board are duty-bound to apply high ethical standards – taking into account the interests of the stakeholders.
7. The Board shall adopt standards for professional and ethical behavior.
8. The Company shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.
9. The Company shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.
10. The Company shall ensure that material and reportable non-financial and sustainability issues are disclosed.
11. The Company shall maintain a comprehensive and cost- efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.
12. To ensure the integrity, transparency and proper governance in the conduct of its affairs, the Company shall have a strong and effective internal control system and enterprise risk management framework.
13. The Company shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.
14. The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders shall have the opportunity to obtain prompt effective redress for the violation of their rights.
15. A mechanism for employee participation shall be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.
16. The Company shall be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

RHI also has the following policies in place:

1. **Insider Trading Policy**

The Company has an Insider Trading Policy which prohibits the purchase, sale, or trading in securities of the Company or another corporation while in possession of material non-public information.

The Policy likewise prohibits the giving of material non- public information, directly or indirectly, to anyone. A violation of the Policy subjects the member of the Board of Directors, Board of Advisors, officer, or employee to disciplinary action in addition to possible civil and criminal actions.

2. Business Conduct Policy

The highest standard of individual conduct is expected at all times from each employee of Roxas Holdings, Inc. not only in matters of financial integrity but also in every aspect of business relationship. Business should be conducted on the bases of fair dealing, consideration for the rights and feelings of others and the most stringent principles of good corporate citizenship.

Each employee is charged with the responsibility of acquiring sufficient knowledge of the laws relating to his or her particular duties in order to recognize potential dangers and to know when to seek legal advice. Unlawful conduct will not be condoned under any circumstances. Employees should consult with the in-house counsel if they have questions regarding compliance with certain laws, rules or regulations.

3. Whistle-blowing Policy

The Group has a public interest disclosure or a whistle- blowing policy whereby all employees have the right and moral responsibility to report improper actions and omissions. A workplace culture is developed in which employees who act in good faith and in compliance with the law are protected from interference in, or retaliation for, reporting improper actions and cooperating with subsequent investigations and proceedings. Public Interest Disclosure is required when employees, in good faith, believe superiors or colleagues are engaged in an improper course of illegal or unethical conduct, and they must be able to disclose such conduct free from fear or intimidation or reprisal.

4. Conflict of Interest Policy

The Company and its stakeholders require and expect that business affairs must be conducted in a manner that does not cloud judgment when dealing with third parties, or when making decisions on behalf of the Company. Business transactions must be undertaken solely in the best interest of the Company.

Conflict of Interest can only be defined along broad lines of ethical principles as it is impossible to conceive of all situations where a conflict may arise. In general, conflict of interest arises when an employee engages in business or professional activities exclusively for his own benefit on Company time or when such vested interest goes against the interest of the Company regardless whether it occurs during Company time or not. In short, a conflict of interest arises when the Company's interests are sacrificed. Some illustrative situations are:

1. Accepting business or outside employment;
2. Solicitation or acceptance of gifts;
3. Business dealings with the Company; and
4. Other analogous circumstances.

5. Dividend Policy

Roxas Holdings, Inc. has a policy to declare regular cash and/or stock dividends of 35% of annual earnings payable out of its unrestricted retained earnings.

The dividends shall be distributed semi-annually with the record and payment dates to be set in consideration of the following:

a. Financial covenants on debt-equity and debt service cover ratios;

b. Prospective capital requirements for expansion or investments; and

c. Compliance to statutory requirements.

In addition, the Board may declare special dividends provided this would not be detrimental to the company's cash flow requirements.

6. Related Party Transactions Policy

The Related Party Transactions Policy of the company tackles policies and procedures as well as conflict of interest.

RHI has policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Possible conflicts of interest of the directors of the Company are determined and resolved by the Corporate Governance Committee at the time that they are considered for election to the Board of Directors. Conflicts of interest that may arise after the election to the Board are disclosed as they occur, and the Board of Directors addresses these.

7. Policy on Data Privacy

The Company recognizes the importance of the privacy of every individual it associates with. Thus, to strengthen this campaign, the Policy on Data Privacy was adopted to make sure that all employees who handle matters involving personal information of individuals are aware of their roles in safeguarding this information. Personal information of individuals must be held in confidence by all employees and disclosure should only be done with the individual's written consent or when requested by a Court or law enforcement agency.

In accordance with the requirement of the National Privacy Commission, the Company has appointed a Data Protection Officer and a Compliance Office for Privacy to oversee the compliance of the Company to relevant privacy laws and issuances. The Company has also established protocols in the Policy to ensure that all employees are properly informed about the measures to be taken if a data breach occurs and how it will be promptly addressed. Updates and frequent review of privacy controls are being done to protect the Personal Information in the Company's safekeeping.

RHI is committed to bring the level of adherence to good corporate governance at par with the best practices from all over the country and the ASEAN region.

Below is the list of meetings held from October 1, 2020 to September 30, 2021:

Board of Directors	Stockholders	Audit Committee	Executive Committee
28 October 2020		22 October 2020	
16 December 2021		14 December 2020	
04 February 2021		02 February 2021	
07 May 2021	17 March 2021	04 May 2021	None
06 August 2021		03 August 2021	
		27 September 2021	

QUALITY ASSURANCE/SAFETY/INDUSTRIAL ENGINEERING

At Roxas Holdings, Inc. (RHI), quality is everyone's responsibility. By improving quality, productivity is also improved.

The Quality Assurance/Safety/Industrial Engineering Group strives to consistently meet the quality of every subsidiary's product – be it sugar, bioethanol or agribusiness, based on regulatory and customer requirements.

CADPI performed Internal Audit to check compliance with FSSC 22000 v.5 and to better assist Concerned Process Owners in identifying areas for improvement.

Four (4) customer audits were done at CADPI for this crop year (Nestle Philippines, Mars Wrigley Confectionery, Peotraco food Inc. and Gardenia Bakeries). Majority of the audit findings were focused on the implementation of the HACCP system and of Good Manufacturing Practices. There is no critical or major non-conformity raised in any of the Second Party Audits conducted.

CADPI has renewed both its FDA License to Operate as Food Manufacturer and FDA License to Operate as Food Importer with validity of until May 8, 2026 and November 8, 2025, respectively. CADPI has also re-applied for FDA Certificate of Product Registration which was deemed as requirement of some of its customers.

For this Crop Year, there is a 39.10% decrease in terms of the quantity of bag rejected while there is a 32.0% decrease in terms of the number of incidences of customer rejections as compared to CY 2019-2020. Nevertheless, 98.68% of the total quantities of bags were released as is to other customers after inspection and disposition by QAD.

CADPI maintained compliance to the provisions of Good Manufacturing Practices and 5S of Good Housekeeping for crop year 2020- 2021. It had an annual average of 97.17%.

The RHI Group consistently looks for innovative ways in improving the workplace by implementation of the RHI 12 Life Saving Rules, CADPI Safety Non-Negotiable Safety Rules, conducting Hazard Identification Risk Assessment and Determination of Control (HIRADC), Safety Quarterly meetings with all the Safety Officers and Safety Committees, conduct of Safety Orientations/refresher to all workers, conduct of the DOLE 8 Mandatory OSH Training in its plants.

During this time of pandemic, Business continuity is very critical and RHI adopted the new normal and ensuring the Safety and Health of its employees, partners, and other stakeholders by complying to the DOH, DTI, and DOLE Guidelines in the workplace Prevention and Control for COVID-19. Provision of Face Shields, Face Masks, Alcohol, Foot Bath, proper ventilation, and other protective measures were provided to all employees. Close monitoring and management of affected employees and dependents were done.

To ensure health and wellness of the employees, annual physical examination and Work Environment Measurement were done. Employees are provided with necessary medical services thru accredited medical centers and teleconsultation during the time of pandemic.

Emergency Disaster Preparedness activities were also conducted to ensure that procedures are followed and revised, if needed.

RHI believes that Strong leadership, participation, commitment, and intervention to safety is everyone's responsibility; Facilities, equipment and tools shall be designed, operated and maintained to a high standard; and all injuries and incidents are preventable.

SAFE MAN-HOURS WITHOUT LOST TIME INCIDENT FOR CY 20-21:

CADPI – 2,486,934

SCBI – 751,796

TOTAL SAFE MAN-HOURS WITHOUT LOST TIME INCIDENT FOR CY 20-21:

3,238,730

CORPORATE SOCIAL RESPONSIBILITY

In support of the United Nations Sustainable Development Goals, the Corporate Social Responsibility (CSR) arm of Roxas Holdings, Inc. (RHI) focused its engagements for Crop Year 2020-2021 on the following areas: poverty alleviation through health care, education and livelihood assistance and environmental stewardship; and tapping into volunteerism and local partnerships.

CENTRAL AZUCARERA DON PEDRO, INC. (CADPI)

Central Azucarera Don Pedro, Inc. (CADPI), as a caring and responsible corporate company, continues to support the communities through available resources. Last December 29, 2020, CADPI was able to give fifty (50) food packs to Barangay Lumbangan and another fifty (50) packs to Barangay Banilad, which will be given to their selected residents, giving priorities to PWD, senior and indigent families. In the interim, while medical missions cannot be conducted, CADPI initiated donation of vitamins and other medicine to its host community, Brgy. Lumbangan, Nasugbu, Batangas last January 14, 2021 and another donation was made last January 19, 2021 to Barangay Munting Indang. Twenty seven (27) planters who are members of Munting Indang Sugarcane Planters Association, a SRA accredited block farm with seventy four (74) hectares of sugarcane fields, were given vitamins and essential kitchenware packages.

CADPI donated fifty five (55) packs of various vegetable seeds to Brgy. Banilad, Nasugbu, Batangas and Banilad on the Go (BAGO) Association last March 30, 2021. Brgy. Banilad, through Secretary Generey Maningat, Councilor Michael Bauyon together with BAGO Association Officer in Charge Ms. Luzviminda Dime expressed their gratitude to CADPI upon receiving the donation. Donated seeds will be distributed to residents of Brgy. Banilad who

will participate on the search for "Banilad's Best Bakuran". This activity is part of CADPI's "Gulayan sa Bakuran, #Quarantanim" Project under the Sustainable Livelihood through Partnership in Agriculture (SIPAG) Program.

Despite the pandemic, CADPI continues to help preserve the environment by conducting River Clean-up and Tree Planting Activities. CADPI has conducted (5) clean up activities in its adopted river, the Lian-Palico river. A total of two (2) Tree Planting Activities were conducted this year at CADPI Bagasse Yard.

CADPI conducted its three (3) Mass Blood Donation Activity for the year which was initiated by the Corporate Social Responsibility (CSR) Department through partnership with the Philippine National Red Cross – Nasugbu Chapter. There was a total of 77 bags of blood collected from CADPI employees and other donors.

One of the core areas of CSR is Education, and this year, CADPI was able to partner with 11 nearby public schools through Brigada Eskwela and CADPI has donated school supplies and COVID-19 prevention items such as alcohols, face masks and face shields.

SAN CARLOS BIOENERGY, INC. (SCBI)

San Carlos Bioenergy, Inc. (SCBI) has continued to plant seedlings as part of its *Brigada Kalinisan* Program. For its bamboo planting project, volunteers planted hundreds of seedlings in partnership with the Department of Environment and Natural Resources.

For SCBI's Sustainable Agroforestry Project, thousands of seedlings were planted in partnership with the different associations and local government units; the Provincial Environment and Management Office; Negros Occidental Provincial Environment and Natural Resources Office; and the San Carlos Development Board.

SCBI also took part in costal and other cleanup drives with the help of its employees.

Under its *Brigada Kalusugan* Program, SCBI continued to partner with health centers in the surrounding barangays of the Plant. As part of its Alcohol Sanitation project, it continued to donate pandemic related items to help nearby communities. .

SCBI, through its bloodletting activity, donated bags of blood. Children were also provided food from the Plant's Share-A-Meal Project.

SCBI also extended assistance to planters. With its Project REAP: Rapid Engagement and Assistance to Planters, SCBI continued to reach out to sugarcane planters and their children. SCBI continued to respond to the pandemic by getting in touch with the planters and providing pandemic related items.

ENVIRONMENTAL MANAGEMENT

Environmental Sustainability Program

Protection of the natural environment continues to be one of the priorities of Roxas Holdings, Inc. (RHI). Thus, operations of its subsidiaries are carried out by being mindful of mitigating adverse environmental impacts, conforming to compliance obligations and enhancing environmental performance. Such culture extending to providers of materials and services is the guiding principle of Environmental Management System (EMS) being implemented by all the subsidiaries.

Wastewater Management

CADPI has generated a total of 1,634,196.52 cu meters wastewater during the crop year. CADPI's continuing wastewater management program takes on recycling as its main objective. CADPI reuses at least 30% of treated wastewater (Effluent$^{2)}$ as make-up for scrubbing water, and ground watering as mitigating measure for dust emission.

CADPI plans to use its treated wastewater as irrigation to sugarcane plantation in partnership with the National Irrigation Administration for the use of its canals

Factory Wastes as Energy and Farm Input

The spent wash produced from bioethanol production is a classic case of "closed doors – open windows". Spent wash is a by-product of manufacturing bioethanol. It is characterized by a very high organic matter load and TCU (true color unit). Since the passage of the Clean Water Act of 2006 and the concomitant General Effluent Standards (GES) under DENR Administrative Order 2016-08, spent wash discharge to water bodies has become tantamount to a violation.

The organic load measured in biological oxygen demand (BOD) and TCU even after treatment could not be reduced to levels allowable for discharge to water bodies. However, countries that involved in producing bioethanol has discovered that spent wash can be used as resource for energy generation and crop fertilizer and moisture.

The anaerobic digester (ADs) degrades organic matter pollutant in spent wash. It is also a waste-to-energy (WTE) infrastructure producing biogas, a valuable fuel for generation of heat and power. SCBI is supported by ADs. The two newly commissioned ADs of SCBI with combined capacity of 1,360 cubic meters generated 8.46 million cubic meters biogas displacing 41 percent of the total fuel requirement.

Raw and biomethanated[3] spent wash has comparable nitrogen, phosphorous and potassium values with liquid commercial fertilizers. Farmers, however, have varied acceptance of spent wash in their farms. Some farmers have discontinued chemical fertilizers, while others have continued despite the NPK in spent wash.

While initially motivated by disposal, SCBI's distribution of spent wash levelled up to an altruistic motive of helping sugarcane farmers improve their practices to lessen cost of production. In partnership with RHI-Agribusiness Development Corporation (RHI-ADC), the bioethanol plant has spearheaded the information drive through conduct of seminars and guidance for soil testing in order to determine appropriate fertilizer application. Additionally The campaign initiative enhanced acceptance of spent wash in the farms.

[3] Spent wash is subjected to treatment in the anaerobic digester. Spent wash from SCBI for distribution to farms are biomethanated.

Energy Generation and Air Emission

The subsidiaries operate cogeneration plants fed by biomass. CADPI largely uses bagasse supplemented by woodchips and biomass available. SCBI continues to use self-generated bagasse. Its newly commissioned Anaerobic Digesters yielded substantial amount of biogas fired in the boilers.

With these secured volumes of biomass and biogas fuel, CADPI and SCBI can sustainably generate electricity that can be exported to the grid under the feed-in tariff (FIT) policy of the government. CADPI's application is certified by the Energy Regulatory Commission (ERC), to be FIT Eligible. On the other hand, SCBI is awaiting endorsement of the Department of

Energy. With FIT, the two subsidiaries are soon expected to sell electricity under guaranteed tariff for biomass power generating facilities.

Despite the tough standards for air emissions, CADPI consistently passes the standards under Republic Act No. 8749 or The Philippine Clean Air Act, while SCBI has already scheduled their stack sampling testing. The Special Action Group for Environment (SAGE) of the Sugar Regulatory Administration (SRA) conducts regular monitoring of the smokestacks of CADPI and SCBI. The SRA-SAGE is an entity accredited by the Department of Environment and Natural Resources for the monitoring of air emissions and water effluents

The monitoring of ambient air condition is being undertaken on a regular basis. Monitoring instruments are located in several areas at the plant site to measure ambient air quality. Compliance standards ensure that the population in the vicinity of CADPI and SCBI operations are breathing clean air. So far, ambient air quality in these areas are within air quality guidelines.

Solid Waste Management

While mudpress and boiler ash have known benefits for sugarcane cultures, withdrawal by planters continues to be a challenge for CADPI. These materials occupy space in the factory but more importantly, the opportunity to benefit from these materials as soil ameliorants are foregone. In CADPI, FEDMOCO, a cooperative, fortifies these materials into fertilizer. CADPI and ADC are working towards increasing volumes of withdrawal by planters. The potential of mudpress for biogas extraction is also being studied as a project for CADPI. The possibility of biogas from mudpress is not remote considering testimonial plants in other sugarcane-producing countries are already operating.

The Environmental Management Units of all subsidiaries make effort to comply with the provisions of the Solid Waste Management Act. Residual wastes are segregated for purposes of observing the hierarchy of waste management: prevention, minimization, re-use, recycling, and disposal. All have materials recovery facilities (MRFs).

CADPI is presently engaged with the Binubusan Multipurpose Cooperative in converting mudpress into organic fertilizer. The Binubusan Multipurpose Cooperative produces organic fertilizers wherein mudpress is one the major ingredients. The cooperative produced 36,474 sacks of FEDMUCO fertilizer from October 2020 to September 2021 which is equivalent to 1,823.70 tons of mudpress converted to organic fertilizer, or PhP182,370.00 income for CADPI. There were 2 additional partners in the organic fertilizer producer, the Greendfield and Raphko, For Greendfield total of 7,770 sacks or 385 tons and for Raphko total of 16,310 sacks or 816 tons of organic fertilizer. A total of 60,554 sacks or 3,024.7 tons or 10% of the total mudpress production.

Hazardous Waste Management

Sugar mills and distilleries generally produce organic wastes. Hazardous wastes are used oil and small amounts of spent chemicals and empty containers. These are collected and secured in hazardous waste storage where these are collected, treated and disposed by DENR accredited hazardous waste treaters and haulers.

Due to the global pandemic, there was no treatment of hazardous waste for the period, as only the disposal of medical wastes was allowed. CADPI disposed a total of 951 kgs. of pathological waste last March 2021.

The DENR upgraded its system, making all applications and transactions online, including the disposal and treatment of hazardous waste. CADPI and SCBI were able to comply with the DENR's requirements.

Other Environmental Activities

Each subsidiary has a standing Memorandum of Agreement (MOA) regarding the "Adopt-An-Estero" program with the DENR. Under this program, CADPI has voluntarily adopted Lian-Palico River; while SCBI has adopted the Palampas River. To achieve the goal of rehabilitating and improving the condition of these rivers, each subsidiary leads river cleanup activities on a quarterly schedule along with some dialogue and information campaign with local residents about environment stewardship and responsibility. RHI subsidiaries are never remiss in their commitment to re- green their vicinities with planting trees.

Each environmental management unit of the subsidiaries is headed by a pollution control officer (PCO) who is duly accredited by the DENR. RHI ensures that the PCOs' accreditation is kept current and properly reinforced with new knowledge through trainings.

There was no certification audit conducted for ISO 140001:2015 Environmental Management System for CADPI during CY 2020-2021 due to the COVID-19 pandemic.

CADPI conducts monthly river or coastal clean-up and tree-planting activities in partnership with the KIWANIS Club International, LGUs and other volunteers.

CADPI was engaged in various environmental activities such as the planting of 239 trees of Mahogany, Acacia, Palm tree and Neem at Bagasse Yard, Along CADPI perimeter fence and WWTP area last April and June 2021.

CADPI has a small plant nursery at the Wastewater Treatment Plant area. As of September 30, 2021, CADPI has a total of 384 seedlings composed of the following:

INVENTORY OF PLANTS AT CADPI NURSERY As of September 2021	
QUANTITY	**PLANT**
17	Talisay
30	Mahogany
40	Gmelina
79	Neem Tree
9	April Shower
64	Caballero
32	Indian Tree
116	Palmera
384	**TOTAL**

Summary of Tree-Planting Activities

TREE PLANTING			
DATE	**QUANTITY**	**PLANT**	**LOCATION**
April 24, 2021	62	Different Variety	Bagasse Yard
June 3, 2021	10	Neem Tree	Along CADPI Fence
June 4, 2021	5	Mulberry and Neem Tree	WWTP Are
July 7, 2021	147	Different Variety	CADPI Plant Nursery
July 19, 2021	15	Calumpang and Palm Tree	Along Lagoon No. 2 and AB No. 2
TOTAL	**239**		

CADPI donated various seedling to the community, LGUs and other nearby companies. It also donated garbage bins and used sacks to promote the proper segregation in the community, this is part of the Information and Education Campaign (IEC) of CADPI.

Summary of Plant Donations

TREE PLANTING			
DATE	QUANTITY	PLANT	LOCATION
	30	Palmera, Neem Tree and Acacia	Brgy. Lumbangan
	100	Palmera	Progreen, Inc.
	100	Acacia	Philippine Army
	200	Palmera & Dwarf Caballero	MENRO Balayan
TOTAL	330		

CADPI launched a project called "Community PLANTREES" in partnership with CENRO Calaca. This was launched in celebration of the Philippine Environmental Month last June 28, 2021. The idea is akin to community pantries, but instead of food, CADPI offered trees to be planted and organic fertilizer. This aims to promote reduction of carbon footprints to fight climate change. CADPI also provided informative pamphlets about facts of the different plants and the benefits of mudpress. Total of 400 various trees (Acacia, Dwarf Caballero, Palmera, Mohogany, Kasoy, Narra, Neem tree, Gmelina) were distributed during the event.

RHI continually supports environmental management and efforts to preserve the environment with a resolve to give back to Mother Nature.

Human Resources

Amidst the global pandemic, One Team, One RHI forged ahead with continued focus on the achievement of operational excellence throughout the crop year.

Despite the given challenges in the sugar industry brought about by the immediate need to adapt to technological advancements, environmental changes and government directions, Roxas Holdings, Inc. (RHI) showed organizational strength through its people.

Events, interventions and activities done company-wide were all about energizing and mobilizing employees and departments to continue working together as one in producing quality sugar cane-based products and services in the Asia-Pacific region.

The annual planning session was limited to the Senior ManCom as the pandemic made the former setup, which served as an open venue for improvements and next steps based on groundwork, impractical. Organizational review and changes in response to the needs of RHI were critical as roles are defined and standardized across the Group.

To support this thrust, the organization strengthened its structure with key roles strategically placed in the Plants to raise operational productivity and efficiency.

Meanwhile, Employee Engagement programs highlighted not only camaraderie but creativity and resourcefulness as well.

Despite the pandemic, RHI managed to persevere amidst the rapidly changing business landscape through its people and it is confident that it will continue to succeed in achieving its goals with its dedicated employees.

ROXAS HOLDINGS, INC.

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS"

The management of **Roxas Holdings, Inc. and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended September 30, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the some to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

PEDRO E. ROXAS
Chairman of the Board

CELSO T. DIMARUCUT
President and Chief Executive Officer

VERONICA C. CORTEZ
VP - Head of Finance and Administration

SUBSCRIBED AND SWORN to before me this DEC 17 2021 day of December, 2021 affiant(s) exhibiting to me their government IDs as follows:

Names	ID No.	Date of Issue	Place of Issue
Pedro E. Roxas	N11-77-003593	March 19, 2018	LTO Makati
Celso T. Dimarucut	P5791534A	January 27, 2018	DFA Manila
Veronica C. Cortez	N03-05-010126	September 23, 2019	LTO Imus, Cavite

Doc No. 157
Page No. 32
Book No. 218
Series of 2021

ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. M-92/MAKATI CITY
UNTIL DECEMBER 31, 2021
(per Supreme Court En Banc Resolution dated June 22, 2021)
PTR No. 8530267/01-04-2021/MAKATI CITY
IBP No. 142544/01-04-2021/RIZAL
MCLE COMPLIANCE No. VI-0027026/05-28-2019
ROLL NO. 36452/TIN No. 106-099-402-000
Unit G-14 Makati Executive Tower 3
San. Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila

December 17, 2021

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	-	1	5	A					

COMPANY NAME

R	O	X	A	S		H	O	L	D	I	N	G	S	,		I	N	C	.		A	N	D						
S	U	B	S	I	D	I	A	R	I	E	S																		

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

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		S	t	r	e	e	t		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	e	t	r	o		M	a	n	i	l	a																			

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A C F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corporatesecretary@rhi.com.ph	(02) 8771-7800	09985914710

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
2,080	February 18	September 30

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Hazel L. Rabara-Retardo	hazel.rabara@rhi.com.ph	(02) 8810-8901	–

CONTACT PERSON's ADDRESS

14th Floor, Net One Center, 26th Street cor. 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila

NOTE 1 *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Roxas Holdings, Inc.
14th Floor, Net One Center
26th Street cor. 3rd Avenue, Bonifacio Global City
Taguig City, Metro Manila

Opinion

We have audited the consolidated financial statements of Roxas Holdings, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at September 30, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended September 30, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended September 30, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Accounting for Completeness of Quedan

The Group's raw sugar business follows the quedan system, which is unique to the Philippine sugar industry. A quedan is a warehouse receipt document which shows ownership of a specified amount of raw sugar in a warehouse or sugar central. Accordingly, the Group's physical possession or delivery of raw sugar may not necessarily indicate ownership, or sales or purchase transaction, respectively. We considered accounting for quedan as a key audit matter due to the volume of the transactions covered by this unique system, which impacts sales and inventory accounts that are material and significant to the consolidated financial statements.

The disclosures about quedan accounting are included in Notes 9 and 28 to the consolidated financial statements.

Audit Response

We have confirmed our understanding of the Group's quedan system and tested the relevant controls over the information technology system and manual processes. We observed the inventory count procedures of the Group to establish the physical existence of raw sugar as of count dates and reviewed the rollforward procedures to arrive at the physical quantity as of reporting date. We reviewed the reconciliation of the physical quantity and quedan accountability report to test the quantity reported, which are supported by quedans, as the Group's inventory and those which are held in trust for the planters and traders.

Impairment Testing of Property, Plant and Equipment Valued at Cost

Central Azucarera Don Pedro, Inc. (CADPI), a subsidiary of the Group, sustained a net loss amounting to ₱809.8 million for the year ended September 30, 2021. In addition, its current liabilities and current assets amounted to ₱2,808.4 million and ₱503.9 million, respectively, as at September 30, 2021. These are impairment indicators that require an assessment of the recoverability of CADPI's property, plant and equipment valued at cost. As at September 30, 2021, the carrying value of CADPI's property, plant and equipment valued at cost amounted to ₱2,756.3 million representing 22% of the Group's consolidated total assets. The assessment of the recoverable amount of property, plant and equipment valued at cost requires significant judgment and involves estimation and assumptions about sales growth, feedstock yield, cost of sales ratio, operating expense ratio, and discount rate.

The disclosures on property, plant and equipment valued at cost are included in Notes 4, 5 and 12 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used. These assumptions include sales growth, feedstock yield, cost of sales ratio, operating expense ratio, and discount rate. We compared the key assumptions used, such as sales growth, feedstock yield, cost of sales ratio and operating expense ratio against CADPI's historical performance, current industry outlook and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We performed sensitivity calculations to quantify the downside changes to management's models required which will result in impairment. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment valued at cost.

Valuation of Land Stated at Fair Value

The Group carries its parcels of land, which are accounted for as property, plant and equipment at revaluation method and investment properties at fair value method in its consolidated financial statements as of reporting date. As of September 30, 2021, the carrying value of land classified as property, plant and equipment and investment properties amounted to ₱4,928.5 million representing 39% of the Group's consolidated assets. Management obtains the services of external appraisers to determine the land values whose calculations involve certain assumptions such as highest and best use, sales prices of similar properties and adjustments to sales price based on internal and external factors. In addition, this requires significant management judgment and estimates. Thus, we considered this as key audit matter.

The disclosures relating to these parcels of land are included in Notes 12 and 13 to the consolidated financial statements.

Audit Response

We compared the property-related data in the appraisal reports against the Group's records. We reviewed the scope, methodology and assumptions used by the Group's external appraisers. We evaluated the competence, capabilities and qualifications of the external appraisers by considering their qualifications, experience and reporting responsibilities. We compared the assumptions used, specifically the sales price of comparable properties, against relevant external information. We also discussed with the external appraisers the nature and magnitude of the adjustment factors. We also reviewed the Group's disclosures with respect to the fair values of land under property, plant and equipment and investment properties.

Assessment of Contingent Liabilities and Estimation of Provisions from Claims

The Group is involved in certain claims by regulatory agencies and other parties. The inherent uncertainty over the outcome of these claims is brought about by the difference in the interpretations and implementation of the relevant regulations. The assessment of whether provisions should be recognized and the estimation of the potential liability resulting from these assessments require significant judgment by management. As of September 30, 2021, total provisions recognized by the Group amounted to ₱77.3 million.

The disclosures of management judgment on the assessment of contingent liabilities and estimation of provisions and amounts recognized are included in Notes 5, 16 and 28, respectively, to the consolidated financial statements.

Audit Response

We inquired of the Group's legal counsels and management about the status and potential exposures of the significant claims and obtained legal opinion from the legal counsels, including their assessment of the likely outcome, and representations from the Group's management. We also inspected relevant correspondences with the regulatory agencies and other relevant parties, and reviewed the minutes of meetings of the Board of Directors and the Audit Committee. We involved our internal specialist in the evaluation of management's assessment on whether provisions should be recognized and the estimation of such amounts.

Assessment of Prospective Financial Information

The Group's consolidated current assets and current liabilities amounted to ₱1,317.6 million and ₱3,304.4 million, respectively, as at September 30, 2021. The Group incurred a net loss of ₱938.9 million during the year ended September 30, 2021. The estimated future cash flows and the financing plan to meet its short-term obligations are included in Notes 1, 5, 14 and 29 to the consolidated financial statements and are significant to our audit as these involve management estimation and judgment.

