MINUTES OF THE ANNUAL MINUTES OF STOCKHOLDERS
ROXAS HOLDINGS, INC.
Held at the Turf Room, Manila Polo Club, Forbes Park, Makati City
20 February 2013 at 10:00 o'clock a.m.

I. CALL TO ORDER.

The Chairman, Mr. Pedro E. Roxas, called the meeting to Order while the Corporate Secretary, Atty. Lorna P. Kapunan, recorded the minutes of the proceedings.

II. CERTIFICATION OF MEETING.

The Corporate Secretary, Atty. Lorna P. Kapunan, 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 seventy-one and 76/100 percent (71.76%) of the outstanding capital stock of the corporation and, therefore, a quorum exists for the valid transaction of any business that may come before the meeting.

III. READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING.

On motion duly made and seconded, the stockholders dispensed with the reading of the minutes of the annual meeting of stockholders of the corporation held on 15 February 2012 and ratified the same.

IV. PRESENTATION AND APPROVAL OF THE ANNUAL REPORT.

Operational Highlights

The Chairman, Mr. Pedro E. Roxas (Mr. Roxas), presented the highlights of the annual report to shareholders. Mr. Roxas stated that the past fiscal year was a momentous one for Roxas Holdings, Inc. (RHI) as it embarked on a journey that saw it break records. He further stated that the previous fiscal year was a period that sharpened the Company's sense in responding to unexpected challenges and redefined its views in doing business and preserving its niche in the highly competitive sugar industry.

Mr. Roxas also reported that RHI implemented a change that moved the close of its fiscal year to September instead of June. He further said that RHI has recovered from the staggering losses recorded in the previous year and it now endeavours to create more value for its shareholders and deliver exceptional quality in its products to customers and in its service to the communities where it operates.

Mr. Roxas further reported that the company's net income after tax and those of its subsidiaries hit a record of P667.4 million for fiscal year ending September 2012, a complete turnaround from the

P1.5 billion consolidated net loss of the previous year. He mentioned too that its Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) – an approximate measure of the Company's operating cash flow, stood at P1. 6 billion, 105% higher than the P784 million in FY 2011 and which surpassed the P1 billion-mark RHI clinched in 2010.

On the highlights of operations, Mr. Roxas reported that while revenues dipped slightly to P7.7 billion from P8 billion in 2011 due to prevailing high prices of sugar at the time, the past fiscal year ushered in an improvement in capacity utilization at the Group's refinery and milling sites in Batangas and Negros Occidental. CADPI's utilization rate for its refinery for the crop year was at a record-high of 81%, up from 72% of crop year 2010-2011. However, the utilization rate for CADPI's mill dropped to 77% in the past crop year from 85% in the previous year. But for CACI's mill, capacity utilization rate jumped to 51% from 49% previously. RHI's operating performance also improved with gross profit at P1.7 billion, the most profitable ever for the Company, from only P226 million in 2011. He also reported that the cost of goods sold for the period dropped from P7.7 billion in 2011 to P6 billion in 2012. This significant cost reduction is attributed to the strategic use of the same amounts of bagasse at the mills which generated higher levels of steam and electricity

Mr. Roxas moreover stated that a new management team was formed in November 2011 led by President and Chief Executive Officer Renato C. Valencia which took over the full responsibilities for the Company in January 2012, and had since then, embarked on a determined course to take RHI to the next level and turn the Company's operations around. He stated that the new management team had successfully implemented a clear-cut approach anchored on initiatives which catapulted RHI back in the black at the quickest time in less than 12 months.

Mr. Roxas also stated that margin management and cost reduction were on top of the team's priorities, creating a synergistic balance to stabilize RHI's finances. The new management is also rationalizing RHI's business segments, considering the expansion of the three corporate profit centres, namely: CADPI, CACI and ROXOL to five economic units, to wit: CADPI Sugar Mill, CADPI Refinery, CAC Sugar Mill, ROXOL Alcohol Plant, and Marketing and Trading. He reported too that repairs of equipment and upgrades of other facilities were also put in place in the past few months, resulting in an improved level of capacity utilization across RHI's plants in Batangas and Negros Occidental. The capacity utilization of mills is targeted to reach an average of 85% by 2015.

