COVER SHEET

SEC Registration Number

6 2 8 9 3

Company Name

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

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

The Garage at Rockwell Center, Estrella St., Rockwell Center, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
20-IS		N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
ellena@rockwell.com.ph	**7-793-0088**	**N/A**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
45,356 (as of 31 March 2024)	**May 29, 2024**	**December 31**

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
Ms. Ellen V. Almodiel	**ellena@rockwell.com.ph**	**7-793-0088**	**N/A**

Contact Person's Address

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

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.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To: **All Stockholders of Rockwell Land Corporation**

Please take notice that the annual meeting of Stockholder of **Rockwell Land Corporation** will be held via this link: https://2024asm.e-rockwell.com/ on **Wednesday**, **May 29, 2024** at **10:00 a.m.**, to discuss the following:

A G E N D A

1. Call to Order
2. Proof of Required Notice
3. Determination of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on June 14, 2023
5. Report of the Chairman & the President
6. Approval/Ratification of the December 2023 Reports and the Audited Financial Statements
7. Ratification of the Acts of the Board of Directors and Management
8. Election of Directors
9. Appointment of External Auditors
10. Other Matters

For purposes of this meeting, only stockholders of record as of April 23, 2024, are entitled to attend and vote in the said meeting. Copies of the minutes of Annual Stockholders' Meeting held on June 14, 2023 have been made available on the company website, https://www.e-rockwell.com/partner-with-us/company-disclosures/

Should you be unable to attend the meeting in person, you may appoint a Proxy by executing the appropriate form. MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND MANAGEMENT A PROXY. For validation, however, please send a valid proxy in writing to RCBC Trust Corporation, Stock Transfer Processing Station, Ground Floor, GPL (Grepalife) Building, Sen. Gil Puyat Avenue, Makati City, or through 2024asm@rockwell.com.ph or in digital/electronic form at https://2024asm.e-rockwell.com/ on or before May 20, 2024. Proxies shall be validated beginning on May 8, 2024 until May 20, 2024. Electronic copies of the Corporation's Information Statement. Management Report, SEC 17-A and other pertinent documents are available at its website at https://www.e-rockwell.com/ and have likewise been uploaded on the PSE's EDGE disclosure system.

Online voting and participation by remote communication will be available for all stockholders. Stockholders who wish to vote online and participate remote communication will be required to register not later than May 20, 2024. Stockholders who are not able to register as of May 20, 2024 can no longer avail of online voting. Instructions on Registration, Online Voting in Absentia and Participation by Remote Communication are set out in Annex A attached to this Notice and Agenda.

By Order of the Board of Directors

ENRIQUE I. QUIASON
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20

1. **Check the appropriate box:**

   [x] Preliminary Information Statement

   [ ] Definitive Information Statement

2. **Name of Registrant as specified in its charter:**

   ROCKWELL LAND CORPORATION

3. **Province, country or other jurisdiction of incorporation or organization**

   MAKATI CITY, PHILIPPINES

4. **SEC Identification Number:** 62893

5. **BIR Tax Identification Code:** 004 710 062 000

6. **Address of principal office:**

   2/F 8 Rockwell, Hidalgo Drive, Rockwell Center
   Makati City, 1200

7. **Registrant's telephone number, including area code:** (632) 7793 0088

8. **Date, time and place of the meeting of security holders:**

   Date : 29 May 2024
   Time : 10:00 am
   Place : virtually via this link: https://2024asm.e-rockwell.com/

9. **Approximate date on which the Information Statement is first to be sent or given to security holders:**

   8 May 2023

10. Name of Person Filing the Statement: Rockwell Land Corporation
By: Enrique I. Quiason, Corporate Secretary

Address and Telephone No.: 2F 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City 1200/
Telephone No. (632) 7793-0088

11. Securities registered pursuant to Section 8 and 12 of the Securities Regulation Code (SRC):

a. Authorized Capital Stock:

Php 9,000,000,000 divided into 8,890,000,000 Common Shares, each with a par value of Php1.00 and 11,000,000,000 Preferred Shares, with a par value of Php 0.01

b. Number of Shares Outstanding as of 31 March 2024:

6,116,762,198 Common Shares with a par value of Php 1.00 per share
2,750,000,000 Preferred Shares with a par value of Php 0.01 per share

12. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [X] No [ ]

6,243,382,344 Common shares, including 126,620,146 Common Shares in treasury

EXPLANATION OF AGENDA ITEMS

1. Call to Order

The Chairman will call to order the Annual Stockholders' Meeting.

2. Proof of Required Notice

The Corporate Secretary, Atty. Enrique I. Quiason, will be asked to certify that copies of the Notice and Agenda of the meeting, among others, were effectively served upon the stockholders entitled to the same, including the, dates of posting at the PSE's Edge system and the Corporation's website as well as of publication of the notice in the newspapers of general circulation. The Corporate Secretary will then certify whether or not, based on the number of shares present personally or represented by proxy, a quorum exists for a valid meeting. If necessary, he will also explain the rules for the orderly conduct of business at the meeting.

Pursuant to Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or in absentia, stockholders may access the online web portal https://2024asm.e-rockwell.com/, in order to register and vote on the matters at the meeting. A stockholder voting remotely or in absentia shall be deemed present for purposes of quorum. Please refer to Annex A to the Information Statement for a detailed listing of the requirements and procedures for Voting and Participation in the 2024 Rockwell ASM via remote communication or voting in absentia, as well as on how to join the livestream.

3. Determination of Quorum & Voting Procedures / Submission of Questions from the Stockholders

The Corporate Secretary will further certify the presence of a quorum. The holders of record for the time being of a majority of the stock of the Corporation then issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction of business. Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting through remote communication or in absentia by the stockholders and as further approved by the Board, the Corporation would have set up a designated website which may be accessed by the stockholders to register and vote on the matters at the meeting through remote communication or in absentia. Questions and comments may be submitted through a designated link or email during registration and up to a specified date. A stockholder who votes through remote communication or in absentia shall be deemed present for purposes of quorum.

The website platform shall state the proposed resolutions for consideration by the stockholders. Stockholders must register to signify their intention to participate in the meeting by remote communication to be included in the determination of quorum, together with stockholders who voted in absentia and by proxy.

Voting shall only be allowed for stockholders registered through the website platform or through the Chairman of the meeting as proxy. Detailed requirements and instructions pertaining to registration can be found on https://2024asm.e-rockwell.com/ and in Annex A to the Information Statement.

For all items on the agenda for approval, the affirmative vote of at least a majority of the issued and outstanding stock entitled to vote and represented at the meeting will be required for approval. Each outstanding share of stock entitles the registered holder to one vote. The election of directors will be by plurality of votes and every stockholder shall be entitled to cumulate his votes. All votes received shall be tabulated by the Office of the Corporate Secretary and the results will be validated by RCBC Trust Corporation, the company's stock transfer agent. The meeting proceedings will be recorded in audio and video format.

4. Approval of the Minutes of the Annual Stockholders' Meeting held on June 14, 2023

The minutes of the previous annual stockholders' meeting held on June 14, 2023 has been made available on the Company's website at https://www.e-rockwell.com/partner-with-us/company-disclosures/ last June 19, 2023. A resolution on this item requires the approval of a majority of the votes of the stockholders present and eligible to vote. The minutes of the annual stockholders' meeting held on June 14, 2023 contain discussions of the following items:

- Approval of the Minutes of the Annual Stockholders' Meeting held on May 25, 2022
- Report of the President and Discussions of Questions from the Stockholders
- Approval of Audited Financial Statements for the Year Ended December 31, 2022;
- Election of the Directors
- Ratification and approval of the acts of Board, the Officers and Management for the fiscal year 2022;
- Appointment of External Auditors;
- Adjournment

Attached as Annex B is a copy of the minutes of the previous annual stockholders' meeting held on June 14, 2023.

5. Report of the Chairman and President

The President and Chief Operating Officer will render the Report of Management on the company's performance in 2023, as reflected in the audited financial statements.

6. Approval/ Ratification of the Reports and Audited Financial Statements / Responses to the Questions Raised

The audited financial statements (AFS) as of December 31, 2023 will be presented for approval of the stockholders. The stockholders will be requested to approve the management reports and to ratify the board's approval of the Audited Financial Statements. At this point, the Chairman will ask if there are any questions that have been submitted by the stockholders and shall endeavor to have these responded to depending on the time available. A copy of the Annual Report will be available on the website.

7. Ratification of the Acts of the Board of Directors and of Management

This will cover all acts and resolutions adopted by the board of directors and management since January 1, 2023 until December 31, 2023. These cover matters entered into in the ordinary course of business, with those of significance having been covered by the proper disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange in accordance with applicable disclosure rules. A resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

8. Election of Directors

Pursuant to the Corporation's By-Laws, Manual of Corporate Governance, and applicable rules of the Securities and Exchange Commission, any stockholder, including minority stockholders, may submit nominations for the election of directors. The Corporate Governance Committee determines whether the nominees for the Board of Directors including the independent directors, have all the qualifications and none of the disqualifications for endorsement to the Board. As of April 3, 2024, the Corporate Governance Committee received nominations for directors and found such nominees to have all the qualifications and none of the disqualifications to serve as directors. The names of the nominees and their respective profiles, including directorships in listed companies, are duly indicated in the Information Statement. The election of directors will be done by plurality of votes using cumulative voting and voting by poll.

9. Appointment of External Auditors

The Audit Committee has recommended the re-appointment of SyCip, Gorres, Velayo & Co. as external auditors for the ensuing year. The profile of the firm is duly indicated in the Information Statement. A resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

10. Other Matters

Under SEC Memorandum Circular No. 14, Series of 2020, stockholders who alone, or together with other shareholders, hold at least five percent (5%) of the outstanding capital stock of the Company, shall have the right to include items on the agenda prior to the annual stockholders meeting.

The Company did not receive any such request to include items on the agenda in accordance with the Memorandum Circular before the filing of this Information Statement. Items added on the agenda pursuant to the Memorandum Circular after the filing of this Information Statement shall be filed under Other Business.

This section covers consideration of other business that may properly come before the meeting. The Chairman of the meeting will entertain other comments, questions, or proposals or points of clarification from the stockholders.

Upon confirmation by the Corporate Secretary that there are no other matters to be considered, the Chairman shall declare the meeting adjourned.

PROXY FORM

Date:

Item 1. **Identification**

This proxy will serve to nominate, constitute and appoint ___________________________, as my attorney and proxy, to represent me at the Annual Meeting of the Stockholders of the Corporation scheduled on May 29, 2024 at 10:00 a.m. virtually via this link: https://2024asm.e-rockwell.com/ and any adjournment(s) thereof, as fully and to all intents and purposes as I might or could if present and voting in person, hereby ratifying and confirming any and all action taken on matters which may properly come before such meeting or adjournment(s) thereof.

Item 2. **Instruction**

By affixing his/her signature on the space provided below, the undersigned stockholder hereby directs the said proxy to vote on the agenda items set forth below as he/she has expressly indicated by marking the same with an "X", failing which, his/her said proxy shall exercise full discretion in acting thereon. **If the undersigned stockholder fails to indicate his/her vote on the items specified below, this shall serve to authorize his/her proxy to exercise full discretion to act,**

Please be advised that proxies are validated by the Company's stock and transfer agent, RCBC Trust Corporation (RCBC Trust). The record date for the stockholders entitled to attend and to vote in the said meeting is **April 23, 2024**.

Item 3. **Revocability of Proxy**

This proxy shall be valid for the Annual Stockholders Meeting scheduled on May 29, 2024 or any adjournment thereof. It shall be for a maximum period of five (5) years, unless withdrawn by the undersigned stockholder by written notice duly filed with the Corporate Secretary. This proxy shall not be valid where the undersigned stockholder personally appears and registers in the stockholders meeting. The proxy may not be withdrawn if coupled with an interest.

Proposal	Action		
	FOR	**AGAINST**	**ABSTAIN**
1. Approval of Minutes of the Annual Stockholders' Meeting held on June 14, 2023			
2. Approval/ Ratification of the Reports and the Audited Financial Statements for the Year Ended December 31, 2023			
3. Ratification of the Acts of the Board and of Management			
4. Election of Directors			
Nestor J. Padilla			
Federico R. Lopez			
Valerie Jane L. Soliven			
Miguel Ernesto L. Lopez			
Benjamin R. Lopez			
Roberta L. Feliciano			
Francis Giles B. Puno			
Jose Valentin A. Pantangco, Jr.			
Oscar J. Hilado (Independent Director)			
Monico V. Jacob (Independent Director)			
Emmanuel S. De Dios (independent Director)			

5. Appointment of SyCip, Gorres, Velayo & Co. as External Auditors			
6. Consideration of such other business as may properly come before the meeting, including items added by the stockholders pursuant to Memorandum Circular No. 14, series of 2020.			