Audit Response

We obtained understanding of the Group's methodology and the assumptions used in the cash flows forecast, including the financing plan and the progress of the financing plan up to the date of this auditor's report. These assumptions include revenue growth rate, cost and expense ratios, and capital expenditures. We compared the key assumptions used in arriving at the estimated future cash flows such as revenue growth rate and cost and expense ratios against historical performance, current industry outlook and other relevant external data and evaluated management's sensitivity analyses for impact of reasonably possible changes in these assumptions; and the capital expenditures against approved capital expenditures plan by the Board of Directors. We referred the status of the financing plan to the term sheet with the lender banks and with the plan approved by the Board of Directors. We reviewed the adequacy of disclosures relating to the cash flows forecast, including the financing plan and the progress of the financing plan up to the date of this auditor's report as disclosed in Notes 1, 5, 14 and 29 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended September 30, 2021 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended September 30, 2021, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

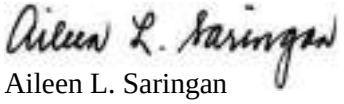
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Aileen L. Saringan.

SYCIP GORRES VELAYO & CO.



Aileen L. Saringan
Partner
CPA Certificate No. 72557
Tax Identification No. 102-089-397
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0096-AR-5 (Group A)
July 25, 2019, valid until July 24, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-058-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8534360, January 4, 2021, Makati City

December 17, 2021

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Note	September 30 **2021**	2020
ASSETS			
Current Assets			
Cash and cash equivalents	7	**₱58,974**	₱888,597
Trade and other receivables	8	**533,127**	1,252,304
Inventories	9	**554,573**	442,965
Other current assets	10	**170,927**	174,968
		1,317,601	2,758,834
Noncurrent Assets			
Property, plant and equipment:	12		
At cost		**4,849,977**	4,912,445
At revalued amount		**4,512,884**	4,537,678
Investment properties	13	**415,658**	301,948
Retirement assets - net	17	**48,590**	2,958
Other noncurrent assets	10	**1,593,583**	1,513,483
		11,420,692	11,268,512
		₱12,738,293	₱14,027,346
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term borrowings	14	**₱1,710,800**	₱5,369,550
Trade and other payables	16	**1,591,502**	1,587,787
Income tax payable		**1,698**	2,408
Lease liabilities - current portion	10	**374**	8,848
		3,304,374	6,968,593
Noncurrent Liabilities			
Long-term borrowings	15	**3,236,000**	1,000
Retirement liabilities - net	17	**353,333**	401,205
Deferred tax liabilities - net	26	**686,344**	783,813
Other noncurrent liabilities		**1,500**	22,570
		4,277,177	1,208,588
		7,581,551	8,177,181

(Forward)

	Note	September 30 **2021**	2020
Equity Attributable to the Equity Holders of the Parent Company			
Capital stock	18	**₱1,565,579**	₱1,565,579
Additional paid-in capital		**2,842,183**	2,842,183
Treasury stock	18	**(52,290)**	(52,290)
Other equity items and reserves	18	**3,890,961**	3,649,712
Deficit		**(3,125,997)**	(2,191,115)
		5,120,436	5,814,069
Non-controlling Interests		**36,306**	36,096
		5,156,742	5,850,165
		₱12,738,293	₱14,027,346

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF LOSS

(Amounts in Thousands, except Basic and Diluted Earnings per Share)

		Years Ended September 30		
	Note	**2021**	2020	2019 (As restated, Note 11)
CONTINUING OPERATIONS				
REVENUE	21	**₱4,589,412**	₱4,798,579	₱8,147,050
COST OF SALES AND SERVICES	22	**(4,694,572)**	(4,696,756)	(8,018,420)
GROSS PROFIT (LOSS)		**(105,160)**	101,823	128,630
GENERAL AND ADMINISTRATIVE EXPENSES	23	**(593,866)**	(703,055)	(756,078)
SELLING EXPENSES	23	**(20,257)**	(35,369)	(51,003)
INTEREST EXPENSE	14, 15	**(338,286)**	(395,997)	(445,030)
SHARE IN NET EARNINGS OF AN ASSOCIATE	11	**–**	–	41,333
OTHER INCOME (CHARGES)	25	**141,256**	(1,317,511)	28,513
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS		**(916,313)**	(2,350,109)	(1,053,635)
INCOME TAX EXPENSE	26			
Current		**(18,754)**	(11,061)	(15,379)
Deferred		**(3,853)**	4,310	(303,561)
		(22,607)	(6,751)	(318,940)
NET LOSS FROM CONTINUING OPERATIONS		**(938,920)**	(2,356,860)	(1,372,575)
NET LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	11	**–**	(1,533,582)	(516,361)
		(₱938,920)	(₱3,890,442)	(₱1,888,936)
NET LOSS ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**(₱934,882)**	(₱3,877,786)	(₱1,884,113)
Non-controlling interests		**(4,038)**	(12,656)	(4,823)
		(₱938,920)	(₱3,890,442)	(₱1,888,936)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	27			
Basic		**(₱0.61)**	(₱2.51)	(₱1.22)
Diluted		**(0.61)**	(2.51)	(1.22)
LOSS PER SHARE FOR CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	27			
Basic		**(₱0.61)**	(₱1.52)	(₱0.89)
Diluted		**(0.61)**	(1.52)	(0.89)
LOSS PER SHARE FOR DISCONTINUED OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	11, 27			
Basic		**–**	(₱0.99)	(₱0.33)
Diluted		**–**	(0.99)	(0.33)

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Amounts in Thousands)

		Years Ended September 30		
	Note	**2021**	2020	2019 (As restated, Note 11)
NET LOSS		**(₱938,920)**	(₱3,890,442)	(₱1,888,936)
OTHER COMPREHENSIVE INCOME (LOSS)	18			
Items not to be reclassified to profit or loss				
Effect of change in effective tax rate on revaluation increment of assets classified as property, plant and equipment	12	**129,164**	–	–
Remeasurement gain (losses) on retirement assets and liabilities (net of tax effect of ₱10.2 million in 2021, ₱9.1 million in 2020 and ₱38.7 million in 2019)	17	**60,490**	(80,449)	(90,374)
Appraisal increase on land (net of tax effect of ₱17.6 million in 2021, ₱107.9 million in 2020 and ₱18.6 million in 2019)	12	**53,943**	491,994	43,374
Effect of change in effective tax rate on remeasurement losses on retirement assets and liabilities		**1,900**	–	–
Effect of change in effective tax rate on revaluation increment of assets held for sale	18	**–**	–	410,731
Share in remeasurement loss on retirement liability of an associate (net of tax effect of nil in 2021, ₱2.3 million in 2020 and nil in 2019)	11	**–**	(5,335)	–
Reversal of deferred tax assets on remeasurement losses on retirement assets and liabilities	18	**–**	–	(96,589)
Share in appraisal increase on land of an associate (net of tax effect of nil in 2021 and ₱9.1 million in 2019)	11	**–**	–	21,295
TOTAL COMPREHENSIVE LOSS		**(₱693,423)**	(₱3,484,232)	(₱1,600,499)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the Parent Company		**(₱693,633)**	(₱3,472,284)	(₱1,595,567)
Non-controlling interests		**210**	(11,948)	(4,932)
		(₱693,423)	(₱3,484,232)	(₱1,600,499)

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

		Equity Attributable to the Equity Holders of the Parent Company								
	Note	Capital Stock (Note 18)	Additional Paid-in Capital	Treasury Stock (Note 18)	Other Equity Items and Reserves (Note 18)	Revaluation Increment on Land Under Assets Held for Sale (Note 11)	Retained Earnings	Total	Non-controlling Interests	Total Equity
Balances as at September 30, 2020		**₱1,565,579**	**₱2,842,183**	**(₱52,290)**	**₱3,649,712**	**₱–**	**(₱2,191,115)**	**₱5,814,069**	**₱36,096**	**₱5,850,165**
Net loss from continuing operations		**–**	**–**	**–**	**–**	**–**	**(934,882)**	**(934,882)**	**(4,038)**	**(938,920)**
Effect of change in effective tax rate on revaluation increment of assets classified as property, plant and equipment and on remeasurement losses on retirement assets and liabilities		**–**	**–**	**–**	**130,442**	**–**	**–**	**130,442**	**622**	**131,064**
Remeasurement gain (loss) on retirement assets and liabilities, net of tax		**–**	**–**	**–**	**60,302**	**–**	**–**	**60,302**	**188**	**60,490**
Appraisal increase on land, net of tax	18	**–**	**–**	**–**	**50,505**	**–**	**–**	**50,505**	**3,438**	**53,943**
Balances as at September 30, 2021		**₱1,565,579**	**₱2,842,183**	**(₱52,290)**	**₱3,890,961**	**₱–**	**(₱3,125,997)**	**₱5,120,436**	**₱36,306**	**₱5,156,742**
Balances as at September 30, 2019		₱1,565,579	₱2,842,183	(₱52,290)	₱1,049,889	₱2,806,661	₱897,392	₱9,109,414	₱54,921	₱9,164,335
Net loss:										
Continuing operations		–	–	–	–	–	(2,408,861)	(2,408,861)	(12,656)	(2,421,517)
Discontinued operations	11	–	–	–	–	–	(1,468,925)	(1,468,925)	–	(1,468,925)
Appraisal increase on land, net of tax	18	–	–	–	491,275	–	–	491,275	719	491,994
Remeasurement loss on retirement assets and liabilities, net of tax		–	–	–	(80,438)	–	–	(80,438)	(11)	(80,449)
Share in remeasurement gain on retirement liability of an associate, net of tax	11	–	–	–	(5,335)	–	–	(5,335)	–	(5,335)
Total comprehensive income (loss)		–	–	–	405,502	–	(3,877,786)	(3,472,284)	(11,948)	(3,484,232)
Acquisition of non-controlling interest		–	–	–	–	–	–	–	(6,877)	(6,877)
Adjustment on revaluation increment on land under assets held for sale	18	–	–	–	–	21,161	–	21,161	–	21,161
Reclassification of revaluation increment on land under assets held for sale		–	–	–	2,827,822	(2,827,822)	–	–	–	–
Reclassification of subsidiaries' revaluation increment on land properties sold		–	–	–	(490,888)	–	490,888	–	–	–
Reversal of deferred tax liabilities on land properties sold		–	–	–	147,266	–	–	147,266	–	147,266
Reclassification of remeasurement gains on retirement assets and liabilities		–	–	–	(25,790)	–	25,790	–	–	–
Reversal of net deferred tax liabilities on remeasurement gains on retirement assets and liabilities		–	–	–	8,512	–	–	8,512	–	8,512
Reclassification of previously held investment in associate's comprehensive income		–	–	–	(272,601)	–	272,601	–	–	–
Balances as at September 30, 2020		₱1,565,579	₱2,842,183	(₱52,290)	₱3,649,712	₱–	(₱2,191,115)	₱5,814,069	₱36,096	₱5,850,165
Balances as at October 1, 2018, as previously reported		₱1,565,579	₱2,840,370	(₱52,290)	₱1,177,585	₱2,390,419	₱2,781,402	₱10,703,065	₱59,853	₱10,762,918
Opening adjustment on PFRS 15 adoption		–	–	–	–	–	103	103	–	103
Balances as at October 1, 2018, as restated		₱1,565,579	₱2,840,370	(₱52,290)	₱1,177,585	₱2,390,419	₱2,781,505	₱10,703,168	₱59,853	₱10,763,021
Net loss:										
Continuing operations		–	–	–	–	–	(1,367,752)	(1,367,752)	(4,823)	(1,372,575)
Discontinued operations	11	–	–	–	–	–	(516,361)	(516,361)	–	(516,361)
Appraisal increase on land, net of tax	18	–	–	–	43,374	–	–	43,374	–	43,374
Remeasurement gain on retirement assets and liabilities, net of tax	17	–	–	–	(90,265)	–	–	(90,265)	(109)	(90,374)
Effect of change in effective tax rate on revaluation increment of assets held for sale	18	–	–	–	–	410,731	–	410,731	–	410,731
Reversal of remeasurement gains (losses) on retirement assets and liabilities	18	–	–	–	(96,589)	–	–	(96,589)	–	(96,589)
Share in appraisal increase on land of an associate, net of tax	11	–	–	–	21,295	–	–	21,295	–	21,295
Total comprehensive income (loss)		–	–	–	(122,185)	410,731	(1,884,113)	(1,595,567)	(4,932)	(1,600,499)
Reclassification of revaluation increment on land under assets held for sale		₱–	₱–	₱–	(₱5,511)	₱5,511	₱–	₱–	₱–	₱–
Exercise of employee stock option	20	–	1,813	–	–	–	–	1,813	–	1,813
Balances as at September 30, 2019		₱1,565,579	₱2,842,183	(₱52,290)	₱1,049,889	₱2,806,661	₱897,392	₱9,109,414	₱54,921	₱9,164,335

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

		Years Ended September 30		
	Note	**2021**	2020	2019 (As restated, Note 11)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax from continuing operations		**(₱916,313)**	(₱2,350,109)	(₱1,053,635)
Loss before income tax from discontinued operations	11	**–**	(1,517,716)	(359,161)
Adjustments for:				
Depreciation and amortization	10, 12	**504,197**	1,260,142	566,516
Interest expense	11, 14, 15	**338,286**	639,640	704,156
Movement of retirement liabilities	17	**32,790**	(129,694)	55,910
Unrealized gain on fair value adjustment on investment properties	13	**(17,344)**	(13,387)	(21,680)
Loss from disposal of property, plant and equipment	12, 25	**9,131**	1,165,773	4,719
Interest income	11, 25	**(1,375)**	(4,442)	(4,013)
Loss from impairment of goodwill	6	**–**	1,079,615	–
Loss (gain) on sale of:				
Investment in an associate	11, 25	**–**	(258,311)	–
Investment property	13, 25	**–**	(16,677)	–
Investment in subsidiary	4, 25	**–**	648	–
Share in net earnings of an associate	11	**–**	(2,193)	(41,333)
Employee stock option	20	**–**	–	1,813
Operating loss before changes in working capital		**(50,628)**	(146,711)	(146,708)
Decrease (increase) in:				
Trade and other receivables		**719,177**	84,301	1,684,806
Inventories		**(111,608)**	762,883	1,440,344
Other current assets		**4,041**	(306,826)	(89,931)
Increase (decrease) in trade and other payables		**(118,266)**	528,959	(1,084,447)
Cash generated from operations		**442,716**	922,606	1,804,064
Retirement benefits paid	17	**(53,691)**	–	(530)
Income taxes paid, including final taxes		**(6,762)**	(12,079)	(21,435)
Interest received		**1,375**	4,439	4,013
Net cash flows provided by operating activities		**383,638**	914,966	1,786,112
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment including additions to investment properties and assets held for sale	12, 31	**(325,505)**	(335,087)	(268,999)
Proceeds from disposal of:				
Property, plant and equipment	12	**2,562**	4,207,532	4,988
Investment in an associate	11	**–**	870,813	–
Investment in subsidiary	4	**–**	142,267	–
Investment property		**–**	50,000	–
Dividends received	11	**–**	40,255	49,419
Increase (decrease) in other noncurrent assets		**(132,308)**	174,814	6,032
Net cash flows provided by (used in) investing activities		**(455,251)**	5,150,594	(208,560)

(Forward)

		Years Ended September 30		
	Note	**2021**	2020	2019 (As restated, Note 11)
CASH FLOWS FROM FINANCING ACTIVITIES	31			
Net availments (payments) of short-term borrowings		**(₱408,750)**	(₱1,347,250)	₱505,943
Payments of:				
Interest	15	**(339,366)**	(679,968)	(697,324)
Lease liabilities	10	**(9,894)**	(18,952)	–
Long-term borrowings	15	**–**	(3,569,061)	(1,243,052)
Net cash flows used in financing activities		**(758,010)**	(5,615,231)	(1,434,433)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(829,623)**	450,329	143,119
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**888,597**	438,268	295,149
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	**₱58,974**	₱888,597	₱438,268

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO 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 Philippine Securities and Exchange Commission (SEC) on October 30, 1930 for the purpose of operating mill and refinery facilities to manufacture sugar and allied products.

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).

On February 1, 2017, the Board of Directors (BOD) approved the issuance of convertible debt securities amounting to ₱523,750,000 to FP Natural Resources Holdings B.V. (FPNRH), convertible to 125,000,000 common shares of RHI at the option of the holder and bears annual interest at 3%.

On February 15, 2017, the shareholders approved the amendment of the Parent Company's articles of incorporation to increase the authorized capital stock from ₱1,500,000,000 to ₱2,000,000,000 divided into 2,000,000,000 with par value of ₱1.00 per share. On the same day, the shareholders approved the subsequent application of the convertible note as subscription to 125,000,000 common shares arising from the increase in authorized capital stock at a conversion rate of ₱4.19 for every common share.

On July 14, 2017, the SEC approved the Parent Company's application for increase in authorized capital stock using the convertible debt securities as payment for subscription. Accordingly, FPNRH's interest on the Parent Company increased from 27% to 32%.

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

Approval of the Consolidated Financial Statements

The consolidated financial statements of RHI and subsidiaries, collectively referred to herein as "the Group", as at September 30, 2021 and 2020 and for each of the three years in the period ended September 30, 2021, as reviewed and recommended for approval by the Group's Audit and Risk Committee on December 15, 2021, were approved and authorized for issue by the Parent Company's BOD on December 17, 2021.

Status of Operations

The Group's consolidated current assets and current liabilities amounted to ₱1,317.6 million and ₱3,304.4 million, respectively, as of September 30, 2021 and ₱2,758.8 million and ₱6,968.6 million, respectively, as of September 30, 2020. The Group incurred a net loss of ₱ 938.9 million, ₱3,890.4 million and ₱1,888.9 million during the years ended September 30, 2021, 2020 and 2019, respectively. As part of the Group's plans to support its working capital requirements, the Group is continuously in coordination with respective banks for the refinancing of short-term obligations for a minimum period of at least 3 years. As at September 30, 2021, the term out of ₱3,250.0 million out of ₱4,750.0 million short-term loans has been duly approved by creditor banks and converted to long-

term borrowings. These are presented as long-term liabilities as of September 30, 2021. The remaining loan is completing bank approval documentation (see Notes 11, 14 and 29). Management has also been implementing plant efficiency and sustainability measures as well as cost cutting programs to improve results of operations.

2. Basis of Preparation and Statement of Compliance

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

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs) issued by the Philippine Financial Reporting Standards Council and adopted by the Philippine SEC, including the SEC provisions.

The financial reporting framework includes the PFRSs, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC), including the SEC pronouncements.

3. Summary of Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements and amendments starting October 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Except as otherwise indicated, the following did not have significant impact on the consolidated financial statements:

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*

  The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments may impact future periods should the Group enter into any business combinations

- Amendments to PFRS 7, *Financial Instruments: Disclosures and PFRS 9, Financial Instruments, Interest Rate Benchmark Reform*

  The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

  The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

  The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

  The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:
  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
  - There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed in the next pages. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2021 (October 1, 2021 for the Group)

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*
  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:
  - The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Group is not required to restate prior periods.

Effective beginning on or after January 1, 2022 (October 1, 2022 for the Group)

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- Amendments to PAS 16 , *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023 (October 1, 2023 for the Group)

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. **Summary of Significant Accounting and Financial Reporting Policies**

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.

Presented below is the list of the subsidiaries.

	Percentage of Ownership			Noncontrolling Interest				
	2021	2020	2019	**2021**	2020	2019	Nature of Business	Principal Place of Business
Central Azucarera Don Pedro, Inc. (CADPI)	**100.00%**	100.00%	100.00%	**–**	–	–	Production and selling of raw and refined sugar, molasses and related products	Taguig City and Nasugbu, Batangas
Central Azucarera de la Carlota, Inc. (CACI) [(1)]	**100.00%**	100.00%	100.00%	**–**	–	–	Production and selling of raw sugar and molasses	Taguig 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)	**100.00%**	100.00%	100.00%	**–**	–	–	Agricultural business	Makati City
Roxas Pacific Bioenergy Corporation (RPBC)	**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 products of RHI Group	Makati City
San Carlos Bioenergy, Inc. (SCBI) [(3)]	**93.35%**	93.35%	93.35%	**6.65%**	6.65%	6.65%	Production and selling of bioethanol fuel	Negros Occidental
Najalin Agri Ventures, Inc. (NAVI)	**–**	–	95.82%	**–**	–	4.18%	Agricultural and industrial development	Negros Occidental
Roxas Power Corporation (RPC)	**50.00%**	50.00%	50.00%	**50.00%**	50.00%	50.00%	Sale of electricity	Nasugbu, Batangas
Northeastern Port Storage Corporation (NPSC) [(4)]	**100.00%**	100.00%	100.00%	**–**	–	–	Owning the depot and storage facilities used by SCBI	Negros Occidental

[(1)] *On September 30, 2020, CACI and RBC ceased operations. The entities remain dormant as at September 30, 2021 (see Note 11).*
[(2)] *As at September 30, 2021, RHIPCC has not yet started commercial operations*
[(3)] *Acquired in April 2015 through RPBC (see Note 6)*
[(4)] *Indirect ownership through RPBC (see Note 6)*

In March 2016, NAVI reacquired 63,248 common shares from the non-controlling shareholders for a total consideration of ₱19.0 million effectively reducing the non-controlling interest by ₱16.4 million, which represents 9.64% decrease in ownership of non-controlling shareholders in NAVI. Consequently, equity interest of the Parent Company in NAVI increased to 86.91%. The excess of the fair value of the consideration paid over the amount by which the non-controlling interest is reduced amounting to ₱2.6 million was recognized directly in equity attributable to the equity holders of the Parent Company.

In November 2016, NAVI reacquired 55,696 shares from non-controlling shareholders for a total consideration of ₱13.6 million. As at September 30, 2018, there are only 22,656 remaining shares from the non-controlling shareholders which represent 4.18% of the total shares.

In September 2020, the RHI Board approved the sale transaction involving the Group's sugar mill and ethanol plant in La Carlota City, Negros Occidental and RHI's investment consisting of shares in NAVI to Universal Robina Corporation (URC). The sold NAVI shares comprise of 520,115 common shares of the capital stock, inclusive of four (4) common shares registered in the name of RHI's nominee directors, which in the aggregate represent 95.82% of the total issued and outstanding capital stock of NAVI. Gain on sale of shares in NAVI amounted to ₱64.0 million.

In September 2020, RHI re-acquired the remaining 4.18% of the total issued and outstanding capital stock of NAVI through settlement of NAVI's receivable from various farmers, who previously held the non-controlling interest over NAVI. As at September 30, 2020, NAVI's assets, liabilities and noncontrolling interests are derecognized in the Group's consolidated financial statements.

On February 1, 2012, the BOD of RHI approved a resolution to shorten the corporate life of CPSI, CIAI and RPC effective September 30, 2012. On the same date, the BOD also approved the merger of CADP Consultancy Services, Inc. (CCSI), CADP Farm Services, Inc. (CFSI) and Jade Orient Management Services, Inc. (JOMSI), which are non-operating subsidiaries and collectively referred to as "Absorbed Companies", with CADPI. This decision was in line with the Group's move to rationalize its operations. On April 14, 2014, the SEC issued the Certificate of Filing of Articles and Plan of Merger approving the merger of CCSI, CFSI and JOMSI with CADPI, as the surviving entity. In 2015, management changed its intention and decided to continue the corporate existence of RPC and requested the cancellation of the application for its business closure from the Bureau of Internal Revenue. As at September 30, 2021, the applications for the cancellation of the business of CPSI and CIAI are still pending approval from the pertinent government agencies.

The Parent Company has control over RPC because it has the power to cast the majority of votes through its representatives in the BOD, has rights to variable returns from RPC and has the ability to affect those returns.

Each entity determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company. The Group is using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions including inter-group unrealized profits and losses, are eliminated in preparing the consolidated financial statements.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed of during the year are included in profit and loss from the date of acquisition or up to the date of disposal, as appropriate.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognized in equity of the Group in transactions where the non-controlling interests are acquired or sold without loss of control. This is recognized as part of "Other equity items and reserves". If the Group loses control over a subsidiary, it: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amount of any non-controlling interests; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair value of the consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; (g) reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interests represent the portion of profit or loss and net assets of RPC and SCBI (NAVI in 2019) 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.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value on acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at its proportionate share in the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed and included in general and administrative expenses. The excess of the cost of acquisition over the fair value of the Parent Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Parent Company's share of the net assets of the subsidiary acquired, the difference is recognized directly in profit or loss.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured. Subsequent settlement is accounted for within equity. In instance where the contingent consideration does not fall within the scope of PAS 39, it is measured in accordance with the appropriate PFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. If the initial accounting for business combination can be determined only provisionally by the end of the year by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts the combination using provisional values. Adjustments to these provisional values as a result of completing the initial accounting should be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting should be calculated as if its fair value at the acquisition date had been recognized from that date and goodwill or any gain recognized should be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit

from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Common Control Transactions. Where there are business combinations in which all the combining entities within the Group are ultimately controlled by the same ultimate parent before and after the business combination and that the control is not transitory ("business combinations under common control"), the Group accounts such business combinations under the acquisition method of accounting, if the transaction was deemed to have substance from the perspective of the reporting entity. In determining whether the business combination has substance, factors such as the underlying purpose of the business combination and the involvement of parties other than the combining entities such as the non-controlling interest, are being considered.

In cases where the business combination has no substance, the Parent Company accounts for the transaction similar to a pooling of interests. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying amounts. The difference in the amount recognized and the fair value of the consideration given, is accounted for as an equity transaction (i.e., as either a contribution or distribution of equity). Further, when a subsidiary is transferred in a common control transaction, the difference in the amount recognized and the fair value of consideration received, is also accounted for as an equity transaction.

Current versus Noncurrent Classification/
The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification.

An asset is current when it is:
- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:
- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities and retirement benefits assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents

Cash includes cash on hand and in banks that earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and are subject to an insignificant risk of changes in value.

Financial Assets and Financial Liabilities

A financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient are measured at transaction price determined under PFRS 15. Refer to the *Accounting Policy in Section "Revenue Recognition".*

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

The Group has no financial assets at FVPL and financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments) and financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost (debt instruments). This category is most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are closely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As of September 30, 2021 and 2020, the Group's financial assets at amortized cost include cash and cash equivalents, trade receivables, due from employees, due from related parties, other receivables and refundable deposits presented in "Other current assets".

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. (a) For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). (b) For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

In its ECL models, the Group relies on a broad range of forward looking information as economic updates such as inflation and gross national income.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For its due from related parties, the Group applies the general expected credit loss model. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group determines probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification and measurement of other financial liabilities
This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations (e.g., accounts payable and accrued expenses, excluding taxes payable to the government) or borrowings (e.g., long term-debt).

The liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount, and any directly attributable transaction costs.

This category includes trade and other payables (excluding statutory liabilities and provision for probable losses), short-term borrowings and long-term borrowings as at September 30, 2021 and 2020 (see Notes 14, 15, 16 and 19).

Derecognition of Financial Assets and Financial Liabilities
Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default and in event of insolvency or bankruptcy of the Group and all of its counterparties.

Fair Value Measurement
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in the foregoing.

Further information about the assumptions made in measuring fair value is included in the following notes to the consolidated financial statements:
- Note 5, “Significant Judgments, Accounting Estimates and Assumptions - Determining the Revaluation Amount of Land and Determining the Fair Value of Investment Properties”
- Note 12, “Property, Plant and Equipment”
- Note 13, “Investment Properties”
- Note 30, “Fair Value Measurement”

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV).

Raw and Refined Sugar, Molasses and Alcohol. Cost is determined using the weighted average method. Production cost is allocated using the NRV of each of the joint products (i.e., raw sugar, refined sugar and molasses). The cost of alcohol includes direct materials and labor and a proportion of manufacturing overhead costs with unit cost determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less the estimated costs to complete the production and the estimated costs necessary to make the sale.

Materials and Supplies. Cost is determined using the moving average method. NRV is the current replacement cost.

Provision for inventory losses and obsolescence is provided for slow moving, obsolete, defective and damaged inventories based on physical inspection and management assessment.

Other Current Assets
This account consists of creditable withholding taxes (CWT), input value-added tax (VAT), advances to suppliers and prepayments.

CWT. CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

VAT. Revenue, expenses, assets and liabilities are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of VAT included. For sale or purchase of services, related VAT is deferred until the related receivable or payable from the transaction has been collected or paid.

The net amount of VAT recoverable from taxation authority is presented as part of "Other current and noncurrent assets" in the consolidated statements of financial position. The net amount of VAT payable to taxation authority is included in "Trade and other payables" in the consolidated statements of financial position.

Prepayments. Prepayments are expenses paid in advance and recorded as asset before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to appropriate expense accounts in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the financial reporting year are classified as current assets. Otherwise, these are classified as noncurrent assets.

Advances to suppliers represent prepayment to suppliers for goods or services to be delivered / rendered in the future. A reclassification is made to the appropriate account (e.g. supplies, inventory, property and equipment) once the supplier has fulfilled the performance obligation. The classification as to current or noncurrent is determined by the usage or realization of the asset to which the advances were paid for.

Investment in an Associate

Investment in an associate initially recognized at cost, is subsequently accounted for using the equity method.

An associate is an entity in which the Group has significant influence but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting rights of the entity.

The share of its associate's post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in reserves is recognized in equity. The Parent Company's share in net appraisal increase resulting from the revaluation of land of an associate is presented as "Share in revaluation increment on land of an associate," net of related deferred tax, in the consolidated statements of changes in equity as other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments in behalf of the associate. Unrealized gains on transactions between the Group and its associate are eliminated to the extent of the interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The financial statements of the associate are prepared for the same reporting year of the Parent Company. Adjustments, where necessary, are made to ensure consistency with the policies adopted by the Group.

Assets Held for Sale and Discontinued Operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

The Group discontinues the use of the equity method for its investment in associate from the date that the investment (or the portion of it) is classified as held for sale; instead, the associate or joint venture is then measured at the lower of its carrying amount and fair value less cost to sell.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statements of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as net income (loss) after tax from discontinued operations in the consolidated statements of income.