Mr. Roxas mentioned that RHI values its people and regards them as crucial partners in achieving the goals of the organization. As part of its commitment to strike a balance in managing the interests of the employees and the organization, the new team put in place a program to streamline the Group by zeroing in on key roles and offering a redundancy program that a significant number of employees of RHI and its subsidiaries availed.

Mr. Roxas also explained that the new management team upgraded the plants and calibrated their efficiencies to bring about synchronized and improved production levels that would reduce operating costs by half in 2015. Thus, the team is working on further expanding the suppliers to enable it to respond quickly to erratic changes, especially in the global economy. Also of paramount importance to the team is the implementation of tighter controls to reduce wastes and losses, which are intertwined. Reducing factory wastes translate to considerable savings for the Company and proper use and disposal of factory wastes will go a long way in improving the margins of RHI and its subsidiaries.

Mr. Roxas further stated that in 2015 the Philippine sugar industry will have to face the major challenges that come with the reduction of tariff to five per cent from 48% in 2010 under the Asean Free Trade Area Common Effective Preferential Tariff (AFTA-CEPT) Scheme. This will inevitably pave the entry of cheaper imported Thai sugar into the Philippines, which could result to a) idling of marginal sugar lands or shift to other crops, thus, reducing cane supply for mills that are already saddled with over capacity; b) mill viability to be affected by low mill capacity utilization; and c) reduction in planters' trucking allowance.

Given this backdrop, Mr. Roxas said that RHI has to step up and become globally competitive in order to retain its legacy for over eight decades, and enlarge its market share – not only in the Philippines and the Asia Pacific region, but in the international space as well. While the looming tariff reduction may seem a tall order, RHI stands prepared and is confident that this vision will become a reality with its three-year plan, embodied in a seven-pronged strategic program and encapsulated into two major points: cost reduction and margins improvement.

Mr. Roxas explained that RHI cannot do it alone although it is considered as among the country's key industry players. It will need the support of its partners and the government to become globally competitive and able to leave imprints in the international arena. The local sugar industry has no dedicated fund to draw from to enrich research and development, and beef up sugar production. It is a totally different scenario in Thailand where a seven percent (7%) VAT on sugar is channeled back to the industry in the form of farm mechanization, research and development, and credit supplement. He stated that support for the move to create a Sugar Fund is crucial if we are to see the Philippine sugar industry in a different light in the years to come because with the creation of the Sugar Fund, our sugar planters can soon be at par with those in Thailand who enjoy higher productivity at lower costs.

He stated that one of the proposed methods to improve productivity is block farming. Although restrictions brought about by land reform such as the Comprehensive Agrarian Reform Program (CARP) and Comprehensive Agrarian Reform Program Extension with Reforms (CARPER) temper attempts to accumulate landholdings and achieve economies of scale, it is imperative for the government to have the political backbone to embolden owners of small sugar cane farms to consolidate their landholdings into blocks to increase farm productivity by about 50% from two bags to 2.9 bags of sugar per hectare.

Finally, he stated that with all these positive expectations, RHI and the Philippine sugar industry have every reason to look forward to a bright tomorrow. The company needs to take tremendous strides toward the achievement of its goals and vision for the coming years, especially with the dawn of the tariff reduction scheme for the sugar industry. RHI should prepare for the future and expect to carve a larger market niche not only within the confines of the Philippines and Asia, but beyond the region's geographic boundaries and into the exceedingly challenging but promising global markets.

Financial Highlights

The PCEO, Mr. Renato Valencia (Mr. Valencia), on the other hand, reported on the financial highlights. He stated that despite the global economic slowdown in 2012, the Philippine economy remained buoyant which US$21.4B OFW annual remittances growing at 6.33%, US$84.2B GIR towards year-end, a strong currency, low inflation, a strong and sound banking system and a robust GDP growth rate of 6.6%.

Mr. Valencia stated that for the crop year 2012, the Philippines produced only 2.24M metric tons of raw sugar or 6.28% more than the previous year's 2.4M metric tons which was boosted by unexpected bumper crop. He further stated that the sugar consumption however, registered a strong growth of 1.72B metric tons in 2011 to 2.1B metric tons in 2012 indicating less smuggled sugar. He reported that the company produced 316,093 metric tons of raw sugar for the crop year, up by 3.67% from the 305,436 metric tons of the previous year, and 113,283 metric tons of refined sugar or 22% higher than the 91,554 metric tons of last year.

