

COVER SHEET

SEC Registration Number

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Company Name

R	O	C	K	W	E	L	L		L	A	N	D		C	O	R	P	O	R	A	T	I	O	N		A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S																		

Principal Office (No./Street/Barangay/City/Town/Province)

2	F	,	8		R	O	C	K	W	E	L	L	,		H	I	D	A	L	G	O		D	R	I	V	E		
R	O	C	K	W	E	L	L		C	E	N	T	E	R	,		M	A	K	A	T	I		C	I	T	Y		

Form Type

1	7	-	Q
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Department requiring the report

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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

ellena@rockwell.com.ph

Company's Telephone Number/s

7-793-0088

Mobile Number

N/A

No. of Stockholders

45,672 (as of 30 April 2023)

Annual Meeting
Month/Day

June 14, 2023

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Ellen V. Almodiel

Email Address

ellena@rockwell.com.ph

Telephone Number/s

7-793-0088

Mobile Number

N/A

Contact Person's Address

Ground Floor, East Podium, Joya Lofts & Towers, 28 Plaza Drive, Rockwell Center, Makati City 1200
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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.

SEC Number:
File Number:

ROCKWELL LAND CORPORATION

(Company's Full Name)

**2nd Floor 8 Rockwell, Hidalgo Drive,
Rockwell Center, Makati City 1200**

(Company's Address)

(632) 793-0088

(Telephone Number)

March 31, 2023

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-QA

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION
CODE AND SRC RULE 17(2)(b) THEREUNDER**

- For the quarterly period ended **March 31, 2023**
- Commission Identification Number **62893**
- BIR Tax Identification Number **004-710-062-000**
- Exact name of issuer as specified in its charter: **ROCKWELL LAND CORPORATION**
- Province, country or other jurisdiction of incorporation or organization: **Philippines**
- Industry Classification Code: _____ (SEC Use Only)
- Address of issuer's principal office and postal code:
2F , 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City 1200
 - Issuer's telephone number, including area code: **(632) 793-0088**
- Former name, former address, former fiscal year, if changes since last report:
The Garage at Rockwell Center, Estrella St. Makati City 1200
- Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
Common shares	6,116,762,198

Amount of Debt Outstanding
Php28,094,987,806(as of March 31, 2023)

- Are any or all of the securities listed on a Stock Exchange?
Yes [**X**]No []

Stock Exchange: **Philippine Stock Exchange**
Securities Listed: **Common shares**

- Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 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 []

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

	March 31, 2023	December 31, 2022
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	₱6,858	₱3,518
Trade and other receivables	3,100	3,917
Contract asset	10,344	12,025
Real estate inventories	18,376	17,981
Advances to contractors	1,916	1,814
Other current assets	4,104	3,482
Total Current Assets	44,698	42,737
Noncurrent Assets		
Investment properties – net	14,543	14,667
Property and equipment – net	2,147	2,154
Investment in joint venture and associate	5,875	5,878
Contract asset – net of current portion	5,319	3,745
Investment in equity instruments at FVOCI	37	37
Deferred tax assets	125	107
Other noncurrent assets	355	328
Total Noncurrent Assets	28,401	26,916
Total Assets	₱73,099	₱69,653
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱9,313	₱9,525
Current portion of interest-bearing loans and borrowings	3,368	2,833
Subscription Payable	1,179	1,179
Total Current Liabilities	13,860	13,537
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion	24,595	22,441
Subscription payable – net of current portion	1,743	1,743
Deferred tax liabilities	1,451	1,698
Lease liability	662	650
Pension liability - net	95	72
Deposits and other liabilities	2,475	2,352
Total Noncurrent Liabilities	31,021	28,553
Total Liabilities	₱44,881	₱42,091
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	6,271	6,271
Additional paid-in capital	28	28
Other comprehensive income	21	21
Other equity adjustments	540	540
Share-based payments	70	70
Retained earnings		
Appropriated	11,700	11,700
Unappropriated	7,574	6,974
	26,204	25,604
Less cost of treasury shares	(185)	(185)
Total Equity Attributable to Equity Holders of the Parent Company	26,019	25,419
Non-controlling interests	2,199	2,144
Total Equity	₱28,218	₱27,563
Total Liabilities and Equity	₱73,099	₱69,653

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amount in Millions)

	<u>2023 Unaudited</u> January 1 to March 31	<u>2022 Unaudited</u> January 1 to March 31
REVENUE		
Real estate sales	₱2,158	₱2,223
Interest income	458	347
Lease income	539	399
Others	498	342
	<u>3,653</u>	<u>3,311</u>
EXPENSES		
Cost of real estate	1,827	1,708
General and administrative expenses	476	403
Selling expenses	248	204
	<u>2,551</u>	<u>2,315</u>
INCOME BEFORE OTHER INCOME (EXPENSES)	<u>1,102</u>	<u>996</u>
OTHER INCOME (EXPENSES)		
Interest expense	(351)	(298)
Share in net income of joint venture	101	94
Foreign exchange gain - net	(6)	2
	<u>(256)</u>	<u>(202)</u>
INCOME BEFORE INCOME TAX	846	794
PROVISION FOR INCOME TAX	191	177
NET INCOME	655	617
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	<u>655</u>	<u>617</u>
Net Income Attributable to:		
Equity holders of the Parent Company	600	524
Non-controlling Interests	55	93
TOTAL	<u>655</u>	<u>617</u>
Total Comprehensive Income Attributable to:		
Equity holders of the Parent Company	600	524
Non-controlling Interests	55	93
TOTAL	<u>655</u>	<u>617</u>
Basic/Diluted Earnings per Share (Note 8)	<u>0.10</u>	<u>0.09</u>

See accompanying Notes to Financial statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Millions)