IN WITNESS WHEREOF, I have hereunto set my hand at __________________, this ________________, 2024.

____
(Printed Name of Stockholder & Signature)

____
(Witness)

NOTE:
The Proxy should be received by 6:00 p.m. on or before May 20, 2024

(a) physically at the office of the Corporation's transfer agent at:

RCBC Trust Corporation ("RCBC Trust")
Stock Transfer Processing
Ground Floor, Grepalife Building
Sen. Gil Puyat Avenue
Makati City, Metro Manila, Philippines 0727
Attention: Antonio B. Madrid Jr
Tel: +632 8894-9000 local 3690 to 3694

or (b) via email sent 2024asm@rockwell.com.ph

or (c) in digital/electronic form at https://2024asm-e.rockwell.com/

Proxies shall be validated beginning on May 8, 2024 until May 20, 2024. The Proxy need not be notarized.

THIS PROXY FORM IS BEING PROVIDED AS A SAMPLE FOR USE BY THE STOCKHOLDERS SHOULD THEY WISH TO ACCOMPLISH THE SAME. IT IS NOT BEING SOLICITED ON BEHALF OF THE CORPORATION OR ITS MANAGEMENT. THE CORPORATION OR ITS MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE NOT BEING REQUESTED TO SEND MANAGEMENT A PROXY.

ROCKWELL LAND CORPORATION

INFORMATION REQUIRED IN INFORMATION STATEMENT

This information statement is dated April 17, 2024 and is being furnished to the stockholders of record of Rockwell Land Corporation ("Rockwell Land" or the "Company") as of 23 April 2024 in connection with the Annual Stockholders Meeting.

A. GENERAL INFORMATION

1. Date, time and place of meeting of security holders:

Date	:	29 May 2024
Time	:	10:00 am
Place	:	virtually via this link: https://2024asm.e-rockwell.com/

The principal office of the Company is at 2F 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City, Metro Manila, 1200.

The Information Statement may be accessed thru the Company's website at https://www.e-rockwell.com/partner-with-us/company-disclosures/

Management is not asking you for a proxy and you are requested not to send Management a proxy.

Record Date:

23 April 2024

Approximate date of which the Information Statement is first to be sent to security holders:

8 May 2024

2. Right of Appraisal

A stockholder has a right to dissent and demand payment of the fair value of his share (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences over the outstanding share or of extending or shortening the term of corporate existence; (ii) in case any sale, lease, mortgage or disposition of all or substantially all the corporate property or assets; (iii) in case of merger or consolidation; and (iv) Investing of funds in another business for the purposes other than the primary purpose.

If, at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. The value shall be determined as of the day prior to the date when the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. Upon payment, he must surrender his certificate of stock. No payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment. Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit to the Corporation the certificate(s) of stock representing his shares for notation that the shares are dissenting shares.

There are no matters or proposed corporate actions which may give rise to a possible exercise by security holders of their appraisal rights under the Title X of the Revised Corporation Code of the Philippines.

RIGHT TO DIVIDENDS

In accordance with Article IX, Section 1 of the New By-Laws of the Corporation, the Board of Directors shall have power and authority to, among other things, fix and determine, and from time to time vary, the amount to be reserved, over and above its capital stock paid in, as working capital, to meet contingencies, to provide for the equalization of dividends and determine the use and disposition of the working capital and of any amounts so reserved, and to determine whether any what part of the net profits or surplus shall be declared and paid as dividends and fix the times for the declaration and payment of such dividends.

3. Interest of Certain Persons in or Opposition to Matters to be acted upon

(a) No director, officer, or nominee for election as director or associate of any of the foregoing has any substantial interest in any matter to be acted upon, other than election to office.

(b) No director has informed the Company that he intends to oppose any action to be taken at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

(a) The Company has 6,116,762,198 Common Shares issued and outstanding as of 31 March 2024. The Company also has 2,750,000,000 voting Preferred Shares issued and outstanding as of 31 March 2024. Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.

(b) All stockholders of record as of 23 April 2024 are entitled to notice of and to vote at the Company's Stockholders" Meeting.

(c) Section 6 of the Company's By-Laws provides that except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of stock standing in his name on the stock books of the Company, which vote may be given personally or by attorney or authorized in writing. The instrument authorizing as attorney or proxy to act as such shall be exhibited to the Secretary if he shall so request. In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the provisions of the Corporation Law.

Security Ownership of Certain Record and Beneficial Owners and Management

(d) Security Ownership of Certain Record and Beneficial Owners as of 31 March 2024**.**

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizen-ship	No. of Shares Held	% of Class	% of Out-standing Shares
Common Shares	6th Floor Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City 1604	First Philippine Holdings Corporation is the beneficial and record owner of the shares indicated Proxy – Federico R. Lopez, Chairman & CEO of FPH &/or Francis Giles B. Puno, President & COO of FPH	Filipino	5,296,015,375	86.58%	59.73%
Common Shares	PCD Nominee Corporation 37/F Enterprise Tower I, Ayala Ave., cor. Paseo de Roxas, Makati City Stockholder	PCD Nominee Corporation is the record owner but not the beneficial owner which are owned beneficially by the investing public	Filipino	560,332,634	9.16%	6.32%
Common Shares	PCD Nominee Corporation 37/F Enterprise Tower I, Ayala Ave., cor. Paseo de Roxas, Makati City Stockholder	PCD Nominee Corporation is the record owner but not the beneficial owner which are owned beneficially by the investing public	Foreign	92,756,836	1.52%	1.05%
Common Shares	Various	Various		167,657,353	2.74%	1.89%
TOTAL OUTSTANDING COMMON SHARES				6,116,762,198		
Voting Preferred Shares	6th Floor Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City 1604	First Philippine Holdings Corporation is the beneficial and record owner of the shares indicated Proxy – Federico R. Lopez, Chairman & CEO of FPH &/or Francis Giles B. Puno, President & COO of FPH	Filipino	2,750,000,000	100.0%	31.01%
TOTAL OUTSTANDING PREFERRED SHARES				2,750,000,000	100.0%	
TOTAL OUTSTANDING SHARES				8,866,762,198		100%

Security Ownership of Management as of 31 March 2024.

To the best of the knowledge of the Company, the following are the shareholdings of the directors and officers:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
Common Shares	Nestor J. Padilla Chairman & CEO	21,150,001 (direct/indirect)	Filipino	0.3458%
Common Shares	Federico R. Lopez Vice Chairman	14,923 (direct/indirect)	Filipino	0.0002%
Common Shares	Valerie Jane L. Soliven Director President & Chief Operating Officer	29,000 (direct/indirect)	Filipino	0.0005%
Common Shares	Miguel Ernesto L. Lopez Director, Treasurer & Senior Vice President, Office Development	243,694 (direct/indirect)	Filipino	0.0040%
Common Shares	Francis Giles B. Puno Director	5,656 (direct)	Filipino	0.0001%
Common Shares	Jose Valentin A. Pantangco, Jr. Director	1 (direct)	Filipino	0.0000%
Common Shares	Benjamin R. Lopez Director	14,923 (direct)	Filipino	0.0002%
Common Shares	Roberta L. Feliciano Director	1,000 (direct)	Filipino	0.0000%
Common Shares	Oscar J. Hilado Independent Director	1 (direct)	Filipino	0.0000%
Common Shares	Monico V. Jacob Independent Director	2 (direct)	Filipino	0.0000%
Common Shares	Emmanuel S. De Dios Independent Director	1,000 (direct)	Filipino	0.0000%
Common Shares	Enrique I. Quiason Corporate Secretary	3,575 (direct)	Filipino	0.0001%
N.A.	Ellen V. Almodiel Executive Vice President, Chief Finance and Compliance Officer	None	Filipino	N.A.
N.A.	Davy T. Tan Executive Vice President, Business and Project Development	None	Filipino	N.A.
N.A.	Manuel L. Lopez, Jr. President of Rockwell Leisure Club. Inc. and Adviser to BOD	None	Filipino	N.A.
Common Shares	Estela Y. Dasmariñas Senior Vice President, Human Resources	1,882 (direct)	Filipino	0.0000%
N.A.	Jovie Jade Lim-Dy Vice President, Project Director Rockwell South	None	Filipino	N.A.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
N.A.	Christine T. Coqueiro Vice President, Retail Development	None	Filipino	N.A.
N.A.	Angela Marie B. Pagulayan Vice President, Property Management	None	Filipino	N.A.
N.A.	Jesse S. Tan Vice President, Office Development	None	Filipino	N.A.
Common Shares	Alexis Nikolai S. Diesmos Vice President, Project Development	13,000 (indirect)	Filipino	0.0002%
N.A.	Ma. Fe Carolyn Go-Pinoy Vice President, Legal and Chief Data Privacy Officer, Assistant Corporate Secretary	None	Filipino	N.A.
N.A.	Vienn C. Tionglico-Guzman Vice President, Project Director, Cebu	None	Filipino	N.A.
N.A.	Samantha Joyce G. Castillo Vice President, Chief Marketing Officer	None	Filipino	N.A.
N.A.	Stella May A. Fortu Vice President, Corporate Planning and Chief Risk Officer	None	Filipino	N.A.
N.A.	Vergel V. Rape Vice President, Project Development	None	Filipino	N.A.
N.A.	Karen C. Go Vice President, Project Development	None	Filipino	N.A.
N.A.	Sherry Rose I. Lorenzo Assistant Vice President, Finance and Accounting, Comptroller	None	Filipino	N.A.
N.A.	Romeo G. Del Mundo, Jr. Assistant Vice President, Chief Audit Officer	None	Filipino	N.A.
N.A.	Geraldine B. Brillantes Assistant Vice President and GM, Rockwell Leisure Club	None	Filipino	N.A.

Voting Trust

As of the date of this Information Statement, there are no persons holding more than 5% of the Common Shares of the Company under a voting trust or similar agreement. The original shareholders of Rockwell Land agreed that certain board resolutions of the Company shall be reached by consensus and mutual consent.

Change in Control

No change of control in the Company has occurred since the beginning of its last fiscal year.

The Company's amended articles of incorporation or amended by-laws do not contain provisions that would delay, defer or prevent a change in control of the Company. Under the Company's amended articles of incorporation and amended by-laws, holders of Preferred Shares are entitled to voting rights. Further, Preferred shares can only be transferred to (a) Philippine citizens and (b) to a corporation of which at least 60% of the total outstanding equity capital is beneficially owned by Philippine citizens and which is not in competition with the Manila Electric Company ("Meralco"), Lopez Holdings Corporation (formerly "Benpres Holdings Corporation"; "Lopez Holdings"), First Philippine Holdings Corporation ("FPH"), or any of their affiliates. The Preferred Shares constitute 31.01% of the Company's outstanding capital stock. As of 31 March 2024, FPH's combined ownership of the Company's Preferred Shares and Common Shares was 90.74% of the total outstanding voting capital stock.