Additional disclosures are provided in Note 11. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Property, Plant and Equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation, amortization and any impairment in value, except for land, which is stated at revalued amount.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and nonrefundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing part of such asset when the recognition criteria are met, and the estimated present value of the cost of dismantling and removing the asset and restoring the site. Borrowing costs incurred during the construction of a qualifying asset is likewise included in the initial cost of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged to profit or loss in the year incurred.

Construction in progress pertains to properties under construction and are stated at cost. Cost includes costs of construction, labor, borrowings and other direct costs. Construction in progress is depreciated only from such time as the relevant assets are completed and put into operational use. Construction in progress are reclassified to the appropriate fixed asset category upon completion.

The net appraisal increment resulting from the revaluation of land is presented as "Revaluation increment on land under assets held for sale" and as part of "Other equity items and reserves", net of related deferred tax, in the consolidated statements of changes in equity as part of other equity items and reserves. Any resulting decrease is directly charged against the related revaluation increment to the extent that the decrease does not exceed the amount of the revaluation in respect of the same asset. All other decreases are charged to profit or loss. Valuations are performed frequently enough to ensure that the fair value of land does not differ significantly from its carrying amount.

The portion of revaluation increment on land, net of related deferred tax, realized upon disposal of the property is transferred to retained earnings.

Depreciation and amortization are calculated using the straight-line method to allocate the cost over the estimated useful lives, as presented as follows:

Asset Category	Number of Years
Buildings and building improvements	30
Land improvements	10 to 25
Machinery and equipment:	
Factory machinery and installations	17 to 28
Safety equipment	5
Office furniture, fixtures and equipment	3 to 5
Depot and storage facilities	15
Transportation equipment	3 to 6

Depreciation and amortization commence when an asset is in its location or condition capable of being operated in the manner intended by management. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations,* and the date the asset is derecognized.

Major repairs and maintenance that qualified for capitalization are depreciated and amortized over the remaining useful life of the related asset.

The asset's estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Fully depreciated property and equipment are retained in the books until these are no longer in use.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization and impairment are derecognized. Gains and losses on retirement or disposal are determined by comparing the proceeds with carrying amount of the asset and are recognized in profit or loss.

Right-of-use Assets

Effective October 1, 2019, it is the Group's policy to recognize and classify right-of-use assets as part of noncurrent assets. Prior to that date, all of the Group's leases are accounted for as operating leases in accordance with PAS 17, hence, not recorded on the consolidated statement of financial position. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Software Cost

Software cost, which is presented as part of "Other noncurrent assets," is initially measured at cost. Following initial recognition, software cost is carried at cost less accumulated amortization and any impairment losses. The software cost is amortized on a straight-line basis over its estimated economic useful life of three years and assessed for impairment whenever there is an indication that the software cost may be impaired. The amortization commences when the software cost is available for use. The period and the method of amortization for the software cost are reviewed at each financial year end.

Gains and losses arising from derecognition of software cost are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year in which these arise.

The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's-length transaction. Fair value specifically excludes an estimated price inflated or deflated by special terms or circumstances such as typical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale. The fair value of investment property should reflect market conditions at the end of the reporting year.

Derecognition of an investment property will be triggered by a change in use or by sale or disposal. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset, and is recognized in profit or loss.

Transfers are made to investment property when, and only when, there is change in use, evidenced by cessation of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Impairment of Nonfinancial Assets

The carrying amounts of investment in an associate, property, plant and equipment, and other nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, except for goodwill acquired in a business combination which is reviewed for impairment annually. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Nonfinancial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses are recognized in profit or loss under the expense category consistent with the function of the impaired asset. Impairment loss recognized during interim period in respect to goodwill or investment, cannot be reversed at year end.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as an appraisal increase. After such a reversal, the depreciation and amortization are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares are credited to additional paid-in capital. The Parent Company also recognizes a corresponding increase in additional paid-in capital when services are rendered in an equity-settled share-based payment transaction.

Treasury Stock. Where the Parent Company purchases its own capital stock (treasury stock), the consideration paid, including any directly attributable incremental costs (net of related taxes), is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transactions costs and the related taxes, is included in equity attributable to the equity holders of the Parent Company.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss, dividend distributions, effects of the changes in accounting policy and other capital adjustments.

Dividend Distribution. Dividend distribution to the Parent Company's and subsidiaries' stockholders and the non-controlling interests is recognized as a liability and deducted from equity in the year in which the dividends are declared as approved by the BOD of respective entities. Dividends that are approved after the reporting year are dealt with as an event after the reporting year.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expenses (including items previously presented as other equity reserves under the consolidated statements of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRSs. These are presented as part of other equity reserves in the consolidated statements of changes in equity. Other comprehensive income (loss) includes revaluation increment on land, cumulative remeasurement loss on net retirement assets and liabilities and cumulative loss on remeasurement loss of retirement assets of an associate.

Employee Stock Option (ESOP)

Regular employees (including directors) receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the stock options at the date at which these are granted. The fair value of the stock options is determined using an option-pricing model, further details of which are presented in Note 20. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of RHI ("market conditions"), if applicable.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period until employees become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of awards that will ultimately vest. The change or credit for a year represents the movement in cumulative expense recognized as at the beginning and end of that year.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, an expense, at a minimum, is recognized as if the terms had not been modified. An expense is recognized for any increase in the value of the transactions as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if these were modifications of the original award, as described in the previous paragraph.

Revenue Recognition

The Group is in the business of operating mill and refinery facilities to manufacture sugar and allied products in the Philippines in accordance with existing laws and government regulations. Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5.

Sale of goods. Sale of goods, which encompasses sales of raw sugar, refined sugar, molasses and alcohol, is recognized at a point in time, i.e., when the control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenue from Tolling Services. Tolling services is recognized over time, i.e., when the control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Revenue from Milling Contracts. The Group provides milling services to sugar cane planters through an output sharing agreement. Revenue arising from sugar milling operation under an output sharing agreement is recognized upon conversion of the Planter's canes into raw sugar based on the fair value of the raw sugar at the time of production. The Group recognizes revenue from milling services over time, using units of production method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. free storage periods). In determining the transaction price for the sale of services, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (e.g. subsidies to planters). The Group has assessed that there is no significant impact arising from variable consideration, significant financing components and noncash consideration.

(i) Variable consideration relating to revenue from milling contracts
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of services provide customers with a right to additional free-of-charge services (e.g. free storage periods). These additional free-of-charge services give rise to variable consideration.

To estimate the variable consideration for the expected future performance of free-of-charge services, the Group applies the “most likely amount” method for contracts using the relative stand-alone selling price of the services. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a contract liability for the expected future performance of services.

(ii) Significant financing component
Generally, the Group receives customer deposits from its customers. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Group then recognizes a contract liability for the customer deposits received.

(iii) Consideration payable to customer relating to revenue from milling contracts
The Group provides subsidies to planters in the form of cash subsidies for transportation and hauling cost of sugar cane from sugar cane farms to mill site. The consideration payable to customer is accounted for as a reduction in the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

Contract Balances
Contract assets. A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under Financial Assets and Financial Liabilities - Financial assets at amortized cost (debt instruments).

Contract liabilities. A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Bill and Hold Sales. Bill and hold sales are recognized when all the following criteria are met:
a. It is probable that delivery will be made;
b. The item is on hand, identified and ready for delivery to the buyer at the time the sale is recognized;
c. The buyer specifically acknowledges the deferred delivery instructions; and
d. The usual payment terms apply.

Interest Income. Interest income is recognized on a time proportion basis using the effective interest method.

Cost and Expense Recognition
Cost and expenses are recognized in profit or loss upon receipt of goods, utilization of services, or at the date the cost and expenses are incurred.

Cost of Sales. Cost of sales includes direct materials and labor costs, and those related indirect cost incurred upon processing of the Group's products and rendering of its tolling services. It is recognized as expense when related goods are sold or the related services are rendered.

Selling, General and Administrative Expenses. Selling expenses are costs incurred to sell or distribute goods. General and administrative expenses are costs of administering the business such as salaries and wages of administrative department, outside services, rental, utilities and general office expenses. These expenses are recognized when incurred.

Borrowing Costs
Borrowing costs that are directly attributable to the acquisition, construction of a qualifying asset, which necessarily takes a substantial period of time to prepare for its intended use are included in the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that these will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognized as expense when incurred.

Capitalization of borrowing costs is suspended during extended period in which the Group suspends active development of a qualifying asset and ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. An asset is normally ready for its intended use when the physical construction of the asset is complete even though routine administrative work might still continue.

Leases

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery, vehicles and other equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., equal or less than ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Accounting Policies Prior to October 1, 2019

The determination of whether the arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception on the lease only if one of the following applies: (a) there is a change in contractual terms, other than a renewal or extension of the arrangement; (b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term; (c) there is a change in the determination of whether fulfillment is dependent on a specified asset; or (d) there is substantial change to the asset.

Where a reassessment is made, lease accounting commences or ceases from the date when the change in circumstances gave rise to reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

Operating Lease - The Group as a Lessee. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating lease. Operating leases are recognized as an expense on a straight-line basis over the lease term.

For income tax reporting purposes, operating lease payment under operating lease agreements is treated as deductible expense in accordance with the terms of the lease agreements.

Operating Lease - The Group as a Lessor. Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and amortized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the year in which these are earned.

Employee Benefits

Short-term Employee Benefits. The Group recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the reporting year. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefits liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The retirement benefits cost is determined using the projected unit credit method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The retirement benefits cost comprises of the service cost, net interest on the retirement liability or plan asset and remeasurements of retirement liability or plan asset.

The Group recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and interest cost or income in profit or loss.

Net interest on the retirement liability or plan asset is the change during the year in the retirement liability or plan asset that arises from the passage of time, which is determined by applying the discount rate based on government bonds to the retirement liability or plan asset.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes restructuring-related costs.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on retirement liability or asset) are recognized immediately in other comprehensive income in the year in which these arise. Remeasurements are not reclassified to profit or loss in subsequent years.

The plan assets are generally funded through payments to trustee-administered funds as determined by periodic actuarial calculations. Plan assets are not available to the creditors of the Group, nor can be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with

the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the retirement liability, the measurement of the resulting retirement plan asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The retirement liability or asset is the aggregate of the present value of the retirement liability and the fair value of plan assets on which the obligations are to be settled directly. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Termination Benefits. Termination benefits are payable when employment is terminated before the retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of reporting year are discounted to present value.

Foreign Currency-Denominated Transactions and Translations

Items included in the consolidated financial statements of each of the Group's entities are measured using the functional currency.

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the end of reporting year. Foreign exchange differences are credited or charged directly in profit or loss.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting year.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax liability is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss. However, deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associates. Deferred tax assets are recognized for all deductible temporary

differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting year and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting year.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off the deferred tax assets against the deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Provisions and Contingencies

Provision are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Earnings (Loss) per Share

The Group presents basic and diluted earnings (loss) per share. Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Parent Company and held as treasury shares. Diluted earnings per share is calculated in the same manner, adjusted for the effects of all the dilutive potential common shares.

Segment Reporting

For purposes of management reporting, the Group's operating businesses are organized and managed separately on a per company basis, but are grouped into strategic business units (SBU) defined along the Group's core main product lines, namely: sugar and alcohol.

Operating segments are components of the Group: (a) that engage in business activities from which these may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the end of reporting year (adjusting events) are reflected in the consolidated financial statements when material. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

5. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires the Group to exercise judgment, make estimates and use assumptions that affect the reported amounts of assets, liabilities, income and expenses and related disclosures. The Group makes estimates and uses assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as these become reasonably determinable.

Judgments, estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group believes the following represent a summary of significant judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, as well as to the related revenues and expenses, within the next fiscal year, and related impact and associated risk in the consolidated financial statements.

Judgments

In the process of applying the Group's accounting policies, management exercised judgment on the following items, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements.

Revenue from contracts with customers - Identifying performance obligations. The Group has contracts with customers that involve the promise to deliver goods and provide free storage periods to customers which qualify as distinct performance obligations and are therefore accounted for separately. The Group determined that these are capable of being distinct as the Group can sell these goods and services on a stand-alone basis which indicates that the customer can benefit from both goods and services independently on their own. The Group also determined that the promises to transfer the goods and services are distinct within the context of the contract. The goods and services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the goods and services together in this contract do not result in any additional or combined functionality and neither among the goods and services listed in the contract modify or customize the other. In addition, the services are not highly interdependent or highly interrelated because the Group would be able to transfer the goods and services even if the customer declined the other goods and services and would be able to provide the main goods in relation to products sold by other entities. Moreover, these goods and services can also be offered by other entities. Consequently, the Group allocated the transaction price to the performance obligations based on relative stand-alone selling prices.

Determining the Existence of Control in Investee Companies. Control is presumed to exist when the Company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. The Parent Company has the power to cast the majority of votes through its representatives in the BOD. Management has determined that despite having only 50% ownership in RPC and no equity ownership yet in NPSC, the Parent Company has control over RPC and NPSC by virtue of its rights to variable returns from the subsidiary and ability to affect those returns.

Determining the Classification of Lease Arrangements. Management exercises judgment in determining whether substantially all the significant risks and benefits of ownership of the assets held for lease are retained by the Group. Lease contracts in which the Group retains substantially all the risks and benefits incidental to ownership of the leased item are accounted for as operating leases. Otherwise, these are considered as finance leases.

- Operating Lease - The Group as a Lessee (effective prior to October 1, 2019). The Group has various property being leased covering several heavy handling equipment, service vehicles and office space of RHI, where it has determined that the risks and benefits of ownership over these properties are retained with the lessors. Accordingly, these lease agreements are accounted for as operating leases (see Note 28).

  Rent expense amounted to ₱27.4 million included in "Cost of sales and services" and "General and administrative expenses" accounts in 2019 (see Notes 22, 23 and 28).

- Operating Lease - The Group as a Lessor. Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rent income is recognized on a straight-line basis over the lease term of the lease, as applicable (see Note 13).

  Rent income from the lease of agricultural land of NAVI amounted to nil, ₱6.2 million and ₱6.7 million in 2021, 2020 and 2019, respectively (see Note 13).

Determination of lease term of contracts with renewal and termination options – the Group as a lessee
The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group included the renewal period as part of the lease term for lease of farm land with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for lease of farm land with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

Determining the classification of assets held for sale and discontinued operations. On May 23, 2018, the Group has reached an agreement with a buyer for the sale of the Group's sugar milling and refining operations in Batangas (the "Proposed Sale Transaction"). Management believes that the assets subject to the Proposed Sale Transaction are available for immediate sale and can be sold to the buyer in its current condition as of September 30, 2018. Further, management believes that the PCC approval is required in relation to similar transactions. On February 12, 2019, the PCC issued a decision disapproving the Proposed Sale Transaction. Nonetheless, the Group remained committed to sell the assets in Batangas and was negotiating with a prospective buyer as of September 30, 2019. The Group has assessed that the subject assets are available for immediate sale in their present condition and sale is highly probable as of September 30, 2019. The sale of sugar milling and refining operations represents a disposal of a separate geographical area of operations of the Group hence, the consolidated statements of income present its results of operations as discontinued operations in 2019. However, as of September 30, 2020, the criteria for classification as held for sale are no longer met thus; the assets were reclassified to property, plant and equipment. The Group's sugar milling and refinery operations in Batangas are measured at carrying amounts before the assets are classified as held for sale as adjusted for any depreciation, amortization or revaluation that would have been recognized if had not been so classified. The assets' total carrying amount is lower than the recoverable amount at the date of the subsequent decision not to sell. Accordingly, results of Batangas operations are presented in the consolidated statements of income as part of continuing operations in 2020.

On September 18, 2020, the BOD approved the sale of the Group's sugar mill and ethanol plant in La Carlota City, Negros Occidental and RHI's investment properties consisting of shares in NAVI (the "Sale Transaction") to URC. Under the terms of the Sale Transaction, URC will acquire all buildings, improvements, machineries and equipment, laboratory equipment, as well as the land on which these plant and buildings are located and investment properties that are necessary for the continuing operations of the mill and ethanol plant. On September 30, 2020, the parties proceeded to close the Sale Transaction, with the signing and delivery of the definitive sale agreements as well as performance of all conditions necessary for the closing of the transaction. The sale of the mill and ethanol plant located at La Carlota City, Negros Occidental represents a disposal of a separate major

operating segment of the Group hence, the consolidated statements of income present its results of operations as discontinued operations.

As a result of the preceding circumstances, results of operations presented in the consolidated statements of income and the corresponding notes to the consolidated financial statements in 2019 were restated to reflect continuing operations of CADPI and exclude from continuing operations the discontinued operations of CACI, RBC and NAVI.

Moreover, on August 1, 2019, the BOD authorized the evaluation and negotiation of terms and conditions of the sale of investment in Hawaiian-Philippine Company (HP Co.) comprising of 28,549,365 common shares. Accordingly, such investment has been classified as part of assets held for sale as of September 30, 2019. On November 5, 2019, the said investment in associate held for sale was sold.

As at September 30, 2021 and 2020, there are no assets held for sale (see Notes 11 and 12).

Assessment of Prospective Financial Information. The assumptions used in the Group's prospective financial information involve management making judgments, at a particular point in time, about future outcome of events or conditions. Management takes into account a whole range of factors which include, but are not limited to, expected operations and profitability and potential sources of additional financing. Management has future financing and operating plans regarding the Group, as discussed in Notes 1, 14 and 29.

As of September 30, 2021, the key assumptions used in the assessment of the Group's financial condition and prospective financial information are as follows:

Sales growth (average of less than 10% year on year) - Management based the projected sales growth on the production capacity of its plants over the forecast period.

Manufacturing costs ratio (averaging at 79% over the forecast period) - Management based the total ratio of variable production costs over sales and fixed manufacturing costs on its historical experience.

Operating expenses ratio (averaging at 12% over the forecast period) - Management based the total ratio of variable operating expenses over sales and fixed operating expenses on its historical experience.

Capital expenditures - Management based the projected capital expenses on business operations' requirements as approved by the BOD over the forecast period.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal years are discussed below.

Provision for expected credit losses

- *Trade and other receivables using simplified approach*
  For trade receivables, the Group applies a simplified approach in calculating ECLs, therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on

lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

As at September 30, 2021 and 2020, the Group's trade and other receivables (excluding due from planters and cane haulers) amounted to ₱494.6 million and ₱1,210.3 million, respectively (see Note 8). Allowance for expected credited losses on trade and other receivables amounted to ₱ 119.9 million and ₱ 75.3 million as at September 30, 2021 and 2020, respectively (see Note 8).

Determining the NRV of Inventories. The Group's estimates of the NRV of inventories are based on the most reliable evidence available at the time the estimates are made of the amount that the inventories are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in NRV because of change in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised NRV.

As at September 30, 2021 and 2020, the inventories carried at lower of cost and NRV amounted to ₱554.6 million and ₱443.0 million, respectively (see Note 9). Allowance for inventory losses and obsolescence amounted to ₱82.5 million and ₱73.3 million as at September 30, 2021 and 2020, respectively (see Note 9).

Allocating the Cost to Molasses Inventory. Management uses judgment to measure and allocate cost to the molasses inventory. When the costs of conversion of each product are not separately identifiable, these are allocated among the products on a rational and consistent basis. The allocation is based on the NRV of cane products at the completion of production.

As at September 30, 2021 and 2020, portion of molasses inventory amounting to ₱6.9 million and ₱9.4 million, respectively, pertains to allocated cost from the total production costs of milled raw and refined sugar (see Note 9).

Estimating the Provision for Unrecoverable Creditable Withholding Taxes. Provision for unrecoverable creditable withholding taxes is maintained at a level considered adequate to provide for potentially unrecoverable claims. The Group, on a continuing basis, makes a review of the status of the claims, designed to identify those to be provided with any impairment loss. In these cases, management uses judgment based on the best available facts and circumstances. The amount and timing of recorded loss for any period would differ based on the judgments or estimates made.

As at September 30, 2021 and 2020, the carrying value of creditable withholding taxes amounted to ₱1,394.9 million and ₱1,354.4 million, respectively, (see Note 10).

Determining the Revaluation Amount of Land. The land is carried at revalued amount, which approximates its fair value at the date of the revaluation. The valuation of land is performed by Philippine SEC accredited external appraisers. The fair value was arrived at using the Market Data Approach based on the gathered available market evidences and adjusted based on internal and external factors. Revaluations are made on a regular basis to ensure that the fair value does not differ materially from its carrying value.

Land carried at revalued amount as at September 30, 2021 and 2020 amounted to ₱4,512.9 million and ₱4,537.7 million, respectively (see Note 12). Appraisal increase, net of tax, amounted to ₱53.9 million, ₱492.0 million and ₱43.4 million in 2021, 2020, and 2019, respectively (see Notes 12 and 18).

Estimating Useful Lives of Property, Plant and Equipment. The useful life of each of the items of property, plant and equipment is estimated based on the year over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned in the foregoing. A change in the estimated useful life of any item of property, plant and equipment would impact the recorded cost and expenses and noncurrent assets.

The carrying value of the depreciable property, plant and equipment as at September 30, 2021 and 2020 amounted to ₱4,850.0 million and ₱4,912.4 million, respectively (see Note 12).

Determining the Fair Value of Investment Properties. The fair value of the investment properties was determined by Philippine SEC accredited external appraisers using Market Data Approach based on gathered available market evidences and adjusted based on internal and external factors. The latest appraisal reports were made for the valuation dates as of September 30, 2021 and 2020.

Investment properties stated at fair value amounted to ₱415.7 million and ₱301.9 million as at September 30, 2021 and 2020, respectively (see Note 13). The unrealized gain on fair value adjustment of investment properties amounted to ₱17.3 million, ₱13.4 million and ₱2.4 million in 2021, 2020 and 2019, respectively, recorded under "Other income" in the consolidated statements of income (see Note 25).

Assessing Impairment of Nonfinancial Assets. The Group assesses at the end of each reporting year whether there is any indication that the nonfinancial assets (except goodwill) may be impaired. If such indication exists for nonfinancial assets other than goodwill, the Group estimates the recoverable amount of the asset, which is the higher of an asset's fair value less costs to sell and its value-in-use. In determining fair value, an appropriate valuation model is used, which can be based on quoted prices or other available fair value indicators. Goodwill is tested for impairment at least on an annual basis or more frequently if events or changes in circumstances indicate that it may be impaired. For goodwill, annual impairment test requires estimation of value-in-use of the cash generating unit to which goodwill relates. In estimating the value-in-use, the Group is required to make an estimate of the expected future cash flows from the cash generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows.

Determining the recoverable amounts of the nonfinancial assets which involves the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the use of estimates and assumptions that can materially affect the consolidated financial statements. Future events could indicate that these nonfinancial assets and goodwill may be impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations of the Group.

While the Group believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect its assessment of recoverable values and may lead to future additional impairment changes.

Property, plant and equipment amounting to ₱ 4,850.0 million and ₱ 4,912.4 million as at September 30, 2021 and 2020, respectively (see Note 12), are subject to impairment testing when impairment indicators are present such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, a drop in revenue or other external indicators.

The recoverable amount of property, plant and equipment has been determined based on the value-in-use calculations using cash flow projections from financial budgets covering as approved by management a five-year period of projection. The projected cash flows were based on expectations on future outcomes taking into account past experiences, adjusted for anticipated revenue growth based on management's future plans. The key assumptions used in determining the recoverable amount as of September 30, 2021 and 2020 are as follows:

Sales growth (average of 6.0% to 11.8% year on year) - Management based the projected sales growth on the production capacity of its plant over the forecast period.

Terminal growth rate (2.0% and 1.0% in 2021 and 2020, respectively) - Cash flows beyond the five-year period are extrapolated growth rate using a 2.0% and 1.0% in 2021 and 2020, respectively, which is within the long-term average growth rate for sugar and bioethanol industry.

Raw sugar selling prices (average increase of less than 1% year on year) - Management based the unit price of raw sugar on the average historical experience in the market and current market developments.

Refined sugar selling price (average increase of less than 2% year on year) - Management based the unit price of refined sugar on the average historical experience in the market and current market developments.

Molasses selling price (average increase of less than 1% year on year) - Management based the unit price of molasses on the average historical experience in the market and current market developments.

Alcohol selling price (average increase of less than 1% year on year) - Management based the unit price of bioethanol on the average historical experience in the market and current market developments.

Feedstock yield (average of less than 1% year on year) - Management based the feedstock yield on the Group's historical experience in bioethanol produced over feedstock used.

Manufacturing costs ratio (averaging at 88% and 81% over the forecast period in 2021 and 2020, respectively) - Management based the ratio of production costs over feedstock margin on its historical experience.

Operating expenses ratio (averaging at 7% and 4% over the forecast period in 2021 and 2020, respectively) - Management based the ratio of operating expenses over feedstock margin on its historical experience.

Discount rate (8.50% and 12.10% in 2021 and 2020, respectively) - The discount rate applied to the cash flows is based on the risk free rate for 10-year bonds issued by the government in the respective market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific Group operating company. In making this adjustment, inputs required are the equity market risk premium (that is the required increased return over and above a risk-free rate by an investor who is investing in the market as a whole) and the risk adjustment beta, applied to reflect the risk of the specific Group operating company relative to the market as a whole.

In determining the risk-adjusted discount rate, management has applied an adjustment for the systematic risk to the acquiree's operations determined using an average of the betas of comparable listed companies across the world. Management has used market risk premium that takes into consideration studies by independent economists.

Based on management's assessment, the recoverable amount of the cash generating unit is lower than the carrying value, thus goodwill on SCBI with carrying amount of ₱1,079.6 million was fully impaired in 2020 (see Note 6).

A reasonably possible change in the assumptions used in the computation of the recoverable amount of property, plant and equipment will not lead to an impairment loss.

Leases - Estimating the incremental borrowing rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates using observable inputs when available and is required to make certain entity-specific estimates.

The Group's lease liabilities amounted to ₱0.6 million and ₱30.1 million as of September 30, 2021 and 2020, respectively. (see Note 10).

Determining Retirement Benefits and Liability. The determination of the cost of retirement benefits and related retirement liability is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions, which include among others, discount rates and future salary increase rate are described in Note 17.

Actual results that differ from the assumptions are accumulated and are recognized as other comprehensive income and accumulated in equity. While management believes that the assumptions are reasonable and appropriate, significant differences in the Group's actual experience of significant changes in the assumptions may materially affect the retirement liability.

As at September 30, 2021 and 2020, net retirement assets amounted to ₱ 48.6 million and ₱ 3.0 million, respectively, while net retirement liabilities amounted to ₱ 353.3 million and ₱ 401.2 million as at September 30, 2021 and 2020, respectively (see Note 17). Net retirement

benefits expense amounted to ₱32.8 million, ₱141.4 million and ₱55.9 million in 2021, 2020 and 2019, respectively (see Note 17).

Assessing Realizability of Deferred Tax Assets. The Group reviews the carrying amounts at the end of each reporting year and reduces the amount of deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Total deferred tax assets amounted to ₱2.1 million and ₱20.9 million as at September 30, 2021 and 2020, respectively (see Note 26).

No deferred tax assets were recognized on certain deductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT with income tax effect amounting to ₱ 1,108.9 million and ₱ 1,724.0 million as at September 30, 2021 and 2020, respectively (see Note 26). Management believes that it may not be probable that future taxable profit will be available in the near future against which the deferred tax assets can be utilized.

In 2019, the Parent Company changed its effective tax rate applicable on its temporary differences due to an intention to use Optional Standard Deduction (OSD) instead of itemized deduction. As such, deferred tax liability directly associated with the assets held for sale decreased from ₱1,024.5 million to ₱616.1 million as of September 30, 2019.

Evaluation of Provisions and Contingencies. The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting period, net of any estimated amount that may be reimbursed to the Group. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

The Group is involved in various other labor disputes, litigations, claims and tax assessments that are normal to its business. Based on the opinion of the Group's legal counsels on the progress and legal grounds of certain claims and assessments, the Group has recognized outstanding provision for probable losses amounting ₱77.3 million and ₱122.3 million as at September 30, 2021 and 2020, respectively (see Notes 16 and 28).

6. **Business Combination**

In April 2015, the Group entered into a Sale and Purchase Agreement (SPA) for the acquisition of 93.35% equity interest in SCBI through RPBC, a wholly owned subsidiary. The acquisition resulted to recognition of goodwill amounting to P1,079.6 million. The goodwill primarily relates to expected synergy arising from acquisition.

In September 2020, the recoverable amount of the cash generating unit is lower than the carrying value, thus goodwill was fully impaired. This was caused by the lower terminal growth rate for the bioethanol industry.

7. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash on hand	**₱662**	₱410
Cash in banks	**56,207**	886,082
Cash equivalents	**2,105**	2,105
	₱58,974	₱888,597

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

Interest income earned from cash in bank and cash equivalents amounted to ₱ 0.3 million, ₱1.0 million and ₱0.4 million in 2021, 2020, and 2019, respectively (see Note 25).

8. Trade and Other Receivables

This account consists of:

	Note	**2021**	2020
Trade		**₱515,064**	₱1,175,836
Due from:			
Planters and cane haulers	28	**70,263**	97,492
Employees		**28,649**	30,872
Others		**70,784**	78,900
		684,760	1,383,100
Allowance for expected credit losses		**(151,633)**	(130,796)
		₱533,127	₱1,252,304

Trade receivables are unsecured, noninterest-bearing with credit terms ranging from 15 to 120 days.

Due from planters and cane haulers pertain to interest-bearing cash advances, which will be settled in the form of raw sugar from the planters and through services to be rendered by the cane haulers, respectively. Interest income amounted to ₱1.1 million, ₱3.5 million and ₱1.6 million in 2021, 2020 and 2019, respectively (see Note 25).

Due from employees include housing and educational loans which are collected through salary deduction, and advances for business purposes subject to liquidation.