	Equity Attributable to Equity Holders of the Parent Company								Equity Attributable to Non-Controlling Interests	Total Equity	
	Capital Stock	Additional Paid-in Capital	Other comprehensive income	Other Equity Adjustments	Share-based Payments Plan	Retained Earnings		Treasury Shares			Total
						Appropriated	Unappropriated				
At December 31, 2022 (Audited)	6,271	28	21	540	70	11,700	6,974	(185)	25,419	2,144	27,563
Net income							600		600	55	655
Other comprehensive income (loss)							-		-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	600		600	55	655
Subsidiary's payment of dividends to NCI											
Subsidiary's purchase of preferred shares from NCI											
At March 31, 2023 (Unaudited)	6,271	28	21	540	70	11,700	7,574	(185)	26,019	2,199	28,218
At December 31, 2021 (Audited)	6,271	28	14	540	70	9,700	6,882	(185)	23,320	2,661	25,981
Net income							524		524	93	617
Other comprehensive income (loss)											
Total comprehensive income for the year	-	-	-	-	-	-	524		524	93	617
Subsidiary's payment of dividends to NCI										(146)	(146)
Subsidiary's purchase of preferred shares from NCI										(293)	(293)
At March 31, 2022 (Unaudited)	6,271	28	14	540	70	9,700	7,406	(185)	23,844	2,315	26,159

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amounts in Millions)

	January 1 to March 31	
	2023 Unaudited	2022 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱846	₱794
Adjustments for:		
Interest income	(479)	(339)
Depreciation and amortization	195	183
Interest expense	351	298
Share in net income of joint venture	(101)	(94)
Pension costs	14	19
Operating income before working capital changes	827	868
Decrease (increase) in:		
Trade and other receivables	(502)	(2,073)
Contract assets	1,681	2,534
Real estate inventories	(605)	(64)
Advances to contractors	(112)	(48)
Other current assets	68	(206)
Increase (decrease) in:		
Trade and other payables	760	216
Increase in deposits and other liabilities	(1,103)	(231)
Net cash generated from operations	1,013	996
Income taxes paid	(214)	(104)
Interest paid	(405)	(374)
Net cash provided by (used in) operating activities	393	518
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(54)	(99)
Investment properties	(11)	(80)
Investment in joint venture	104	96
Interest received	19	1
Net cash used in investing activities	58	(82)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Bank loans	(611)	(1,380)
Subsidiary's payment of dividends to non-controlling interest	–	(146)
Subsidiary's purchase of preferred shares from non-controlling interest	–	(293)
Availments of loans and borrowings	3,500	762
Net cash provided by (used in) financing activities	2,889	(1,057)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	–	–
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,340	(621)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,518	2,785
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱6,858	₱2,164

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Rockwell Land Corporation (“Rockwell Land” or “The Company” is incorporated in the Philippines and is engaged in real estate development and sale or lease of condominium and commercial units and lots. The Company’s corporate life is 50 years and can be extended for another 50 years on or within five years before the expiration of its term.

Effective April 18, 2017, the Parent Company’s principal office address changed from The Garage at Rockwell, Estrella St., Rockwell Center, Makati City to 2F 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City.

As of January 1, 2012, Rockwell Land was owned by Manila Electric Company (Meralco) (51%) and First Philippine Holdings Corporation (FPH) (49%). On February 27, 2012, the Board of Directors (BOD) of Meralco approved the declaration of its 51% ownership in the Company as a property dividend in favor of common stockholders of record as of March 23, 2012, except for foreign common shareholders who will be paid the cash equivalent of the property dividend. Consequently, the Company became a public company having more than 200 shareholders. The property dividend was paid on May 11, 2012 wherein FPH received property dividends from Meralco in the form of 125,079,016 common shares of the Company. On the same date, the Company acquired 126,620,146 common shares from Meralco, representing the foreign shareholders’ entitlement from the property dividend distribution, at ₱1.4637 per share. The Company was listed in the Philippine Stock Exchange (PSE) on May 11, 2012.

On June 28, 2012 and July 27, 2012, FPH purchased additional shares of the Company from Beacon Electric Asset Holdings, Inc. and San Miguel Corporation, respectively. As of September 30, 2022, FPH owns 86.58% of the Company.

Rockwell Integrated Property Services, Inc. (RIPSI), a wholly owned subsidiary of the Company, is incorporated in the Philippines to establish, own, manage, operate and carry on the business of maintaining and cleaning buildings and other facilities.

Rockwell Primaries Development Corporation (“Rockwell Primaries”, formerly Primaries Development Corporation) a wholly owned subsidiary of the Company, was incorporated last September 2012 to primarily cater to the broader market under a 2nd brand “Primaries”. The subsidiary envisions itself to be the preferred developer in terms of providing exceptional and quality living at a more affordable price. The Securities and Exchange Commission approved the change in name to Rockwell Primaries Development Corporation on July 3, 2014 and was subsequently registered in Bureau of Internal Revenue on July 15, 2014.

Stonewell Development Corporation Inc., a wholly owned subsidiary of the Company, was incorporated on September 2012 to develop socialized housing for the Parent Company.

Rockwell Performing Arts Theater Corporation, formerly Primaries Properties Sales Specialist Inc., a wholly owned subsidiary of the Company, was incorporated on November 2012 and amended in March 2019, primarily to construct, establish, operate and maintain theaters and performance, conference, lecture, seminars and other forms of entertainment .

Rockwell Hotels & Leisure Management Corp. (Rockwell Hotels), a wholly owned subsidiary of the Company, was incorporated on June 2013 to manage and engage in the general business of hotel, resort, club, recreational center, apartment and other allied businesses.

Retailscapes Inc., a wholly owned subsidiary of the Company, was incorporated in November 2014 to develop and operate the pocket retail projects of the Company.

The Company entered into a Joint Venture Agreement with Mitsui Fudosan (Asia) Pte. Ltd. (Mitsui) to develop the residential component of its project in Quezon City called “the Arton by Rockwell”. In accordance with the Agreement, Rockwell MFA Corp. (RMFA) was incorporated on August 2017 by the Company and Mitsui through SEAI Metro Manila One, Inc. (MFAP) to handle the development of the Project. The primary purpose of RMFA is to acquire, purchase, lease, hold, sell, or otherwise deal in land and real estate or any interest or right therein as well as real or personal property of every kind and description for itself or for others. The Company owns 80% interest of RMFA as at March 31, 2023.