5. DIRECTORS AND EXECUTIVE OFFICERS

The overall management and supervision of the Company is undertaken by the Board of Directors. There are 11 members of the Board of Directors. The regular directors were elected during the annual meeting of the stockholders held on 14 June 2023, to serve for a term of one year and until their successors are elected and qualified. The composition of the Company's Board of Directors is as follows:

Nestor J. Padilla (Executive Director)
Federico R. Lopez (Executive Director)
Miguel Ernesto L. Lopez (Executive Director)
Benjamin R. Lopez
Roberta L. Feliciano
Valerie Jane L. Soliven (Executive Director)
Francis Giles B. Puno
Jose Valentin A. Pantangco, Jr.
Oscar J. Hilado (Independent Director)
Monico V. Jacob (Independent Director)
Emmanuel S. de Dios (Independent Director)

The Company's key executive officers are as follows:

Nestor J. Padilla	Chairman & Chief Executive Officer
Federico R. Lopez	Vice Chairman
Valerie Jane Lopez-Soliven	President and Chief Operating Officer
Miguel Ernesto L. Lopez	Treasurer and Senior Vice President, Office Development
Ellen V. Almodiel	Executive Vice President, Chief Finance and Compliance Officer
Davy T. Tan	Executive Vice President, Business and Project Development
Estela Y. Dasmarinas	Senior Vice President, Human Resources
Manuel L. Lopez, Jr.	Board Adviser and Vice President, Rockwell Land and President of Rockwell Leisure Club
Christine T. Coqueiro	Vice President, Retail Development
Jesse S. Tan	Vice President, Office Development

Angela Marie B. Pagulayan	Vice President, Property Management
Jovie Jade L. Dy	Vice President and Project Director, Rockwell South at Carmelray
Alexis Nikolai S. Diesmos	Vice President, Project Development
Vienn C. Tionglico-Guzman	Vice President and Project Director, Cebu
Samantha Joyce G. Castillo	Vice President and Chief Marketing Officer
Ma. Fe Carolyn Go-Pinoy	Vice President, Legal, Chief Data Privacy Officer and Assistant Corporate Secretary
Stella May A. Fortu	Vice President, Corporate Planning and Chief Risk Officer
Vergel V. Rape	Vice President, Project Development
Karen C. Go	Vice President, Project Development
Geraldine B. Brillantes	Assistant Vice President and GM, Rockwell Leisure Club
Romeo G. Del Mundo, Jr.	Assistant Vice President, Chief Audit Officer
Sherry Rose I. Lorenzo	Assistant Vice President, Finance and Accounting and Comptroller
Geraldine B. Brillantes	Assistant Vice President and GM, Rockwell Leisure Club
Enrique I. Quiason	Corporate Secretary

The following discussion presents a brief description of the business experience of each of the Company's Directors for the last five years:

Nestor J. Padilla - 69, Filipino

Mr. Padilla has been a Director at Rockwell Land since 1997, and has been the Chief Executive Officer since 1995. He was appointed as Chairman of the Rockwell Board last February 2023. He has also served as a Director in Rockwell Club and has served as a Trustee of the Rockwell Residential Towers Condominium Corporation. He was previously a Director of First Philippine Realty Corporation, First Batangas Hotel Corporation, First Philippine Industrial Park, Terraprime, Inc., FPIP Property Developers & Management Corporation, FPIP Utilities, Inc. and Grand Batangas Resort Development, Inc. Prior to 1995, he held the position of Chief Executive Officer in Lippo Land in Indonesia and was the Executive Director of Indo Ayala Leasing. Mr. Padilla holds a Bachelor of Science degree in Business Management from the Ateneo de Manila University.

Federico R. Lopez – 62, Filipino

Mr. Lopez is the Vice Chairman of Rockwell Land since August 2012. He is the Chairman and CEO of FPH, First Gen Corp., and Energy Development Corporation. He is also Chairman of the Board of First Balfour, First Philippine Industrial Park, Inc., First Philippine Electric Corporation, First Philec, Inc., FP Island Energy Corporation, First Philippine Realty Corporation, First Industrial Science and Technology School, Inc., Pi Energy Inc. and Pi Health, Inc. He is also a Director of ABS-CBN Corporation and Asian Eye Institute. He is a member of the following World President's Organization organizations: World President's Organization, Chief Executives Organization, ASEAN Business Club, Makati Business Club, Management Association of the Philippines, Philippine Chamber of Commerce and Industry, European Chamber of Commerce, and New York Philharmonic International Advisory Board. He is Chairman of the Board of Trustees of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation (OML Center) and the Sikat Solar Challenge Foundation. He is also a Trustee of the Philippine Forest Foundation, the World Wildlife Fund Philippines, and the Philippine Disasters Recovery Foundation. Mr. Lopez graduated with a Bachelor of Arts Degree with a Double Major in Economics & International Relations (Cum Laude) from the University of Pennsylvania in 1983.

Benjamin R. Lopez - 54, Filipino

Mr. Lopez was elected as a member of the Board last September 30, 2020. He had been a Director of Rockwell Land from 2006 to 2013 and held various posts in Business Development, Sales and Marketing and Project Development from 1995 to 2004. He is also currently Vice Chairman of FPH, Treasurer and Senior Executive Vice President of Lopez Inc. and president of INAEC Aviation Corporation. In addition, he is a member of the Board of Directors of various Lopez Group subsidiaries. He received an undergraduate degree from George Washington University and an MBA from the Asian Institute of Management.

Miguel Ernesto L. Lopez - 55, Filipino

Mr. Lopez has been a Director and Treasurer of Rockwell Land since 2009. He was the Senior Vice President and General Manager of Rockwell Integrated Property Services, Inc. (RIPSI) since 2012 until he started heading Office Development business of Rockwell Land in June 2016. He is also an Executive Vice President of Lopez Holdings Corporation. He is also a Director of Rockwell Leisure Club, Inc. and Rockwell Center Association, Inc. He is a member of the Board of Trustees of Eugenio Lopez Foundation, Inc. and an advisor to the Lopez Group Foundation Inc. He was previously part of the Board of Directors for Indra, Outsourced Telleserve Corporation, Meralco Millennium Foundation, Inc., Philippine Commercial Capital, Inc. (PCCI) and PCCI Securities Brokers, Inc. He held several executive and management positions at Meralco from 2002-2010. Prior to this, he was with Maynilad Water Services, Inc. as head of its Central Business Area. Mr. Lopez holds a Bachelor of Science degree in Business Administration from Menlo College of California, USA and attended the Executive Development Program of the Asian Institute of Management.

Roberta L. Feliciano - 60, Filipino

Ms. Feliciano was elected to the Board in 2023. She is currently a director of FPH since 2021 and has been the Chairman of the SEA Institute since 2016, a non-profit organization with a commitment to use science-based conservation in the Verde Island Passage (VIP), the world's center of the center of marine shore-fish biodiversity, for the benefit of the reefs and local communities. SEA stands for Science, Education and Advocacy. At the Institute, she facilitated decision making by building consensus and developing solutions in a collaborative manner between other organizations and local government units. She directed fund-raising activities and the building of awareness in protecting and preserving the VIP. She is also the Managing Director of the ABS-CBN Foundation and a member of the Board of Trustees of the Lopez Group Foundation, Inc. ("LGFI"). The ABS-CBN Foundation is a non-profit organization that carries flagship programs on child welfare and protection (Bantay Bata 163), environment preservation (Bantay Kalikasan), and disaster response (Sagip Kapamilya). LGFI is a non-stock, non-profit organization that functions as a social, charitable institution, and coordinating body for the Corporate Social Responsibility (CSR) initiatives of the Lopez Group of Companies. She is also the President of Yoga Manila, Inc. She took up her BA in Government at the Connecticut College (1983).

Valerie Jane L. Soliven – 55, Filipino

Ms. Soliven has been a Director of Rockwell Land since 2023, She served the Company for 28 years and is currently the President and Chief Operating Officer since 2023. Prior to her appointment as President, she was the Chief Revenue Officer and headed Rockwell's Sales and Marketing team for more than 20 years. Before joining Rockwell Land, she worked at the Manila Garden Suites, EDSA Shangri-La Hotel and the Shangri-La Hotel in Singapore. Ms. Soliven, a licensed broker, holds a Bachelor of Science degree in Hotel and Restaurant Administration from the University of the Philippines. She completed a Management Development Program from the Asian Institute of

Management in 2006. She also completed the Leadership Excellence through Awareness and Practice Program from INSEAD Singapore.

Francis Giles B. Puno - 59, Filipino

Mr. Puno has been a Director of Rockwell Land since 2013. He was appointed Chief Finance Officer and Treasurer of FPH in October 2007 and was promoted to Executive Vice President in September 2011. He is currently the President and COO of FPH and First Gen Corporation; and President of First Philippine Realty and Development Corp., First Philippine Industrial Park, Inc., FPH Capital Resources, Inc. and First Philippine Utilities Corp. He is the Chairman of the Board of First Philippine Development Corp and First Batangas Hotel Corporation. He is a director in the various subsidiaries and affiliates of FPH and First Gen including, among others, Energy Development Corporation, First Balfour Inc., First Philippine Electric Corporation and First Philec, Inc. Before joining FPH, he worked with The Chase Manhattan Bank as Vice President for Global Power and Environment Group. He has a Bachelor of Science degree in Business Management from the Ateneo de Manila University and a Master in Business Administration degree from Northwestern University's Kellogg Graduate School of Management in Chicago, Illinois.

Jose Valentin A. Pantangco Jr.- 52, Filipino

Mr. Pantangco has been a Director at Rockwell Land since 2018. He is currently Senior Vice President and Head of Corporate Planning of FPH. He is a Director of First Balfour, Inc., Terraprime, Inc., First Phil. Electric Corp., FPH Land Ventures, Inc., First Batangas Hotel Corp., First Industrial Township, Inc., First Industrial Township Water, Inc., First Phil. Development Corp., First Phil. Industrial Park, Inc., FPIP Property Developers & Management Corp., FPIP Utilities, Inc., First Phil. Realty Corp. and Grand Batangas Resort Development, Inc. He also serves as President of First Sumiden Realty, Inc. Prior to joining FPH, he was Managing Director for Consultancy and Business Development of Changi Airports International from 2007 until 2016. From 2004 to 2006 he was Senior Associate at McKinsey and Company. He is a graduate of the Harvard Business School with a Masters in Business Administration degree (2004) and of the Ateneo de Manila University with a Bachelor of Arts degree in Economics (1994).

Oscar J. Hilado – 86, Filipino

Mr. Hilado has been an Independent Director of Rockwell Land since 2015. He is also an independent director of FPH from 1996 up to 2016. He is the Chairman of the Philippine Investment Management (PHINMA), Inc., PHINMA Corporation and PHINMA Property Holdings. He is currently Vice Chairman of Union Galvasteel Corporation. He is a director of various companies such as A. Soriano Corporation, Philex Mining Corporation, Smart Communications, Inc., Digital Telecommunications Phils., Inc. (DIGITEL), Roxas Holdings, Inc., Manila Cordage Company, United Pulp and Paper Company, Inc., Seven Seas Resorts & Leisure, Inc., Beacon Property Ventures, Inc. and several universities and colleges across the Philippines, to name a few. He graduated with Highest Honors and with a Gold Medal for General Excellence and a Bachelor of Science in Commerce Degree from De La Salle College (Bacolod). He pursued his Degree of Masters in Business Administration at the Harvard Graduate School of Business Administration from 1960-1962. Mr. Hilado is a Certified Public Accountant.

Monico V. Jacob - 79, Filipino

Mr. Jacob was elected as an independent director of Rockwell Land on April 6, 2016. He has been an independent director of Lopez Holdings Corporation (publicly listed) since 2013. He is currently the Chairman of Total Consolidated Asset Management, Philippine Life Financial Assurance, Inc. (PhilLife), Global Resource for Outsourced Workers, Inc., Rosehills Memorial Management Inc., and STI West Negros University. He is the CEO and Vice Chairman of STI Education Services Group and President of STI Education Systems Holdings, Inc. He is a director of Jollibee Foods Corp. and Phoenix Petroleum Philippines. Prior to his current positions, he was Chairman and CEO of Petron Corporation and Philippine National Oil Company (PNOC), was a General Manager of National Housing Authority (NHA) and also became a CEO of the Home Development Mutual Fund, popularly known as the PAG-IBIG Fund. He also became Chairman of Meralco Financial Services Corporation and Director of Meralco Industrial Engineering Services Corporation and Clark Electric Distribution Corp. He received his Bachelor of Laws degree from the Ateneo de Manila University in 1971.