Other receivables mainly include claims from a former stockholder of SCBI which are noninterest-bearing and covered by an escrow agreement. The amount is expected to be collected within the next year.

Details and movements of allowance for ECL on trade and other receivables are presented in the following tables:

		2021				
	Note	**Trade**	**Due from Planters and Cane Haulers**	**Due from Employees**	**Others**	**Total**
Balance at beginning of year		**₱62,047**	**₱55,473**	**₱2,214**	**₱11,062**	**₱130,796**
Provision (reversal)	23	**55,489**	**(23,718)**	**(2,081)**	**(8,853)**	**20,837**
Balance at end of year		**₱117,536**	**₱31,755**	**₱133**	**₱2,209**	**₱151,633**

		2020				
	Note	Trade	Due from Planters and Cane Haulers	Due from Employees	Others	Total
Balance at beginning of year		₱34,169	₱50,414	₱2,214	₱8,858	₱95,655
Provision	23	27,878	5,059	–	2,204	35,141
Balance at end of year		₱62,047	₱55,473	₱2,214	₱11,062	₱130,796

9. Inventories

This account consists of:

	2021	2020
At NRV:		
Materials and supplies	**₱210,099**	₱285,086
Alcohol	**79,251**	3,845
Molasses	**63,295**	58,025
At cost:		
Refined sugar	**157,706**	70,929
Raw sugar	**35,849**	–
Others	**8,373**	25,080
	₱554,573	₱442,965

Raw sugar quantities reported as inventories are supported by quedans held by the Group. The Group also has raw sugar quantities, which are also supported by quedans, held in trust for third parties (see Note 28). A quedan is a warehouse receipt document which evidences the ownership of specified quantity in a warehouse or sugar central.

Cost of inventories valued at NRV is shown below:

	2021	2020
Materials and supplies	**₱247,493**	₱304,166
Alcohol	**106,892**	37,922
Molasses	**80,781**	78,118
	₱435,166	₱420,206

Details and movements of allowance for inventory losses and obsolescence are as follows:

	2021			
	Materials and Supplies	**Alcohol**	**Molasses**	**Total**
Balance at beginning of year	**₱19,080**	**₱34,077**	**₱20,093**	**₱73,250**
Provisions (reversal)	**18,314**	**(6,436)**	**(2,607)**	**9,271**
Balance at end of year	**₱37,394**	**₱27,641**	**₱17,486**	**₱82,521**

	2020			
	Materials and Supplies	Alcohol	Molasses	Total
Balance at beginning of year	₱43,925	₱33,832	₱19,965	₱97,722
Provisions (reversal)	(24,845)	245	128	(24,472)
Balance at end of year	₱19,080	₱34,077	₱20,093	₱73,250

Provisions for inventory losses and obsolescence, net of reversals amounting to ₱9.3 million, ₱24.5 million and ₱40.0 million, are presented as "Others" under "Cost of sales and services" in 2021, 2020 and 2019, respectively (see Note 22). Reversals pertain to inventories with allowance for losses and obsolescence which were sold in 2021 and 2020.

Cost of inventories recognized as expense and presented as "Direct materials used" under "Cost of sales and services" amounted to ₱1,973.7 million, ₱2,473.7 million and ₱5,714.9 million in 2021, 2020 and 2019, respectively (see Note 22). Cost of inventories recognized as expense included as part of "Cost of sales and services" of discontinued operations amounted to nil, ₱1,984.0 million and ₱2,118.4 million in 2021, 2020 and 2019, respectively (see Note 11).

10. **Other Assets**

Current portion of this account consists of:

	2021	2020
Advances to suppliers	**₱74,953**	₱56,375
Input VAT	**46,941**	58,683
Prepayments	**27,763**	35,797
Refundable deposits	**15,982**	12,412
Others	**5,288**	11,701
	₱170,927	₱174,968

Current portion of advances to suppliers represents cash paid in advance for purchase of materials and supplies.

Input VAT, which includes deferred input VAT, arises from purchases of capital goods and services for operations.

Noncurrent portion of other assets consist of:

	2021	2020
Creditable withholding taxes	**₱1,394,924**	₱1,354,415
Advances to suppliers and contractors	**103,942**	19,044
Input VAT	**93,873**	95,912
Right-of-use assets	**844**	44,112
	₱1,593,583	₱1,513,483

Noncurrent portion of input VAT mostly arises from construction services relating to the Ethanol Plant.

Right-of-use (ROU) Assets and Lease Liabilities

PFRS 16 standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the consolidated statement of financial position. Thus, the Group as lessee is required to recognize right-of-use assets and lease liabilities.

The Group has long-term lease contracts for farm land and office space. The lease contract for office space from a third party is for a period of five years until May 31, 2021, which is renewable upon mutual agreement of the parties. On June 1, 2021, the contract is renewed until May 31, 2022 and is treated as short-term lease.

The rollforward analysis of ROU assets and lease liabilities follows:

		2021	
	Note	**ROU assets**	**Lease Liabilities**
Balance at beginning of the year		**₱44,112**	**₱30,117**
Addition		**15**	**–**
Disposal		**(24,074)**	**(20,295)**
Depreciation	23	**(19,209)**	**–**
Payments		**–**	**(9,894)**
Interest expense		**–**	**646**
Balance at end of the year		**₱844**	**₱574**

		2020	
	Note	ROU assets	Lease Liabilities
Balance at beginning of the year		₱72,460	₱46,747
Depreciation	23	(28,348)	–
Payments		–	(18,952)
Interest expense		–	2,322
Balance at end of the year		₱44,112	₱30,117

Lease liabilities are presented as follows:

	2021	2020
Current portion	**₱374**	₱8,848
Noncurrent portion (Other noncurrent liabilities)	**200**	21,269

The following are the amounts recognized in the consolidated statement of income:

	Note	**2021**	2020	2019
Depreciation expense of right-of-use assets	23	**₱19,209**	₱28,348	₱–
Interest expense on lease liabilities	15	**646**	2,322	–
Included as "Outside services" under "Cost of Sales and Services" and "Operating Expenses" from continuing operations				
Rent expense - short-term leases	23	**843**	4,155	–
Rent expense - PAS 17		**–**	–	27,424
Rent expense included under "Cost of Sales and Services" and "Operating Expenses" from discontinued operations		**–**	31,295	66,118
Total amount recognized in consolidated statement of income		**₱20,698**	₱66,120	₱93,542

Shown below is the maturity analysis of the undiscounted lease payments:

	2021	2020
1 year	**₱9,811**	₱23,058
more than 1 year to 2 years	**255**	9,323
more than 2 years to 3 years	**255**	8,425
more than 3 years to 4 years	**233**	7,184
more than 5 years	**–**	3,600
	₱10,554	₱51,590

Noncurrent portion of advances to suppliers and contractors represents cash paid in advance for purchase and/or construction of property, plant and equipment.

11. Assets Held for Sale and Discontinued Operations

On May 23, 2018, the Group entered into an Asset Purchase Agreement with a buyer for the sale of the Group's sugar milling and refining operations in Batangas. The consummation of the Proposed Sale Transaction was subject to the parties being able to secure the requisite regulatory approvals, corporate approvals, and other third party consents. On February 12, 2019, the PCC issued a decision disapproving the Proposed Sale Transaction. Nonetheless, the Group remained committed to sell the assets in Batangas and was negotiating with a prospective buyer as of September 30, 2019. The Group has assessed that the subject assets are available for immediate sale in their present condition and sale is highly probable as of September 30, 2019.

However, as of September 30, 2020, the criteria for classification as held for sale are no longer met; thus, the assets were reclassified to property, plant and equipment (see Note 12). The Group's sugar milling and refinery operations in Batangas are measured at carrying amounts before the assets are classified as held for sale as adjusted for any depreciation, amortization or revaluation that would have been recognized if had not been so classified. The assets' total carrying amount of ₱7.3 billion is lower than the recoverable amount at the date of the subsequent decision not to sell. Depreciation of assets previously classified as held for sale amounting to ₱612.0 million are presented under "Other income (expense)" (see Note 25).

On September 18, 2020, the BOD approved the sale of the Group's sugar mill and ethanol plant in La Carlota City, Negros Occidental and RHI's investment properties consisting of shares in NAVI (the "Sale Transaction") to URC. Under the terms of the Sale Transaction, URC will acquire all buildings, improvements, machineries and equipment, laboratory equipment, as well as the land on which these plant and buildings are located and investment properties that are necessary for the continuing operations of the mill and ethanol plant. On September 30, 2020, the parties proceeded to close the Sale Transaction, with the signing and delivery of the definitive sale agreements as well as performance of all conditions necessary for the closing of the transaction. The sale of the mill and ethanol plant located at La Carlota City, Negros Occidental represents a disposal of a separate geographical area of operations of the Group hence, the consolidated statements of income present its results of operations as discontinued operations and are no longer presented as part of sugar and alcohol operating segments disclosure in Note 32.

As a result of the preceding circumstances, results of operations presented in the consolidated statements of income and the corresponding notes to the financial statements in 2019 were restated to reflect continuing operations of CADPI and exclude from continuing operations the discontinued operations of CACI, RBC and NAVI.

The results of operations of the Group's sugar milling and distillery operations in La Carlota City, Negros Occidental, are shown in the table below (nil in 2021):

	2020	2019 (As restated)
Revenue:		
Revenue from contracts with customers	₱4,497,597	₱4,772,462
Sale of goods	–	–
	4,497,597	4,772,462
Cost of sales and services	(4,201,784)	(4,593,432)
Gross income	295,813	179,030
General and administrative expenses	(361,708)	(307,407)
Selling expense	(7,502)	(12,710)
Interest expense	(243,643)	(259,126)
Loss from sale of assets	(1,163,230)	–
Other income (expense)	(37,446)	41,052
Loss before income tax	(1,517,716)	(359,161)
Income tax expense	(15,866)	(157,200)
Net Loss from discontinued operations	(₱1,533,582)	(₱516,361)

Net increase (decrease) in cash provided by CACI's, RBC's and NAVI's discontinued operations follows:

	2020	2019 (As restated)
Net cash provided (used in) by operating activities	₱1,037,927	(₱1,011,586)
Net cash provided by (used in) investing activities	3,282,612	(136,682)
Net cash provided by (used in) financing activities	(4,428,886)	1,237,930

Loss per share from discontinued operations follow (see Note 27):

	2020	2019 (As restated)
Basic	(₱0.99)	(₱0.33)
Diluted	(0.99)	(0.33)

The Parent Company had 45.09% ownership interest in HP Co., an entity incorporated in the Philippines, which is engaged in manufacturing and trading of raw and refined sugar, molasses and other sugar by-products.

Movements in investment in an associate are as follows:

	Note	2019
Acquisition cost		₱127,933
Accumulated share in net earnings:		
Balance at beginning of year		258,117
Dividends declared		(49,419)
Share in net earnings		41,333
Balance at end of the year		250,031
Cumulative share on remeasurement Loss on retirement liability:	18	
Balance at beginning of year		(7,665)
Share in remeasurement gain		–
Balance at end of the year		(7,665)
Share in revaluation increment of land:	18	
Balance at beginning of year		264,305
Share in revaluation increment		21,295
Balance at end of the year		285,600
Reclassification to assets held for sale		(655,899)
		₱–

On August 1, 2019, the BOD authorized the evaluation and negotiation of terms and conditions of the sale of investment in HP Co. comprising of 28,549,365 common shares. Accordingly, such investment has been classified as part of assets held for sale as of September 30, 2019. On November 5, 2019, the said shares of stock held as an investment were sold at a higher price than the investment's carrying amount.

Cash dividends declared by HP Co. are as follows:

Date Approved	Amount per Share	Total Amount	Stockholders of Record Date	Date Paid
May 30, 2019	0.50	7,664	May 31, 2019	June 20, 2019
February 7, 2019	1.61	101,939	February 28, 2019	April 11, 2019
March 1, 2018	2.74	173,528	February 28, 2018	April 12, 2018
February 10, 2017	3.85	243,768	February 28, 2017	April 6, 2017
September 29, 2016	3.59	227,306	October 31, 2016	November 10, 2016

In 2020, dividends declared attributable to the Parent Company amounted to ₱40.3 million. The associate has no contingent liabilities or capital commitments as of September 30, 2019.

12. **Property, Plant and Equipment**

Property, Plant and Equipment

Details and movements of property, plant and equipment, valued at cost, are shown below:

	2021						
	Buildings and Improvements	**Machinery and Equipment**	**Office Furniture, Fixtures and Equipment**	**Depot and Storage Facilities**	**Transportation Equipment**	**Construction in Progress**	**Total**
Cost							
Balances at beginning of year	**₱1,859,812**	**₱10,996,481**	**₱691,070**	**₱189,287**	**₱208,222**	**₱32,847**	**₱13,977,719**
Additions	**18,193**	**18,739**	**63**	**–**	**780**	**401,029**	**438,804**
Disposals	**–**	**(12,177)**	**–**	**–**	**(27,871)**	**–**	**(40,048)**
Reclassifications	**17,563**	**170,936**	**1,353**	**–**	**13,365**	**(203,217)**	**–**
Balances at end of year	**1,895,568**	**11,173,979**	**692,486**	**189,287**	**194,496**	**230,659**	**14,376,475**
Accumulated Depreciation and Amortization							
Balances at beginning of year	**1,293,138**	**6,912,385**	**662,743**	**102,336**	**94,672**	**–**	**9,065,274**
Depreciation and amortization*	**54,870**	**396,935**	**12,614**	**11,411**	**14,342**	**–**	**490,172**
Disposals	**–**	**(11,031)**	**–**	**–**	**(17,917)**	**–**	**(28,948)**
Balances at end of year	**1,348,008**	**7,298,289**	**675,357**	**113,747**	**91,097**	**–**	**9,526,498**
Net Carrying Amount	**₱547,560**	**₱3,875,690**	**₱17,129**	**₱75,540**	**₱103,399**	**₱230,659**	**₱4,849,977**

	2020						
	Buildings and Improvements	Machinery and Equipment	Office Furniture, Fixtures and Equipment	Depot and Storage Facilities	Transportation Equipment	Construction in Progress	Total
Cost							
Balances at beginning of year	₱2,347,199	₱11,547,022	₱680,642	₱189,007	₱212,011	₱378,987	₱15,354,868
Additions	–	24,784	2,439	280	2,770	304,092	334,365
Disposals	(2,157,798)	(7,064,336)	(34,116)	–	(144,849)	(452,625)	(9,853,724)
Reclassifications	9,690	236,261	1,390	–	13,774	(261,115)	–
Reclassification from assets held for sale (Note 11)	1,660,721	6,252,750	40,715	–	124,516	63,508	8,142,210
Balances at end of year	1,859,812	10,996,481	691,070	189,287	208,222	32,847	13,977,719
Accumulated Depreciation and Amortization							
Balances at beginning of year	1,164,593	6,182,846	642,590	90,957	74,590	–	8,155,576
Depreciation and amortization	171,727	985,353	19,867	11,379	27,159	–	1,215,485
Disposals	(1,149,035)	(3,973,197)	(31,888)	–	(119,363)	–	(5,273,483)
Reclassification from assets held for sale (Note 11)	1,105,853	3,717,383	32,174	–	112,286	–	4,967,696
Balances at end of year	1,293,138	6,912,385	662,743	102,336	94,672	–	9,065,274
Net Carrying Amount	₱566,674	₱4,084,096	₱28,327	₱86,951	₱113,550	₱32,847	₱4,912,445

Construction in progress mainly pertains to the on-going plant improvements and milling and refinery equipment for inspection and installation, which are to be completed in the next fiscal year. As at September 30, 2021 and 2020, the Group has contractual commitment for the on-going construction projects amounting to ₱230.7 million and ₱297.8 million, respectively.

The Group has no borrowing cost capitalized in 2021 and 2020. The capitalized borrowing cost is amortized over the estimated useful lives of the qualifying assets to which it relates.

The amount of depreciation and amortization is summarized as follows:

	Note	**2021***	2020**	2019 (As restated, Note 11)***
Cost of sales and services	22	**₱443,588**	₱158,360	₱117,098
General and administrative expenses	23	**60,609**	73,626	56,595
Other expense	25	**–**	612,044	–
Discontinued operations		**–**	416,112	392,823
		₱504,197	₱1,260,142	₱566,516

**Excludes depreciation considered as off-season amounting to₱5,184.*
***Excludes depreciation considered as off-season amounting to ₱16,309.*
****Excludes depreciation considered as off-season amounting to ₱4,967.*

As at September 30, 2021 and 2020, the software with original acquisition cost of ₱62.5 million is fully depreciated.

Land at appraised values and its related cost are as follows:

	Note	**2021**	2020
Balance at beginning of year		**₱4,537,678**	₱1,287,002
Reclassification to investment properties	13	**(96,366)**	–
Appraisal increase	18	**71,572**	628,059
Disposal		**–**	(793,066)
Reclassification from assets held for sale	11	**–**	3,414,959
Additions		**–**	724
Balance at end of year		**₱4,512,884**	₱4,537,678
At cost		**₱631,607**	₱708,990

Loss from disposal of property, plant and equipment in September 2020 amounted to ₱1.2 billion.

As at September 30, 2021 and 2020, the revaluation of land is based on the appraised values using a market data approach, as determined by Philippine SEC accredited external appraisers. Market data approach considers the sales and listings and other market data of comparable properties registered within the vicinity of the property being valued. Factors such as location, size, shape of lot, highest and best use estimate were also taken into consideration in order to estimate the fair value of the property. The revalued amount has been categorized as level 3(directly or indirectly observable inputs). The latest appraisal reports were made for the valuation dates as of September 30, 2021 and 2020.

Certain property, plant and equipment and assets held for sale with a carrying amount of ₱6,804.7 million and ₱6,728.1 million as at September 30, 2021 and 2020 were mortgaged and used as collateral to secure the loan obligations with the local banks (see Note 15).

Due to the enactment of Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act on March 26, 2021, the deferred tax liability relating to the revaluation increment of assets classified as property, plant and equipment was adjusted to reflect the revised effective tax rate resulting the recognition of the other comprehensive income amounting to ₱129.2 million.

13. Investment Properties

Movements in investment properties are as follows:

	Note	2021	2020
At fair value:			
Balance at beginning of year		**₱301,948**	₱513,561
Reclassifications from property, plant and equipment	12	**96,366**	–
Fair value adjustment	25	**17,344**	13,387
Disposal		**–**	(232,932)
Reclassification from assets held for sale	11	**–**	7,932
		₱415,658	₱301,948

Investment properties pertain to land of the Parent Company, NAVI, CADPI and SCBI held for rental and capital appreciation.

Rent income from the lease of agricultural land of NAVI amounted to nil, ₱ 6.2 million and ₱6.7 million in 2021, 2020 and 2019, respectively. Direct operating expenses amounted to nil, ₱1.8 million and ₱0.8 million in 2021, 2020 and 2019, respectively, which mainly pertain to real property taxes.

The fair value of investment properties is based on the appraised value of the property using a market data approach, as determined by SEC accredited external appraisers. Market data approach considers the sales and listings and other market data of comparable properties registered within the vicinity of the property being valued. Factors such as location, size, shape of lot, highest and best use estimate were also taken into consideration in order to estimate the fair value of the property. The fair value measurement for land has been categorized as Level 3 (directly or indirectly observable inputs). The latest appraisal reports were made for the valuation dates as of September 30, 2021 and 2020.

14. 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 6.0% to 7.25% in 2021 and from 6.25% to 7.5% in 2020. There are no debt covenants relating to these borrowings in 2021 and 2020.

Total interest expense arising from short-term borrowings amounted to ₱274.8 million, ₱269.9 million and ₱248.4 million in 2021, 2020 and 2019, respectively (see Note 15).

On September 23, 2020, the Group sent letter request to the major creditor banks for the proposed conversion to long-term debt of outstanding short-term loans amounting to ₱4,750 million. As at September 30, 2021, the term out of ₱3,250 million out of ₱4,750 million short-term loans has been duly approved by creditor banks and converted to long-term borrowings while the remaining loan is completing bank approval documentation.

As at September 30, 2021 and 2020, the Group paid ₱408.8 million and ₱1,347.3 million of its short-term loans, respectively. Outstanding short-term borrowings amounted to ₱1,710.8 million and ₱5,369.6 million as at September 30, 2021 and 2020, respectively.

15. Long-term Borrowings

The Group obtained various loans from local banks. Outstanding long-term borrowings are presented below:

Facility	Terms	Collateral	Outstanding Balance 2021	2020
₱2,000.0 million dated September 29, 2021	Payable in equal semi-annual amortization amounting to ₱ 125.0 million starting December 2023 until June 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 5.75% for two years subject to repricing thereafter	Suretyship agreement and mortgage trust indenture (MTI)	**₱2,000,000**	₱–
₱1,250.0 million dated December 22, 2020	Payable in quarterly amortization amounting to ₱32.9 million for five years starting March 2023 until September 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 6.00% for two years subject to repricing thereafter	MTI	**1,250,000**	–
₱2,645.0 million dated August 5, 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	MTI	**1,000**	1,000
			3,251,000	1,000
Unamortized transaction costs			**(15,000)**	–
Noncurrent long-term borrowings			**₱3,236,000**	₱1,000

Suretyship Agreements and MTI

The Group entered into various suretyship agreements and MTI with local bank creditors that secure the Group's obligations in solidarity against all the properties of RHI, CADPI, CACI and RBC. Property, plant and equipment with a carrying amount of ₱ 6,804.7 million and ₱ 6,728.1 million as at September 30, 2021 and 2020, respectively, were mortgaged and used as collateral to secure the loan obligations with the local bank creditors (see Note 12).

Loan Covenants

The foregoing loan agreements are subject to certain covenants, such as but not limited to:

- maintenance of debt service coverage ratio (DSCR) of at least 1.10 times and debt-to-equity ratio of not more than 2.33:1 starting 2023;
- 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; 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 of September 30, 2020, the Group prepaid its outstanding long-term borrowings amounting to ₱2,721.5 million.

The maturities of the long-term borrowings based on the original terms of the loan agreements are as follows:

	2021	2020
Between one to two years	**₱98,670**	₱–
Between two to five years	**1,145,680**	1,000
Between five to eight years	**1,991,650**	–
	₱3,236,000	₱1,000

Interest Expense
Interest ranges from 6.00% to 7.25%, 4.55% to 6.55% and 4.55% to 7.55% in 2021, 2020 and 2019, respectively. Interest expense arises from the following borrowings:

	Note	**2021**	2020	2019
Continuing operations:				
Short-term	14	**₱274,790**	₱269,924	₱248,423
Long-term		**58,133**	123,751	196,607
Advances		**4,717**	–	–
Lease liabilities	10	**646**	2,322	–
		₱338,286	₱395,997	₱445,030
Discontinued operations	11	**₱–**	₱243,643	₱259,126

16. Trade and Other Payables

This account consists of:

	Note	**2021**	2020
Trade		**₱1,350,406**	₱876,308
Due to:			
Planters		**7,398**	22,928
Related parties	19	**7,098**	–
Accruals for:			
Services		**15,706**	43,494
Utilities		**12,701**	10,281
Interest		**11,218**	12,298
Taxes		**8,653**	35,952
Construction in progress		**6,553**	6,553
Payroll and other employee benefits		**4,872**	8,020
Others		**25,489**	21,049
Provision for probable losses	23, 28	**77,318**	122,253
Contract liabilities	21	**38,987**	11,707
Payable to government agencies for taxes and statutory contributions		**17,842**	275,335
Others		**7,261**	141,609
		₱1,591,502	₱1,587,787

Trade payables are noninterest-bearing and generally settled within 30 to 60 days.

Due to planters pertains to unpaid purchases of raw sugar and planters' incentives, which are normally settled within one crop year.

Contract liabilities pertain to noninterest-bearing cash deposits from customers, which will be applied against future deliveries of refined sugar.

Payables to government agencies contributions for taxes and statutory and other payables are noninterest-bearing and are normally settled in the next 12 months.

Other payables include advances from previous related parties of SCBI to fund SCBI's working capital requirements totaling ₱128.9 million as at September 30, 2020, which are noninterest-bearing, unsecured and payable on demand.

Rollforward of provision for probable losses as of September 30, 2021 and 2020 are as follows:

	Note	**2021**	2020
Beginning balance		**₱122,253**	₱149,590
Additions	23	**20,079**	–
Reclassifications		**2,993**	–
Payments		**(68,007)**	(27,337)
Ending balance		**₱77,318**	₱122,253

17. Retirement Benefits

The Parent Company and its subsidiaries, namely: CACI, CADPI and SCBI have individual and separate non-contributory defined benefit plan covering all qualified employees. RBC estimates its retirement benefits under Republic Act (R. A.) No. 7641, *Philippine Retirement Pay Law*. A defined benefit plan is a retirement plan that defines an amount of retirement benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The plans are generally funded through payments to trustee-administered funds as determined by periodic actuarial calculations.

Retirement Benefits

Net retirement benefits expense recognized in the consolidated statements of income included in personnel costs under "Cost of sales and services" and "General and administrative expenses" accounts are summarized in below.

	2021	2020	2019
Current service cost	**₱19,682**	₱50,440	₱39,530
Net interest cost	**12,880**	18,203	16,452
Settlement loss (gain)	**228**	72,788*	(72)
	₱32,790	₱141,431	₱55,910

**The settlement loss in 2020 primarily arises from separation pay for separated employees of CACI and RBC.*

The remeasurement losses (gains) recognized in the consolidated statements of comprehensive income are as follows:

	2021	2020	2019
Remeasurement losses (gains) on:			
Defined benefit obligation due to:			
Changes in financial assumptions	**(₱101,960)**	₱57,207	₱124,326
Experience adjustments	**34,974**	(8,770)	(10,442)
	(66,986)	48,437	113,884
Return on plan assets	**(5,615)**	41,118	14,369
	(72,601)	89,555	128,253
Deferred tax	**12,111**	(9,106)	(37,879)
	(₱60,490)	₱80,449	₱90,374

Retirement Assets and Liabilities

Retirement assets and liabilities recognized in the consolidated statements of financial position are as follows:

	2021	2020
Net retirement liabilities [(1)]	**(₱353,333)**	(₱401,205)
Net retirement assets [(2)]	**48,590**	2,958
Net retirement liabilities	**(₱304,743)**	(₱398,247)

(1) Pertain to net retirement liabilities of CADPI and SCBI.

(2) Pertain to net retirement assets of the Parent Company.

Components of net retirement liabilities:

	2021	2020
Present value of defined benefit obligation	**(₱365,148)**	(₱513,569)
Fair value of plan assets	**60,405**	115,322
	(₱304,743)	(₱398,247)

The movements in net retirement assets (liabilities) are as follows:

	2021		2020	
	Net Retirement Assets	**Net Retirement Liabilities**	Net Retirement Assets	Net Retirement Liabilities
Balance at beginning of year	**₱2,958**	**(₱401,205)**	₱18,610	(₱407,222)
Remeasurement gain (loss) recognized in other comprehensive income	**45,395**	**27,207**	(17,141)	(72,414)
Retirement benefits income (expense)	**237**	**(33,027)**	1,489	(142,920)
Benefits paid from Group funds	**–**	**53,692**	–	112,544
Contribution	**–**	**–**	–	108,807
Balance at end of year	**₱48,590**	**(₱353,333)**	₱2,958	(₱401,205)

Changes in the Present Value of the Defined Benefit Obligation

	2021		2020	
	Net Retirement Assets	**Net Retirement Liabilities**	Net Retirement Assets	Net Retirement Liabilities
Balance at beginning of year	**₱–**	**₱513,569**	₱110,258	₱444,349
Current service cost	**–**	**19,682**	8,111	42,329
Remeasurement losses (gains) due to:				
Changes in financial assumptions	**–**	**(101,960)**	–	57,207
Experience adjustments	**–**	**34,974**	(989)	(7,781)
Benefits paid	**–**	**(118,297)**	(125,709)	(41,142)
Interest cost	**–**	**17,180**	5,539	21,397
Reclassification	**–**	**–**	2,790	(2,790)
Balance at end of year	**₱–**	**₱365,148**	₱–	₱513,569

Changes in the Fair Value of Retirement Plan Assets

	2021		2020	
	Net Retirement Assets	**Net Retirement Liabilities**	Net Retirement Assets	Net Retirement Liabilities
Balance at beginning of year	**₱2,469**	**₱112,853**	₱110,341	₱55,617
Remeasurements	**45,395**	**(39,780)**	(69,725)	(21,131)
Benefits paid	**–**	**(64,833)**	(44,155)	(33,165)
Contribution	**–**	**–**	–	108,807
Interest income on plan assets	**237**	**4,064**	6,008	2,725
Balance at end of year	**₱48,101**	**₱12,304**	₱2,469	₱112,853

The expected return on plan assets were determined based on a reputable fund trustee's yield rate for risk portfolio similar to that of the fund with consideration to the funds' past performance.

The categories of the plan assets are as follows:

	2021	2020
Cash	**0.5%**	20.7%
Receivables	**39.0%**	56.4%
Available-for-sale financial assets	**60.5%**	22.9%
Investments in government securities	**0.0%**	0.0%
	100.0%	100.0%

As at September 30, 2021 and 2020, plan assets include investments in 27.4 million shares of stock of the Parent Company with a fair value amounting to ₱34.4 million and ₱46.0 million, respectively.

The principal assumptions used in determining the retirement assets and liabilities of the Group are shown below:

	Discount Rate, September 30		Discount Rate, October 1		Salary Increase Rate, September 30		Salary Increase Rate, po 1	
	2021	2020	**2020**	2019	**2021**	2020	**2020**	2019
RHI	**5.1%**	3.6%	**3.6%**	4.9%	**3.0%**	4.0%	**4.0%**	4.0%
CADPI	**5.1%**	3.6%	**3.6%**	4.9%	**3.0%**	4.0%	**4.0%**	4.0%
CACI	**–**	–	**–**	4.9%	**–**	–	**–**	4.0%
RBC	**–**	–	**–**	5.0%	**–**	–	**–**	4.0%
SCBI	**5.1%**	3.7%	**3.7%**	5.0%	**3.0%**	4.0%	**4.0%**	4.0%

The Group does not expect to contribute to their respective retirement funds in 2022.