In 2019, Rockwell Land Corporation (the Parent Company) entered a Joint Venture with Carmelray Property Holdings and San Ramon Holdings through Rockwell Carmelray Development Corporation (RCDC). As of March 31, 2023, the Parent Company holds 71.6% of the common and preferred shares of RCDC.

The Company also has 75.1% ownership in Rockwell Leisure Club Inc. (RLCI). RLCI is a non-profit premier leisure club created to complement Rockwell Land’s exclusive lifestyle concept. Opened in December 1999, RLCI offers its resident members and proprietary shareholders a first-class social, sports and recreational facility within the Rockwell Center.

In November 10, 2020, the Company subscribed to 40% of the outstanding capital stock of Rockwell Nepo Development Corporation (RNDC), formerly Nepwell Property Management Inc. RNDC is a joint venture between the Company and T.G.N. Realty Corporation, which was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 20, 2019. The JV company is set to develop the 3.6 hectares of land in Angeles City, Pampanga into a mixed-use development with residential, commercial and retail components. On April 16, 2021, RNDC’s BOD, during the special meeting, approved the redemption of 55,500,000 preferred shares from T.G.N. Realty Corporation, at the redemption price of ₱1.00 per share amounting to ₱55,000,000. As of March 31, 2022, the Company owns 41.2% of RNDC.

In December 2021, the Company entered into a Joint Venture Agreement (JVA) with International Pharmaceuticals, Inc. (IPI) to jointly develop parcels of land in Cebu into residential condominiums and commercial, retail and office components through 8 Promove Land, Inc (PLI), and with the view of jointly preserving and continuing IPI’s long-standing legacy in the market and the Company’s brand of creating communities of unparalleled quality. The Company contributed P630.0 million in cash to the JV Co.as partial payment for the Company’s subscription. On the same period, PLI filed its application with the SEC for the increase in authorized capital stock. The corresponding shares of the Company’s first subscription shall be issued out of the said increase in authorized capital stock. On April 7, 2022, SEC approved the increase in authorized capital of PLI and in May 18, 2022, the Company subscribed to an additional 628,410,000 shares. On September 21, 2022, SEC approved change of company name to Rockwell IPI Development Corporation (RIDC). As of March 31, 2023 the Company owns 50% of RIDC.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The accompanying consolidated financial statements of Rockwell Land and its subsidiaries (collectively referred to as the “Group”) have been prepared on a historical cost basis, except investment in equity instruments at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso, which is the Parent Company’s functional and presentation currency and all the values are rounded to the nearest millions, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the Securities and Exchange Commission (SEC) in response to the COVID-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34- 2020 which further extended the deferral of certain provisions of PIC Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

SEC MC No. 4-2020 deferring the adoption of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost (the IFRIC Agenda Decision on Borrowing Cost) and is not applicable to the Group as it is already in full compliance with the requirements of the IFRIC Agenda Decision.

PFRSs also includes Philippine Accounting Standards (PAS), including Philippine Interpretations based on equivalent interpretations of IFRIC issued by the Financial Reporting Standards Council (FRSC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group. Control is achieved 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. Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Parent Company's voting rights and potential voting rights.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies. All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions among members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Parent Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not held by the Parent Company and are presented in the profit or loss and within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company.

The consolidated financial statements comprise of the financial statements of Rockwell Land and the following subsidiaries that it controls.

Subsidiaries	Nature of Business	Percentage of Ownership as of March 31, 2023
Rockwell Integrated Property Services, Inc.	Service provider	100%
Rockwell Primaries Development Corporation (Rockwell Primaries)	Real estate development	100%
Stonewell Property Development Corporation	Real estate development	100%
Rockwell Performing Arts Theater Corporation (formerly Primaries Properties Sales Specialists Inc.)	Marketing	100%
Rockwell Leisure Club Inc	Leisure club	75.1%
Rockwell Hotels & Leisure Management Corp	Hotel management	100%
Retailscapes Inc.	Commercial Development	100%
Rockwell Primaries South Development Corporation (formerly ATR KimEng Land, Inc.)	Real Estate Development	100%
Rockwell MFA Corp. (Rock MFA)	Real Estate Development	80%
Rockwell Carmelray Development Corporation	Real Estate Development	71.6%
Rockwell Nepo Development Corporation	Real Estate Development	41.2%
Rockwell IPI Development Corporation (formerly 8 Promoveo Land, Inc)	Real Estate Development	50%

All subsidiaries are incorporated in the Philippines.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies.

3. Changes in Accounting Policies and Disclosures

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of 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 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 from 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.

- Amendments to PAS 16, *Property, 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.

- 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.

- *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 in the parent’s consolidated financial statements, based on the parent’s date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- 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.

- 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.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. 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, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability’s classification as current or non-current.
- 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, 2024 and must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- 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*.

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 and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the 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.

- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E	Until December 31, 2023

In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
- PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

- a. The accounting policies applied.
- b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
- c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
- d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021.

The Group availed of the SEC relief to defer the above specific provision of PIC Q&A No. 2018-12-D on determining whether the transaction price includes a significant financing component. Had this provision been adopted, the Group assessed that the impact would have been as follows:

- a. The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The Group has yet to assess if the mismatch constitutes a significant financing component for its contracts to sell.
- b. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach.

The Group has decided to use modified retrospective approach upon adoption.

PIC Q&A 2018-12-E (treatment of land in the determination of POC) and PIC Q&A 2020-02 (additional guidance on determining which uninstalled materials should not be included in calculating the POC) do not have an impact on the financial statements since the Group does not include land and uninstalled materials in the determination of POC.