Emmanuel S. de Dios - 69, Filipino

Mr. Jacob was elected as an independent director of Rockwell Land on April 6, 2016. He has been an independent director of Lopez Holdings Corporation (publicly listed) since 2013. He is currently the Chairman of Total Consolidated Asset Management, Philippine Life Financial Assurance, Inc. (PhilLife), Global Resource for Outsourced Workers, Inc., Rosehills Memorial Management Inc., and STI West Negros University. He is the CEO and Vice Chairman of STI Education Services Group and President of STI Education Systems Holdings, Inc. He is a director of Jollibee Foods Corp. and Phoenix Petroleum Philippines. Prior to his current positions, he was Chairman and CEO of Petron Corporation and Philippine National Oil Company (PNOC), was a General Manager of National Housing Authority (NHA) and also became a CEO of the Home Development Mutual Fund, popularly known as the PAG-IBIG Fund. He also became Chairman of Meralco Financial Services Corporation and Director of Meralco Industrial Engineering Services Corporation and Clark Electric Distribution Corp. He received his Bachelor of Laws degree from the Ateneo de Manila University i

BOARD ATTENDANCE

The record of attendance of the Directors in the Board and stockholders' meetings for the calendar year 2023 is as follows:

ROCKWELL LAND BOARD ATTENDANCE FOR CY 2023

DIRECTORS	JAN 31	FEB 28	MAR 28	MAY 23	JUN 14[1]	JUN 14[2]	JUL 28	AUG 25	SEP 29	OCT 20	DEC 7
O.M. Lopez [c]	X	X	X								
M.M. Lopez [a]											
N.J. Padilla	√	√	√	√	√	√	√	√	√	√	√
F.R. Lopez	√	√	√	√	√	√	X	√	√	√	√
A.F. Del Rosario [b]	X	√	√								
O.J. Hilado	X	√	√	√	√	√	X	√	√	√	√
M.V. Jacob	√	√	√	√	√	√	√	√	√	√	√
E.S. de Dios					*	*	√	√	√	√	√
B.R. Lopez	√	√	√	√	√	√	√	√	√	√	√
M.L. Lopez	√	√	√	√	√	√	√	√	√	√	√
R.L. Feliciano					**	**	√	√	√	√	√
J.A. Pantangco, Jr.	√	√	√	√	√	√	√	√	√	√	√
F.G.B. Puno	√	√	√	√	√	√	√	√	√	√	√
V.L. Soliven					**	**	√	√	√	√	√

Legend: √ -Present
X –Absent
[1] -Annual Stockholders Meeting
[2] - Organizational Board Meeting
*-Election as Independent Director
**-Election as Director
[a]-Deceased, January 12, 2023
[b]-Deceased, April 18, 2023
[c]-Deceased, April 22, 2023

The following discussion presents a brief description of the business experience of each of the Company's key executive officers for the last five years:

Manuel L. Lopez, Jr. - 56, Filipino

Mr. Lopez is currently the President of Rockwell Leisure Club, Inc. (RLCI) and Adviser to the Board of Rockwell Land starting 2017. He was a board member of RLCI since 2016 and has been a Director at Rockwell Land since 2011 until his resignation in 2017. He is the Chairman and CEO of Global Integrated Contact Facilities Inc. (GICF) and SLASHdotPH since 2015 and 2014, respectively. He serves as a Director of Lopez Inc., Philippine Trade Foundation, Inc., and an Executive Vice President of Benpres Insurance Agency Inc. He had served as a Director of ABS-CBN Broadcasting Corporation, Central CATV,Inc. (Sky Cable), Philippine Commercial Capital Inc., among others. He was previously the Chairman and CEO of PacificHub Corporation for 10 years, Mr. Lopez holds a Bachelor of Science degree in Business Administration from De La Salle University.

Ellen V. Almodiel - 50, Filipino

Ms. Almodiel is currently the Executive Vice President and Chief Finance & Compliance Officer. She has been the Chief Finance Officer since 2014. She was appointed as Chief Compliance Officer last June 2017. She started in Rockwell Land as Finance Manager in 2004 and briefly served as Manager of the Business Development Team. Prior to joining Rockwell Land, she was a Financial Analyst and later an Assistant to the Group Chief Finance Officer of the Alcantara Group of Companies and Finance Manager of NextStage, Inc., Ms. Almodiel, a Certified Public Accountant, holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines, where she graduated cum laude.

Davy T. Tan – 50, Filipino

Mr. Tan joined Rockwell Land in 2007 as Financial Analyst and Budget Manager and was promoted to Executive Vice President for Business and Project Development in 2023. Prior to joining Rockwell Land, he spent six years with Filinvest Alabang, Inc., a subsidiary of Filinvest Development Corporation, as Proof and Control Officer of the Festival Supermall and later as Finance Analyst. He was also an Accounting Officer at D.M. Consunji, Inc. and Junior Auditor at Punongbayan and Araullo. Mr. Tan, a Certified Public Accountant, holds a Bachelor of Science degree in Accountancy from the University of the East.

Estela Y. Dasmariñas – 63, Filipino

Ms. Dasmarinas is currently the Senior Vice President for Human Resources of the Company and its subsidiaries. Prior to joining Rockwell Land in 2000, she was Vice President for Human Resources of AMA-DDB Needham Worldwide, Inc., a multinational advertising and communications organization. She was also Director for Human Resources of property development firm Metro Asia Resources Corporation and Manager for Human Resources of Mitsubishi Motor Corporation Philippines, Inc. Ms. Dasmarinas holds a Bachelor of Science degree in Political Science and a Master of Arts degree in Industrial Relations specializing in Human Resource from the University of the Philippines.

Christine T. Coqueiro – 44, Filipino

Ms. Coqueiro is currently Vice President for Retail Development. She has been with Rockwell Land Corporation for a total of 16 years and in 2014 became the Assistant Vice President of Retail Development. Prior to joining Rockwell Land, she worked with Republic Apparel Retailers, Inc for 2 years, and 5 years with Chempak Enterprises. Ms. Coqueiro holds a Bachelor of Science degree in Business Administration Major in Business Management at De La Salle – College of Saint Benilde and is a member of the International Council of Shopping Centers.

Angela Marie B. Pagulayan –49, Filipino

Ms. Pagulayan is currently Vice President for Property Management and has been with Rockwell Land Corporation for a total of 16 years, starting off her career in Customer Service. She has then held various positions in Sales and Marketing, Retail, Rockwell Club and Residential Leasing before becoming an Assistant Vice President for Hotel and Leisure in 2014. She is a graduate of De La Salle University with a Bachelor's Degree in Organizational Communication.

Jesse S. Tan – 42, Filipino

Mr. Tan is currently a Vice President for Office Development. He has been with the company for 18 years since he joined in April 2006. He started as a Finance and Accounting Supervisor and held various Finance positions until his promotion to Assistant Vice President in 2014. He joined the Office Development team in 2016. Prior to Rockwell Land, he was an Audit Supervisor in Isla Lipana & Co. from 2002-2004. Mr. Tan is a Certified Public Accountant and graduated cum laude with a degree of Bachelor of Science in Accountancy at Centro Escolar University.

Jovie Jade Lim-Dy – 39, Filipino

Ms. Dy is currently Vice President and Project Director for Rockwell South. She has been with Rockwell Land Corporation for a total of 18 years. She joined Rockwell Land in 2005 as a Sales Executive. In 2007, she was tasked to lead her own team of sales executives and eventually was assigned as Project Sales Head for Grove in 2012 and later on for Proscenium in 2014. In 2016, she became Rockwell Land's Sales Head. Ms. Dy is a licensed real estate broker and holds a Bachelor of Science degree in Psychology from De La Salle University.

Alexis Nikolai S. Diesmos –48, Filipino

Mr. Diesmos joined Rockwell Land in February 2006 as a Project Architect. He was also assigned to various residential and mixed-use projects as Construction and Project Manager. In July 2015, he was promoted to Assistant Vice President for Project Development. Prior to joining Rockwell Land, he was Project Architect in Cadiz International, Recio+Casas, Velor Construction and TAC Interiors. He graduated in University of Santo Tomas with a Bachelor's Degree in Architecture. He also finished a short course in Philippine School of Interior Design major in Interior Design.

Ma. Fe Carolyn Go-Pinoy – 58, Filipino

Atty. Pinoy is currently Vice President for Legal of the Company and has been with Rockwell Land Corporation for a total of 15 years. She was appointed as Assistant Corporate Secretary in September 2022. She started her real estate exposure as an Arbiter for the HLURB in 1997 followed by her private practice of law until she joined Rockwell in 2000. Atty. Carol got her Law Degree from San Beda University and passed the bar in 1995. She also holds a Bachelor of Arts in English Language from the University of the Philippines.

Vienn C. Tionglico-Guzman – 42, Filipino

Ms. Tionglico-Guzman is currently the Vice President and Project Director of Rockwell Cebu. She holds a Master's Degree in Political Economy specializing in International Relations and Development from the University of Asia and the Pacific, and a Masters Degree in Communication from Ateneo de Manila University. Ms. Tionglico-Guzman started her career in Rockwell as a Marketing Officer handling corporate communications, PR, and events, eventually shifting to Business Development. She was then assigned to manage Cebu's projects, namely 32 Sanson by Rockwell in Cebu, Aruga Resort & Residences in Mactan, and soon, Rockwell's first inner-city mixed-use development, IPI Center Cebu..

Samantha Joyce G. Castillo – 35, Filipino

Ms. Castillo is currently Vice President and Chief Marketing Officer of Rockwell Land, leading the Marketing team since 2017 and Retail Operations since 2020. She joined Rockwell in 2010 fresh from college as a Retail Marketing Associate before moving to the Marketing team of Residential Development. She completed her bachelor's degree in Broadcast Communication at the University of the Philippines – Diliman, cum laude.

Stella May A. Fortu – 34, Filipino

Ms. Fortu is currently a Vice President, serving as the Head of Corporate Planning and Chief Risk Officer of Rockwell Land. Before joining Corporate Planning, she was with the Finance and Accounting team, managing the financial planning for all business units and subsidiaries. She has been with Rockwell since 2014. Prior to joining Rockwell, she was part of the Transactions and Restructuring department of KPMG Manabat Sanagustin and Co. She graduated cum laude from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. She is a Certified Public Accountant and a CFA charterholder..

Vergel V. Rape – 38, Filipino

Mr. Rape joined Rockwell Land in April 2008 as an Architectural Inspector. In the 15 years, he was also assigned to various projects as construction manager. In July 2023, he was promoted to Vice President for Project Development, leading the Construction Management of Rockwell's provincial projects. Prior to joining Rockwell, he was a Restaurant Designer for KFC Philippines-Design. Mr. Rape graduated from the Mapua Institute of Technology with a degree in Architecture..

Karen Chan-Go – 35, Filipino

Ms. Go is currently a Vice President for Project Development overseeing projects in Metro Manila. She joined Rockwell in 2013 as a Structural Supervisor for office developments, eventually progressing as Project Manager for various high-end residential developments in 2019. Prior to joining Rockwell, Ms. Go was a Structural Design Engineer for Sy^2 + Associates, Inc. She earned her Bachelor of Civil Engineering from the University of Santo Tomas and became a licensed Civil Engineer in 2010.

Romeo G. Del Mundo, Jr. –48, Filipino

Mr. del Mundo is currently Assistant Vice President for Internal Audit since 2014 and appointed Chief Audit Officer in 2017. He started as Finance Manager in 2007 and was assigned to various business units and subsidiaries. He led the Internal Audit Team since 2013 and was promoted to Assistant Vice President in 2014. Prior to joining Rockwell Land, he worked for Citibank N.A., UNILAB, First Metro Investment Corp. and SGV & Co. Mr. del Mundo is a Certified Public Accountant and holds a Bachelor of Science in Commerce, major in Accountancy from the University of Santo Tomas.

Sherry Rose I. Lorenzo – 37, Filipino

Ms. Lorenzo is currently Assistant Vice President for Finance & Accounting since 2017 and appointed Comptroller in 2022. She has been in the company for 16 years since she joined in December 2007, and was assigned to various Finance & Accounting positions. She graduated from University of Santo Tomas with a Bachelor's Degree in Accountancy, and is a Certified Public Accountant.

Geraldine B. Brillantes –45, Filipino

Ms. Brillantes has been with Rockwell Land for over 20 years. She joined Rockwell Land in 2002, shortly after graduating from the University of the Philippines with a Bachelor's Degree in Tourism. She started in the Front Office of RIPSI, the property management arm of Rockwell Land. She was first promoted as a Building Manager in 2007, assigned to several projects in the same capacity, until she headed the West Block of RIPSI in 2012. She was promoted to Assistant Vice President in the same year before she transferred as General Manager of Rockwell Leisure Club in 2013. Concurrently, she heads RIPSI for Rockwell Center, Makati starting in 2022.

Enrique I. Quiason - 63, Filipino

Mr. Quiason has been the Corporate Secretary at Rockwell Land since 1995. He is a Senior Partner of the Quiason Makalintal Barot Torres Ibarra Sison & Damaso Law Firm. He is also the Corporate Secretary of FPH, Lopez Holdings and ABS-CBN and various subsidiaries and affiliates of FPH and Lopez Holdings. Mr. Quiason, a Member of the Integrated Bar of the Philippines, graduated with a B.S. Business Economics (Cum Laude) degree in 1981 and with a Bachelor of Laws degree in 1985 from the University of the Philippines. He received his LL.M. in Securities Regulation from Georgetown University in 1991.

Significant Employees

The Board of Directors and Executive Officers of Rockwell Land have been an integral part of its success. Their knowledge, experience, business relationships and expertise greatly contribute to Rockwell Land's operating efficiency and financial performance.

Rockwell Land maintains that it considers the collective efforts of the Board of Directors and all of the Company's employees as instrumental to its overall success. The business of Rockwell Land is not dependent on any individual person. No employee is indispensable in the organization. Rockwell Land has institutionalized through documentation, its processes, procedures and training to ensure continuity and scalability of the business without relying on any particular employee.