Mr. Valencia explained that the group achieved a net income of Php667 million, a complete turnaround from successive losses of Php765 million from July 2011 to September 2011 and Php742million for the 12-month period beginning July 2010 up to June 2011. He further explained that the company's consolidated revenue reached Php7.7 billion or slightly lower than the previous year's revenue of Php8 billion. On the other hand, gross profit amounted to Php1.7 billion compared to the previous year of Php226 million. The gross profit as a percentage of sales was restored to 22% since it declined in 2010. He further explained that these financial results are attributed to the better margin management, improved cost containment and lower interest burden.

In preparation for the reduction of tariff on imported sugar from 48% in 2010 to 5% in 2015, Mr. Valencia discussed that strategic movements are seriously considered by the management to improve the corporate performance. One of these strategies is the expansion of its business model from three (3) corporate business units to five (5) strategic business units namely: CADP Milling, CADP Refinery, CACI Milling, RBC Alcohol and the new unit, Marketing & Trading which must stand on its own and which can be a benchmark here and abroad.

Mr. Valencia further discussed the second strategic movement which is to achieve a cloud based real time Management Information System and decision making. Last year, the unified financial management information system was launched. In the next three (3) years, the company intends to cover other areas such as manufacturing & Quedan issuing and others. Being in the commodity business and to better manage the company's risk, the company is focusing on its risk management system to be able to define the risk appetite of the group and set limits to avoid crisis.

Mr. Valencia also informed that for more effective management of the corporate social responsibility engagement projects, the company devolved its CSR function to Roxas Foundation Inc. which is more focused, better connected and with the communities around the plant sites. He stated too that RHI contributed an amount last Christmas to RFI to fund the schooling of under privileged but deserving students in the communities where the group operates.

Finally, to prepare for the tariff reduction on imported sugar to 5% in 2015, Mr. Valencia informed that the Group intends to do the following: 1) upgrade plant facilities to lower production cost, 2) broaden revenue portfolio to supplement existing sources of revenues like cogeneration, 3) use a digital map for sugarcane farms, 4) prepare for industry consolidation and 5) search for possible JVs in the region.

After the presentation of the Annual Report, Mr. Philip Turner, a stockholder, suggested that the CD format of the Information Statement should include the record date of the stockholders' meeting. The Chairman replied that the suggestion is duly noted.

Mr. Turner further inquired if the company is doing any different in the ethanol production as it encounter problems in its site. Mr. Renato Valencia explained that the management has not yet accepted the plant from KBK of India. He stated too that Roxol have some problems with the Boilers and with the cooling tower and that they are being fixed. He further stated although the plant was not able to meet its total expected volume of 1.7 million liters last year, management is hoping to achieve its target production of 20 to 22million liters of ethanol this fiscal year. Thereafter, on motion duly made and seconded, the Annual Report for the fiscal year ending 30 September 2012 is approved, confirmed and ratified by the majority vote of the stockholders present.

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

On motion duly made and seconded, all acts, proceedings and resolutions of the Board of Directors and Management since the last annual meeting held on 15 February 2012 were approved, confirmed and ratified by the majority vote of the stockholders present.

VI. APPROVAL OF THE EMPLOYEE STOCK OPTION PLAN (ESOP)

Atty. Lorna P. Kapunan was requested by the Chairman, Mr. Pedro E. Roxas, to brief the shareholders on the important details of the Employee Stock Option Plan (ESOP) which the Compensation Committee approved during its regular meeting held on 24 October 2012 and which the Board of Directors also approved during its regular meeting on 12 December 2012.

Atty. Lorna P. Kapunan presented the objectives of the ESOP as follows:

- To allow and encourage employees to share in the ownership and profits of the Company by giving them the opportunity to own shares of stock and to align their interests with those of the shareholders of the Company;

- To enhance employees' loyalty as manifested in their increased commitment, performance and productivity;

- To attract and retain highly competent employees; and

- To provide alternative investment opportunities to employees.

She also presented the material terms of the Stock Option Plan as follows:

a) Stock Subject of the Plan and Distribution.

Under the proposed Employees Stock Option Plan or the ESOP, for brevity, RHI proposes to reserve shares of stock equivalent to 2% of its Authorized Capital Stock of 1.5 Billion shares or thirty million (30,000,000) shares for allocation and distribution by the Administrator of the Plan to all employees of the group. In addition to these shares, an additional five million (5,000,000) RHI shares shall be reserved for allocation and distribution by the Administrator, upon the favorable endorsement of the Compensation Committee, to deserving employees as additional incentive. These shares may come from either the unissued shares or from the company's treasury shares.

b) Subscription Price & Payment Terms.