The sensitivity analysis based on reasonably possible changes of the assumptions on the defined benefit obligation as at September 30, 2021 and 2020 is presented below.

		2021	2020
	Change in Assumption	**Retirement Liabilities**	Retirement Liabilities
Discount rate	+1.0%	**(₱27,893)**	(₱45,089)
	-1.0%	**32,646**	53,671
Salary Rate	+1.0%	**33,103**	52,892
	-1.0%	**(25,354)**	(45,332)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the retirement liability at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The corresponding change in the retirement liability was expressed as a percentage change from the base retirement liability.

The schedule of projection of benefit payments expected to be paid out of the retirement fund is as follows:

Period	**2021**	2020
Less than one year	**₱102,711**	₱141,272
Between one and five years	**117,346**	88,623
Over five years	**1,424,315**	2,080,965
	₱1,644,372	₱2,310,860

As at September 30, 2021 and 2020, the average duration of the defined benefit obligation at the end of reporting period is 15.6 years and 16.9 years, respectively.

18. **Equity**

a. Capital stock and treasury stock

Details of capital stock and treasury stock follow:

	2021		2020		2019	
	Number of Shares	**Amount** *(in Thousands)*	Number of Shares	Amount *(in Thousands)*	Number of Shares	Amount *(in Thousands)*
Authorized common shares "Capital A" at ₱1.0 par value						
Balance at beginning and end of year	**2,000,000,000**	**₱2,000,000**	2,000,000,000	₱2,000,000	2,000,000,000	₱2,000,000
Issued common shares "Class A"						
Balance at beginning and end of year	**1,565,579,279**	**₱1,565,579**	1,565,579,279	₱1,565,579	1,565,579,279	₱1,565,579
Treasury stock	**(17,643,480)**	**(52,290)**	(17,643,480)	(52,290)	(17,643,480)	(52,290)
Issued and outstanding	**1,547,935,799**	**₱1,513,289**	1,547,935,799	₱1,513,289	1,547,935,799	₱1,513,289

On July 14, 2017, the Parent Company's application for increase in authorized capital stock using the convertible debt securities as payment for subscription was approved by SEC. On November 9, 2017, the PSE approved the listing of these newly subscribed 125,000,000 common shares.

b. Other equity items and reserves

Details follow:

	Note	**2021**	2020	2019
Equity reserves:				
Revaluation Increment on Land	12			
Balance at beginning of year		**₱3,405,708**	₱430,233	₱392,370
Effect of change in effective tax rate		**128,649**	–	–
Appraisal increase, net of tax		**50,505**	491,275	43,374
Reclassification of revaluation increment on land under held for sale		**–**	2,827,822	(5,511)
Reclassification of subsidiaries' revaluation increment on land properties		**–**	(490,888)	–
Reversal of deferred tax liabilities on land properties sold		**–**	147,266	–
Balance at end of year		**3,584,862**	3,405,708	430,233
Cumulative Remeasurement Loss on Net Retirement Assets and Liabilities	17			
Balance at beginning of year		**(377,711)**	(279,995)	(93,141)
Remeasurement gain (loss), net of tax		**60,302**	(80,438)	(90,265)
Effect of change in effective tax rate		**1,793**	–	–
Reclassification of remeasurement gains on retirement assets and liabilities		**–**	(25,790)	–
Reversal of net deferred tax liabilities on remeasurement gains on retirement assets and liabilities		**–**	8,512	–
Reversal of other comprehensive income		**–**	–	(96,589)
Balance at end of year		**(315,616)**	(377,711)	(279,995)
Share in Revaluation Increment on Land of an Associate	11			
Balance at beginning of year		**–**	–	264,305
Reclassification		**–**	–	(264,305)
Balance at end of year		**–**	–	–

(Forward)

	Note	**2021**	2020	2019
Cumulative Share in Remeasurement Loss on Retirement Liability of an Associate	11			
Balance at beginning of year		**₱–**	₱–	(₱7,664)
Reclassification		**–**	–	7,664
Balance at end of year		**–**	–	–
Total equity reserves		**3,269,246**	3,027,997	150,238
Other equity items				
Excess of Consideration Received over Carrying Amount of Net Assets of a Subsidiary Transferred to the Parent Company		**577,148**	577,148	577,148
Effect of Change in equity Interest in Subsidiaries		**44,567**	44,567	44,567
Total other equity items		**621,715**	621,715	621,715
Total other equity items and reserves		**₱3,890,961**	₱3,649,712	₱771,953
Revaluation increment on land under assets held for sale	11,12			
Balance at beginning of year		**₱–**	₱2,806,661	₱2,390,419
Adjustment on revaluation increment		**–**	21,161	–
Reversal of deferred tax liability due to change in effective tax rate		**–**	–	410,731
Reclassification of revaluation increment on land under held for sale		**–**	(2,827,822)	5,511
Balance at end of year		**₱–**	₱–	₱2,806,661
Share in revaluation increment on land of an associate held for sale	11			
Balance at beginning of year		**₱–**	₱285,600	₱–
Reclassification to profit and loss after disposal of investment		**–**	(285,600)	–
Reclassification from other equity items and reserves		**–**	–	264,305
Remeasurement gain, net of tax		**–**	–	21,295
Balance at end of year		**₱–**	₱–	₱285,600
Cumulative share in remeasurement loss on retirement liability of an associate held for sale	11			
Balance at beginning of year		**₱–**	(₱7,664)	₱–
Share in remeasurement loss		**–**	(5,335)	–
Reclassification to profit and loss after disposal of investment		**–**	12,999	–
Reclassification from other equity items and reserves		**–**	–	(7,664)
Balance at end of year		**₱–**	₱–	(₱7,664)

Following the Reorganization Program as approved by the SEC on December 11, 2001, RHI was transformed into a diversified holding and investment corporation, while its subsidiary, CADP Group Corporation (CADPGC), emerged as a holding and investment company with specific focus on sugar milling and refining business. In 2008, RHI increased its equity ownership in CADPGC from 89.28% to 89.36% when CADPGC re-acquired portion of its shares of stock. On December 11, 2008, RHI acquired CADPGC's sugar-related operating subsidiaries (CADPI, CACI, CADPI, CFSI, CCSI, JOMSI, NAVI) and an associate (HP Co.), including certain assets and liabilities of CADPGC. On January 23, 2009, RHI sold its investment in CADPGC to Roxas & Company, Inc. Effective June 29, 2009, upon approval by the SEC on June 23, 2009, CADPGC, as the surviving entity, merged with Roxas & Company, Inc. through a share swap, wherein 11.71 CADPGC's shares of stock were exchanged for every share of stock of Roxas & Company, Inc. On the same date, the SEC approved the change in corporate name of CADPGC to RCI.

The acquisition by RHI on December 11, 2008 of the sugar-related operating subsidiaries and an associate from CADPGC was made for a total consideration of ₱3,838.0 million, which represents the cost of CADPGC's investments in subsidiaries and an associate amounting to ₱4,101.0 million, reduced by the net liabilities transferred by CADPGC amounting to ₱263.0 million. As a result, RHI increased its effective equity ownership in the sugar-related operating subsidiaries and recognized the effect of the change in equity ownership in subsidiaries and an associate in view of the reduction of non-controlling interests in subsidiaries of ₱44.6 million and presented as a separate component of the total consolidated equity.

On January 23, 2009, following the acquisition of the sugar-related operating subsidiaries and an associate from CADPGC, RHI sold its investment in CADPGC to RCI for a total consideration of ₱3,927.3 million. The excess of consideration received from RCI over the carrying amounts of net assets of CADPGC amounted to ₱577.1 million. This is presented as a separate component of equity under "Other equity reserves".

In 2021 and 2020, the Parent Company's management used OSD in its income tax filing with the Bureau of Internal Revenue (BIR). The Parent Company's management believes it will continue to elect the use of OSD in 2021. As such, effective tax rate on the computation of deferred tax liability on the revaluation increment of the Parent Company's land as of September 30, 2021 and 2020 is at 18%. In 2020, the Parent Company reversed the cost to sell of previously held for sale land amounting to ₱21.2 million.

c. Track record of registration

On March 16, 1994, the Parent Company registered with the SEC its 1,000,000,000 shares, consisting of 600,000,000 Class "A" shares and 400,000,000 Class "B" shares at a par value of ₱1.0 a share equivalent to ₱1,000,000,000, and representing the entire capital stock of the Parent Company. Moreover, the SEC licensed the sale or offer for sale of the Parent Company's 477,750,000 shares (inclusive of its present subscribed capital stock of 382,200,000 shares), out of which 95,550,000 shares were sold at ₱3.0 a share.

On September 4, 1995, the SEC licensed the sale or offer for sale of 174,400,000 shares in an initial public offering at an offer price between ₱5.0 to ₱8.0 a share. The said shares consist of 100.0 million shares from the Parent Company's registered but unlicensed and unissued capital stock for primary offering and 74,400,000 shares owned by selling shareholders for secondary offering.

On January 28, 1997, the Parent Company declared stock dividend at the rate of 30% payable to stockholders of record as at February 28, 1997.

On November 24, 1999 and December 15, 1999, the Parent Company declared stock dividend at the rate of 30%, consisting of 225,322,500 common shares at ₱1.0 a share, payable to stockholders of record as at February 15, 2000.

On January 30, 2003, the SEC approved the Parent Company's increase in authorized capital stock from ₱1,000,000,000 to ₱1,500,000,000, divided into 1,500,000,000 common shares. Of the total increase in authorized capital stock, 192,779,459 common shares at par value of ₱1.0 a share or total of 192,779,459 common shares, were fully paid through the declaration of stock dividend at the rate of 20% to stockholders of record as at February 28, 2003.

On April 3, 2003, the PSE approved the listing of additional 192,779,459 common shares, at a par value of ₱281.0 a share, representing the 20% stock dividend declaration discussed in the foregoing. Moreover, the Parent Company's listed shares were reduced by 188 common shares representing fractional shares arising from the 30% stock dividend declared in 1997 and 30% stock dividends declared in 2000, which were paid for in cash.

On February 15, 2017, the shareholders approved the amendment of the Parent Company's articles of incorporation to increase the authorized capital stock from ₱1,500,000,000 to ₱2,000,000,000 divided into 2,000,000,000 with par value of ₱1.0 per share. On the same day, the shareholders approved the subsequent conversion of the convertible note to be issued out of the increase in authorized capital stock at a conversion rate of ₱4.19 for every common share, or a total of 125,000,000 new common shares.

On July 14, 2017, the Parent Company's application for increase in authorized capital stock was approved by SEC. On November 9, 2017, the PSE approved the listing of these newly subscribed 125,000,000 common shares.

d. Retained earnings

Portion of retained earnings not available for dividend declaration

	Note	**2021**	2020
Cumulative unrealized gain on changes in fair value of investment properties, net of tax	26	**₱208,085**	₱194,991
Treasury stock		**52,290**	52,290
Deferred tax assets	26	**2,089**	20,861
Accumulated earnings of subsidiaries		**–**	2,253
		₱262,464	₱270,395

Accumulated earnings of the subsidiaries are not yet available for dividend distribution to the Parent Company's stockholders, unless received as cash dividends from the subsidiaries and an associate.

e. Share prices

The principal market for the Parent Company's shares of stock is the PSE. The high and low trading prices of the Parent Company's shares of stock for each quarter within the three fiscal years are presented in the table below.

Quarter	High	Low
October 1, 2020 through September 30, 2021		
First	₱2.00	₱1.54
Second	2.25	1.35
Third	1.54	1.42
Fourth	1.52	1.20

(Forward)

Quarter	High	Low
October 1, 2019 through September 30, 2020		
First	₱2.39	₱1.74
Second	1.84	1.36
Third	1.67	1.28
Fourth	2.36	1.33
October 1, 2018 through September 30, 2019		
First	1.87	1.83
Second	1.83	1.77
Third	1.72	1.69
Fourth	1.58	1.52

19. **Related Party Transactions and Balances**

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

Related Party	Relationship	Nature of Transaction	Year	Transactions during the Year	Net Amount Due to Related Parties (see Note 16)
CADP Retirement Fund, Inc. (CADPRFI)	Retirement Fund of CADPI	Noninterest-bearing advances payable on demand	**2021**	**₱37,951**	**₱4,298**
			2020	44,393	–
RHI Retirement Fund, Inc. (RHIRFI)	Retirement Fund of RHI	Noninterest-bearing advances payable on demand	**2021**	**2,800**	**2,800**
			2020	–	–
CACI Retirement Fund, Inc. (CACIRFI)	Retirement Fund of CACI	Noninterest-bearing advances payable on demand	**2021**	**–**	**–**
			2020	5,816	–
HP Co	Associate	Purchase of raw sugar	**2021**	**–**	**–**
			2020	1,954	–
		Purchase of molasses	**2021**	**–**	**–**
			2020	38,197	–
		Purchase of bagasse	**2021**	**–**	**–**
			2020	7,204	–
		Dividend income	**2021**	**–**	**–**
			2020	40,255	–
			2021		**₱7,098**
			2020		–

**Other related party pertains to an entity under common control of the RHI Group management*

a. The Group made advances to RHIRFI and CADPIRFI for a portion of the retirement payments made to the Group's qualified retired employees under defined benefit plan. The Group's retirement funds hold RHI shares amounting to ₱34.3 million and ₱46.0 million as of September 30, 2021and 2020, respectively (see Note 17).

b. Due to related parties, which are presented as part of "Trade and other payables" account, represents noninterest-bearing payable arising from advances.

c. As at September 30, 2021 and 2020, total amount of trade and non-trade receivables and payables with related parties eliminated during consolidation amounts to ₱ 4,290.9 million and ₱ 5,414.0 million, respectively, while revenue and expense eliminated amounts to ₱40.9 million, ₱1,724.3 million and ₱2,996.1 million as at September 30, 2021, 2020 and 2019, respectively.

Outstanding balances of transactions with related parties at yearend are unsecured and settlements are made in cash. The Group did not recognize any provision for impairment loss in 2021, 2020 and

2019. This assessment is undertaken each financial year by reviewing the financial position of the related party and the market in which the related party operates.

d. Key management personnel compensation:

	Note	**2021**	2020	2019
Salaries and wages and other short-term benefits		**₱74,432**	₱116,046	₱110,777
Retirement benefits		**14,065**	22,783	21,959
Employee stock option	20	**–**	–	1,068
		₱88,497	₱138,829	₱133,804

20. Employee Stock Option Plans (ESOP)

The BOD of the Parent Company approved the establishment of its first and second ESOP on May 8, 2013 and January 16, 2014, respectively. The ESOPs cover all employees of the Parent Company and its subsidiaries, namely: CACI, CADPI and RBC, who have rendered at least six months of service at the time of grant, subject for approval by the Senior Vice President, Human Resource, and the designated administrator. Employees are given the option to purchase the shares allocable to them over an exercise period of five years from the effectivity date of ESOP. The share options vest each year over the five-year term of ESOP. The offer price of the shares is based on the average quoted price during the 30-trading days prior to exercise date less a 15% discount. About 35.0 million and 30.0 million common shares of the Parent Company's unissued shares have been initially reserved under the first and second ESOP, respectively.

The fair value of the First and Second ESOP was estimated at the date of grant using Black Scholes-Merton model with inputs summarized below.

First ESOP

	Options Vesting After				
	Year One	Year Two	Year Three	Year Four	Year Five
Spot price	₱2.80	₱2.80	₱2.80	₱2.80	₱2.80
Strike price	₱2.49	₱2.49	₱2.49	₱2.49	₱2.49
Expected volatility	38.83%	39.10%	36.59%	39.61%	42.46%
Risk-free rate	2.71%	2.98%	3.29%	3.60%	3.36%
Dividend rate as a percentage of spot price	0.00%	0.00%	0.00%	0.00%	0.00%

Second ESOP

	Options Vesting After				
	Year One	Year Two	Year Three	Year Four	Year Five
Spot price	₱6.90	₱6.90	₱6.90	₱6.90	₱6.90
Strike price	₱5.32	₱5.32	₱5.32	₱5.32	₱5.32
Expected volatility	33.46%	39.77%	39.71%	37.65%	39.95%
Risk-free rate	2.86%	2.82%	3.15%	3.90%	3.38%
Dividend rate as a percentage of spot price	0.00%	0.00%	0.00%	0.00%	0.00%

The weighted average fair value of the share options granted in 2013 (First ESOP) and 2014 (Second ESOP) amounted to ₱0.9 and ₱3.0, respectively. The volatility rate is determined as the historical volatility of the returns on the stock over a period similar to the vesting period of the option.

Unexercised shares under first ESOP and second ESOP were forfeited as at September 30, 2018 and 2019, respectively.

The employee stock option expense recognized for employee services received amounted to nil in 2021 and 2020 and ₱1.7 million in 2019, presented as part of "Personnel costs" account under continuing operations (see Note 24) and nil in 2021 and 2020 and ₱0.1 million in 2019, presented as part of "Personnel costs" account under discontinued operations.

21. Revenue

a. The components of revenue are as follows:

	2021	2020	2019 (As restated, Note 11)
Sale of goods:			
Alcohol	**₱1,570,723**	₱975,092	₱2,055,762
Refined sugar	**1,417,968**	1,479,693	3,370,338
Molasses	**345,086**	232,134	324,209
Raw sugar	**339,489**	1,457,274	1,627,212
Carbon dioxide	**6,690**	4,995	11,774
	3,679,956	4,149,188	7,389,295
Sale of services:			
Milling (Note 3)	**715,623**	461,472	496,231
Tolling fees	**88,228**	158,198	214,915
Farm services	**60,650**	21,807	17,643
Power	**44,955**	7,914	28,966
	909,456	649,391	757,755
	₱4,589,412	₱4,798,579	₱8,147,050

b. Contract Balances

The Group's trade and other receivables amounted to ₱494.6 million and ₱1,210.3 million September 30, 2021 and 2020, respectively (see Note 8).

The Group has no contract assets as at September 30, 2021 and 2020.

Contract liabilities mainly result from customers' deposits on sale of goods which is generally recognized at a point in time and sale of services for which revenue is generally recognized over time. Contract liabilities will be recognized as revenue when the related goods are delivered and services are rendered. As at September 30, 2021 and 2020, contract liabilities amounted to ₱39.0 million and ₱11.7 million, respectively. Contract liabilities as of September 30, 2020 and 2019 amounting to ₱11.7 million and ₱8.7 million, respectively, was recognized as revenue in 2021 and 2020, respectively (see Note 16).

c. Performance Obligations

The performance obligations on the sale of goods and services are satisfied when the related goods are delivered and services are rendered. Payment is generally due within 15 to 120 days from performance.

22. Cost of Sales and Services

	Note	2021	2020	2019 (As restated, Note 11)
Direct materials used	9	**₱1,973,680**	₱2,473,698	₱5,714,895
Milling cost		**845,752**	811,049	510,678
Depreciation and amortization	12	**443,588**	158,360	117,099
Fuel and oil		**438,524**	336,446	573,627
Personnel costs	24	**266,186**	259,707	240,600
Outside services		**228,561**	147,569	174,040
Productivity assistance and other planter's subsidies		**167,118**	89,423	69,451
Repairs and maintenance		**132,990**	140,592	179,631
Communication, light and water		**61,668**	66,123	103,070
Taxes and licenses		**50,452**	49,688	54,333
Materials and consumables		**28,377**	43,466	57,111
Others	9	**57,676**	120,635	223,885
		₱4,694,572	₱4,696,756	₱8,018,420

23. Operating Expenses

General and Administrative Expenses

The components of general and administrative expenses are as follows:

	Note	2021	2020	2019 (As restated, Note 11)
Personnel costs	24	**₱318,653**	₱347,055	₱375,727
Outside services		**63,013**	60,325	95,542
Depreciation and amortization	12	**60,609**	73,626	56,595
Taxes and licenses		**44,694**	84,799	58,207
Provision for impairment losses on receivables	8	**20,837**	28,533	3,237
Provision for probable losses	16, 28	**20,079**	–	70,000
Professional fees		**14,809**	41,669	27,573
Communication, light and water		**12,268**	17,249	16,332
Materials and consumables		**7,980**	5,902	6,302
Corporate social responsibility		**5,715**	3,594	4,149
Repairs and maintenance		**5,325**	3,554	3,599
Organizational activities		**3,885**	6,204	7,745
Travel and transportation		**3,691**	6,121	8,338
Entertainment, amusement and recreation		**1,877**	2,047	2,719
Others		**10,431**	22,377	20,013
		₱593,866	₱703,055	₱756,078

Others mainly pertain to training and development, transfer cost and bank charges.

Selling Expenses

Selling expenses, representing mandatory fees paid to various regulatory agencies prior to sale of sugar, mainly pertains to delivery charges, sugar liens and dues and monitoring fees totaling ₱20.3 million, ₱35.4 million and ₱51.0 million in 2021, 2020 and 2019, respectively.

24. Personnel Costs

Personnel costs include:

	Note	**2021**	2020	2019 (As restated, Note 11)
Salaries, wages, allowances and other employee benefits		**₱552,049**	₱544,592	₱561,624
Retirement benefits	17	**32,790**	62,170	52,992
Employee stock option	20	–	–	1,711
		₱584,839	₱606,762	₱616,327

The amount of personnel costs are allocated as follows:

	Note	**2021**	2020	2019 (As restated, Note 11)
Cost of sales	22	**₱266,186**	₱259,707	₱240,600
General and administrative expenses	23	**318,653**	347,055	375,727
		₱584,839	₱606,762	₱616,327

25. Other Income (Charges)

This account consists of:

	Note	**2021**	2020	2019 (As restated, Note 11)
Reversal of long outstanding payables		**₱153,862**	₱–	₱–
Fair value adjustment of investment properties	13	**17,344**	13,387	2,374
Gain (loss) on sale of properties and investments	11, 13	**(9,131)**	337,571	–
Storage, handling and insurance fees		**4,178**	9,103	6,862
Gain (loss) on sale of scrap		**(1,578)**	3,996	3,006
Interest income	7, 8	**1,375**	1,554	380
Impairment of goodwill	6	**–**	(1,079,615)	–
Depreciation of assets previously classified as held for sale	12	**–**	(612,044)	–
Others		**(24,794)**	8,537	15,891
		₱141,256	(₱1,317,511)	₱28,513

In 2021, the Group written-off the long-outstanding payable to the previous shareholders of SCBI amounting to ₱130.0 million after assessing that the payment will no longer be collected from the RHI. Moreover, the Group written-off certain long outstanding payables to various suppliers and employees totaling to ₱23.9 million.

Others mainly pertain to income from conversion rights and woodchips and includes expenses necessary in completing the SNU sale transaction amounting to ₱17.0 million incurred in 2021.

26. Income Taxes

a. The components of the recognized net deferred tax assets and liabilities represent the tax effects of the following temporary differences:

	Note	**2021[(1)]**	2020[(2)]
Deferred tax assets recognized in profit or loss:			
Various accruals		**₱923**	₱–
Allowance on Inventory losses and obsolescence	9	**756**	415
Retirement liabilities	17	**410**	1,250
Lease liabilities		**–**	9,035
Prepayment reclassified as part of ROU assets		**–**	7,714
Deferred milling costs		**–**	2,447
		2,089	20,861
Deferred tax liabilities recognized in profit or loss			
Revaluation increment on land		**(493,652)**	(202,868)
Deferred milling costs		**(1,288)**	–
ROU assets		**–**	(13,234)
		(494,940)	(216,102)
Deferred tax liabilities recognized in other comprehensive income:			
Revaluation increment on land, including land previously classified as held for sale		**(183,990)**	(588,572)
Cumulative remeasurement losses on retirement asset		**(9,503)**	–
		(688,433)	(804,674)
Net deferred tax liabilities		**(₱686,344)**	(₱783,813)

[(1)] Recognized net deferred tax liabilities of RHI, CADPI, CACI, SCBI and NPSC.
[(2)] Recognized net deferred tax liabilities of RHI, CACI, RBC, SCBI, NAVI and NPSC

Details of other deductible temporary differences for which no deferred tax assets were recognized as management believes that it may not be probable that sufficient future taxable profits will be available against which the other deductible temporary differences can be utilized are presented as follows:

	2021	2020
NOLCO	**₱4,351,372**	₱5,579,753
Customer deposits	**26,869**	773
Excess MCIT over RCIT	**11,566**	27,288
Depreciation - ROU assets	**4,688**	18,382

(Forward)

	2021	2020
Transaction cost amortization	**₱4,607**	₱26,411
Allowance for expected credit losses	**1,174**	6,988
Interest expense on finance lease liability	**445**	1,149
Provision for inventory losses and obsolescence	**–**	22,099

b. Details of carry forward benefits arising from NOLCO and excess MCIT are as follows:

NOLCO

Year Incurred	Balance as at September 30, 2020	Additions	Applied	Expired	Balance as at September 30, 2021	Available Until
September 30, 2021	₱–	₱876,337	₱–	₱–	₱876,337	September 30, 2026*
September 30, 2020	2,208,610	–	–	–	2,208,610	September 30, 2025*
September 30, 2019	1,287,722	–	(21,297)	–	1,266,425	September 30, 2022
September 30, 2018	569,938	–	–	(569,938)	–	September 30, 2021
	₱4,066,270	₱876,337	(₱21,297)	(₱569,938)	₱4,351,372	

**In accordance with Revenue Regulations No. 15-2020, the unused NOLCO shall be presented in the Notes to Financial Statements, showing in detail, the following: (1) taxable year in which the net operating loss was sustained or incurred and (2) any amount thereof claimed as NOLCO deduction within 5 consecutive years.*

Excess MCIT

Year Incurred	Balance as at September 30, 2020	Additions	Applied	Expired	Balance as at September 30, 2021	Available Until
September 30, 2021	₱–	₱307	₱–	₱–	₱307	September 30, 2024
September 30, 2020	6,524	–	–	–	6,524	September 30, 2023
September 30, 2019	4,735	–	–	–	4,735	September 30, 2022
September 30, 2018	23,510	–	(843)	(22,667)	–	September 30, 2021
	₱34,769	₱307	(₱843)	(₱22,667)	₱11,566	

c. The reconciliation between the income tax benefit (expense) computed at the applicable statutory tax rate and income tax benefit (expense) presented in the consolidated statements of income is as follows:

	2021	2020	2019
Income tax benefit (expense) at statutory tax rate	**₱229,078**	₱1,140,950	(₱423,839)
Tax effects of:			
NOLCO and excess of MCIT over RCIT for which no related deferred tax assets were recognized	**(224,046)**	(733,077)	–
Effect of change in effective tax rate	**121,676**	–	–
Non taxable income	**35,288**	–	–
Effect of using optional standard deduction of Parent Company	**(26,604)**	(79,045)	(231,206)
Effect of 5% statutory tax rate of SCBI	**(14,525)**	(45,891)	18,617
Nondeductible expenses	**(24,746)**	(123,409)	116,333
Temporary differences for which no deferred tax assets were recognized	**(2,364)**	(36,842)	–

(Forward)

	2021	2020	2019
Interest income subject to final tax	**₱56**	₱236	(₱538)
Unallowable interest expense	**(5)**	–	4,247
Impairment loss on goodwill	**–**	(323,885)	–
Gain on sale subjected to capital gains tax	**–**	206,577	–
Adjustments resulting from derecognition of deferred tax assets	**–**	(27,346)	59,309
Dividend income exempt from income tax	**–**	12,076	–
Net income subject to income tax holiday (ITH)	**–**	(10,081)	(3,444)
Share in net earnings of an associate	**–**	–	(27,226)
Others	**(116,415)**	(2,880)	11,607
	(₱22,607)	(₱22,617)	(₱476,140)

The current income tax expense of the Group in 2021, 2020 and 2019 pertains to RCIT, or MCIT, whichever is higher, except for RBC and SCBI, which are entitled to ITH and 5% gross income tax, respectively.

d. Registration with the Board of Investments (BOI) of RBC

On October 24, 2008, the BOI approved the registration of RBC as a New Producer of Bioethanol (Anhydrous) and Potable (Hydrous) Ethanol on a Pioneer and Non-Pioneer Status under the Omnibus Investments Code of 1987 or Executive Order (E.O.) No.226

On October 22, 2014, the BOI approved the amendment of registration of RBC from a New Producer of Bioethanol (Anhydrous) under E.O. No. 226 to Renewable Energy (R.E.) Developer of Biomass Resources under the R. A. No. 9513. The registration as a New Producer of Potable Ethanol is maintained under E.O. No. 226.

As a registered enterprise, RBC is entitled to certain tax incentives, which include, among others:

- ITH for the first seven years from December 3, 2013 until December 3, 2020;

- Duty-free importation of machinery, equipment and materials including control and communication equipment within the first ten years from the issuance of the BOI certificate of registration until October 23, 2018;

- Realty and other taxes on civil works, equipment, machinery, and other improvements actually and exclusively used for R. E. facilities shall not exceed one and a half (1.5%) of the original cost less accumulated depreciation or net book value;

- NOLCO during the first three years from the start of commercial operation shall be carried over as a deduction from gross income for the next seven consecutive taxable years immediately following the year of such loss is unused;

- Corporate tax rate of 10% on its net taxable income after seven years of ITH;

- If RBC did not avail of the ITH, the plant, machinery and equipment that are reasonably needed and actually used for the exploration, development and utilization of R. E. resources may be depreciated using a rate not exceeding twice the rate which would have been used had the annual allowance been computed; and

- Zero percent value-added tax rate on its purchase of local supply of goods, properties and services needed for the development, construction and installation of its plant facilities.

Total tax incentives availed of amounted to ₱0.4 million, nil and ₱36.8 million in 2021, 2020 and 2019, respectively.

e. Income Tax Regime of SCBI

SCBI is registered with the Philippine Economic Zone Authority (PEZA) as an Agro-industrial Ecozone Enterprise under Registration Certificate No.09-01-AI dated September 23, 2009.