Family Relationships

Other than the following family relationships, there are no other family relationships within the Board of Directors and executive officers of the Company:

- Vice-Chairman Federico R. Lopez and Benjamin R. Lopez are brothers.
- Treasurer Miguel Ernesto L. Lopez and Manuel L. Lopez Jr. are brothers.
- Vice-Chairman Federico R. Lopez and Benjamin R. Lopez, and Roberta L. Feliciano, and Miguel Ernesto L. Lopez and Manuel L. Lopez, Jr. are cousins .
- Vice Chairman Federico R. Lopez is the brother-in-law of Francis Giles B. Puno.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence during the past five years and as of the date of this information statement of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the insolvency or within two years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree or any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and
- Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law

Certain Relationships and Related Transactions

The Company, in the ordinary course of business, engages in transactions with Meralco and its subsidiaries, FPH, its subsidiaries and affiliates, and directors and officers and their close family members.

Except as disclosed in Note 26 of the Company's audited consolidated financial statements, there is no material transaction or proposed transaction to which the Company was or is to be a party, in which any of its directors or executive officers, or any individual owning, directly or indirectly, significant voting power of the Company, or any close family members or individuals, had or is to have a direct or indirect material interest.

Resignation of Directors Arising from Disagreement

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders of the Company because of disagreement with the Company on matters relating to the Company's operations, policies and practices.

Nominees for Election of Directors

The Company received nominations for the following as members of the Board of Directors for the ensuing year (2024-2025):

Federico R. Lopez
Benjamin R. Lopez
Nestor J. Padilla
Miguel Ernesto L. Lopez
Francis Giles B. Puno
Jose Valentin A. Pantangco, Jr.
Roberta L. Feliciano
Valerie Jane L. Soliven
Oscar J. Hilado (Independent Director)
Monico V. Jacob (Independent Director)
Emmanuel S. De Dios (Independent Director)

Independent Directors of the Board

Messrs. Hilado, Jacob and De Dios are nominated as independent directors. The Company's three independent directors have at least one (1) share of the stock of the Company each in their respective names, are all college graduates and possess integrity, probity and assiduousness. They are persons who, apart from their fees as directors of the Company, are independent of management and free from any business or other relationship which could, or could reasonably, be perceived to materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company. Messrs. Hilado, Jacob and De Dios: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last five (5) years; (v) are not retained as professional advisers by the Company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through their firms; and (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial or insignificant. They do not possess any of the disqualifications enumerated under Article 3E of the Revised Code of Corporate Governance and SEC Memorandum Circular No. 6, Series of 2009.

All the directors, excluding the independent directors, were nominated by FPH. The independent directors were nominated by Ms. Perla R. Catahan who has no relationship with the nominees nor the Company.

The independent directors are independent of management and free from any business or other relationship with Rockwell Land Corporation.

Attached as Annex C are the Certifications on the Qualifications and Disqualifications of the Independent Directors.

Corporate Governance Committee

The Board created a Corporate Governance Committee (which acts as the nominations committee) who reviews the qualifications of all persons nominated to the Board and other appointments that require Board approval and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors. The Chairman of the Corporate Governance Committee is Mr. Emmanuel S. de Dios, and its other members are Messrs. Oscar J. Hiado, Monico V. Jacob, Nestor J. Padilla and Miguel Ernesto L. Lopez. The Corporate Governance Committee passed upon the qualifications of the directors.

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of the stockholders of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices

6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The Company's amended by-laws provide that the Board of Directors shall not receive any salary for their services as director other than an honorarium not exceeding P15,000.00 for their attendance in each regular or special meeting of the Board of Directors, or Executive Committee but this provision shall not preclude any director from serving the Company in any other capacity and receiving compensation therefore.

The Company's amended by-laws also provide that the Board of Directors, officers and employees may participate in the unrestricted profits or earnings from the operations of the Company, after taxes, to be distributed in the manner, amounts and proportions as the Board of Directors may determine.

Summary of Compensation Table (Annual Compensation)

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other annual compen sation
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (President and Chief Executive Officer) Soliven, Valerie Jane L. (EVP and Chief Revenue Officer) Tan, Davy T. (SVP, Business/Project Development)	2022	P77.9 million	P7.0 million	P5.2 million
All other Officers and Directors	2022	P36.3 million	P3.2 million	P10.1 million
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (Chairman and Chief Executive Officer) Soliven, Valerie Jane L. (President and Chief Operating Officer) Tan, Davy T. (EVP, Business/Project Development)	2023	P89.5 million	P7.5 million	P7.3 million
All other Officers and Directors	2023	P 34.3 million	P3.1 million	P9.5 million
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (Chairman and Chief Executive Officer) Soliven, Valerie Jane L. (President and Chief Operating Officer) Tan, Davy T. (EVP, Business/Project Development)	2024 (estimate)	P98.5 million	P8.2 million	P8.0 million
All other Officers and Directors	2024 (estimate)	P37.8 million	P3.4 million	P10.5 million

**In alphabetical order*

Employment Contracts between the Company and Executive Officers

There are no existing employment contracts with executive officers. There are no arrangements for compensation to be received from the Company in the event of a resignation, retirement or termination of the executive officer's employment or a change of control of the Company.

Options Outstanding

On May 2, 2012 and August 3, 2012, the BOD and the stockholders, respectively, approved the implementation of the ESOP to be offered to all regular employees of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include. The aggregate number of ESOP shares that may be issued shall not at any time exceed 3% of the issued capital stock of the Company on a fully diluted basis. The maximum numbers of shares a participant is entitled to shall be determined as a multiple of the gross basic monthly salary based on rank and performance for the year preceding the award. The option is exercisable anytime within the Option Term once vested. On December 6, 2012, the SEC authorized the ESOP. The ESOP was implemented in January 3, 2013.

The outstanding options as of 31 December 2023 are as follows:

Name	No. of Shares	Date of Grant	Exercise Price	Market Price at the Date of Grant
CEO + 4 most highly compensated executive officers* Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (Chairman and Chief Executive Officer) Soliven, Valerie Jane L. (President and Chief Operating Officer) Tan, Davy T. (EVP, Business/Project Development)	31,880,000	Various	P1.46	various
All Other Officers & directors	1,033,000	Various	P1.46	various
Total	32,913,000			

**Alphabetically arranged*

Other Arrangements

Except as described above, there are no other arrangements pursuant to which any of the Company's directors and officers are compensated, or are to be compensated, directly or indirectly.

7. Independent Public Accountants

The external auditor of the Company is the accounting firm of SyCip, Gorres, and Velayo and Company (SGV & Co.). The accounting firm of SGV & Co. has been the Company's Independent Public Accountants for the last 5 years. There was no event in the past 5 years where SGV & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Company has engaged SGV & Co., with Ms. Loubelle V. Mendoza as the engagement partner, for the audit of the Company's book starting 2023. The Company has complied with SRC Rule 68, paragraph 3(b)(iv) re: seven -year rotation requirement for the signing partner.

SGV & Co. is being recommended for re-election at the scheduled Annual Stockholders' Meeting on 29 May 2024.

Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholder's Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Audit and Audit-Related Fees

The following table sets out the aggregate fees billed for each of the last three fiscal years for professional services rendered by SGV & Co.

Year ended 31 December	2021	2022	2023
Audit and Audit-related fees (net of - VAT) – Parent Company	Php 4.8 million	Php 5.5 million	Php 6.1 million
Audit and Audit-related fees (net of - VAT) – Parent company and subsidiaries	Php 8.2 million	Php 10.5 million	Php 11.9 million

The Audit Committee is composed of Mr. Oscar J. Hilado as Chairman and with Messrs. Francis Giles B. Puno and Monico V. Jacob as members.

8. Compensation Plans

There are no matters or actions to be taken up in the meeting with respect to any compensation plan.

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. Authorization or Issuance of Securities other than for Exchange

No action is to be taken with respect to the authorization or issuance of securities other than for exchange.

10. Modification or Exchange of Securities

No action is to be taken with respect to the modification or exchange of the Company's securities

11. Financial and other information

The Company's consolidated financial statements were prepared in accordance with the Philippine Financial Reporting Standards and were audited by SGV & Co., in accordance with Philippine Standards on Auditing.

The Management Discussion and Analysis of the Financial Condition and Results of Operation for the last three fiscal years required under Part IV (c) of Rule 48 are attached as **Annex D** in the Information Statement.

The Statement of Management's Responsibility for Financial Statements as of 31 December 2023 as well as the Audited Financial Statements prepared in accordance with SRC rule 68, as amended, and Rule 68.1 are attached hereto as **Annex E** in the Information Statement, including the Supplementary Information on the Audited Financial Statements.

Also attached as **Annex F** is the Report of the Audit Committee .

12. Mergers, Consolidations, Acquisitions and Similar Measures

No action is to be taken with respect to the acquisition or disposition of any property.

13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property

14. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital or surplus account of the Company.

D. Other Matters

15. Action with Respect to Reports

The following will be submitted for approval by the stockholders on the Annual Meeting of the Stockholders to be held on 29 May 2024:

(a) Approval of the Minutes of the Annual Stockholders' Meeting held on 14 June 2023, the minutes has been made available on the Company's website at https://www.e-rockwell.com/partner-with-us/company-disclosures/

(b) Approval/Ratification of the 31 December 2023 Reports and the Audited Financial Statements

16. Matters not required to be submitted

No action is to be taken with respect to any matter that is not required to be submitted to a vote of security holders.

17. Amendment of Charter, Bylaws or Other Documents

No action is to be taken with respect to Amendment of Charter, Bylaws or Other Documents to a vote of security holders.

18. Other Proposed Action

(a) Ratification of the Acts of the Board of Directors, of the Executive Committee and of Management for the period covering 1 January 2023 through 31 December 2023 adopted in the ordinary course of business.

The resolutions of the Board were duly adopted in the normal course of trade or business and involve –

i) Approval of contracts, projects, investments, and other acts which have been covered by disclosures to the PSE and the SEC such as:
- Appropriation of P11 billion out of retained earnings as of December 31, 2022 for capital expenditures for 2023 to 2024
- Appropriation of P14 billion out of retained earnings (after reversal of the P11 billion appropriated) as of December 31, 2023 for capital expenditures for 2024 to 2025

ii) Treasury matters, including borrowings, opening of accounts and bank transactions; and

iii) Housekeeping matters, including the appointment of signatories and amendments thereof.

(b) Election of the members of the Board, including the independent directors, for the ensuing year.

(c) Election of the external auditor and fixing its remuneration.

19. Voting Procedures

(a) Vote Required For Approval: Approval of the aforementioned motions or all other matters submitted to a vote would require the affirmative vote of a majority of the shares of the Corporation's common stock present and/or represented and entitled to vote. For the election of directors, there must be present, either in person or by representative authorized to act by written proxy, the owners of the majority of the outstanding capital stock. Out of a quorum, the eleven (11) nominees getting the highest votes shall be elected as directors of the Corporation.

(b) Method by Which Votes Will Be Counted: The manner of voting is non-cumulative, except as to the election of directors. On the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate such 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; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected. In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. In light of the Covid-19 pandemic, stockholders will only be allowed to vote by appointing either a proxy or designating the Chairman of the meeting as such or electronically in absentia. Proxies shall be in writing, in digital. or electronic form, signed and/or filed, by the stockholders, in the form provided in this Information Statement or as appearing in the link provided, and shall be received by the Corporate Secretary on or before May 20, 2024. Scanned copies of the proxy form may be accepted, but the

Corporation reserves the right to require the submission of the originals for authentication. A stockholder may vote electronically in absentia using the online web address: https://2024asm.e-rockwell.com/, subject to validation procedures. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum. All votes will be counted and tabulated by the inspector of proxies and ballots, as supervised by the Corporate Secretary of the Corporation and the results will be validated by an independent third party. All votes shall be counted under the supervision and control of the Corporate Secretary or Asst. Corporate Secretary with the assistance of third parties. necessary.

(c) Pursuant to Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or in absentia, stockholders may access the online web portal https://2024asm.e-rockwell.com/ in order to register and vote on the matters at the meeting. A stockholder voting remotely or in absentia shall be deemed present for purposes of quorum. Please refer to Annex A for a detailed listing of the requirements and procedures for Voting and Participation in the 2024 Rockwell ASM via remote communication or voting in absentia, as well as on how to join the livestream.

20. Corporate Governance

Rockwell Land adopted its Manual on Corporate Governance (the "Manual) on 2 May 2012. An amended report was published last 31 July 2014 and 31 May 2017, respectively. The Company, its directors, officers, and employees complied with the leading practices and principles on good governance as embodied in the Manual of Corporate Governance.

