

**PROPOSED ACQUISITION BY UNIVERSAL ROBINA CORPORATION OF ASSETS OF CENTRAL
AZUCARERA DON PEDRO, INC. AND ROXAS HOLDINGS, INC.
M-021-2018**

Statement on the Opening of a Phase II Review

23 August 2018

On 07 August 2018, the Mergers and Acquisitions Office (“MAO”) decided to move to a Phase II Review of the PROPOSED ACQUISITION BY UNIVERSAL ROBINA CORPORATION OF THE ASSETS OF CENTRAL AZUCARERA DON PEDRO, INC. AND ROXAS HOLDINGS, INC. (the “Transaction”), pursuant to Section 17 of Republic Act No. 10667 (“R.A. No. 10667”).

The initial market investigation conducted by MAO indicates that the Transaction may affect the sugar industry, particularly the markets for the provision of sugar cane milling and refining services, and the production, distribution and sale of raw sugar, refined sugar, and molasses. In accordance with R.A. No. 10667 and its Implementing Rules, MAO has a period of sixty (60) days from 07 August 2018 within which to conduct the Phase II Review of the Transaction.

The commencement of a Phase II Review of the Transaction does not mean that MAO has made a definitive finding of a substantial lessening of competition or has prejudged the result of the review. This merely signifies that the Transaction requires a more detailed analysis based on further information requested from the Notifying Parties and other such information as may be necessary to complete the review.

Abstract of the Transaction

Universal Robina Corporation (“URC”) proposes to acquire the milling and refining assets of Central Azucarera Don Pedro, Inc. (“CADPI”) and land owned by Roxas Holdings, Inc. (“Roxas Holdings”), on which the milling and refining assets are situated.

URC will acquire all buildings, improvements, machineries and equipment, laboratory equipment, spare parts and transportation equipment, as well as the land on which the aforementioned assets are located, and such other assets which are necessary for the continuing operations of the refinery and milling plant located at Brgy. Lumbangan, Nasugbu, Batangas.

URC is a subsidiary of JG Summit Holdings, Inc. It is engaged in a wide range of food-related businesses, including the production of packed foods and beverages, sugar, agro-industrial products, and bioethanol.

URC, through its Sugar Division, operates six (6) sugar cane mills: URC – Passi in Iloilo, URC – Tolong and URC – Ursumco in Negros Oriental, URC –Sonedco in Negros Occidental, URC – Carsumco in Cagayan, and URC – Balayan in Batangas, three (3) of which are integrated with sugar refining

facilities¹. URC's Sugar Division produces raw sugar, refined sugar and molasses for supply to its other business segments, subsidiaries, and third parties.

Roxas Holdings owns 100% of the shares of CADPI, which operates an integrated sugar cane milling and refining plant in Nasugbu, Batangas. It is also engaged in the trading of raw and refined sugar, and molasses.

Notification of the Transaction

The Parties' respective Notification Forms were considered filed on 06 July 2018 and the Phase I review of the Transaction commenced on 09 July 2018.

Review of the Transaction

After a preliminary review within a period of thirty (30) calendar days, the MAO decided to continue the review within a period of sixty (60) calendar days in order to conduct a more detailed inquiry whether the Transaction is likely to lead to a substantial lessening of competition in the following markets: (1) provision of sugar cane milling services in the provinces of Batangas, Cavite, Laguna, and Quezon; (2) provision of raw sugar refining services; (3) raw sugar; (4) refined sugar; and (5) molasses.

Particularly, the MAO seeks to investigate whether post-Transaction, there will be substantial lessening of competition in the identified markets and increased likelihood that competitors in such markets will coordinate their behavior or strengthen existing coordination in a manner that harms competition.

The MAO likewise seeks to assess whether the Transaction enhances the ability and incentive of the parties to engage in foreclosure of competitors, in the markets where vertical relationships between the Parties' operations are present, such as, but not limited to, raw sugar, refined sugar, molasses, and the provision of raw sugar refining services.

¹ The following are URC's integrated sugar cane mills and refinery facilities: URC – Carsumco, URC – Ursumco, and URC – Sonedco.