The following are the mutual covenants and undertaking of SCBI pursuant to Registration Agreement with the PEZA:

i. The registration as an Agro-Industrial Ecozone Enterprise entitles SCBI to conduct and operate its business inside the San Carlos Ecozone.

ii. The scope of SCBI's registered activity is limited to the production of bioethanol fuel and its by-products, power/electricity, carbon dioxide, and carbon emission reduction (known as carbon credits) and importation of raw materials, machinery, equipment, tools, goods, wares, articles or merchandise directly used in its registered operations at the San Carlos Ecozone.

iii. SCBI is not entitled to a separate ITH incentive. The incentives entitlement of SCBI is the remaining ITH period granted in its registration with the BOI until December 2014. Upon expiry of the ITH under BOI registration, SCBI is entitled to the 5% Gross Income Tax (GIT) incentive, in lieu of paying of all local and national internal revenue taxes, and other incentives under Article 77, Book VI of E.O. No. 226.

The PEZA approved SCBI's amendment in its registered activity to include the production of syrup from sugarcane, which will be subjected to 5% gross income tax, until October 1, 2015. The results of operations from said registered product thereafter is subjected to national taxes.

f. The President of the Philippines signed into law on March 26, 2021 the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% or 20% as applicable for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 25% or 20% as applicable.

Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

27. Earnings per Share

Earnings per share is computed as follows:

	2021		2020		2019	
	Basic	**Diluted**	Basic	Diluted	Basic	Diluted
Net loss attributable to the equity holders of the Parent Company (a)	**(₱934,882)**	**(₱934,882)**	(₱3,877,786)	(₱3,877,786)	(₱1,884,113)	(₱1,884,113)
Weighted average number of common shares outstanding for basic EPS	**1,547,936**	**1,547,936**	1,547,936	1,547,936	1,547,936	1,547,936
Weighted average number of common shares adjusted for effect of dilution (b)	**1,547,936**	**1,547,936**	1,547,936	1,547,936	1,547,936	1,547,936
Loss per share (a/b)	**(₱0.61)**	**(₱0.61)**	(₱2.51)	(₱2.51)	(₱1.22)	(₱1.22)

Earnings per share for continuing and discontinued operations (Note 11) is computed as follows:

	2021		2020		2019	
	Basic	**Diluted**	Basic	Diluted	Basic	Diluted
Net loss attributable to equity holders of the Parent Company from continuing operations (a)	**(₱938,920)**	**(₱938,920)**	(₱2,356,860)	(₱2,356,860)	(₱1,372,575)	(₱1,372,575)
Net loss attributable to equity holders of the Parent Company from discontinued operations (b)	–	–	(₱1,533,582)	(₱1,533,582)	(₱516,361)	(₱516,361)
Weighted average number of common shares outstanding for basic EPS	**1,547,936**	**1,547,936**	1,547,936	1,547,936	1,547,936	1,547,936
Weighted average number of common shares adjusted for effect of dilution (c)	**1,547,936**	**1,547,936**	1,547,936	1,547,936	1,547,936	1,547,936
Loss per share (a/c)	**(₱0.61)**	**(₱0.61)**	(₱1.52)	(₱1.52)	(₱0.89)	(₱0.89)
Loss per share (b/c)	–	–	(₱0.99)	(₱0.99)	(₱0.33)	(₱0.33)

28. Commitments and Contingencies

a. Milling Contracts

CACI and CADPI (the "Mills") have milling contracts with the planters, which provide for a 35% and 65% sharing between the Mills and the planters, respectively, of sugar, molasses and other sugar cane by-products, excluding bagasse, produced every crop year.

In December 2017, milling contracts of CADPI with the planters were revised to provide for a 32% and 68% sharing between CADPI and the planters, respectively. This agreement is effective until crop year 2021 to 2022. Renewal is upon mutual consent of both parties thereafter.

b. The Group has in its custody the following raw and refined sugar owned by third parties:

	2021		2020	
	Total Volume *(in Thousands) (LKg*)*	**Estimated Market Value** *(Amounts in Millions)*	Total Volume *(in Thousands) (LKg*)*	Estimated Market Value *(Amounts in Millions)*
Raw sugar	**1**	**2,128**	5	6,935
Refined sugar	**222**	**465,487**	59	112,451

**Equivalent to 50 kilogram bag unit.*

The foregoing volume of sugar is not reflected in the consolidated statements of financial position since these are not considered as assets of the Group. These raw sugar held on behalf of the third parties are also supported by quedans. The Group is accountable to the third parties for the value of trusted sugar or their sales proceeds.

c. Sales Contracts

CADPI and SCBI entered into various sales contracts with its major customers for the sale of refined sugar and alcohol. Outstanding sales contracts for refined sugar amounted to ₱718.6 million for 337,229 lkg bags, ₱183.8 million for 86,165 lkg bags and ₱467.8 million for 198,681 lkg bags as at September 30, 2021, 2020 and 2019, respectively, and ₱208.4 million for 3,600,000 liters, nil and ₱ 315.3 million for 5,323,499 liters for anhydrous alcohol as at September 30, 2021, 2020 and 2019, respectively.

d. Crop Loan and Contract Growing Agreements

RADC entered into crop loan and contract growing agreements with various planters for the scheduled delivery of sugar cane for the crop year 2020 to 2021. Advances made to planters related to these agreements as at September 30, 2021 and 2020 amounted to ₱40.3 million and ₱57.4 million, respectively, which are included as part of "Due from planters and cane haulers" under "Trade and other receivables" account (see Note 8).

e. Leases

The Group has various lease agreements for a period of one year covering heavy loading equipment and service vehicles with various trucking and heavy equipment service companies, which are used in transloading, hauling and other milling operations. The lease agreements are renewable annually upon mutual consent of both parties.

Moreover, the Group, as a lessee, leases its office space from a third party for a period of five years until May 31, 2021, which is renewable upon mutual agreement of the parties. As of June 1, 2021, the lease was renewed until May 31, 2022.

Future minimum lease payments on its office space as at September 30, 2021 and 2020 are as follow:

	2021	2020
Within one year	**₱9,811**	₱13,038

Total rent expense from the related contracts amounted to ₱0.8 million, ₱4.2 million and ₱27.4 million in 2021, 2020 and 2019, respectively (see Note 10).

f. Hauling Services Contracts

The Group has an agreement for hauling services for the transport of sugarcane from the plantations to milling facilities. Related hauling expenses, which are presented as part of "Productivity assistance and other planter's subsidies" account under "Cost of sales and services", amounted to ₱167.1 million, ₱89.4 million and ₱69.5 million in 2021, 2020 and 2019, respectively (see Note 22).

g. Emission Reduction Purchase Agreement (ERPA)

On January 14, 2009, RBC and World Bank Group signed a $3.2 million ERPA for the purchase of carbon emission credits under the Clean Development Mechanism of the Kyoto Protocol. The ERPA will also avoid at least 50,000 metric tons of carbon dioxide each year with a crediting period of 10 years starting 2010. As part of the ERPA, portion of the revenue for the purchase of the credits will be used to finance the RBC's community development projects.

h. Unused Credit Lines

The Group has unused lines of credit with various local banks amounting to nil and ₱96.3 million as at September 30, 2021 and 2020, respectively.

i. Contingencies

The Group has several pending claims and assessments, the expected ultimate outcome of which is based on management's judgment in consultation with its legal counsel. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, only general disclosures were provided.

Outstanding provision for losses for disputed claims and assessments amounted to ₱77.3 million and ₱122.3 million as at September 30, 2021 and 2020, respectively, presented under "Trade and other payables" account (see Note 16).

29. Financial Instruments

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, 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 or settle its obligations or at a reasonable price.

The Group's objective is to maintain continuity of funding. The Group's policy is to maximize the use of suppliers' credit for all its major purchases and limit major capital expenditures at a reasonable level. The Group monitors its risk to a shortage of funds through monitoring of financial investments and financial assets and projected cash flows from operations. The Group's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The Group monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a weekly basis to arrive at the projected cash position to cover its obligations.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. On August 13, 2021, the Group received term sheet from major creditor bank for the proposed term out of outstanding short-term loan amounting to ₱4,750 million (see Note 14). As at September 30, 2021, the term out of ₱3,250 million out of ₱4,750 million short-term loans has been duly approved by creditor banks and converted to long-term borrowings while the remaining loan is completing bank approval documentation.

The tables below summarize the maturity profile of the Group's loans and receivables held for managing liquidity and other financial liabilities based on contractual undiscounted payments.

	September 30, 2021				
	On demand	Less than one year	Over 1 year but less than 2 years	Over 2 years	Total
Financial assets:					
Cash and cash equivalents	**₱58,974**	**₱–**	**₱–**	**₱–**	**₱58,974**
Trade receivables***	**62,870**	**334,658**	**–**	**–**	**397,528**
Due from employees***	**28,516**	**–**	**–**	**–**	**28,516**
Other receivables***	**68,575**	**–**	**–**	**–**	**68,575**
Refundable deposits	**15,982**	**–**	**–**	**–**	**15,982**
	234,917	**334,658**	**–**	**–**	**569,575**
Financial liabilities					
Trade and other payables**	**162,676**	**1,333,666**	**–**	**–**	**1,496,342**
Short-term borrowings*	**–**	**1,813,448**	**–**	**–**	**1,813,448**
Noncurrent portion of long-term borrowings*	**–**	**190,066**	**287,249**	**3,722,510**	**4,199,825**
Lease liabilities	**–**	**9,811**	**255**	**488**	**10,554**
	162,676	**3,346,991**	**287,504**	**3,722,998**	**7,520,169**
Liquidity position (gap)****	**₱72,241**	**(₱3,012,333)**	**(₱287,504)**	**(₱3,722,998)**	**(₱6,950,594)**

**Includes expected future interest payments for short-term and long-term borrowings amounting to ₱102.6 million and ₱963.8 million, respectively.*

*** Excludes payables to government agencies amounting to ₱17.8 million and provision for losses amounting to ₱77.3 million.*

****Net of related allowances for impairment losses totaling ₱99.6 million.*

*****Liquidity position is expected to improve within the next 12 months as the Group is continuously in coordination with respective banks for the refinancing of short-term obligations for a minimum period of at least 3 years after September 30, 2021 (see Notes 1 and 14). Moreover, as part of Group's fund raising activities to settle currently maturing debts and operating liabilities, the Group will receive additional funding from one of its affiliates, which is convertible to capital (see Note 34)*

	September 30, 2020				
	On demand	Less than one year	Over 1 year but less than 2 years	Over 2 years	Total
Financial assets:					
Cash and cash equivalents	₱888,597	₱–	₱–	₱–	₱888,597
Trade receivables***	371,009	742,780	–	–	1,113,789
Due from employees***	28,658	–	–	–	28,658
Other receivables***	67,838	–	–	–	67,838
Refundable deposits	12,412				12,412
	1,368,514	742,780	–	–	2,111,294
Financial liabilities					
Trade and other payables**	362,347	827,852	–	–	1,190,199
Short-term borrowings*	–	5,705,147	–	–	5,705,147
Noncurrent portion of long-term borrowings*	–	–	–	1,173	1,173
Lease liabilities	–	23,058	9,323	19,209	51,590
	362,347	6,556,057	9,323	20,382	6,948,109
Liquidity position (gap)****	₱1,006,167	(₱5,813,277)	(₱9,323)	(₱20,382)	(₱4,836,815)

**Includes expected future interest payments for short-term and long-term borrowings amounting to ₱335.6 million and ₱0.2 million, respectively.*
*** Excludes payables to government agencies amounting to ₱275.3 million and provision for losses amounting to ₱122.2 million.*
****Net of related allowances for impairment losses totaling ₱75.3 million.*
*****Liquidity position is expected to improve within the next 12 months as the Group is continuously in coordination with respective banks for the refinancing of short-term obligations for a minimum period of at least 7 years after September 30, 2020 (see Notes 1 and 14)*

Credit Risk

Credit risk is the risk that the Group incurs a loss because its customers, clients or counterparties failed to discharge their contractual obligation. To mitigate this risk, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which includes evaluation of the customers' financial standing and determination of allowable credit limit and credit terms. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group does not have significant concentrations of credit risk as the Group's customers and dealers are dispersed throughout the country.

To reduce the Group's exposure to bad debts, the Group took a conservative approach in its credit risk management. A policy has been developed to ensure that processes and risk-aversion are carefully observed to eliminate dealings with business entities that may pose collection issues in the future. This policy reinforces the Group's procedures for identifying and managing exposures to credit risk. Since the Group trades only with recognized third parties, there is no requirement for collateral.

With respect to credit risk arising from other financial assets of the Group which consist of cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancements held over these assets.

a. Risk concentrations of the maximum exposure to credit risk

   There is a significant concentration of credit risk within the Group given that the Group has limited creditors, stockholders and local banks.

With respect to credit risk arising from the Group's financial assets, which comprise cash and receivables, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

b. As at September 30, 2021 and 2020, the analysis of financial assets follows:

	2021			
	Neither Past Due nor Impaired	**Past Due but not Impaired**	**ECL**	**Net of allowance for ECL**
Loans and receivables:				
Cash and cash equivalents*	**₱58,312**	**₱–**	**₱–**	**58,312**
Trade and other receivables				
Trade receivables	**351,545**	**163,519**	**(117,536)**	**397,528**
Due from employees	**–**	**28,649**	**(133)**	**28,516**
Other receivables	**–**	**70,784**	**(2,209)**	**68,575**
Refundable deposits**	**15,982**	**–**	**–**	**15,982**
	₱425,839	**₱262,952**	**(₱119,878)**	**₱568,913**

**Excluding cash on hand amounting to ₱0.7 million.*
***Included as part of other assets (see Note 10)*

	2020			
	Neither Past Due nor Impaired	Past Due but not Impaired	ECL	Net of allowance for ECL
Loans and receivables:				
Cash and cash equivalents*	₱888,187	₱–	₱–	₱888,187
Trade and other receivables				
Trade receivables	805,031	370,805	(62,047)	1,113,789
Due from employees	28,658	2,214	(2,214)	28,658
Other receivables	–	78,900	(11,062)	67,838
Refundable deposits**	12,412	–	–	12,412
	₱1,734,288	₱451,919	(75,323)	₱2,110,884

**Excluding cash on hand amounting to ₱0.4 million.*
***Included as part of other assets (see Note 10)*

The Group's neither past due nor impaired receivables are high grade receivables which, based on experience, are highly collectible and exposure to bad debt is not significant.

As at September 30, 2021 and 2020, the age of the entire Group's past due but not impaired receivables is over 60 days (see Note 8).

Trade Receivables
The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are determined based on the Group's historical observed default rates analyzed in accordance to days past due by grouping of customers based on customer type and channels. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factors affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix as of September 30, 2021 and 2020.

	2021					
		Days past due				
	Current	<30 days	30-60 days	61 to 90 days	> 90 days	Total
Estimated credit loss rate	**2%**	**8%**	**23%**	**47%**	**82%**	**23%**
Estimated total gross carrying amount at default	**₱144,116**	**₱207,428**	**₱54,532**	**₱65,858**	**₱43,130**	**₱515,064**
Expected credit loss	**2,406**	**15,912**	**24,115**	**59,278**	**15,825**	**117,536**

	2020					
		Days past due				
	Current	<30 days	30-60 days	61 to 90 days	> 90 days	Total
Estimated credit loss rate	0%	6%	14%	22%	38%	5%
Estimated total gross carrying amount at default	₱1,013,723	₱126	₱5,310	₱2,294	₱154,383	₱1,175,836
Expected credit loss	1,390	7	722	501	59,427	62,047

c. Impairment analysis

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For due from related parties, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type or by payors). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, due from related parties are written-off if the account is at least one year past due and are deemed uncollectible after subjecting to all possible collection effort activities. No ECL was recognized on due from related parties as of September 30, 2021 and 2020.

Commodity price risk

The Group is exposed to commodity price risk from conventional physical sales and purchase of sugar and alcohol 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 interest-bearing financial liabilities. The interest rates on these liabilities are disclosed in Notes 14 and 15.

The loans amounting to ₱4,945.8 million and ₱5,369.6 million as at September 30, 2021 and 2020, respectively, bear floating interest and expose the Group to interest rate risk.

The following table demonstrates the sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax (through the impact of floating rate borrowings) and equity in 2021 and 2020. The estimates are based on the outstanding interest-bearing liabilities of the Group with floating interest rate as at September 30, 2021 and 2020.

	2021		2020	
Increase (Decrease)	**Effect on Income before Tax**	**Effect on Equity**	Effect on Income before Tax	Effect on Equity
0.25%	**(₱4,277)**	**(₱2,994)**	(₱13,424)	(9,397)
(0.25%)	**4,277**	**2,994**	13,424	9,397

Interest on financial liabilities with fixed interest rate is fixed until the maturity of the instrument (see Notes 14 and 15).

The other financial instruments of the Group that are not included in the foregoing tables 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 years ended September 30, 2021 and 2020.

Management considers the total consolidated equity (excluding noncontrolling interest) amounting to ₱4,936.5 million and ₱5,814.1 million as of September 30, 2021 and 2020, respectively, reflected in the consolidated statements 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.

30. Fair Value Measurement

The Group has assets and liabilities that are measured at fair value on a recurring basis in the consolidated statements of financial position after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized in the consolidated statements of financial position at the end of each reporting period. These include investment properties and land under property and equipment at revalued amount.

The Group does not have nonrecurring fair value measurements in the consolidated financial statements. The Group's management determines the policies and procedures for recurring fair value measurement.

External valuers are involved for valuation of investment properties and land under property and equipment. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussion with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

The carrying amounts of the Group's financial assets and liabilities approximate their fair values due to their short-term nature or the interest rates that they carry approximate the interest rate on comparable instruments in the market. For the long-term loans, these are subject to both fixed and floating rates.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash, trade receivables, due to and from related parties, due from employees, other receivables, trade and other payable and short-term borrowings. The carrying amounts of these instruments approximate fair values due to their short-term maturities.

Long-term borrowings. The carrying value of long-term borrowings as at September 30, 2021 and 2020 approximates its fair value as they carry interest rates of comparable instruments in the market.

The following tables present fair value hierarchy of the Group's financial liabilities, investment properties and land under property, plant and equipment:

Date of valuation: September 30, 2021	**Carrying Value**	**Fair Value based on significant observable inputs (Level 2)**
Assets measured at fair value		
Land under property, plant and equipment (see Note 12)	**₱4,512,884**	**₱4,512,884**
Investment properties (see Note 13)	**415,658**	**415,658**
Liabilities for which fair value is disclosed		
Fixed interest rate loan (see Note 15)	**1,000**	**1,000**

Date of valuation: September 30, 2020	Carrying Value	Fair Value based on significant observable inputs (Level 2)
Assets measured at fair value		
Land under property, plant and equipment (see Note 12)	₱4,537,678	₱4,537,678
Investment properties (see Note 13)	301,948	301,948
Liabilities for which fair value is disclosed		
Fixed interest rate loan (see Note 15)	1,000	1,000

31. Notes to Consolidated Statements of Cash Flows

a. Changes in liabilities arising from financing activities are as follows:

	2021					
	Beginning Balance	**Reclassification**	**Cash Flows**	**Interest Expense**	**Unamortized Transaction Costs**	**Ending Balance**
Current interest-bearing loans and borrowings	**₱5,369,550**	**(₱3,250,000)**	**(₱408,750)**	**₱–**	**₱–**	**₱1,710,800**
Noncurrent interest-bearing loans and borrowings	**1,000**	**3,250,000**	**–**	**–**	**(15,000)**	**3,236,000**
Interest on loans and borrowings	**12,298**	**–**	**(339,366)**	**337,640**	**–**	**10,572**
Lease liabilities	**30,117**	**(20,495)**	**(9,894)**	**646**	**–**	**374**
Total liabilities from financing activities	**₱5,412,965**	**(₱20,495)**	**(₱758,010)**	**₱338,286**	**(₱15,000)**	**₱4,957,746**

	2020				
	Beginning Balance	Cash Flows	Interest Expense	Amortization of Transaction Costs	Ending Balance
Current interest-bearing loans and borrowings	₱6,716,800	(₱1,347,250)	₱–	₱–	₱5,369,550
Noncurrent interest-bearing loans and borrowings	3,570,061	(3,569,061)	–	–	1,000
Interest on loans and borrowings	54,948	(679,968)	630,100	7,218	12,298
Lease liabilities	46,747	(18,952)	2,322	–	30,117
Total liabilities from financing activities	₱10,388,556	(₱5,615,231)	₱632,422	₱7,218	₱5,412,965

32. Segment Reporting

The Group has two reportable segments: sugar and alcohol. The Group's sugar segment consists of four operating subsidiaries: CADPI, CACI, NAVI and RABDC that manufacture and sell 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 bio-ethanol fuel.

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 is 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.

In 2021, 2020 and 2019, ₱1,846.2 million (40%), ₱2,496.3 million (26%) and ₱4,095.7 million (29%), respectively, of the Group's total revenue were derived from two customers.

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

	2021			
	Sugar	**Alcohol**	**Eliminations**	**Consolidated**
Revenue:				
External customers	**₱2,967,044**	**₱1,622,368**	**₱–**	**₱4,589,412**
Inter-segment	**25,334**	**15,606**	**(40,940)**	**–**
Cost of sales and services:				
Direct materials used	**1,105,405**	**906,691**	**(38,416)**	**1,973,680**
Depreciation and amortization	**334,710**	**108,878**	**–**	**443,588**
Fuel and oil	**220,243**	**218,281**	**–**	**438,524**
Productivity assistance and other planter's subsidies	**73,868**	**93,250**	**–**	**167,118**
Interest expense	**325,838**	**12,448**	**–**	**338,286**
Segment profit (loss)	**(862,482)**	**(76,438)**	**–**	**(938,920)**
Capital expenditures	**402,565**	**36,239**	**–**	**438,804**

	2020			
	Sugar	Alcohol	Eliminations	Consolidated
Revenue:				
External customers	₱3,810,578	₱988,001	₱–	₱4,798,579
Inter-segment	472,396	3,512	(475,908)	–
Cost of sales and services:				
Direct materials used	2,300,290	636,658	(463,250)	2,473,698
Fuel and oil	266,477	69,969	–	336,446
Depreciation and amortization	30,576	127,784	–	158,360
Productivity assistance and other planter's subsidies	61,926	27,497	–	89,423
Interest expense	359,974	36,023	–	395,997
Segment profit (loss)	(2,147,324)	(209,536)	–	(2,356,860)
Capital expenditures	128,471	25,803	–	154,274

	2019 (As restated, Note 11)			
	Sugar	Alcohol	Eliminations	Consolidated
Revenue:				
External customers	₱6,042,355	₱2,104,695	₱–	₱8,147,050
Inter-segment	384,750	53,987	(438,737)	–
Cost of sales and services:				
Direct materials used	4,642,708	1,510,674	(438,487)	5,714,895
Fuel and oil	307,040	266,587	–	573,627
Depreciation and amortization	21,514	95,585	–	117,099
Productivity assistance and other planter's subsidies	34,974	34,477	–	69,451
Interest expense	(414,624)	(30,406)	–	(445,030)
Segment profit (loss)	(1,261,325)	(111,250)	–	(1,372,575)
Capital expenditures	187,280	81,719	–	268,999

33. **Impact of COVID-19 Pandemic**

The COVID-19 pandemic which broke out in early 2020 resulted to nationwide mandated lockdowns and negatively impacted the Philippine economy. While the sugar business units were not significantly impacted, the community quarantine imposed decreased demand for fuel that resulted to early plant shutdown of the Group's alcohol units. The Group also produced 70% alcohol which were sold and donated to help with the pandemic. As disclosed in Note 1, as part of the Group's plans to support its working capital requirements, the Group is continuously in coordination with respective bank for the refinancing of short-term obligations for a minimum period of at least 3 years after

September 30, 2021. As at September 30, 2021, the term out of ₱3,250.0 million out of ₱4,750.0 million short-term loans has been duly approved by creditor banks and converted to long-term borrowings while the remaining loan is completing bank approval documentation. Management has also been implementing plant efficiency and sustainability measures as well as cost cutting programs to improve results of operations.

34. **Subsequent Events**

On December 17, 2021, the BOD approved the issuance of convertible debt securities amounting to ₱800 million to Metpower Ventures Partners Holdings, Inc., convertible to 80,000,000 common shares of SCBI at ₱10 value per share at the option of the holder. The convertible note is interest bearing and has a maturity of 7 years.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Roxas Holdings, Inc.
14th Floor, Net One Center
26th Street cor. 3rd Avenue, Bonifacio Global City
Taguig, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Roxas Holdings, Inc. and subsidiaries as at and for the years ended September 30, 2021 and 2020, included in this Form 17-A, and have issued our report thereon dated December 17, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code (SRC) Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Aileen L. Saringan
Partner
CPA Certificate No. 72557
Tax Identification No. 102-089-397
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0096-AR-5 (Group A)
July 25, 2019, valid until July 24, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-058-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8534360, January 4, 2021, Makati City

December 17, 2021

A member firm of Ernst & Young Global Limited

Gmail Roxas Holdings, Inc. Tax <rhiparent.tax@gmail.com>

Your BIR AFS eSubmission uploads were received

Isang mensahe

eafs@bir.gov.ph <eafs@bir.gov.ph> Enero 10, 2022 nang 9:44 AM
Kay: RHIPARENT.TAX@gmail.com
Cc: RHIPARENT.TAX@gmail.com

Hi ROXAS HOLDINGS, INC.,

Valid files

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- EAFS000290538ITRTY092021.pdf
- EAFS000290538AFSTY092021.pdf
- EAFS000290538TCRTY092021-01.pdf
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Transaction Code: **AFS-0-6E5CH68D0NZQTVRZ3Q34XWR3N0PV224Q1Q**
Submission Date/Time: **Jan 10, 2022 09:44 AM**
Company TIN: **000-290-538**

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ROXAS HOLDINGS, INC.

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS"

The management of **Roxas Holdings, Inc.** (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended September 30, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the some to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

PEDRO E. ROXAS
Chairman of the Board

CELSO T. DIMARUCUT
President and Chief Executive Officer

VERONICA C. CORTEZ
VP - Head of Finance and Administration

SUBSCRIBED AND SWORN to before me this DEC 17 2021 day of December, 2021 affiant(s) exhibiting to me their government IDs as follows:

Names	ID No.	Date of Issue	Place of Issue
Pedro E. Roxas	N11-77-003593	March 19, 2018	LTO Makati
Celso T. Dimarucut	P5791534A	January 27, 2018	DFA Manila
Veronica C. Cortez	N03-05-010126	September 23, 2019	LTO Imus, Cavite

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ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. M-92/MAKATI CITY
UNTIL DECEMBER 31, 2021
(per Supreme Court En Banc Resolution dated June 22, 2021)
PTR No. 8530267/01-04-2021/MAKATI CITY
IBP No. 142544/01-04-2021/RIZAL
MCLE COMPLIANCE No. VI-0027026/05-28-2019
ROLL NO. 36452/TIN No. 106-099-102-000
Unit G-14 Makati Executive Tower 3
San. Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila

December 17, 2021

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ARLYN S. VILLANUEVA**, Filipino, of legal age and with address at #2 MA. MYRNA DR. VILLA GLORIA SUBDIVISION ANGELES CITY PAMPANGA, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ROXAS HOLDINGS, INC.**, and have been its independent director since APRIL 30, 2019 (where applicable).

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
SICANGCO MENOR VILLANUEVA	PARTNER	1980-PRESENT
BOARD OF ACCOUNTANCY	MEMBER	2015-PRESENT
METRO PACIFIC TRANSPORT CORP.	INDEPENDENT DIRECTOR	2009-PRESENT
NLEX CORP.	INDEPENDENT DIRECTOR	2014-PRESENT

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ROXAS HOLDINGS INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC Issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable).

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am a subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OF AGENCY INVOLVED	STATUS
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in_____, pursuant

to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations Code of Corporate Governance and other SEC Issuances.

8. I shall inform the Corporate Secretary of **ROXAS HOLDINGS, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this ___ day of JAN 07 2022, at City of Makati.

Affiant

SUBSCRIBED AND SWORN to before me this ____ day of JAN 07 2022 at City of Makati, affiant personally appeared before me and exhibited to me his/her _____ issued at _____ on _____.

ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. M-92 / MAKATI CITY
UNTIL June 30, 2022
(per Supreme Court En Banc Resolution
dated September 28, 2021)
PTR No. 8953517 / 01-03-2022 / MAKATI CITY
IBP No. 171184 / 12-22-2021 / RIZAL
MCLE COMPLIANCE No. VI-0027026 / 05-28-2019
ROLL NO. 38452 / TIN No. 106-099-102-000
Unit G-14 Makati Executive Tower 3
San. Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila

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CERTIFICATION OF INDEPENDENT DIRECTOR

I, **OSCAR J. HILADO**, Filipino, of legal age and with address at 112 Mariposa Loop, Cubao, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ROXAS HOLDINGS, INC.**, and have been its independent director since March 2016 (where applicable).

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Philippine Investment Management (PHINMA), Inc.	Chairman	August 2005 – Present
Phinma Corporation	Chairman	Dec. 2003 – Present
Phinma Property Holdings Corporation	Vice-Chairman	April 30, 2021 – Present
Union Galvasteel Corporation	Vice-Chairman	March 2017 - Present
Philex Mining Corporation	Director	Dec. 2009 – Present
Rockwell Land Corporation	Director	May 27, 2015 – Present
A. Soriano Corporation	Director	April 13, 1998 – Present
Smart Communications, Inc.	Director	May 6, 2013 – Present
Metro Pacific Investments Corporation	Director	May 28, 2021 – Present
Phinma Solar Energy Corporation	Director	July 3, 2017 - Present
Phil Cement Corp.	Director	September 22, 2017 – Present
Phinma Education Holdings, Inc.	Director	March 2016 – Present
Araullo University	Director	April 2004 – Present
Cagayan de Oro College	Director	June 2005 – Present
University of Iloilo, Inc.	Director	Aug 17, 2009 – Present
University of Pangasinan, Inc.	Director	Aug 17, 2009 – Present
Southwestern University	Director	June 20, 2016 – Present
St. Jude College, Manila	Director	Jan 20, 2018 – Present
Republican College	Director	March 16, 2020 – Present
Rizal College of Laguna	Director	October 6, 2020 – Present
Union College of Laguna	Director	June 23, 2021 – Present
Phinma Hospitality, Inc.	Director	July 15, 2011 – Present
United Pulp and Paper Company, Inc.	Director	Dec. 2, 1969 – Present
Digital Telecommunications Phils., Inc. (Digitel)	Director	May 6, 2013 – Present

Seven Seas Resorts & Leisure, Inc.	Director	1996 – Present
Beacon Property Ventures, Inc.	Director	Dec. 1994 – Present
Cebu Light Industries Phils., Inc.	Director	Feb 1996 – Present
Pueblo de Oro Development. Corporation	Director	Feb 1996 – Present
Manila Cordage Company	Director	1986 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ROXAS HOLDINGS INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC Issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable).