In December 2017, the SEC mandated all companies to submit an Integrated Annual Corporate Governance Repot (I-ACGR) by 31 May of each year in lieu of several reports required in the past years. The company undertakes to submit the I-ACGR and upload in the company website and PSE disclosure system.

Apart from the mandated Manual, Rockwell has also adopted a Corporate Code of Discipline. The Code embodies the principles and guidelines for the conduct of the business of the company and in dealing with its stakeholders.

Pursuant to the Manual of Corporate Governance, the Board has formed committees: Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committees.

Rockwell also has an Internal Audit Group ("IAG") composed of Certified Public Accountants. The AIG reports to the Board through the Audit Committee. The IAG provides assurance and consulting functions for Rockwell in the areas of internal control, corporate governance, and risk management. It conducts its internal audit activities in accordance with eh International Standards for Professional Practice of Internal Auditing (ISPPIA) under the Internal Professional Practices Framework.

It bears mention that the Audit Committee is chaired by an independent director. The Corporate Governance and Risk Oversight Committee are composed of four members of the board, at least one of which is an independent director.

The appointments of Rockwell's Chief Compliance, Chief Risk, Chief Revenue, Chief Audit, and Data Privacy Officers in June and August 2017 further increases governance for the protection of the rights of all the stakeholders of the company.

Rockwell has sought to keep communications open with its stockholders and encourages them to participate in the meeting of shareholders either in person or by proxy. Shareholders are free to write to the Corporate Governance Committee should they have recommendations and/or nominations for the board of directorship.

21. Brief description of the general nature and scope of the business of the registrant and its subsidiaries

Rockwell Land is a premier property developer for residential and commercial projects that cater to the high-end and upper-mid markets in Metro Manila. It is primarily engaged in the residential development of high-rise condominiums as well as in retail and office leasing. It entered Hotel and Leisure in 2013 with the Aruga Serviced Apartments, as well as expanded in cities outside of the National Capital Region with residential developments in Cebu, Bacolod, Pampanga, Laguna and Batangas.

The Company was incorporated on 11 August 1975 as First Philippine Realty and Development Corporation. On 23 February1995, the name was amended to Rockwell Land Corporation. On 27 September 1996, the SEC approved the increase in capital stock of the Company from P1.0 million to P6.0 billion with three major shareholders subscribing to the increase, namely: Manila Electric Company (Meralco), First Philippine Holdings Corporation (FPH) and Benpres Holdings Corporation (now Lopez Holdings Corporation or LPZ). Simultaneously with the increase, the Company also amended its articles of incorporation to increase in capital stock and the increase in number of directors from 5 to 11. On 4 May2000, the SEC approved the articles of merger of the Company with Hubbard Realty Holdings Inc., Farragut Realty Holdings Inc., McPherson Square, Inc., and Foggy Bottom, Inc., with the Company as the surviving entity. In July 2008, the SEC approved the Company's increase in authorized capital stock from P6.0 billion divided into 6,000,000,000 Common Shares with P1.00 par value each to P9.0 billion divided into 8,890,000,000 Common Shares with the same par value and 11,000,000,000 Preferred Shares with a P0.01 par value each with existing shareholders subscribing to the increase in capital. In August 2009, LPZ sold its share in the Company to FPH therefore leaving the Company with only two (2) major shareholders, namely Meralco and FPH.

On 28 February 2012, the SEC approved the amendment to the First Article of the Articles of Incorporation of the Company changing its name from "Rockwell Land Corporation" to: "ROCKWELL LAND CORPORATION doing business under the name and style of Powerplant Mall; Powerplant Cinemas; and Edades Serviced Apartments".

On 27 February 2012, the Board of Directors of Meralco approved the declaration of its 51% ownership in the Company as property dividend in favor of common stockholders of record as of 23 March 2012, except for foreign common shareholders who were 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 11 May 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 11 May 2012.

On 28 June 2012 and 27 July2012, FPH purchased additional shares of the Company from Beacon Electric Asset Holdings, Inc. and San Miguel Corporation, respectively.

As of 31 March 2024, FPH owns 90.74% of the Company's common and preferred shares.

Subsidiaries and Affiliates

Rockwell Integrated Property Services, Inc. (RIPSI), a wholly owned subsidiary of the Company, was incorporated in February 19, 1999 to establish, own, manage, operate and carry on the business of maintaining and cleaning buildings and other facilities. To date, RIPSI manages twenty (24) properties. These properties consist of the various Rockwell residential condominium buildings located in the Rockwell Center in Makati City, The Grove in Pasig City, Tribeca and East Bay Residences in

Muntinlupa, The Vantage at Kapitolyo and 32 Sanson in Cebu City, as well as the townhouse and midrise developments of Alvendia in San Juan, and 205 Santolan and 53 Benitez in Quezon City.

Rockwell Primaries Development Corporation ("Rockwell Primaries", formerly Rockwell Homes Inc., and Primaries Development Corporation) a wholly owned subsidiary of the Company, was incorporated in September 2012 to primarily cater to the broader market under a second brand "Rockwell Primaries". The subsidiary envisions itself to be the preferred developer in terms of providing exceptional and quality living at a more affordable price. Primaries commenced operations in mid- 2013 with the launch of its first project, 53 Benitez, located in Quezon City. Its second project, The Vantage at Kapitolyo in Pasig City, was launched in 2015. 53 Benitez was completed in 2016 while The Vantage was completed in 2023.

Stonewell Development Corporation Inc., a wholly owned subsidiary of the Company, was also incorporated in September 2012 to develop socialized and economic housing projects for the Parent Company.

Rockwell Performing Arts Theater Corporation (RPATC), a wholly owned subsidiary, was incorporated in November 2012 and was initially named as Primaries Properties Sales Specialist Inc. (PPSSI) to act as the sales and marketing arm of Primaries. Operations were discontinued in 2017. In July 2019, PPSSI was renamed as Rockwell Performing Arts Theater Corporation to manage operations of theaters and performance, concert, opera, music and other forms of entertainment.

Rockwell Hotels & Leisure Management Corporation (Rockwell Hotels), a wholly owned subsidiary of the Company, was incorporated in June 20, 2013 for the management of hotel and resort operations. It currently manages the operations of Aruga Serviced Apartments at the Edades Tower and Garden Villas, Makati City.

Retailscapes Inc., a wholly owned subsidiary of the Company, was incorporated in November 2014 to develop and operate pocket retail projects of the Company. Its first project, the Santolan Town Plaza was launched with the opening of the cinemas and some retail stores last December 2017.

Rockwell Primaries South Development Corporation (Rockwell Primaries South), formerly ATR KimEng Land, Inc., is a wholly owned subsidiary of Rockwell Primaries. In 2014, Rockwell Primaries bought 60% of ATR KimEng Land Inc., the remaining 40% was owned by ATR Holdings, Inc and Dragon Eagle International Limited. Last July 29, 2019, the Parties entered into a Share Sale and Purchase Agreement wherein Rockwell Primaries bought the 40% shared owned by ATR Holdings, Inc and Dragon Eagle International. Rockwell Primaries South will complete the development of the undeveloped portion (61,787 square meters) of the Tribecca Private Residences located along the East Service Road in Muntinlupa City. The new development was launched in October 2016 as East Bay Residences, with The Fordham, the first of the five towers to be developed. The second tower, Larsen, was launched in December 2019.

The financial statements of these wholly-owned subsidiaries were consolidated in the Company's attached Audited Financial Statements.

Rockwell MFA Corporation (Rockwell MFA) is a joint venture between the Company and by Mitsui Fudosan (Asia) Pte. Ltd. (Mitsui) through SEAI Metro Manila One, Inc., which was incorporated in the Philippines and registered with the SEC on August 22, 2017. The Company owns 80% of the business. It's first project, The Arton West, was launched in July 2017. The Arton North and Arton East were launched last March 2018 and July 2021, respectively

Rockwell Carmelray Development Corporation (Rockwell Carmelray), formerly Carmelray Property Holdings Inc., is a joint venture between the Company and by the Yulo family's Carmelray Property Holdings and San Ramon Holdings, which was incorporated in the Philippines and registered with the SEC on July 5, 2018. On August 8, 2018, the Company purchased 14.7% interest in Rockwell Carmelray, equivalent to 450,000 common shares. On November 20, 2019, it subscribed to an additional 240.9 million Class A redeemable preferred shares, representing 37.6% of the total issued and outstanding shares of Rockwell Carmelray. As a result, the Company owns 52.3% of the business as of December 2019. The first phase of the project, Rockwell South at Carmelray was launched last September 2019. As of December 31, 2023, the Company owns 70% of Rockwell Carmelray. The increase in the Company's ownership resulted from Rockwell Carmelray's redemption of 205,393,902 preferred shares, at the redemption price of P10.00, amounting to P2,054 million held by the Yulo family and San Ramon Holdings from 2020 to 2023.

On November 6, 2020, the Company subscribed to 40% of the outstanding capital stock of Rockwell Nepo Development Corporation (RNDC), formerly Nepwell Property Management Inc. Rockwell Nepo is a joint venture between the Company and T.G.N Realty Corporation, which was incorporated in the Philippines and registered with (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 P1.00 per share amounting to P55,000,000. As of December 31, 2023, the Company owns 38.49% 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 December 31, 2023 the Company owns 50% of RIDC.

Rockwell GMC Development Corporation (RGDC) is a joint venture between the Company and by the General Milling Corporation, which was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on June 19, 2023. Upon incorporation, the Company subscribe up to 4.1 billion redeemable preferred shares and 12 million common shares, equivalent to 60% of the business.

The Company also has ownership in Rockwell Leisure Club Inc. (RLCI), owning 1,491 ordinary shares and 51% of 1,500 proprietary shares. Overall share of Rockwell Land to RLCI is at 74.7% by the end of 2023. RLCI is a non-profit premier leisure club created to complement Rockwell Land's exclusive lifestyle concept. Opened in December 1999, the Rockwell Club offers its resident members and proprietary shareholders a first-class social, sports and recreational facility within the Rockwell Center.

22. Market Price and Dividends

(1) Market Information

(a) The registrant's common equity is being traded at the Philippine Stock Exchange under the ticker "ROCK".

(b) STOCK PRICES

	Common	
	High	Low
2022		
First Quarter	1.52	1.33
Second Quarter	1.46	1.16
Third Quarter................................	1.58	1.18
Fourth Quarter	1.43	1.25
2023		
First Quarter..................................	1.49	1.32
Second Quarter…………………...	1.45	1.32
Third Quarter.......………………...	1.56	1.34
Fourth Quarter……………........	1.47	1.30
2024		
First Quarter..................................	1.60	1.34

ROCK closed at P1.43 per share as of March 31, 2024.

23. Holders

(a) There are 45,356 Common Stockholders as of 31 March 2024.
(b) Top 20 Stockholders of Common Shares as of 31 March 2024.

	NAME	NO. OF SHARES	% TO TOTAL
1	FIRST PHILIPPINE HOLDINGS CORPORATION	5,296,015,375.00	86.58%
2	PCD NOMINEE CORPORATION (FILIPINO)	560,332,634	9.16%
3	PCD NOMINEE CORPORATION (FOREIGN)	92,756,836	1.52%
4	MANTES CORPORATION	32,373,508	0.53%
5	PADILLA,NESTOR J.	15,000,001	0.25%
6	YAN, LUCIO W.	1,136,324	0.02%
7	CHENG, CHARLOTTE CUA	886,422	0.01%
8	AVESCO MARKETING CORPORATION	801,574	0.01%
9	B. P. INSURANCE AGENCY, INC.	792,139	0.01%
10	MAKATI SUPERMARKET CORPORATION	677,238	0.01%
11	CROSLO HOLDINGS CORPORATION	584,297	0.01%
12	ENRIQUEZ, LAARNI NIEMAN	552,943	0.01%
13	CARLOS, JOSE IGNACIO A.	455,667	0.01%
14	TAN, LOZANO A.	422,730	0.01%
15	FLORDELIZA,VIRGILIO CACHERO	398,550	0.01%
16	AQUINO,ANTONINO T.,&/OR EVELINA S. AQUINO	377,231	0.01%
17	BP INSURANCE AGENCY, INC.	328,969	0.01%
18	FORESIGHT REALTY & DEVELOPMENT CORPORATION	305,353	0.00%
19	GALLINERO, TEODORO OLIVARES	266,331	0.00%
20	ALMAZORA, ROBERTO REYES	246,150	0.00%

Stockholders of Preferred Shares as of 31 March 2024:

Name	No. of Shares Held	% to Total
First Philippine Holdings Corporation	2,750,000,000	100%

Equity Ownership of Foreigners on a per class basis as of 31 March 2024:

Type of Share	Number of Foreign Shares	Foreign Ownership Level
Common Shares	92,756,836	1.52%
Preferred Shares		0%

24. Dividends

(a) Dividend History

Year	Common	Preferred
2023	₱ 0.0752 per share	₱ 0.0006 per share
2022	₱ 0.0537 per share	₱ 0.0006 per share
2021	₱ 0.0353 per share	₱ 0.0006 per share

(b) Dividend Policy

Subject to the preferential dividend right of the Preferred Shares, each holder of a Common Share is entitled to such dividends.