4. Receivables / Payables

(Amounts in Millions)

Aging of Receivables as of March 31, 2023:

	Neither Past Due or Impaired	Past Due but not Impaired				Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	
Sale of Condominium Units	₱2,248	₱6	₱5	₱1	₱63	₱2,323
Lease	446	31	8	11	15	471
Advances to officers and employees	42	-	-	-	-	42
Others	264	-	-	-	-	264
Total Receivable	₱2,960	₱37	₱13	₱12	₱78	₱3,100

Aging of Payables as of March 31, 2023:

	Due within 3 months	Due Between 3 to 12 months	Total
Trade and Other Payables	₱5,225	₱2,642	₱7,867
Security Deposit (Current Portion)	64	305	369
Retention Payable (Current Portion)	241	646	887
Deferred Lease Income (Current Portion)	29	161	190
Total Payable	₱5,559	₱3,754	₱9,313

5. Trade and Other Payables

(Amounts in Millions)

The trade and other payables as of March 31, 2023 is broken down as follows:

Trade	₱1,178
Deferred Output VAT	1,046
Accrued expense	3,352
Contract liabilities:	
Excess of collections over recognized receivables	1,177
Deposits from pre-selling of condominium units	163
Advance payments from members and customers	12
Current portion of:	
Security deposits	368
Retention payable	888
Deferred lease income	179
Lease liabilities	21
Output VAT	668
Others	261
Total	₱9,313

6. Interest-bearing Loans & Borrowings

(Amounts in Millions)

This account consists of:

	March 31, 2023	December 31, 2022
Current		
Term loan	₱3,393	₱2,856
Less unamortized loan transaction costs	<u>25</u>	<u>23</u>
Total Current Interest – bearing Loans & Borrowings	₱3,368	₱2,833
Noncurrent		
Term loan	₱24,702	₱22,350
Less unamortized loan transaction costs	<u>107</u>	<u>90</u>
Total Noncurrent Interest – bearing Loans & Borrowings	₱24,595	₱22,260
Total Interest-bearing Loans & Borrowings	₱27,963	₱25,093

The following tables set out the principal amounts, by maturity, of the Group's interest-bearing financial instruments.

<i>Amounts (gross of unamortized cost)</i>	March 31, 2023				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	₱2,520	₱2,608	₱2,477	₱15,382	₱22,987
<i>Floating Rate</i>					
Interest-bearing loans and borrowings	434	475	476	3,723	5,108
Total	₱2,954	₱3,083	₱2,953	₱19,105	₱28,095

<i>Amounts (gross of unamortized cost)</i>	December 31, 2022				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	₱2,368	₱2,503	₱2,371	₱15,393	₱22,636
<i>Floating Rate</i>					
Interest-bearing loans and borrowings	488	301	301	1,481	2,570
Total	₱2,856	₱2,804	₱2,672	₱16,874	₱25,206

Issuances, Repurchases and Repayments of Debt and Equity Securities January-March 2023

Issuances of Debt and Equity Securities / New Financing through Loans

<u>Nature</u>	<u>Amount (in mm)</u>
Term Loans	₱ 3,500

Repayment of Debt and Equity Securities

<u>Nature</u>	<u>Amount (in mm)</u>
Term Loans	₱ 611

7. Segment Information

(Amounts in Millions)

PFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker.

For management purposes, the Group's operating segments is determined to be business segments as the risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group manages its operations under the following business segments:

- *Residential Development* is engaged in the development, selling, and property management of all residential projects of the Group. It also includes the operations of the Rockwell Club.
- *Commercial Development* is engaged in the sale, leasing and other related operations in the course of the management of commercial buildings or spaces used for retail and office leasing, including cinema operations and hotel segment. Commercial buildings in its portfolio include the Power Plant Mall, 8 Rockwell and Edades Serviced Apartments in Makati City, Santolan Town Plaza in San Juan, Metro Manila, Rockwell Business Center (RBC) in Ortigas, Pasig and RBC Sheridan in Mandaluyong, Metro Manila. Other retail spaces are found at several of the high-rise condominiums developed by the Group.

The Group does not have any customers which constitutes 10% or more of the Company's revenue.

Management monitors the operating results of each business unit separately for the purpose of making decisions about resource allocation and performance assessment. Performance is evaluated based on net income for the year and earnings before interest, taxes and depreciation and amortization, or *EBITDA*. Net income for the year is measured consistent with consolidated net income in the consolidated financial statements. *EBITDA* is measured as net income excluding depreciation and amortization, interest expense and provision for income tax.

The Group centrally manages cash and its financing requirements, income taxes and resource allocation. Resource allocation are measured against profitability among potential investments and made in view of the Company's existing business portfolio.

The President, the Company's chief operating decision maker, monitors operating results of its business segments separately for the purpose of performance assessment and making recommendations to the Board about resource allocation. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit and loss in the consolidated statements.

Disclosure of the geographical information regarding the Group's revenues from external customers and total assets have not been provided since all of the Group's consolidated revenues are derived from operations within the Philippines.

Business Segments

The following tables present revenue, and costs and expenses information regarding the Group's residential and commercial development business segments.

	March 31, 2023		
	Residential Development	Commercial Development	Total
Revenue	₱ 2,649	₱ 1,004	₱ 3,653
Costs and expenses	(1,981)	(374)	(2,355)
Share in net income of joint venture	2	99	101
Other income - net	(6)	–	(6)
EBITDA	664	729	1,393
Depreciation and amortization			(196)
Interest expense			(351)
Provision for income tax			(191)
Share of minority			(55)
Consolidated Net Income			₱ 600

	March 31, 2022		
	Residential Development	Commercial Development	Total
Revenue	₱ 2,171	₱ 1,140	₱ 3,311
Costs and expenses	(1,658)	(474)	(2,132)
Share in net income of joint venture	2	92	94
Other income - net	2	–	2
EBITDA	517	758	1,275
Depreciation and amortization			(183)
Interest expense			(298)
Provision for income tax			(177)
Share of minority			(93)
Consolidated Net Income			₱524

The following tables present assets and liabilities information regarding the Group's residential and commercial development business segments as of March 31, 2023 and December 31, 2022:

	March 31, 2023 (Unaudited)		
	Residential Development	Commercial Development	Total
Assets and liabilities:			
Segment Assets	₱ 48,833	₱ 1,576	₱ 50,409
Investment Properties	1,226	13,317	14,543
Investment in Joint Venture and Associate	3,945	1,930	5,875
Deferred Tax Assets	78	47	125
Property & equipment	1,244	903	2,147
Total assets	₱ 55,326	₱ 17,773	₱ 73,099
Segment liabilities	₱ 33,252	₱ 10,178	₱ 43,430
Deferred tax liabilities -net	1,451	–	1,451

Total liabilities	₱ 34,703	₱ 10,178	₱ 44,881
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	December 31, 2022 (Audited)		
	Residential Development	Commercial Development	Total
Assets and liabilities:			
Segment Assets	₱ 45,896	₱ 952	₱ 46,848
Investment Properties	1,271	13,395	14,667
Investment in Joint Venture and Associate	3,893	1,985	5,878
Deferred tax assets - net	53	54	107
Property & equipment	1,240	914	2,154
Total assets	₱ 52,353	₱ 17,301	₱ 69,654
Segment liabilities	₱ 31,196	₱ 9,419	₱ 40,615
Deferred tax liabilities -net	1,476	–	1,476
Total liabilities	₱ 32,672	₱ 9,419	₱ 42,091

8. Earnings per Share Attributable to Equity Holders of the Parent Company

(Amounts in millions, except for number of common shares)

	March 31, 2023	March 31, 2022
Net income attributable to equity holders of the Parent Company	₱599.7	₱524.0
Dividends on preferred shares	(0.4)	(0.4)
Net income attributable to common shares (a)	₱599.2	₱523.4
Common shares at beginning of year	6,116,762,198	6,116,762,198
Weighted average common shares – basic (b)	6,116,762,198	6,116,762,198
Dilutive potential common shares under the ESOP	–	504,063
Weighted average common shares – diluted (c)	6,116,762,198	6,117,266,261
Per share amounts:		
Basic (a/b)	₱0.10	₱0.09
Diluted (a/c)	0.10	0.09

9. Fair Value Measurement

(Amounts in millions)

Fair Values

Set out below is a comparison by class of the carrying values and fair values of all the Group's financial instruments that are carried in the consolidated financial statements as of March 31, 2023 and December 31, 2022. There are no material unrecognized financial assets and liabilities as of March 31, 2023 and December 31, 2022.

March 31, 2023

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment Properties	P14,543	P30,655	P-	P1,865	P28,790
Due to related parties	100	100	-	-	100
	P14,643	P30,754	P-	P1,865	P28,890

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	P27,963	P25,265	P-	P-	P25,265
Subscription payable	2,923	2,775	-	-	2,775
Retention payable (including noncurrent portion)	1,633	1,519	-	-	1,519
Security deposits (including noncurrent portion)	616	578	-	-	578
	P33,135	P30,137	P-	P-	P30,137

December 31, 2022

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment Properties	P14,667	P28,987	P-	P2,088	P26,899
Due to related parties	100	100	-	-	100
	P14,767	P29,087	P-	P2,088	P26,999

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	P25,093	P25,263	P-	P-	P25,263
Subscription payable	2,923	2,816	-	-	2,816
Retention payable (including noncurrent portion)	1,612	1,480	-	-	1,480
Security deposits (including noncurrent portion)	699	561	-	-	561
	P30,327	P30,120	P-	P-	P30,120

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade Receivables from Lease, Advances to Officers and Employees, Other Receivables, Restricted Cash, Refundable Deposits and Trade and Other Payables. Due to the short-term nature of transactions, the carrying values of these instruments approximate the fair values as at financial reporting period.

Available-for-Sale Investments. The fair values of quoted equity securities were determined by reference to published two-way quotes of brokers as at financial reporting date. Unquoted equity securities for which no other reliable basis for fair value measurement is available, were valued at cost, net of impairment, if any.

Interest-bearing Loans and Borrowings. The fair values of fixed rate loans were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 4.65% to 6.56% as at March 31, 2023 and 3.91% to 7.22% as at December 31, 2022.

Retention Payable and Security Deposits. The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 4.65% to 6.56% as at March 31, 2023 and 3.91% to 7.22% as at December 31, 2022.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

10. Significant Financial Ratios

The significant financial ratios are as follows:

<i>As indicated</i>	For the three months ended March 31	
	2023	2022
ROA (*)	3.7%	3.8%
ROE (*)	9.4%	9.9%
	As of March 31, 2023	As of December 31, 2022
Current ratio (x)	3.22	3.16
Debt to equity ratio (x)	0.99	0.91
Net debt to equity Ratio (x)	0.75	0.78
Asset to equity ratio (x)	2.59	2.53
Interest coverage ratio (x)	3.44	4.42

Notes:

(1) ROA [*Net Income/Average Total Assets*]

(2) ROE [*Net Income/ Average Total Equity*]

(3) Current ratio [*Current assets/Current liabilities*]

(4) Debt to equity ratio [*Total interest bearing debt / Total Equity*]

(5) Net debt to equity ratio [*(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity*]

(6) Asset to equity ratio [*Total Assets/Total Equity*]

(7) Interest coverage ratio [*EBITDA/Interest Payments*]

* ROA and ROE are annualized figures

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

RESULTS OF OPERATIONS:

For the three months ended 31 March 2023 and 2022

Rockwell Land Corporation (“the Group”) registered Php3,653 million in consolidated revenues, higher by 10% from last year’s Php3,311 million. Residential development accounted for 73% of the total revenues in 2023, higher than last year’s 66%.

Total EBITDA reached Php1,393 million, higher than last year’s Php1,275 million driven by higher EBITDA from residential development. Overall EBITDA margin registered at 38% of total revenues, slightly lower from last year’s 39%. The total revenues used as basis for the EBITDA margin excludes gross revenues from the joint venture with Meralco, T.G.N Realty Corporation and International Pharmaceuticals, Inc. as these are reported separately under “Share in Net Losses (Income) in JV”. Share in net income in the joint venture contributes 7% to the Company’s total EBITDA.