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am a subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OF AGENCY INVOLVED	STATUS
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in_____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations Code of Corporate Governance and other SEC Issuances.

8. I shall inform the Corporate Secretary of **ROXAS HOLDINGS, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this ___ day of DEC 2 9 2021, at MAKATI CITY.

OSCAR J. HILADO

Affiant

SUBSCRIBED AND SWORN to before me this ___ day of DEC 2 9 2021 at MAKATI CITY, affiant personally appeared before me and exhibited to me his/her Passport No. P7959521A issued at DFA NCR EAST on July 16, 2018.

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ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment #M-66 until 12/31/2021
PTR No. 8531012 - Jan. 4, 2021, Makati City
Roll No. 45790, IBP Lifetime #04597/7-7-03
MCLE No. VI-0016565/Jan. 14, 2019
GF Feldman Suites, 199 Salcedo Street
Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **SANTIAGO T. GABIONZA, JR.**, Filipino, of legal age and with address at 20th Floor, 139 Corporate Center, 139 Valero Street, Salcedo Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **ROXAS HOLDINGS, INC.**, and have been its independent director since April 30, 2019 (where applicable).

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Rajah Travel Corporation	Director	March 1994-present
Rajah Tours Philippines, Inc.	Director	March 1997-present
Capitol Masonic Corporation	Director	May 19, 2012-present
VGS Land, Inc.	Director/President	April 13, 1996-present
VGS Holdings, Inc.	Director/President	August 1992-present
VGS Properties, Inc.	Director/Treasurer	May 16, 2000-present
VBG Insurance Agency, Inc.	Director/Treasurer	April 12, 1996-present
Mask Holdings Corp.	Director/Treasurer	July 10, 2017-present
Mask Property Management Corp.	Director/Chairman	Aug. 3, 2016-present
Econo-Tech Investment, Inc.	Director	August 2010-present
Jahro Holdings, Inc.	Director	Feb. 2018-present
Saga & Sons, Inc.	Director	Jan. 1999-present
Bench Masters, Inc.	Director/President	June 1991-present
Laboratory of Computer Medicine Phils., Inc.	Corporate Secretary	Oct. 1987-present
Stratos Holdings Inc.	Director/Vice President	Oct 2014-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ROXAS HOLDINGS INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC Issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable).

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
	N/A	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am a subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OF AGENCY INVOLVED	STATUS
	N/A	

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in N/A, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations Code of Corporate Governance and other SEC Issuances.

8. I shall inform the Corporate Secretary of **ROXAS HOLDINGS, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this 3rd day of December 2021, at Makati City.

SANTIAGO T. GABIONZA, JR.
Affiant

SUBSCRIBED AND SWORN to before me this 3rd day of December 2021 at Makati City, affiant personally appeared before me and exhibited to me his Passport No. P6013663B issued on 23 December 2020 valid until 22 December 2030 issued at Department of Foreign Affairs, Manila.

IAN DANIEL B. GALANG
Notary Public for Makati City
Notarial Commission No. M-509
Commission Expires on December 31, 2021
Roll of Attorneys No. 71943
P.T.R. No. 8530374, 01/04/2021, Makati City
I.B.P. OR No. 137776; 01/05/2021, Baguio-Benguet Chapter
M.C.L.E. Compliance No. VI-0015339, 11/28/2018
20F 139 Corporate Center, 139 Valero St.
Salcedo Village, Makati City 1227, Metro Manila

Doc. No. 246;
Page No. 51;
Book No. II;
Series of 2021.

Draft

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS

ROXAS HOLDINGS, INC.

Held via Remote Communication and Electronic Voting in Absentia

March 17, 2021 at 10:00 o'clock a.m.

ATTENDANCE
(Via Remote Participation or Proxy)

Total Shares Issued and Outstanding	:	1,547,935, 799
Total Shares Present	:	**1,359,236,848**
Percentage Present	:	**87.81%**
* Shares present owned by Majority Shareholders (as a Group)	:	1,357,285,224
* Other shareholders	:	1,951,624

DIRECTORS PRESENT:
(via teleconference)

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

Also Present:
(via teleconference)

Atty. Cynthia L. Dela Paz
Atty. Ma. Hazel L. Rabara-Retardo
Mr. Jaynel Sulangi
Mr. George T. Cheung
Mr. Pilipino T. Cayetano
Mr. Julius G. Rugas
Mr. Frederick E. Reyes
Mr. Jose Manuel L. Mapa
Ms. Veronica C. Cortez
Mr. Jaypee V. Jimenez
Ms. Josephine M. Logrono
Ms. Roulee Jane F. Calayag
Atty. Aimee E. Pedayo
Mr. Aristeo Dela Rea
Ms. Rose Ann Robin

I. CALL TO ORDER

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

II. CERTIFICATION OF QUORUM

The Corporate Secretary, Atty. Cynthia L. Dela Paz (Atty. Dela Paz), certified that the Notice of Meeting, Agenda and the Information Statement on SEC Form 20-IS were sent to all stockholders in accordance with the By-Laws of the Corporation and the Securities Regulation Code. She then certified that there are present in person or by proxy, stockholders representing approximately eighty-seven percent (87.81%) of the outstanding capital stock of the Corporation and, therefore, a quorum exists for the valid transaction of any business that may come before the meeting.

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

On motion of the Management, the reading of the minutes of the annual meeting of stockholders of the Corporation held on June 4, 2020 was dispensed with and based on the tally of votes cast by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented, voted in favor of the approval of the Minutes of the annual meeting of the stockholders held on June 4, 2020.

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.

"Dear Fellow Shareholders,

The past financial year 2019 to 2020 would be described aptly as a period fraught with uncertainties and nerve-wracking events.

We witnessed the Taal Volcano eruption in January 2020, followed by the months-long Corona Virus 2019 (COVID-19) pandemic that started in March 2020 and which later resulted to a punctuated slowdown in economy.

Against this backdrop, the Asian Development Bank (ADB) forecast in September 2020 that the Philippine economy would contract by 7.3% in 2020 amid the pandemic.

The year 2020 was indeed a tough, if not dark, period that tested every organization's mettle and ability to rebound in the face of stark and wide-ranging challenges especially with community quarantines that limited movements of people and closed establishments.

While it was a gloomy period, our company, Roxas Holdings, Inc. (RHI), took that time to reinvent its business model and build on its resources – pressing on as a bold mover despite the limiting constraints in line with efforts to contain the spread of the virus.

As FY1920 winded to an end, RHI announced the closing of its asset sale transaction with Universal Robina Corporation (URC) which involved the sale of sugar mill Central Azucarera de la Carlota, Inc. (CACI) and ethanol plant Roxol Bioenergy Corporation (RBC) as well as investment properties, consisting of shares in Najalin Agri-Ventures, Inc. (NAVI) – all located in La Carlota City, Negros Occidental.

The asset sale transaction was a decisive business move necessitated by the rapidly changing times and is a crucial part of the Group's ongoing reinvention strategy.

With the closing of the asset sale transaction, RHI can now focus its resources on Central Azucarera Don Pedro, Inc. (CADPI) in Nasugbu, Batangas to meet the discerning sugar requirements of our clients and boost the operations of our ethanol facility, San Carlos Bioenergy, Inc. (SCBI) in San Carlos City, Negros Occidental.

We aspire to shape CADPI's Refinery, strategically situated in Batangas, into world class operations that can cater to a larger market.

Aligned with this vision, we also hope to make CADPI ready and poised to seize opportunities with the expected increase in refined sugar consumption while helping the government minimize the importation of refined sugar.

As we retrain our sights, our vision for the entire Group is clear. Anchored on this solid vision, and supported by firm objectives that drive us to move beyond the challenges and bring out meaningful changes from our continuously evolving reinvention strategy, RHI is resolute in changing the current economic landscape for the sugar, ethanol and agribusiness sectors.

There is so much to do as we get down to the intricacies of reinventing our business model. We assure you that we will not waste this precious opportunity to build on our resources and expand our reach with enhanced quality of product and service offerings.

We ask for your continuing trust and support as we venture further in strengthening our operations which run the gamut of sugar mill, refinery, ethanol facility and agribusiness.

On this note, we gladly announce and welcome the new leadership at our Group with our President and CEO Celso T. Dimarucut at the helm of RHI's operations. Mr. Dimarucut has served the company as Executive Vice President and Chief Financial Officer for five years until his appointment as PCEO last December 16, 2020.

With his astute leadership, we envision our Group to expand its reach and solidify further its standing as a trusted and leading sugar mill and refinery not only in Luzon but in the entire country; as one of the few and dependable Philippine ethanol producers; and to remain as the first mover in agribusiness in Luzon and Visayas.

Let us all look forward as RHI evolves in the coming years.

At this juncture, we thank you, our dear stakeholders and esteemed stockholders, for your continuing support. We extend our gratitude, in the same breadth, to our directors and advisors who share their wisdom and expertise for RHI's growth.

The steadfast commitment of our Management and Staff is also deeply appreciated. You stayed with us as we navigated the dark moments of the past year as COVID-19 pressed hard against us and almost threatened the sustainability of our operations.

As we set out on the road to recovery, albeit slow, let us keep a positive and open attitude to go beyond what is expected and deliver par excellence results with the resources we have.

Now, more than ever, is the time to reinvent. RHI, reset!

Thank you."

The PCEO's Report

Mr. Celso T. Dimarucut (Mr. Dimarucut) proceeded to present his report and provided the highlights for Fiscal Year 2020.

"*Dear Fellow Shareholders,*

The Philippine sugar industry and the local ethanol industry are both in a crucible.

Roxas Holdings, Inc. (RHI) was faced last year with formidable challenges that encompassed the facets of its business: sugar, ethanol and agri-business.

As a leading sugar producer in the country, it was beset with the uncontrollable impact of changing weather conditions vis-à-vis the decreasing number of laborers at the farms. The stiff competition arising from the deluge of low-priced imported sugar further exacerbated the situation, where the sugar industry had to surmount a pronounced and prolonged shortage in the supply of sugarcane. Combined, these conditions painted an impregnable scenario that had a domino effect rippling over to the Group's alcohol and agri-business ventures.

The challenges were made more severe by conditions arising from natural disasters that ranged from the eruption of Taal Volcano early in 2020 to a number of earthquakes and strong typhoons that were further aggravated by the Corona Virus 2019 (COVID-19) pandemic.

RHI was just starting to cope with the volcanic activity that gravely affected the operations of Central Azucarera Don Pedro, Inc. (CADPI) in Nasugbu, Batangas when the pandemic began.

Aside from the limited movement of sugar from CADPI due to the Taal Volcano eruption that blocked major roads leading to Metro Manila, the significant decline in available canes in the Batangas area also hampered the production of refined sugar as the supply of bagasse was limited.

Our ethanol operations were not spared either. The pandemic had caused major delays in the lifting of ethanol by oil companies, forcing RHI to shut down operations of one of its two ethanol plants earlier than scheduled. Added to this situation was the steep hike in the cost of feedstock, which tempered gains – translating to slim margins for the Group's ethanol unit.

These and other concomitant instances painted a bleak picture for most companies, such as RHI. But our Group saw beyond the challenges and moved quickly to reinvent its business model, seizing fundamental resources and turning these into a strategic advantage that allowed for flexibility of movement, and strength to maximize and secure its position.

A thorough and introspective evaluation of our situation empowered us to make tough but meaningful decisions, which inevitably boiled down to a simple realization of how crucial it is for us to enrich the fundamental resources that we have.

This led the Group to the decision to enter into an asset sale transaction with Universal Robina Corporation (URC) for our sugar mill and ethanol plant as well as shares in Najalin Agri-Ventures, Inc. in La Carlota City, Negros Occidental.

The transaction was completed on September 30, 2020 – which coincided with the end of fiscal year 2019-2020.

We used the proceeds of the asset sale transaction to pay off all of the Group's long-term loans, bringing Net Debt down 54% to PhP4.4 billion from PhP9.8 billion in the previous year.

However, the move to recalibrate our priorities and retrain our sights resulted to the recognition of non-recurring losses of about PhP2.6 billion – mainly from asset sale and goodwill impairment – at the end of the year.

This resulted to RHI's Net Loss of PhP3.8 billion for the year ended September 30, 2020 from the PhP1.9 billion in the previous year – a stark reminder of how crucial the exercise of reinvention is in realigning our priorities and building on our strategic strengths.

At the forefront of sugar are our mill and refinery, which are currently undergoing massive refinements in order to meet and satisfy the demands of our sophisticated clients.

As for our alcohol business, we are continuously studying enhancements that will open new growth markets for us.

And for our agribusiness, RHI Agri-business Development Corporation is forging ahead with new partners and cultivates present relationships as it blazes the trail for advanced technology in the farms.

We are doing all these simultaneously with the focus on satisfying our customers and widening our market reach. RHI is driven to go the extra mile to gain a bigger share of the market and to sharpen its edge.

Demands in these rapidly changing times shift continuously but as a bold mover, RHI will press on with its reinvention – unfazed by difficulties.

More than any other time, we seek your continued trust as we usher in a new era.

To our stockholders and stakeholders, your support will keep us going.

To our Board of Directors and Board of Advisors, your unfailing guidance will steer us as we continue to reinvent.

To our Management and Staff, thank you. You are our partners as we roll out our vision in line with the ongoing reinvention of RHI's business model. Let us join together as we "reset" and do all that we can to make our vision for RHI a reality.

Let us work together to rewrite RHI's future because despite the prevailing uncertainties due to the pandemic, you can rest assured that our Group is doing its best to fast track recovery and implement a wide-ranging reinvention that will rebuild our sugar mill and refinery, boost our alcohol business, and strengthen our agribusiness with more targeted programs to help farmers increase their yields.

Thank you."

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

An inquiry was submitted by Mr. Antonio G. Nieto, a stockholder:

"Why did RHI sell CAC & Roxol? Were there no other ways to raise funds? RHI recently increased its authorized capital stock from P1.5b to P2b. Were there no subscribers? Not even First Pacific? Why did RHI incur a big loss on this sale? Did they sell these 2 entities below book values? Is it true that RHI bought San Carlos over & above its fair market value to the tune of P1b? This amount which was classified as goodwill in its b/s was wholly written off last year even ballooning its last year losses to unbelievable level. What is the projected bottomline this year? Are we going to have a loss again?"

The Corporation's President, Mr. Dimarucut, answered the question submitted by Mr. Nieto, as follows:

"Dear Shareholders, as I have earlier indicated, RHI was beset with uncontrollable events that affected every facet of its business.

During the period 2016 and 2017, RHI managed to grow the Core EBITDA to P1.3 billion and P1.5 billion, respectively, from a little less than P1 billion in 2015 with higher production of refined sugar.

The sale of La Carlota assets to URC is a necessary step to de-risk the business. This sale resulted in 54% reduction in debt level from P9.8 billion to P4.4 billion. The expected reduction in the interest and operating expenses more than offset the expected income to be generated from these business units. More importantly, the reduction of debt levels is necessary for the Group to meet the agreements with our debtors, and conserve needed resources to grow the remaining business units.

Please recall that RHI underwent capital raising activities through a Stock Rights Offering in 2016 and Conversion of Convertible Notes in 2017. From these, RHI was able to generate Php1.1 Billion and PhP 525 Million, wherein a substantial portion came from the First Pacific group. However, since RHI has not been able to distribute dividends since 2015, it will be very difficult for RHI's principal shareholders, who are likewise publicly-listed companies, to get approval for further investments in RHI at this point in time.

The consideration on the La Carlota asset sale had been determined after arm's length negotiations with URC, and represents the fair market value of the assets, having regard to comparable market prices of similar assets located in the vicinity, and the potential earnings of the business sold. The recorded book value is no longer representative of the market value and thus we need to record an accounting loss.

At the time RHI invested in in SCBI in 2015, the ethanol industry is enjoying competitive margins. However, with the recent changes in the industry, particularly the erosion of margin arising from increasing cost of feedstock, RHI has taken a more conservative view on the recoverability of the value of the goodwill and has recognized a non-cash and non-recurring impairment provision in the profit and loss.

RHI is focused in restoring its ability to maximize the 5 million Lkg bags refinery capacity of CADPI. CADPI is strategically located to better service the growing need for refined sugar of food and manufacturing companies. RHI has initiated and started work to accomplish this

objective and expect to complete this work before the end of this calendar year in time for the start of next year's crop season. To this end, RHI expect to transition the Group this year and hopefully see the complete turnaround in fiscal year 2022."

There being no other questions submitted and upon motion of the Management, the Annual Report of the Corporation for the Fiscal Year ending September 30, 2020 was approved based the tally of votes cast by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented voted in favor of the approval of the Annual Report of the Company for Fiscal Year ending September 30, 2020.

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

The Management moved for the approval of the all acts, proceedings and resolutions adopted by the Board of Directors and Management since the previous annual stockholders held on June 4, 2020.

Based on the tally of votes cast by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented voted in favor of the approval of all acts, proceedings and resolutions adopted by the Board of Directors and Management since the previous annual stockholders meeting held on June 4, 2020.

VI. ELECTION OF THE BOARD OF DIRECTORS

The Corporate Secretary, Atty. Dela Paz, informed the Chairman, Mr. Roxas, that pursuant to Article 14, Section 1 of the By- laws, election to the Board of Directors should be submitted to the Chairman of the Board of Directors at least fifteen (15) working days prior to any meeting called for the election of the Board of Directors. He likewise advised that nominations were made for the election of the following persons to the Board of Directors of RHI:

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

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

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

VII. ELECTION OF THE EXTERNAL AUDITOR

In accordance with the Manual on Corporate Governance, the Audit and Risk Committee recommended the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for Fiscal Year 2020-2021.

The Management moved for the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for Fiscal Year 2020-2021. Based on the votes casted by the stockholders through electronic voting in absentia, by proxy ballot or by proxy, majority of the total voting shares represented voted in favor of the election of the auditing firm of SyCip Gorres Velayo & Co. as external auditor of the corporation for Fiscal Year 2020-2021.

IX. OTHER MATTERS/ADJOURNMENT

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

AIMEE E. PEDAYO
Asst. Corporate Secretary

TALLIES OF THE VOTES:

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Stockholders' Meeting held on 04 June 2020	**1,358,869,398** shares or **99.97%** of the total outstanding shares of stock present in the meeting.	NONE	**367,450 shares** or **0.00%** of the total issued and outstanding shares of stock present in the meeting.
Approval of the Annual Report to the Stockholders for the fiscal year ending 30 September 2020	**1,358,869,398** shares or **99.97%** of the total outstanding shares of stock present in the meeting.	NONE	**367,450** shares or **0.00%** of the total issued and outstanding shares of stock present in the meeting.
Approval of all acts and resolutions of the Board of Directors and Management	**1,358,869,398** shares or **99.97%** of the total outstanding shares of stock present in the meeting.	NONE	**367,450** shares or **0.00%** of the total issued and outstanding shares of stock present in the meeting.
Election of the Board of Directors	**1,359,236,848** shares or **100%** of the total outstanding shares of stock present in the meeting.	NONE	NONE
Election of the external auditors	**1,359,236,848** shares or **100%** of the total outstanding shares of stock present in the meeting.	NONE	NONE

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	-	1	5	A					

COMPANY NAME

R	O	X	A	S		H	O	L	D	I	N	G	S	,		I	N	C	.		A	N	D							
S	U	B	S	I	D	I	A	R	I	E	S																			

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

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	e	t	r	o		M	a	n	i	l	a																			

Form Type

1	7	-	Q

Department requiring the report

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corporatesecretary@rhi.com.ph	(02) 8771-7800	09985914710

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
2,077	March 17	September 30

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Hazel L. Rabara-Retardo	hazel.rabara@rhi.com.ph	(02) 8810-8901	–

CONTACT PERSON's ADDRESS

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

NOTE 1 *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SEC Number PW 15
File _____

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

(Company's Full Name)

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

(Company's Address)

(632) 8771-7800

(Company's Telephone Number)

September 30, 2022

(Fiscal Year Ending)

SEC Form 17-Q

(Form Type)

Amended Designation (If Applicable)

December 31, 2021

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 2021**

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, INC.)**

5. Province, country or other jurisdiction of incorporation or organization
   Philippines

6. Industry Classification Code:

7. Address of principal office — Postal Code
   14th Floor, Net One Center, 26th corner 3rd Avenue, Bonifacio Global City, Taguig, Metro Manila — **1634**

8. Registrant's telephone number, including area code
   (632) 8771-7800

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:	2,000,000,000
No. of common shares issued and outstanding	1,547,935,799
No. of preferred shares issued and outstanding	-

11. Are any or all of these securities listed on the Philippine Stock Exchange.

    Yes [**X**] 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, 2021 (With Comparative Audited Figures as at September 30, 2021)
and for the Three-Month Periods Ended December 31, 2021 and 2020

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021

(*With Comparative Audited Balances as at September 30, 2021)*

(Amounts in Thousands)

	Note	**December 31, 2021 (Unaudited)**	September 30, 2021 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	3	**₱585,287**	₱58,974
Trade and other receivables	4	**645,160**	533,127
Inventories	5	**1,047,081**	554,573
Other current assets	6	**379,022**	170,927
		2,656,550	1,317,601
Noncurrent Assets			
Property, plant and equipment:	7		
At cost		**4,901,372**	4,849,977
At revalued amount		**4,512,884**	4,512,884
Investment properties		**415,658**	415,658
Retirement assets – net		**48,590**	48,590
Other noncurrent assets		**1,594,152**	1,593,583
		11,472,656	11,420,692
		₱14,129,206	₱12,738,293
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term borrowings	8	**₱201,800**	₱1,710,800
Trade and other payables	11	**2,396,898**	1,591,876
Income tax payable		**1,697**	1,698
		2,600,395	3,304,374
Noncurrent Liabilities			
Long-term borrowings - net of current portion	9	**4,720,023**	3,236,000
Convertible note – net	10	**718,210**	–
Retirement liabilities -net		**365,213**	353,333
Deferred tax liabilities - net		**686,344**	686,344
Other noncurrent liabilities		**2,434**	1,500
		6,492,224	4,277,177
Total Liabilities		**9,092,619**	7,581,551

(Forward)

	Note	**December 31, 2021 (Unaudited)**	September 30, 2021 (Audited)
Equity Attributable to the Equity Holders of the Parent Company	12		
Capital stock		**₱1,565,579**	₱1,565,579
Additional paid-in capital		**2,842,183**	2,842,183
Treasury stock		**(52,290)**	(52,290)
Equity portion of convertible note		**75,790**	–
Other equity items and reserves		**3,890,961**	3,890,961
Deficit		**(3,320,916)**	(3,125,997)
		5,001,307	5,120,436
Non-controlling Interests		**35,280**	36,306
		5,036,587	5,156,742
		₱14,129,206	₱12,738,293

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2021 AND 2020

(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	Note	Three-Month Period October 1 to December 31 (Unaudited) **2021**	2020
REVENUE FROM CONTRACTS WITH CUSTOMERS	14	**₱715,675**	₱351,973
COST OF SALES	15	**(704,742)**	(339,173)
GROSS INCOME		**10,933**	12,800
OPERATING EXPENSES	16	**(125,460)**	(173,822)
INTEREST EXPENSE	8, 9	**(79,763)**	(89,191)
OTHER INCOME (EXPENSE) – Net	18	**(1,650)**	10,403
LOSS BEFORE INCOME TAX		**(195,940)**	(239,810)
INCOME TAX EXPENSE			
Current		**(5)**	(31)
Deferred		**–**	**–**
		(5)	(31)
NET LOSS		**(₱195,945)**	(₱239,841)
Net loss attributable to:			
Equity holders of the Parent Company		**(₱194,919)**	(₱239,098)
Non-controlling interests		**(1,026)**	(743)
		(₱195,945)	(₱239,841)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Basic		**(₱0.13)**	(₱0.15)
Diluted		**(0.13)**	(0.15)

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2021 AND 2020
(Amounts in Thousands)

	Three-Month Period October 1 to December 31 (Unaudited)	
	2021	2020
NET LOSS	**(₱195,945)**	(₱239,841)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**(₱195,945)**	(₱239,841)
Total comprehensive loss attributable to:		
Equity holders of the Parent Company	**(₱194,919)**	(₱239,098)
Non-controlling interests	**(1,026)**	(743)
	(₱195,945)	(₱239,841)

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, 2021 AND 2020
(Amounts in Thousands)

	Three-Month Period October 1 to December 31 (Unaudited)	
	2021	2020
CAPITAL STOCK	**₱1,565,579**	₱1,565,579
ADDITIONAL PAID-IN CAPITAL	**2,842,183**	2,842,183
TREASURY STOCK	**(52,290)**	(52,290)
EQUITY PORTION OF CONVERTIBLE NOTE	**75,790**	–
OTHER EQUITY RESERVES	**3,890,961**	3,649,712
DEFICIT		
Beginning balance	**(3,125,997)**	(2,191,115)
Net loss attributable to equity holders of the Parent Company	**(194,919)**	(239,098)
	(3,320,916)	(2,430,213)
NON-CONTROLLING INTERESTS		
Beginning balance	**36,306**	36,096
Loss attributable to non-controlling interests	**(1,026)**	(743)
	35,280	35,353
TOTAL EQUITY	**₱5,036,587**	₱5,610,324

See accompanying Notes to Consolidated Financial Statements.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED
DECEMBER 31, 2021 AND 2020
(Amounts in Thousands)

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱195,940)**	(₱239,810)
Adjustments for:		
Interest expense	**79,763**	89,191
Depreciation and amortization	**43,588**	50,342
Retirement expense	**11,879**	21,966
Interest income	**(122)**	(102)
Operating loss before changes in working capital	**(60,832)**	(78,413)
Decrease (increase) in:		
Trade and other receivables	**(104,935)**	385,264
Inventories	**(492,508)**	(78,315)
Other current assets	**(208,103)**	(351,719)
Increase (decrease) in trade and other payables	**876,294**	(440,257)
Net cash generated from (used in) operating activities	**9,916**	(563,440)
Retirement benefits paid	**–**	(50,511)
Income taxes paid	**(6)**	(20)
Interest received	**122**	102
Net cash flows provided by (used in) operating activities	**10,032**	(613,869)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(170,620)**	(55,626)
Decrease (increase) in other noncurrent assets	**(29)**	889
Net cash flows used in investing activities	**(170,649)**	(54,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of convertible note	**794,000**	–
Net payments of short-term borrowings	**(10,000)**	(71,250)
Payments of:		
Interest	**(97,070)**	(111,556)
Principal portion of lease liabilities	**–**	(4,979)
Net cash flows provided by (used in) financing activities	**686,930**	(187,785)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**526,313**	(856,391)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**58,974**	888,597
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱585,287**	₱32,206

See accompanying Notes to 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 Philippine Securities and Exchange Commission (SEC) on October 30, 1930 for the purpose of operating mill and refinery facilities to manufacture sugar and allied products.

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).

On February 1, 2017, the Board of Directors (BOD) approved the issuance of convertible debt securities amounting to ₱523,750,000 to FPNRH, convertible to 125,000,000 million common shares of RHI at the option of the holder and bears annual interest at 3%.

On February 15, 2017, the shareholders approved the amendment of the Parent Company's articles of incorporation to increase the authorized capital stock from ₱1,500,000,000 to ₱2,000,000,000 divided into 2,000,000,000 with par value of ₱1.00 per share. On the same day, the shareholders approved the subsequent application of the convertible note as subscription to 125,000,000 common shares arising from the increase in authorized capital stock at a conversion rate of ₱4.19 for every common share.

On July 14, 2017, the SEC approved the Parent Company's application for increase in authorized capital stock using the convertible debt securities as payment for subscription. Accordingly, FPNRH interest on the Parent Company increased from 27% to 32%.

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 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, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on February 3, 2021.

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 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, 2021, 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, 2021 as summarized below.

Effective beginning on or after January 1, 2021 (October 1, 2021 for the Group)

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Group is not required to restate prior periods.

Effective beginning on or after January 1, 2022 (October 1, 2022 for the Group)

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- Amendments to PAS 16 , *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

o Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

  The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023 (October 1, 2023 for the Group)

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all

types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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.

Presented on the next page is the list of the subsidiaries.