The company proposes to sell the shares to the employees of the group at the market price of the shares at least thirty (30) trading days prior to the vesting date to be determined by the Administrator of the Plan, discounted at the rate of fifteen (15%). The subscription price shall be paid out of the proceeds of the cash dividends declared on the shares and the share of the employees in the profits of the company that may be granted to them by the Board of Directors.

c) Term of the Plan and Eligibility.

The Employees Stock Option Plan shall have a term of five (5) years and employees who have rendered at least six (6) months of service to the group of companies shall be eligible to participate in the Plan.

d) Exercise of the Option.

An employee may exercise, in whole or in part, his stock option and any stock option that is not exercised shall be forfeited and shall revert to a pool which shall be made available by the Administrator to other employees who desire to purchase additional stock option shares.

e) Pre-emptive Right.

Employees who have acquired the benefits of the Plan shall have no pre-emptive right to subscribe to subscribe to any additional issuance or disposition of the shares of stock of RHI.

f) Assignment of Rights.

The Option granted to employees under the Plan shall be personal to the employee and may not be assigned or transferred to another.

g) Sale, transfer and Conveyance of Shares.

The shares acquired by an employee under the Plan and any rights thereto may not be sold, transferred, assigned, pledged or mortgaged unless the subscription price has been fully paid.

h) Administrator.

The Plan shall be administered by an Administrator to be appointed by the Board of Directors of RHI.

After a brief discussion, a stockholder moved for the approval of Employee Stock Option. Another stockholder seconded the motion. The Chairman placed the motion to a vote and the same was carried.

VI. ELECTION OF THE BOARD OF DIRECTORS.

Atty. Lorna P. Kapunan informed the Chairman, Mr. Pedro E. Roxas, that pursuant to Article 14, Section 1 of the By-Laws of the company, nominations for election to the Board of Directors should be submitted in writing to the Chairman of the Board of Directors at least fifteen (15) working days prior to any meeting called for the election of the Board of Directors. She likewise advised that a nomination was made for the election of the following persons:

Mr. ANTONIO J. ROXAS
Mr. PEDRO E. ROXAS
Mr. RENATO C. VALENCIA
Mr. SANTIAGO R. ELIZALDE
Ms. BEATRIZ OLGADO ROXAS
Mr. SENEN C. BACANI
Mr. GERONIMO C. ESTACIO
Mr. RAUL M. LEOPANDO and
Mr. DAVID L. BALANGUE

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

VII. ELECTION OF THE EXTERNAL AUDITORS.

Atty. Lorna P. Kapunan informed the Chairman, Mr. Pedro E. Roxas, that in accordance with our Manual on Corporate Governance, the Audit & Risk Committee recommends the election of the auditing firm of Reyes Tacandong & Co. as external auditors of the corporation for fiscal year 2012-2013.

A stockholder moved for the election of the auditing firm of Reyes Tacandong & Co. as external auditors of the company for fiscal year 2012-2013 and that the Board of Directors be authorized to fix their compensation. Another stockholder seconded the motion. The Chairman placed the motion to a vote and the same was carried.

VIII. OTHER MATTERS.

A stockholder, inquired if it is better to convert the sugar to ethanol rather than exporting it to other countries. Mr. Archimedes B. Amarra, EVP for Sales, Marketing, Corporate Planning and Corporate Communications, replied that the right now, conversion of sugar to ethanol is not yet achievable considering the price. He stated too that even if the world market price would go down, the recovery by converting it to alcohol is still lower compared to the export price of sugar.

Another stockholder, inquired on how the company compares with the sugar factories in Thailand. Mr. Pedro E. Roxas answered that on the processing side or on the factory side, RHI is very competitive. He said too that perhaps the company lags behind in the agricultural side but that apparently, the cost of operation on farm side is lower in the Philippines than it is in Thailand. He explained that the policies of the Government here make it a bit more expensive to produce than in Thailand. He explained further that Thailand has a program whereby seven percent (7%) of the VAT that they collect from sugar goes to the actual fund that is used to improve Research and Development.

IX. 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

LORNA P. KAPUNAN
Corporate Secretary