Residential development and commercial development contributed 48% and 52% to the total EBITDA, respectively.

Consolidated net income after tax registered at Php655 million, higher than last year’s Php617 million. NIAT to Parent for the three months is Php600 million, 14% higher from same period last year of Php524 million.

Business Segments

Residential Development generated Php2,649 million, contributing 73% of the total revenues for the period. Bulk of the revenues came from the sale of condominium units, including accretion from interest income.

EBITDA from this segment amounted to Php664 million, 28% higher than the same period last year at Php517 million mainly attributable to projects with higher construction progress.

Commercial Development revenues amounted to Php1,003 million, 12% lower than 2021’s Php1,141 million primarily due to prior year recognition of sale of One Proscenium. This segment contributed 27% to total revenues excluding the share in the joint venture with Meralco for the Rockwell Business Center in Ortigas, Pasig City.

Retail Operations which includes retail leasing, interest income and other mall revenues generated revenues of Php571 million, 55% higher than last year’s Php367 million due to improved average rental and occupancy rate. Office Operations generated Php355 million which is equivalent to 10% of the total revenues. Office operations include office leasing, sale of office units and other office revenues.

Hotel Operations, contributed 2% of the total revenues. Its revenues amounted to Php77 million and costs and expenses at Php52 million. Resulting EBITDA is at Php25 million.

The segment’s EBITDA amounted to Php729 million, 4% lower from the same period last year due to prior year recognition from sale of One Proscenium. This includes the share in net income in the joint venture amounting to Php99 million, contributing 14% to the segment’s EBITDA.

Costs and Expenses

Cost of real estate and selling amounted to Php2,076 million. The cost of real estate and selling to total revenue ratio is at 57%, lower than last year’s 58% due to higher lease income and higher interest income accretion from new launches.

General and administrative expenses (G&A) amounted to Php476 million, 18% higher than last year mainly due to higher cinema occupancy and admin costs from improved operations, higher manpower related costs and higher taxes and fees.

Interest Expense amounted to Php351 million, higher by 18% than last year's Php298 million. The increase was mainly due to higher average loan balance and interest rate.

Share in Net Income (Losses) in JV associates realized share in net income of JV and associate amounted to Php101 million, higher than last year's Php94 million. The 7% growth from last year is mainly due to RBC-Ortigas higher average occupancy and rental rate. At its 70% share, the Company generated total revenues of Php150 million and share in net income of Php99 million. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Project and capital expenditures

The Group spent a total of Php2.1 billion (gross of VAT) for project and capital expenditures for the three months of 2023. Bulk of the expenditures pertained to development costs, mainly that of The Arton, Proscenium, Rockwell South, Mactan and Balmori Suites. These were funded mainly by internally generated funds.

Financial Condition

The Group's total assets as of March 31, 2023 amounted to Php73.1 billion, slightly higher from 2022's year-end amount of Php69.7 billion. On the other hand, total liabilities amounted to Php44.9 billion, higher from 2022's year-end amount of Php42.1 billion. The increase in total assets were mainly from cash and cash equivalents and other current assets.

Current ratio as of March 31, 2023 decreased to 3.22x from 3.16x as of end 2022. Net debt to equity ratio is at 0.75x as of March 31, 2023, lower compared to 2022's year-end ratio of 0.78x.

Causes for any material changes (+/- 5% or more) in the financial statements

Statement of Comprehensive Income Items – Three Months 2023 vs. Three Months 2022

32% increase in Interest Income

Due to recognition from new launches, Edades West, 8 Benitez Suites and Rockwell Center in Bacolod.

35% increase in Lease Income

Due to higher average rental and occupancy rate of retail segment.

45% increase in Other Revenues

Mainly driven by improved performance of Aruga serviced apartments, Rockwell Club and Cinema.

7% increase in Cost of Real Estate

Due to start of cost recognition from 32 Sanson Sillion, 8 Benitez Suites, Mactan Villa and Arton East.

18% increase in General and Administrative Expenses

Due to higher manpower costs, fees and taxes, and improved operations from hotel and cinema.

22% increase in Selling Expenses

Due to higher marketing expenses for projects Edades West, Rockwell Center Bacolod and Balmori Suites.

18% increase in Interest Expense

Primarily due to higher average loan balance and average interest rate.

7% increase in Share in Net Income of JV

Due to higher revenues from higher average rental and occupancy rates of RBC Ortigas.

Statement of Financial Position items – March 31, 2023 vs. December 31, 2022

95% increase in Cash and Cash Equivalents

Primarily due to loan drawdown and collection of receivables.

21% decrease in Trade and other receivables

Primarily due to collections from Proscenium, Mactan and 32 Sanson.

6% increase in Advances to contractors

Primarily due to advances made for projects Proscenium, Mactan and Terreno South.

18% increase in Other Current Assets

Due to payment of escrow accounts for projects Edades West, Bel-Air Phase 1, and Terreno South

16% increase in Deferred tax assets

Due to net loss from RPDC.

11% increase in interest-bearing loans and borrowings

Due to new loan availments.

32% increase in Pension Liability

Due to accrual of retirement expense for the three months of 2023.

5% increase in Deposit and Other Liabilities

Due to higher excess collections over recognized receivables from Mactan Villa, and Edades West.

Key Performance Indicators

<i>As indicated</i>	For the three months ended March 31	
	2023	2022
ROA (*)	3.7%	3.8%
ROE (*)	9.4%	9.9%
	As of March 31, 2023	As of March 31, 2022
Current ratio (x)	3.22	3.45
Debt to equity ratio (x)	0.99	1.00
Net debt to equity Ratio (x)	0.75	0.92
Asset to equity ratio (x)	2.59	2.48
Interest coverage ratio (x)	3.44	3.34

Notes:

(1) ROA [Net Income/Average Total Assets]

(2) ROE [Net Income/ Average Total Equity]

(3) Current ratio [Current assets/Current liabilities]

(4) Debt to equity ratio [Total interest bearing debt / Total Equity]

(5) Net debt to equity ratio [(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity]

(6) Asset to equity ratio [Total Assets/Total Equity]

(7) Interest coverage ratio [EBITDA/Interest Payments]

* ROA and ROE are annualized figures

ROA and ROE are slightly lower vs 2022 at 3.7% and 9.4% mainly from higher total assets and equity.