The Board of Directors during the organizational meeting on 29 May 2013 have adopted a dividend policy of declaring as dividends 20% of prior year's Net Income after Tax (NIAT).

The Company's amended by-laws provide that the Board of Directors shall have the power and authority to fix and determine and from time to time vary, the amount to be reserved as working capital, to meet contingencies, to provide for the utilization of dividends and/or for other purposes, to such extent, in such manner and upon such terms as the Board of Directors shall deem expedient in order to determine the part of the nets profits or surplus which shall be declared and paid as dividends; and generally to fix and determine the use and disposition of any net profits or surplus.

The Preferred Shares currently outstanding will earn a cumulative dividend of 6% per annum. The Preferred Shares do not participate in dividends declared in relation to Common Shares.

(c) Restriction on the Payment of Dividends

(1) Term Loan Agreements

Under the Term Loan Agreements dated 19 December 2019 and 13 September 2021 between Rockwell Land and Philippine National Bank (the "Loan Agreement"), the Company, without the written consent of the Bank, shall not declare, pay or distribute dividends to its stockholders (other than dividends payable solely in shares of its capital stock) if payment of any sum due is in arrears or such declaration, payment or distribution shall result in a violation of the Current Ratio (as this term is defined in the Loan Agreement) of 1:1 and the consolidated Debt-to-Equity Ratio (as this term is defined in the Loan Agreement) not exceeding 2.0x.

Under the Term Loan Agreement dated 18 November 2019 and 14 December 2022 between Rockwell Land and Metropolitan Bank & Trust Company (the "Term Loan Agreement"), the Company, without the written consent of the Bank, shall not declare, pay or distribute dividends to its stockholders (other than dividends payable solely in shares of its capital stock) if payment of any sum due is in arrears or such declaration, payment or distribution shall result in a violation of the Current Ratio (as this term is defined in the Loan Agreement) of 1:1 and the consolidated Debt-to-Equity Ratio (as this term is defined in the Loan Agreement) not exceeding 2.0x.

Under the Term Loan Agreement dated 20 January 2020 and 4 March 2022 between Rockwell Land and BDO Unibank Inc (the "Term Loan Agreement"), the Company, without the written consent of the Bank, shall not declare, pay or distribute dividends to its stockholders (other than dividends payable solely in shares of its capital stock) if payment of any sum due is in arrears or such declaration, payment or distribution shall result in a violation of the Current Ratio (as this term is defined in the Loan Agreement) of 1:1 and the consolidated Debt-to-Equity Ratio (as this term is defined in the Loan Agreement) not exceeding 2.0x.

25. Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

(a) Recent Sales of Unregistered Securities

There were no sales of unregistered securities during the past three years.

(b) Exempt Transactions and Securities

There were no exempt transactions and securities issued during the past three years.

CERTIFICATION

Upon written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of the Company's Annual Report or SEC Form 17-A free of charge. Any written request for a copy shall be addressed to the following:

> Ellen V. Almodiel, Executive Vice President, Chief Finance and Compliance Officer
> Rockwell Land Corporation
> 8 Rockwell
> Rockwell Center, Makati City 1200

At the discretion of management, a charge may be made for exhibits, provided that such charge is limited to reasonable expenses incurred by the Company in furnishing such exhibits.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on April 17, 2024.

By:

Enrique I. Quiason
Corporate Secretary

ROCKWELL LAND CORPORATION

ANNEX

A.	Registration and Validation Procedures for the 2024 ASM	Attached
B.	Minutes of the Annual Stockholders' Meeting held on June 14, 2023	Attached
C.	Certifications on the Qualifications and Disqualifications of Independent Directors	Attached
D.	Management Discussion and Analysis of Financial Condition and Results of Operations from 2021-2023	Attached
E.	Statement of Management's Responsibility for Financial Statements as of 31 December 2023 as well as the Audited Financial Statements and Supplementary Information	Attached
F.	Report of the Audit Committee	Attached

Annex A
Registration and Validation Procedures for the 2024 Annual Stockholders Meeting (Virtual)

Registration and Validation Procedures for the Virtual ASM:

1. Validation of stockholders will be from May 8, 2024 to May 20, 2024.

2. Stockholders who will execute a proxy must submit their duly executed proxy thru this link https://2024asm.e-rockwell.com/ on or before May 20, 2024, validation of proxies is scheduled on May 20, 2024.

   Note: For corporate stockholders, a secretary's certificate on the authorized signatory to execute the proxy is required to be submitted. Scanned copies of the secretary's certificate may be uploaded, but the Corporation reserves the right to require the submission of the originals for authentication.

3. Stockholders who intend to participate in the virtual ASM must register thru this link https://2024asm.e-rockwell.com/for validation starting on May 8, 2024 until May 20, 2024 and submit the following documents:

   For certificated stockholders:
   A. Individual Shareholder
   1. Name
   2. Address
   3. Email address
   4. Contact number
   5. Scanned copy of 1 valid government ID or 2 secondary valid government ID

   B. Corporation
   1. Company Name
   2. Name of authorized representative
   3. Address
   4. Email address
   5. Contact number
   6. Secretary Certificate on List of Authorized Signatories
   7. Proxy form indicating the authorized representative to act on behalf of the Corporation (duly signed by Corp signatory/ies)
   8. Scanned copy of valid ID of authorized representative and Corporate authorized signatory who signed the authorization letter

   For stockholders whose shares are lodged with brokers:
   1. Broker's Name
   2. Name of authorized representative
   2. Address
   3. Email address
   4. Contact number
   5. Broker's Certificate on List of Authorized Signatories
   6. Proxy form indicating the authorized representative to act on behalf of the Broker (duly signed by broker signatory/ies)
   7. Scanned copy of valid ID of authorized representative and Broker authorized signatory who signed the authorization letter

   Separate Registration for Shareholder in Scripless or Electronic Form:
   1. Beneficial Shareholder Form
   2. Name of authorized representative
   3. Address
   4. Email address
   5. Contact number
   6. Broker's Certificate on List of Authorized Signatories

7. Proxy form from a PDTC Participant (either broker or Custodian Bank or Trust Entities or Financial Institution) on the Beneficial Shareholder Name and number of shares as of record date (duly signed by PDTC participant authorized signatory/ies)
8. Scanned copy of valid ID 1 primary valid government ID or 2 secondary valid government ID (we will provide a list of acceptable primary and secondary ID on a separate email)

Note: the above documents will be subject to review for purposes of validation and we may require additional documents as needed.

4. Validated stockholders and proxies will get a confirmation thru email and will be provided with a link to the virtual ASM and the link to cast their vote on or before May 20, 2024.

5. Validated stockholders and proxies may cast their vote through the designated link until May 22, 2024.

6. For the determination of the quorum, all shares represented by duly validated proxies will be counted as “shares represented by proxies” and shares of validated stockholders present at the virtual ASM will be counted as “shares present in person”. The Corporate Secretary shall announce all the results during the meeting proper subject to final tabulation.

7. For the tabulation of votes, all validated proxies and ballots submitted on or before May 20, 2024, will be tabulated by the Office of the Corporate Secretary and validated by RCBC Trust Corporation (RCBC Trust) Stock Transfer Processing Section.

8. Questions and comments may be submitted during registration and until 5:00 p.m. May 28, 2024.

Annex B

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF ROCKWELL LAND CORPORATION VIA VIDEOCONFERENCE ON JUNE 14, 2023

The Corporate Secretary welcomed the participants to the 2023 Annual Stockholders' Meeting of Rockwell Land Corporation and advised that in compliance with Securities and Exchange Commission's (SEC) Memorandum Circular No. 6, Series of 2020 that the meeting was being recorded.

CALL TO ORDER AND ROLL CALL

The Chairman of the Board, Mr. Nestor J. Padilla, said that the Company is still constrained to hold the meeting virtually for the safety of the stockholders. He thanked everyone who registered, sent proxies, and who were present at the meeting.

The Chairman called the meeting to order.

The Corporate Secretary advised the stockholders that the following members of the Board were present:

Mr. Nestor J. Padilla	Chairman of the Board, and Chief Executive Officer
Mr. Federico R. Lopez	Vice Chairman and Member, Party Transactions Committee
Mr. Miguel Ernesto L. Lopez	Member, Related Party Transactions Committee
Mr. Francis Giles B. Puno	Member, Audit & Corporate Governance Committees
Mr. Jose Valentin A. Pantangco, Jr.	Member, Risk Oversight Committee
Mr. Oscar J. Hilado	Chairman, Audit Committee and Member, Corporate Governance and Risk Oversight Committees
Mr. Monico V. Jacob	Chairman, Related Party Transactions Committee and Member, Audit and Risk Oversight Committees

The Corporate Secretary further stated that Mr. Manuel L. Lopez, Jr., the Board Adviser, was also present at the meeting, together with the following members of the Company's senior management:

Valerie Jane L. Soliven	Executive Vice President and Chief Revenue Officer
Ellen V. Almodiel	Executive Vice President, Chief Finance and Compliance Officer

Davy T. Tan	Senior Vice President, Business and Project Development
Estela Y. Dasmariñas	Senior Vice President, Human Resources
Manuel L. Lopez, Jr.	Board Adviser and Vice President, Rockwell Land, and President of Rockwell Leisure Club
Christine T. Coqueiro	Vice President, Retail Development
Jesse S. Tan	Vice President, Office Development
Angela Marie B. Pagulayan	Vice President, Property Management
Jovie Jade V. Lim-Dy	Vice President and Project Director, Rockwell South at Carmelray
Alexis Nikolai S. Diesmos	Vice President, Project Development
Vienn C. Tionglico-Guzman	Vice President and Project Director, Cebu
Samantha Joyce G. Castillo	Vice President, Marketing and Retail Operations
Ma. Fe Carolyn Go-Pinoy	Vice President, Legal, Chief Data Privacy Officer and Assistant Corporate Secretary
Romeo G. Del Mundo, Jr.	Assistant Vice President and Chief Audit Officer
Stella May A. Fortu	Assistant Vice President, Corporate Planning and Chief Risk Officer
Sherry Rose I. Lorenzo	Assistant Vice President, Finance and Accounting and Comptroller
Geraldine B. Brillantes	Assistant Vice President and General Manager, Rockwell Leisure Club

Also present were representatives of the Corporation's external auditors, SyCip, Gorres, Velayo & Co.

Before proceeding with the meeting proper, the Chairman requested for a moment to remember the dear departed members of the Board of Directors – Chairman Amb. Manuel M. Lopez, Chairman Emeritus Oscar M. Lopez, and Director Amb. Albert F. Del Rosario.

Thereafter, the Chairman shared a video in honor of the late members of the three gentlemen.

PROOF OF NOTICE

The Corporate Secretary confirmed that he had caused the notices of this annual meeting to be published in accordance with applicable regulations of the SEC. In compliance with the SEC's requirements, the notice and agenda of the meeting were published in the Philippine Daily Inquirer and The Philippine Star, both being newspapers of general circulation, last May 22 to 23, 2023, in both printed form and online. The meeting materials including the Notice and Agenda, Explanation of the Agenda Items, Definitive Information Statement, Registration and Validation Procedures including for Voting, the Management Report, the Audited Financial Statements together with the quarterly financials were also posted in the Philippine Stock Exchange's Edge Disclosure System and in the Company's website. He confirmed his execution of a Certificate attesting to this fact. The Chairman instructed the Corporate Secretary to append that Certificate to the original minutes of the meeting.

DETERMINATION OF QUORUM/GROUND RULES

Upon the inquiry of the Chairman, the Corporate Secretary reported that out of the 6,116,762,198 common shares and the 2,750,000,000 voting Preferred Shares issued and outstanding, there were present virtually or represented by proxy 5,389,303,419 shares of the common stock and 2,750,000,000 voting Preferred Shares representing 91.80% of the issued and outstanding voting stock of the Corporation.

There being a quorum, the Chairman declared the meeting open for the transaction of business and then requested the Corporate Secretary to discuss the procedure and rules to be observed for the meeting.