	Percentage of Ownership		Noncontrolling interest			
	2021	2020	**2021**	2020	Nature of Business	Principal Place of Business
Central Azucarera Don Pedro, Inc. (CADPI)	**100.00%**	100.00%	**–**	–	Production and selling of raw and refined sugar, molasses and related products	Taguig City and Nasugbu, Batangas
Central Azucarera de la Carlota, Inc. (CACI)	**100.00%**	100.00%	**–**	–	Production and selling of raw sugar and molasses	Taguig City and Negros Occidental
CADP Insurance Agency, Inc. (CIAI)	**100.00%**	100.00%	**–**	–	Insurance agency	Makati City
Roxol Bioenergy Corp. (RBC)	**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%	**–**	–	Providing ancillary services	Makati City
RHI Agri-Business Development Corporation (RABDC)	**100.00%**	100.00%	**–**	–	Agricultural business	Makati City
Roxas Pacific Bioenergy Corporation (RPBC)	**100.00%**	100.00%	**–**	–	Holding company for bioethanol investments	Negros Occidental
RHI Pacific Commercial Corp. (RHIPCC) [(1)]	**100.00%**	100.00%	**–**	–	Selling arm of products of RHI Group	Makati City
San Carlos Bioenergy, Inc. (SCBI) [(2)]	**93.35%**	93.35%	**6.65%**	6.65%	Production and selling of bioethanol fuel	Negros Occidental
Roxas Power Corporation (RPC)	**50.00%**	50.00%	**50.00%**	50.00%	Sale of electricity	Nasugbu, Batangas
Northeastern Port Storage Corporation (NPSC) [(3)]	**100.00%**	100.00%	**–**	–	Owning the depot and storage facilities used by SCBI	Negros Occidental

(1) *As at September 30, 2021, RHIPCC has not yet started commercial operations*
(2) *Acquired in April 2015 through RPBC*
(3) *Indirect ownership through RPBC*

Non-controlling interests represent the portion of profit or loss and net assets of RPC and SCBI not held by the Group, directly or indirectly, and are presented separately in the consolidated statement of comprehensive income and within the equity section of the consolidated statement of financial position and consolidated statement 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, 2021 (Unaudited)	September 30, 2021 (Audited)
Cash on hand	**₱358**	₱662
Cash in banks and cash equivalents	**584,929**	58,312
	₱585,287	₱58,974

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

4. **Trade and Other Receivables**

This account consists of:

	December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
Trade	**₱620,371**	₱515,064
Due from:		
Planters and cane haulers	**67,926**	70,263
Employees	**27,452**	28,649
Related parties	**10,169**	–
Others	**70,875**	70,784
	796,793	684,760
Allowance for impairment losses	**(151,633)**	(151,633)
	₱645,160	₱533,127

5. **Inventories**

This account consists of:

	December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
At NRV:		
Materials and supplies	**₱237,177**	₱210,099
Molasses	**–**	63,295
Alcohol	**–**	79,251
At cost:		
Raw sugar	**664,078**	35,849
Molasses	**61,493**	–
Refined sugar	**42,189**	157,706
Alcohol	**33,925**	–
Others	**8,219**	8,373
	₱1,047,081	₱554,573

Cost of inventories valued at NRV is shown below:

	December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
Materials and supplies	**₱269,488**	₱247,493
Alcohol	**–**	106,892
Molasses	**–**	80,781
	₱269,488	₱435,166

6. Other Current Assets

This account consists of:

	December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
Deferred milling costs	**₱197,210**	₱5,288
Advances to suppliers	**94,626**	74,953
Input VAT	**42,301**	46,941
Prepayments	**28,897**	27,763
Refundable deposits	**15,988**	15,982
	₱379,022	₱170,927

Input VAT, which includes deferred input VAT, mainly arises from purchases of capital goods and services for operations.

7. Property, Plant and Equipment

Acquisitions and disposals
During the three months ended December 31, 2021, the Group acquired assets amounting to ₱23.2 million excluding property under construction.

The Group also started several capital expenditures. The projects with carrying amount of ₱414.4 million are expected to be completed within a year.

Certain property, plant and equipment with a carrying amount of ₱4,660.5 million were mortgaged and used as collateral to secure the loan obligations with the local banks (see Note 9).

8. Short-term Borrowings

This account consists of unsecured short-term loans obtained from various local banks for working capital requirements of the Group. The short-term borrowings are payable within 30 to 90 days and bear interest ranging from 7.00% to 7.25% and 6.00% to 7.25% for the periods ended December 31, 2021 and September 30, 2021, respectively.

Total interest expense arising from short-term borrowings amounted to ₱27.7 million and ₱88.8 million for the three-month periods ended December 31, 2021 and 2020, respectively.

On September 23, 2020, the Company sent letter request to the major creditor banks for the proposed term out of outstanding short-term loans amounting to ₱4,750 million. As of December 23, 2021, the term out has been duly approved by the creditor banks and converted to long-term borrowings (see Note 9).

During the three months ended December 31, 2021, the Group paid a total of ₱10.0 million worth of short-term borrowings.

9. 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, 2021**	September 30, 2021
₱2,000.0 million dated September 29, 2021	Payable in equal semi-annual amortization amounting to ₱125.0 million starting December 2023 until June 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 5.75% for two years subject to repricing thereafter	Suretyship agreement and mortgage trust indenture (MTI)	**₱2,000,000**	₱2,000,000
₱1,500.0 million dated December 23, 2021	Payable in quarterly amortization amounting to ₱37.5 million starting December 2022 until September 2024 and a lump sum payment of the remaining balance on December 2024 and bears interest of 6.5% for three years	Mortgage Trust Indenture (MTI)	**1,500,000**	–
₱1,250.0 million dated December 22, 2020	Payable in quarterly amortization amounting to ₱32.9 million for five years starting March 2023 until September 2027 and a lump sum payment of the remaining balance on December 2027 and bears fixed interest of 6.00% for two years subject to repricing thereafter	Mortgage Trust Indenture (MTI)	**1,250,000**	1,250,000
₱2,645.0 million dated August 5, 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 MTI	**–**	1,000
			4,750,000	3,251,000
Unamortized transaction costs			**(29,977)**	(15,000)
Noncurrent long-term borrowings			**₱4,720,023**	₱3,236,000

Suretyship Agreement and Mortgage Trust Indenture

The Group entered into various suretyship agreements and MTI with local bank creditors that secure the Group's obligations in solidarity against all the properties of RHI and CADPI. Property, plant and equipment with a carrying amount of ₱4,660.5 million were mortgaged and used as collateral to secure the loan obligations with the local bank creditors.

Loan Covenants

The foregoing loan agreements are subject to certain covenants, such as but not limited to:

- maintenance of debt service coverage ratio (DSCR) of at least 1.10 times and debt-to-equity ratio of not more than 2.33:1 starting 2023;
- 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; 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.

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

	December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
Between one to two years	**₱427,417**	₱98,670
Between two to three years	**1,710,703**	1,145,680
Between three to five years	**763,120**	–
Between five to seven years	**1,848,760**	2,006,650
	₱4,750,000	₱3,251,000

10. Convertible Note – net

On December 17, 2021, the BOD approved the issuance of convertible debt securities amounting to ₱800 million to Metpower Ventures Partners Holdings, Inc., convertible to 80,000,000 common shares of SCBI at ₱10 value per share at the option of the holder. The convertible note is interest bearing and has a maturity of 7 years.

11. Trade and Other Payables

This account consists of:

	December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
Trade	**₱2,051,785**	₱1,350,406
Accruals for:		
Sugar and molasses purchase	**94,692**	–
Services	**27,317**	15,706
Utilities	**13,365**	12,701
Interest	**8,889**	11,218
Taxes	**8,228**	8,653
Construction in progress	**6,553**	6,553
Offseason costs	**4,145**	–
Payroll and other employee benefits	**3,264**	4,872
Others	**12,051**	25,489
Due to:		
Planters	**13,922**	7,398
Related parties	**7,098**	7,098
Contract liabilities	**40,603**	38,987
Provision for probable loss	**77,318**	77,318
Payable to government agencies for taxes and statutory contributions	**21,019**	17,842
Others	**6,649**	7,635
	₱2,396,898	₱1,591,876

12. **Equity**

Details of capital stock and treasury stock follow:

	December 31, 2021 (Unaudited)		September 30, 2021 (Audited)	
	Number of Shares	**Amount *(in Thousands)***	Number of Shares	Amount *(in Thousands)*
Authorized – common shares "Class A" at ₱1.0 par value	**2,000,000,000**	**₱2,000,000**	2,000,000,000	₱2,000,000
Issued common shares "Class A"	**1,565,579,279**	**₱1,565,579**	1,565,579,279	₱1,565,579
Treasury stock	**(17,643,480)**	**(52,290)**	(17,643,480)	(52,290)
Issued and outstanding	**1,547,935,799**	**₱1,513,289**	1,547,935,799	₱1,513,289

On July 14, 2017, the Parent Company's application for increase in authorized capital stock was approved by SEC. On November 9, 2017, the PSE approved the listing of these newly subscribed 125,000,000 common shares.

13. **Related Party Transactions and Balances**

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

a. The Group made advances to CADPI Retirement Fund, Inc. (CADPIRFI) for a portion of the retirement payments made to the Group's qualified retired employees under defined benefit plan. Advances to CADPIRFI are netted under "Trade and other payables" account.

b. Due to related parties, which are presented as part of "Trade and other payables" account, represents noninterest-bearing payable arising from advances from CADPIRFI.

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, 2021 and 2020. 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 from Contracts with Customers**

The components of revenue are as follows:

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
Sale of goods:		
Alcohol	**₱496,461**	₱236,758
Refined sugar	**207,829**	105,004
Carbon dioxide	**2,052**	1,183
Molasses	**–**	3,292
	706,342	346,237
Sale of services:		
Power	**8,125**	4,532
Farm services	**1,208**	1,204
	9,333	5,736
	₱715,675	₱351,973

15. **Cost of Sales**

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
Direct materials used	**₱520,787**	₱187,404
Fuel and oil	**59,848**	43,902
Depreciation and amortization	**33,808**	34,383
Planters' subsidy and productivity assistance	**28,549**	28,851
Outside services	**22,839**	12,057
Personnel costs	**13,419**	12,691
Communication, light and water	**7,700**	4,708
Others	**17,792**	15,177
	₱704,742	₱339,173

16. **Operating Expenses**

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
General and administrative expenses	**₱122,871**	₱170,043
Selling expenses	**2,589**	3,779
	₱125,460	₱173,822

General and Administrative Expenses

The components of general and administrative expenses are as follows:

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
Personnel costs	**₱71,614**	₱117,015
Depreciation and amortization	**9,780**	15,959
Outside services	**9,117**	9,344
Taxes and licenses	**4,097**	5,092
Professional fees	**2,811**	2,975
Communication, light and water	**1,546**	3,183
Transportation and travel	**462**	890
Others	**23,444**	15,585
	₱122,871	₱170,043

Others mainly pertain to cost incurred for organizational activities, corporate social responsibility, office supplies among others.

Selling expenses mainly pertain to sugar liens and dues, delivery charges and monitoring fees paid to various regulatory agencies prior to sale of sugar.

17. **Personnel Costs**

Personnel costs are allocated as follows:

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
Costs of goods sold	**₱13,419**	₱12,691
General and administrative expenses	**71,614**	117,015
	₱85,033	₱129,706

18. **Other Income (Expense)** - Net

This account consists of:

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
Storage, handling and insurance fees	**₱1,031**	₱16
Rent income	**548**	102
Interest income	**122**	102
Others	**(3,351)**	10,183
	(₱1,650)	₱10,403

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 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.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and the related financial assets used for liquidity management.

	December 31, 2021				
	On demand	Less than one year	Over 1 year but less than 2 year	Over 2 year	Total
Financial assets:					
Cash and cash equivalents	**₱585,287**	**₱–**	**₱–**	**₱–**	**₱585,287**
Trade receivables***	**135,568**	**367,267**	**–**	**–**	**502,835**
Due from employees***	**27,319**	**–**	**–**	**–**	**27,319**
Due from related parties	**10,169**	**–**	**–**	**–**	**10,169**
Other receivables***	**68,666**	**–**	**–**	**–**	**68,666**
Refundable deposits	**15,988**	**–**	**–**	**–**	**15,988**
	842,997	**367,267**	**–**	**–**	**1,210,264**
Financial liabilities					
Trade and other payables**	**267,766**	**2,030,795**	**–**	**–**	**2,298,561**
Short-term borrowings*	**–**	**216,431**	**–**	**–**	**216,431**
Noncurrent portion of long term borrowings*	**–**	**281,396**	**701,414**	**4,926,183**	**5,908,993**
	267,766	**2,528,622**	**701,414**	**4,926,183**	**8,423,985**
Liquidity position (gap)****	**₱575,231**	**(₱2,161,355)**	**(₱701,414)**	**(₱4,926,183)**	**(₱7,213,721)**

**Includes expected future interest payments for short-term and long-term borrowings amounting to ₱14.6 million and ₱1,189.0 million, respectively.*

*** Excludes payables to government agencies amounting to ₱21.0 million and provision for losses amounting to ₱77.3 million.*

****Net of related allowances for impairment losses totaling ₱119.9 million.*

	September 30, 2021				
	On demand	Less than one year	Over 1 year but less than 2 year	Over 2 year	Total
Financial assets:					
Cash and cash equivalents	₱58,974	₱–	₱–	₱–	₱58,974
Trade receivables***	62,870	334,658	–	–	397,528
Due from employees***	28,516	–	–	–	28,516
Other receivables***	68,575	–	–	–	68,575
Refundable deposits	15,982	–	–	–	15,982
	234,917	334,658	–	–	569,575
Financial liabilities					
Trade and other payables**	162,676	1,334,040	–	–	1,496,716
Short-term borrowings*	–	1,813,448	–	–	1,813,448
Noncurrent portion of long-term borrowings*	–	190,066	287,249	3,722,510	4,199,825
Lease liabilities	–	9,811	255	488	10,554
	162,676	3,347,365	287,504	3,722,998	7,520,543
Liquidity position (gap)****	₱72,241	(₱3,012,707)	(₱287,504)	(₱3,722,998)	(₱6,950,968)

**Includes expected future interest payments for short-term and long-term borrowings amounting to ₱102.6 million and ₱963.8 million, respectively.*
*** Excludes payables to government agencies amounting to ₱17.8 million and provision for losses amounting to ₱77.3 million.*
****Net of related allowances for impairment losses totaling ₱99.6 million.*
*****Liquidity position is expected to improve within the next 12 months as the Group is continuously in coordination with respective banks for the refinancing of short-term obligations for a minimum period of at least 3 years after September 30, 2021 (see Note 8 and 9).*

Credit risk

Credit risk is the risk that the Group incurs a loss because its customers, clients or counterparties failed to discharge their contractual obligation. To mitigate this risk, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which includes evaluation of the customers' financial standing and determination of allowable credit limit and credit terms. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group does not have significant concentrations of credit risk as the Group's customers and dealers are dispersed throughout the country.

To reduce the Group's exposure to bad debts, the Group took a conservative approach in its credit risk management. A policy has been developed to ensure that processes and risk-aversion are carefully observed to eliminate dealings with business entities that may pose collection issues in the future. This policy reinforces the Group's procedures for identifying and managing exposures to credit risk. Since the Group trades only with recognized third parties, there is no requirement for collateral.

With respect to credit risk arising from other financial assets of the Group which consist of cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancements held over these assets.

a. Risk concentrations of the maximum exposure to credit risk

   There is a significant concentration of credit risk within the Group given that the Group has limited creditors, stockholders and local banks.

With respect to credit risk arising from the Group's financial assets, which comprise cash and receivables, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

b. As at December 31, 2021 and September 30, 2021, the analysis of financial assets follows:

	December 31, 2021			
	Neither Past Due nor Impaired	**Past Due but not Impaired**	**ECL**	**Net of allowance for doubtful accounts**
Loans and receivables:				
Cash and cash equivalents*	**₱584,929**	**₱–**	**₱–**	**₱584,929**
Trade and other receivables				
Trade receivables	**367,267**	**253,104**	**(117,536)**	**502,835**
Due from employees	**27,319**	**133**	**(133)**	**27,319**
Due from related parties	**10,169**	**–**	**–**	**10,169**
Other receivables	**–**	**70,875**	**(2,209)**	**68,666**
Refundable deposits	**15,988**	**–**	**–**	**15,988**
	₱1,005,672	**₱324,112**	**(₱119,878)**	**₱1,209,906**

**Excluding cash on hand amounting to ₱0.4 million.*
***Included as part of other current assets (see Note 6)*

	September 30, 2021			
	Neither Past Due nor Impaired	Past Due but not Impaired	ECL	Net of allowance for ECL
Loans and receivables:				
Cash and cash equivalents*	₱58,312	₱–	₱–	58,312
Trade and other receivables				
Trade receivables	351,545	163,519	(117,536)	397,528
Due from employees	–	28,649	(133)	28,516
Other receivables	–	70,784	(2,209)	68,575
Refundable deposits**	15,982	–	–	15,982
	₱425,839	₱262,952	(₱119,878)	₱568,913

**Excluding cash on hand amounting to ₱0.7 million.*
***Included as part of other current assets (see Note 6)*

The Group's neither past due nor impaired receivables are high grade receivables which, based on experience, are highly collectible and exposure to bad debt is not significant.
As at December 31, 2021 and September 30, 2021, the age of the entire Group's past due but not impaired receivables is over 60 days.

Trade Receivables
The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are determined based on the Group's historical observed default rates analyzed in accordance to days past due by grouping of customers based on customer type and channels. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factors affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix as of December 31, 2021 and September 30, 2021.

	December 31, 2021					
		Days past due				
	Current	<30 days	30-60 days	61 to 90 days	> 90 days	Total
Estimated credit loss rate	**2%**	**8%**	**44%**	**90%**	**35%**	**19%**
Estimated total gross carrying amount at default	**₱212,446**	**₱139,811**	**₱15,010**	**₱10,558**	**₱242,546**	**₱620,371**
Expected credit loss	**4,249**	**11,185**	**6,604**	**9,502**	**85,996**	**117,536**

	September 30, 2021					
		Days past due				
	Current	<30 days	30-60 days	61 to 90 days	> 90 days	Total
Estimated credit loss rate	2%	8%	44%	90%	37%	23%
Estimated total gross carrying amount at default	₱144,116	₱207,428	₱54,532	₱65,858	₱43,130	₱515,064
Expected credit loss	2,406	15,912	24,115	59,278	15,825	117,536

c. Impairment analysis

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For due from related parties, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type or by payors). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, due from related parties are written-off if the account is at least one year past due and are deemed uncollectible after subjecting to all possible collection effort activities. No ECL was recognized on due from related parties as of December 31, 2021 and September 30, 2021.

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 interest-bearing financial liabilities. The interest rates on these liabilities are disclosed in Notes 8 and 9.

The loans amounting to ₱4,951.8 million and ₱4,961.8 million as at December 31, 2021 and September 30, 2021, respectively, bear floating interest and expose the group to interest rate risk.

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, 2021 and September 30, 2021.

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.

Fair Values

The carrying amounts of the Group's financial assets and liabilities approximate their fair values due to their short-term nature or the interest rates that they carry approximate the interest rate on comparable instruments in the market. For the long term loans, these are subject to both fixed and floating rates.

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 to and from related parties, due from employees, 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, 2021 and September 30, 2021 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 two reportable segments: sugar and alcohol. The Group's sugar segment consists of two operating subsidiaries: CADPI and RABDC that manufactures and sells raw and refined sugar, molasses and provides tolling and farm operations services. The alcohol segment consists of one operating subsidiary, SCBI, that manufactures and sells bioethanol fuel.

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-Month Periods Ended December 31, 2021 (Unaudited)			
	Sugar	**Alcohol**	**Eliminations**	**Consolidated**
Revenue:				
External customers	**₱209,036**	**₱506,639**	**₱–**	**₱715,675**
Inter-segment	**142**	**–**	**(142)**	**–**
Cost of goods sold:				
Direct materials used	**192,683**	**328,104**	**–**	**520,787**
Planters' subsidy and productivity assistance	**–**	**28,549**	**–**	**28,549**
Depreciation and amortization	**5,997**	**27,811**	**–**	**33,808**
Fuel and oil	**–**	**59,848**	**–**	**59,848**
Interest expense	**79,763**	**–**	**–**	**79,763**
Segment loss	**(180,283)**	**(15,662)**	**–**	**(195,945)**

	Three-Month Periods Ended December 31, 2020 (Unaudited)			
	Sugar	Alcohol	Eliminations	Consolidated
Revenue:				
External customers	₱109,500	₱242,473	₱–	₱351,973
Inter-segment	22,217	279	(22,496)	–
Cost of goods sold:				
Direct materials used	110,362	96,279	(19,237)	187,404
Planters' subsidy and productivity assistance	3,959	24,892	–	28,851
Depreciation and amortization	6,093	28,290	–	34,383
Fuel and oil	–	43,902	–	43,902
Interest expense	82,331	6,860	–	89,191
Segment loss	(229,150)	(10,691)	–	(239,841)

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 Interim Condensed Consolidated Financial Statements as at and for three-month periods ended December 31, 2021 and 2020.

Financial Highlights and Key Performance Indicators

	December 31, 2021	September 30, 2021	Increase (Decrease)	
Amounts in Millions except Shares	**(Unaudited)**	(Audited)	Amount	%
Balance Sheet				
Fixed assets	**₱9,830**	₱9,779	51	1%
Total assets	**14,129**	12,738	1,391	11%
Shareholders' equity	**5,037**	5,157	(120)	(2%)
Net debt [(1)]	**5,055**	4,888	167	3%
Equity ratio	**35.7%**	40.5%	(4.8%)	(12%)
Net debt as % of equity	**1.00x**	0.95x	0.05	5%
Shares				
Market capitalization	**1,610**	1,935	(325)	(17%)
Total shares issued	**1,548**	1,548	–	–
Closing price per share	**1.04**	1.25	(0.21)	(17%)

	Three Months Ended December 31 (Unaudited)		Increase (Decrease)	
Amounts in Millions except Operational Data	**2021**	2020	Amount	%
Revenue and Earnings				
Revenue	**₱716**	₱352	₱364	103%
Gross loss	**11**	13	(2)	(15%)
Depreciation	**119**	121	(2)	(2%)
Operating expenses	**125**	174	(49)	(28%)
Interest expense	**80**	89	(9)	(10%)
Net loss	**(196)**	(240)	44	18%
EBITDA	**3**	(30)	33	110%
EBITDA margin [(2)]	**(0.4%)**	(8%)	8%	100%
Return on equity	**(3.9%)**	(4.3%)	0.4%	9%
Income (loss) per share	**(0.13)**	(0.15)	0.02	13%
Cash Flow and Investments				
Cash flow provided by operations	**10**	(614)	624	102%
Investment in fixed assets	**171**	56	115	205%
Operational Data *(volume in thousands)*				
Production - Ethanol (liters)	**7,418**	5,656	1,762	31%

(1) Net debt is derived by deducting cash and cash equivalents from total debt (short-term borrowings, convertible note 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 is computed as the gross amount of raw sugar output of CADPI.

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' funds 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.

- 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.

- RHI Agri-Business Development Corporation (RHIADC), located in Batangas City, manages and operates agricultural land and planting and cultivation of sugar cane and other farm products, has started commercial operations as at September 30, 2016.

Results of Operations

Revenues

	Three Months Ended December 31 (Unaudited)		Increase (Decrease)	
Amounts in Millions	**2021**	2020	Amount	%
Refined sugar	**₱208**	₱105	₱103	98%
Molasses	**–**	3	(3)	(100%)
	208	108	100	93%
Alcohol	**496**	237	259	109%
Others	**12**	7	5	71%
	₱716	₱352	₱364	103%

Consolidated revenues for the three months ended December 31, 2021 amounted to ₱715.7 million, ₱363.7 million or 103% higher than the ₱352.0 million consolidated revenues reported in the same period in 2020, primarily due to increase in volume sold brought about by increase in ethanol production and carry over refined sugar inventory.

Sugar – Revenue from sugar operations increased by ₱99.7 million or 93% against last year's revenue of ₱108.3 million due to increase in volume sold and higher sugar prices. Refined sugar sales volume increased by 47 Lkg or 85% versus last year's sales volume of 55 Lkg and average selling price per Lkg of refined sugar price increased to ₱2,047 in current year from ₱1,914 in 2020.

Alcohol – Revenue from alcohol operations amounted to ₱496.5 million and ₱236.8 million in 2021 and 2020, respectively. The increase of ₱259.7 million is due to higher volume sold in 2021 by 102%.

Other income – Other revenues pertains to sale of power and CO_2 of SCBI and sale of sugar cane and farm services of ADC.

Gross Profit

The gross profit of the Group for the three months ended December 31, 2021 amounting to ₱10.9 million is ₱1.9 million or 15% lower than the ₱12.8 million in 2020. The decrease in gross profit is attributable to lower gross margin from ethanol due to decreased alcohol yield from cane syrup and low steam pressure.

Sugar – The sugar operation's gross income of ₱8.6 million is higher by ₱2.9 million from ₱5.7 million reported in the same period in 2020 primarily due to high carry over refined sugar inventory.

Alcohol – The gross profit of alcohol for the three months ended December 31, 2021 is ₱4.8 million lower from ₱7.1 million gross loss in the same period in 2020. Gross profit rate decreased to 0.5% in 2021 from gross profit rate of 2.9% in 2020 due to high feedstock cost and lower yield. Ethanol production for the three months ended December 31, 2021 increased by 1.8 million liters or 31% from 5.7 million liters production in 2020.

Operating Expenses

	Three Months Ended December 31 (Unaudited)		Increase (Decrease)	
Amounts in Millions	**2021**	2020	Amount	%
Salaries, wages and other employee benefits	**₱72**	₱117	(₱45)	(38%)
Depreciation and amortization	**10**	16	(6)	(38%)
Outside services	**9**	9	–	–
Taxes and licenses	**4**	5	(1)	(20%)
Selling expenses	**3**	4	(1)	(25%)
Communication, light and water	**2**	3	(1)	(33%)
Professional fees	**3**	3	–	–
Transportation and travel	**–**	1	(1)	(100%)
Others	**22**	16	6	38%
	₱125	₱174	(₱49)	(28%)

Consolidated operating expenses for the three months ended December 31, 2021 decreased by ₱48.3 million or 28% compared to the same period in 2020.

Interest

Interest expense amounted to ₱79.8 million for the three months ended December 31, 2021, which is 11% or ₱9.4 million lower than the ₱89.2 million reported in the same period in 2020, due to refinancing of long-term loans in 2021.

Net Loss

Consolidated net loss for the three months ended December 31, 2021 amounted to ₱195.9 million, which is ₱43.4 million lower than the ₱239.8 million net loss reported in the same period in 2020. Consequently, loss per share is ₱0.13 and ₱0.15 for the three months ended December 31, 2021 and 2020, respectively.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for the three months ended December 31, 2021 is higher by ₱32.4 million or 110% than ₱29.6 million losses reported in the same period in 2020.

Financial Condition

Consolidated total assets as at December 31, 2021 amounted to ₱14,129.2 million, which is ₱1,390.9 million higher than the ₱12,738.3 million as at September 30, 2021. Current assets increased by ₱1,338.9 million from ₱1,317.6 million as at September 30, 2021 to ₱2,656.6 million as at December 31, 2021. Receivables increased by ₱112.0 million due to higher sales while inventories increased by ₱492.5 million as a result of increased production in 2021.

During the three months ended December 31, 2021, the Group paid a total of ₱10.0 million worth of short-term borrowings and issued ₱800.0 million debt securities convertible to 80.0 million common shares at the option of the holder.

Trade and other payables amounted to ₱2,396.8 million as at December 31, 2021, which is ₱805.3 million higher than ₱1,591.9 million as at September 30, 2021.

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**
CELSO T. DIMARUCUT	**President and CEO**
CHRISTOPHER H. YOUNG	**Director**
RAY C. ESPINOSA	**Director**
ALEX ERLITO S. FIDER	**Director**
SANTIAGO T. GABIONZA, JR.	**Independent Director**
OSCAR J. HILADO	**Independent Director**
ARLYN S. VILLANUEVA	**Independent Director**

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

   See unaudited 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**

SIGNATURES

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.

Signature and Title:

ATTY. AIMEE E. PEDAYO
Asst. Corp. Secretary

VERONICA C. CORTEZ
VP – Finance and Administration

February 3, 2021

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX A. AGING OF TRADE AND OTHER RECEIVABLES
AS AT DECEMBER 31, 2021 AND SEPTEMBER 30, 2021
(Amounts in Thousands)

	December 31, 2021						
		Past due but not impaired					
	Current	**1-30 days**	**31-60 days**	**Over 60 days**	**Subtotal**	**Impaired**	**Total**
Trade	**₱212,446**	**₱139,811**	**₱15,010**	**₱135,568**	**₱290,389**	**₱117,536**	**₱620,371**
Due from:							
Planters	**36,171**	**–**	**–**	**–**	**–**	**31,755**	**67,926**
Employees	**27,319**	**–**	**–**	**–**	**–**	**133**	**27,452**
Related parties	**10,169**	**–**	**–**	**–**	**–**	**–**	**10,169**
Other receivables	**–**	**–**	**–**	**68,666**	**68,666**	**2,209**	**70,875**
	₱286,105	**₱139,811**	**₱15,010**	**₱204,234**	**₱359,055**	**₱151,633**	**₱796,793**

	September 30, 2021						
		Past due but not impaired					
	Current	1-30 days	31-60 days	Over 60 days	Subtotal	Impaired	Total
Trade	₱144,116	₱152,896	₱54,532	₱45,984	₱253,412	₱117,536	₱515,064
Due from:							
Planters	38,508	–	–	–	–	31,755	70,263
Employees	28,516	–	–	–	–	133	28,649
Other receivables	–	–	–	68,575	68,575	2,209	70,784
	₱211,140	₱152,896	₱54,532	₱114,559	₱321,987	₱151,633	₱684,760

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

ANNEX B. FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2021 AND 2020

		December 31	
		2021	2020
Current ratio	Current assets/Current liabilities	**1.02**	0.38
Debt to equity ratio	Total liabilities/Total equity	**1.81**	1.34
Asset to equity ratio	Total assets/Total equity	**2.81**	2.34
Return on assets	Net income/Total assets	**(1.4%)**	(1.8%)
Return on equity	Net income/Total equity	**(3.9%)**	(4.3%)
Book value per share	Total equity/Outstanding shares	**3.3**	3.6

Reply all Delete Junk Block ···

Re: Roxas Holdings, Inc - SEC 17Q (Quarterly Report)

IS

ICTD Submission
<ictdsubmission+canned.response@sec.gov.ph>
Fri 2/4/2022 1:25 PM
To: Corporate Secretary

***** This is an external email. Please be cautious in opening links even if it's from a trusted contact. *****

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

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NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.