Current ratio decreased to 3.22x from 3.45x due to higher current liabilities mainly from subscription payable.

Debt to equity ratio decreased to 0.99x from 1.00x. Net debt to equity ratio decreased to 0.75x from 0.92x, due to higher cash and cash equivalents.

Asset to equity ratio is higher at 2.59x vs 2.48x last year due higher increase in total assets than equity due to loan proceeds.

PART II – OTHER INFORMATION

Item 3. Other Notes and Disclosures

1. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.	None
2. The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.	None
3. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.	None
4. Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.	None
5. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	None
6. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.	None
7. 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.	None
8. Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.	None
9. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.	None
10. Any significant elements of income or loss that did not arise from the registrant's continuing operations.	None
11. Any seasonal aspects that had a material effect on the financial condition or results of operations.	None

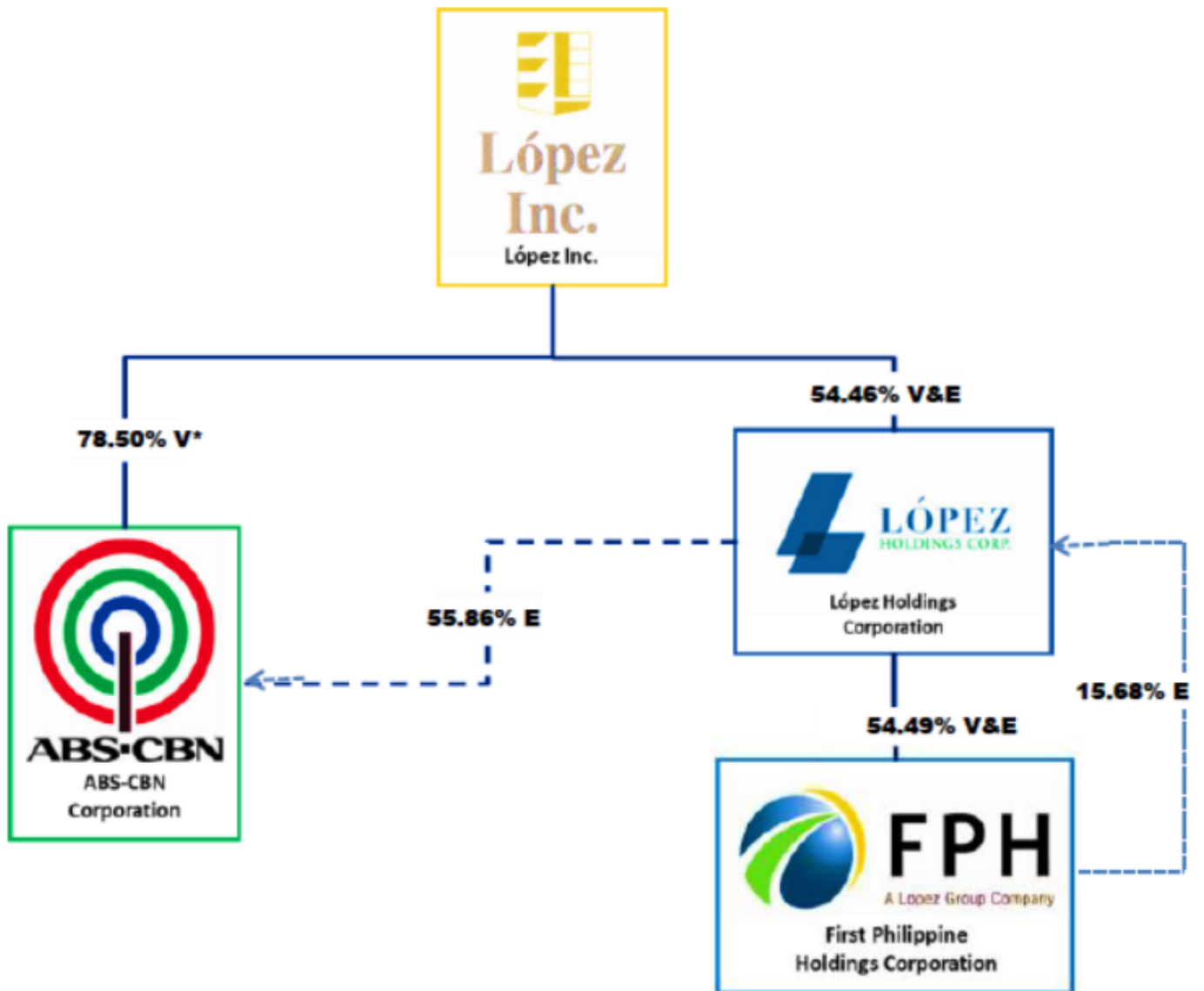
12. Disclosure not made under SEC Form 17-C.	None
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Annex A -

The stockholders, directors and officers of the Company, their respective number of Common Shares and the corresponding percentage of these Common Shares as of March 31, 2023 are as follows:

Name of Stockholder	Relationship	No. of Shares	% of Total Outstanding Shares
1	First Philippine Holdings Corporation	5,296,015,375	86.58%
2	Oscar M. Lopez	55,522	0.00%
3	Federico R. Lopez	14,923	0.00%
4	Nestor J. Padilla	21,150,001	0.35%
5	Miguel Ernesto L. Lopez	243,694	0.00%
6	Francis Giles B. Puno	5,656	0.00%
7	Oscar J. Hilado	1	0.00%
8	Monico V. Jacob	2	0.00%
9	Albert F. Del Rosario	2,818	0.00%
10	Jose Valentin A. Pantangco, Jr.	1	0.00%
11	Benjamin R. Lopez	14,923	0.00%
12	Valerie Jane L. Soliven	28,000	0.00%
13	Maria Lourdes L. Pineda	141,272	0.00%
14	Ellen V. Almodiel	0	0.00%
15	Davy T. Tan	0	0.00%
16	Manuel L. Lopez Jr.	0	0.00%
17	Angela Marie B. Pagulayan	0	0.00%
18	Estela Y. Dasmariñas	1,882	0.00%
19	Jesse S. Tan	0	0.00%
20	Christine T. Coqueiro	0	0.00%
21	Geraldine B. Brillantes	0	0.00%
22	Romeo G. Del Mundo, Jr.	0	0.00%
23	Jovie Jade Lim-Dy	0	0.00%
24	Enrique I. Quiason	3,575	0.00%
25	Alexis Nikolai S. Diesmos	13,000	0.00%
26	Ma. Fe Carolyn Go Pinoy	0	0.00%
27	Stella May Arais Fortu	0	0.00%
28	Sherry Rose Isidoro Lorenzo	0	0.00%
29	Samantha Joyce G. Castillo	0	0.00%
30	Vienn C. Tionglico-Guzman	0	0.00%
31	Others (Public)	799,071,553	13.06%
		6,116,762,198	100.00%

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
 As of March 31, 2023



* voting rights include preferred shares



FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES
CORPORATE STRUCTURE
 March 31, 2023

*15.68%



54.49%
First Philippine Holdings

Power Generation

67.84%
First Gen Corporation

Healthcare and Education

78.86% **Asian Eye Institute, Inc.**

 100% **PI Health Inc.**

 100% **PI Health Manufacturing and Distribution Services, Inc.**

 100% **PI Health Science & Technology College, Inc.**

 100% **PI Health Manufacturing and Distribution Services, Inc.**

 100% **PI Health Science & Technology College, Inc.**

 100% **PI Health Manufacturing and Distribution Services, Inc.**

Real Estate

86.58%
ROCKWELL LAND
 100% **Rockwell Integrated Property Services, Inc.**
 100% **Rockwell Primaries Development Corporation**
 100% **Rockwell Primaries South Development Corp.**
 100% **Stonewell Property Development Corporation**
 75% **Rockwell Performing Arts Theater Corp.**
 100% **Rockwell Leisure Club, Inc.**
 50% **Rockwell Hotels and Leisure Management Corp.**
 100% **Rockwell IPI Development Corporation**
 80% **Rockwell-MFA Corp.**
 71.60% **Rockwell Carmelray Development Corp.**
 41.21% **Rockwell Nepo Development Corporation**
 70.00% **FIRST PHILIPPINE INDUSTRIAL PARK**
 100% **FPIP Property Developers and Management Corporation**
 100% **FPIP Utilities Incorporated**
 85.00% **Grand Batangas Resort Development Incorporated**
 100% **First Industrial Township, Inc.**
 100% **First Industrial Township Water, Inc.**
 57.7% **First Batangas Hotel Corp.**

Energy Solutions

First Philec
 100% **First Philippine Electric Corporation**
 99.15% **Philippine Electric Corporation**
 100% **First Philec, Inc. (formerly First Electro Dynamics Corp.)**
 100% **First Philippine Power Systems**
 100% **First Philec Manufacturing Technologies Corporation**
 89.04% **First Philec Solar Corporation**
 100.00% **First Philec Energy Solutions, Inc.**
 100% **First PV Ventures Corporation**
 70.00% **First Philec Nexolon Corporation**
 100% **FP Island Energy Corp.**
 100% **PI Energy Inc.**

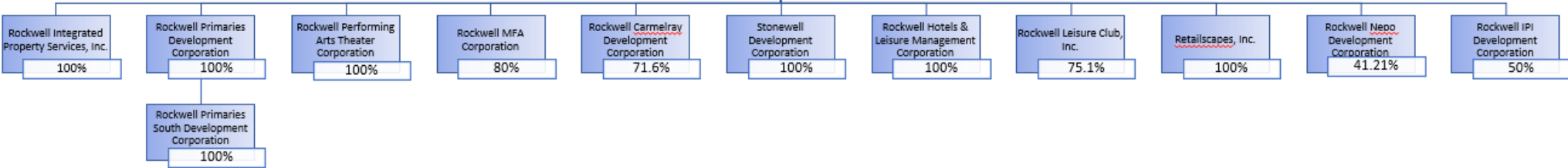
Construction

100%
First Balfour, Inc.
First Balfour
 100% **ThermaPrime Drilling Corporation**
 100% **Therma One Transport Corporation**
 100% **Torreverde Corp.**
 100% **First Balfour Management Technical Services, Inc.**

Other Businesses

30.00% **Panay Electric Company**
 66.92% **InfoPro Business Solutions Inc.**
 100% **First Philippine Industrial Corporation**
 100% **FPH Capital Resources Inc.**
 100% **FPH Pi Ventures**
 100% **FGHC International**
 3.94% **Manila Electric Company**
 100% **First Philippine Realty Corporation**
 100% **First Philippine Utilities Corporation**
 100% **FPH Fund**
 98% **FPHC Realty and Development Corporation**
 100% **Securities Transfer Services, Inc.**
 100% **FPH Ventures**
 100% **First Philippine Properties Corp.**
 100% **FPH Land Ventures Inc.**
 100% **First Industrial Township Utilities, Inc.**
 100% **First Philippine Dev't Corp.**
 100% **FWW Biofields Corp.**
 60% **First Sumiden Realty, Inc.**
 100% **Legacy Homes Inc.**

*FPH's stake in Lopez Holdings Corp is 15.68% as a result of the tender offer.



SIGNATURE

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.

Issuer: ROCKWELL LAND CORPORATION

By: 

Ellen V. Almodiel
Executive Vice President, Chief Finance
and Compliance Officer

Date: May 11, 2023