The Corporate Secretary explained that under the Company's Articles of Incorporation, all Common and voting Preferred shares have full voting rights. Except for delinquent stock, all Common and voting Preferred stockholders of record as of April 18, 2023 are entitled to register and vote the number of shares in their name as of the record date. The Notice and Agenda as published includes an explanation of the agenda items. As stated in the Registration and Validation Procedures furnished to the stockholders, a validation of the stockholders was conducted from May 23, 2023 to June 2, 2023.

Qualified stockholders and proxies who successfully registered and validated for the meeting were sent a confirmation through email and the links for them to be able to attend the virtual Annual Stockholders Meeting and to cast their vote on or before June 6, 2023 through a secure online voting platform. This online voting platform contains the items for approval as indicated in the agenda set out in the notice. The proposed resolution for each of these will be shown on the screen during the meeting.

For items other than the election of directors, the stockholders had the option to either vote in favor of or against a matter for approval, or to abstain.

The manner of voting shall be non-cumulative, except as to the election of directors. Each stockholder shall have one vote for each share entitled to vote and registered in his name. The vote of the stockholders representing at least a majority of the shares present or represented at the meeting will be sufficient to approve any of the matters for approval.

For the election of directors, the stockholders had the option to vote their shares for each of the nominees, not vote for any nominee, or vote for one or some nominees only, in such number of shares as the stockholders prefer; provided that the total number of votes cast does not exceed the number of shares owned by them multiplied by the number of directors to be elected. Cumulative voting shall be allowed and the top eleven nominees with the most number of votes will be elected as directors.

Votes received through electronic voting or voting in absentia and votes cast through proxies were tabulated by the Office of the Corporate Secretary and validated by Rizal Commercial Banking Corporation (RCBC) Stock Transfer Processing Section. The results of the voting, with full details of the affirmative and negative votes, as well as abstentions, will be reflected in the minutes of this meeting.

Questions and comments were allowed to be submitted during registration and until June 2, 2023. The Corporate Secretary stated that the Corporation will endeavor to respond to all questions within the time allowed.

This participation and voting procedures are also contained in the Definitive Information Statement, accessible to all stockholders through the Company's website and Annual Stockholders' Meeting portal as well as on the EDGE disclosure system of the Philippine Stock Exchange. The Corporate Secretary reminded everyone that the meeting was being recorded, both video and audio. Except for designated speakers and presenters, the microphones of the other attendees have been muted.

APPROVAL OF MINUTES OF THE PREVIOUS STOCKHOLDERS

The Chairman said that the next order of business was the approval of the minutes of the previous stockholders' meeting. He requested the Corporate Secretary to read the proposed resolution in this regard.

The Corporate Secretary stated that an electronic copy of the draft minutes of the Annual Stockholders Meeting held last May 25, 2022 had been made available at the company's website and Management proposed the approval of the following resolution by the stockholders:

"RESOLVED, that the stockholders of Rockwell Land Corporation hereby approve the minutes of the Annual Stockholders' Meeting held on May 25, 2022."

The Corporate Secretary stated that the Corporation received votes or proxies representing 8,139,270,038 shares or 99.99% of the shares present or represented in this meeting and which voted in favor of the approval of the minutes of the last Annual Stockholders' Meeting, 0 shares voted against, and 33,381 shares abstained. This was noted by the Chairman who declared the resolution approved.

The Chairman stated that the next item on the agenda was the Chairman and President's Report for the year ending December 31, 2022.

THE CHAIRMAN AND PRESIDENT'S REPORT

The Chairman and President then rendered his annual report, thus –

Good morning, fellow Shareholders!

The start of this year was an irreparable loss with the passing of our beloved Chairman. Ambassador Manuel Lopez led us to fulfilling a vision - a dream we had 28 years ago.

He unceasingly looked forward to Rockwell's continuous growth, especially when we set foot in key cities outside of Metro Manila. It is in this same boundless passion and dedication, that we take pride in providing you world-class communities and experiences, just as he envisioned it.

We remain inspired with his *leadership done Rockwell.*

Growth Done Rockwell

We ended 2022 with our net income after tax at Php 2.3 billion, 40% higher than 2021. Our revenues increased by 30%, at Php 16.5 billion, a level already higher than pre-pandemic in 2019.

Amidst unpredictable market challenges, our core Rockwell clientele delivered our strongest demand for high-end developments. This contributed to our reaching another record year for Reservation Sales at Php 21.2 billion.

It was a similar story for our Commercial businesses which outperformed their 2019 pre-pandemic numbers. Revenue increased by 77% from 2021. This is due to the lifting of rental concessions and strong tenant sales. Rockwell Workspaces recorded a 9% revenue growth, while Retail ended 2022 with a record high revenue of Php 1.8 billion, a 78% increase from the previous year.

Living Done Rockwell

We stayed true to our vision of creating communities for our market, who continued to put their trust in us with their investments. 2022 set another record with the highest value of project launched at Php 29 billion.

Our provincial communities continue to display high potential for growth and significant increase in interest from our clients. We launched four projects in different cities.

In Angeles, Rockwell at Nepo Center had a strong start with its first tower, The Manansala, which was followed by The BenCab in September. This 4.5-hectare joint venture with Juan D. Nepomuceno Realty of the Nepomuceno family will a have the first Power Plant Mall outside Metro Manila.

In Lipa, Batangas, Terreno South continues to make a mark as it further expanded with Phase 4. This 46-hectare nature inspired development, offers residential lots ranging from 250 to 400 square meters.

In Bacolod, with a vision of creating a lifestyle district, we launched the 30-hectare Rockwell Center Bacolod, our biggest master planned community to date. Last May 2022, we first offered commercial lots and sold Php 1 billion worth by year end. It was followed by the well-received Bel-Air residential lots in December 2022.

Here in Makati, we launched Edades West, the newest Rockwell project in one of the most coveted addresses. It is designed with post-pandemic living needs in mind, complemented with sustainability features.

Communities Done Rockwell

With our promise of growing the Rockwell touch, we will build more communities this year. We are set to launch almost 200 hectares of development in three different cities.

In the heart of Cebu, we will launch IPI Center by Rockwell. This is a 2.85-hectare mixed use community, a joint venture with the Wong and Castillo families of International Pharmaceuticals Inc.

Next is a 100-hectare horizontal residential community in Bulacan, a thriving location North of Metro Manila driven by upcoming infrastructure. With a vast site blessed with mature trees and rolling terrains, we can expect a hillside escape that promotes wellness living.

Next year gets more exciting for the Company as we launch our first premium horizontal beach community in Lian, Batangas. With about 100 hectares to develop, we hope to provide a new and unique living experience for our core market in a leisure environment just two hours away from Manila. The site boasts of 700 meters of coastline and clear waters, spread across two natural coves.

Legacies Done Rockwell

As we carry on, bringing the unmistakable legacy of our Chairman, we keep in mind to never cease serving our stakeholders through the experiences that touch their lives.

We will keep doing more, guided by his inspiring passion and compassionate heart. Your trust is our brand, and we will keep creating and we will keep expanding.

Maraming Salamat!

APPROVAL OF THE MANAGEMENT REPORT AND THE RATIFICATION OF THE BOARD APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2022

The Chairman said that the copies of the management report, which includes the audited financial statements for the calendar year ending December 31, 2022, were duly published and made available to the stockholders prior to the meeting. He opened the floor to questions and requested that Corporate Secretary to discuss this further.

The Corporate Secretary stated that the management report and the financial statements include all pertinent actions undertaken during the year as well as the activities and performance of the subsidiaries and affiliates. He explained that the Board of Directors approved the audited financial statements last March 28, 2023. In connection with the meeting, the Corporation had requested its valued stockholders to submit their questions through a designated online link. The management was prepared to clarify or elaborate on any matter reflected in the management report and the financial statements. He also said that the external auditors were also present to explain as may be necessary.

He further stated that the Corporation received two questions from the stockholders. The first question was from Mr. Jessie Ramirez. His question was: "*If there are any plans by the Corporation to participate in PBBM's affordable Housing project particularly in the Clark/Pampanga/Tarlac/Bulacan area? If so, as an OFW planning to retire soon, I would apply as a buyer in such project.*"

The Chairman requested on the Senior Vice President for Business and Project Development, Mr. Davy T. Tan, to answer the question. Mr. Tan responded that the Company's affordable segment is currently located in South Luzon. As Rockwell expands its product offerings across different segments and geographically, Mr. Tan said it also desires to expand in Central Luzon in the near future. He added that the Company is currently in negotiation with property owners in the areas mentioned, and hopeful to announce their status soon.

The second question was from Ms. Milani S. Caimol, and her question was: *"What are your growth plans in the next few years? Are there new exciting projects we can expect?"*

The Chairman called on the Executive Vice President and Chief Revenue Officer, Ms. Valerie Jane L. Soliven, to answer the question. Ms. Soliven said that the Company aims to expand its business in key geographic areas with diversified product offerings, cutting across all markets, in the next few years. She further stated that, as the Chairman previously mentioned, the Company is excited to launch three new projects this year – two in Cebu, one in Laguna, and another one in Batangas. Next year, we will be expanding our Rockwell Horizontals portfolio with the addition of Rockwell projects in Bulacan and Lian, Batangas.

The Corporate Secretary then stated that these were the only questions that were received during the time allowed. If there were any more questions. these can be sent to 2023asm@rockwell.com.ph and the Company will endeavor to respond to these questions as well.

The Chairman requested the Corporate Secretary to read the proposed resolution with respect to the financial statements, the reports and the voting results.

The Corporate Secretary stated that Management proposed the approval of the following resolution by the stockholders:

"RESOLVED, That the stockholders of Rockwell Land Corporation (the 'Corporation'):

(i) confirm, approve, and ratify, as they hereby do confirm, approve and ratify, the Board of Directors' approval of the Audited Financial Statements of the Corporation for the period ended December 31, 2022; and

(ii) approve, as they hereby do approve, the management reports covering the calendar year ending December 31, 2022.

The Corporate Secretary stated that the Corporation received votes or proxies representing 8,139,270, 038 shares or 99.99% of the shares present or represented in this meeting and which voted in favor of the approval of the management reports and audited financial statements, 0 shares voted against, and 33,381 shares abstained. This was noted by the Chairman and who declared the resolution approved.

RATIFICATION OF THE ACTS OF THE BOARD,
THE COMMITTEES, AND OF THE MANAGEMENT
OF THE CORPORATION

The next item on the agenda was the ratification of the acts of the Board of Directors, the Committees, and of the Management of the Corporation. The Chairman requested the Corporate Secretary to read the proposed resolution with respect to the foregoing and the voting results.

The Corporate Secretary stated that the actions affecting the business, operations, financial performance, and decisions of the Corporation are also covered in the Information Statement, Management Report, Chairman and President's Report, and in the discussions in this meeting. Management proposed the approval of the following resolution by the stockholders:

> *"RESOLVED, That all resolutions and acts of the Board of Directors, its Committees, as well as the acts and contracts entered into by the Management of Rockwell Land Corporation during the calendar year ended December 31, 2022, and up to the date of this Annual Stockholders Meeting, and the Chairman and President's Report, be, as they are hereby, confirmed, ratified and approved by the stockholders."*

The Corporate Secretary stated that the Corporation received votes or proxies representing 8,139,270,038 shares or 99.99% of the shares present or represented in the meeting and which voted in favor of the confirmation, ratification, and approval of the acts of the Board of Directors, its Committees and of the Management during the calendar year ended December 31, 2022 and up to the date of this meeting as well as the Chairman and the President's Report rendered today, 0 shares voted against, and 33,381 shares abstained. This was noted by the Chairman and who declared the resolution approved.

ELECTION OF DIRECTORS

The Chairman said that the next item in the agenda was the election of directors of the Corporation for the ensuing year with eleven (11) seats in the Board to be filled.

The Corporate Secretary said that in accordance with the By-laws and Manual for

Corporate Governance, the following have been qualified and nominated as Directors of the Corporation for the ensuing year:

Mr. Nestor J. Padilla
Mr. Federico R. Lopez
Mr. Miguel Ernesto L. Lopez
Mr. Benjamin R. Lopez
Mr. Francis Giles B. Puno
Mr. Jose Valentin A. Pantangco, Jr.
Ms. Roberta L. Feliciano
Ms. Valerie Jane L. Soliven
Mr. Oscar J. Hilado
Mr. Monico V. Jacob
Mr. Emmanuel S. De Dios

He advised that Messrs. Hilado, Jacob, and De Dios were being nominated as independent directors. The directors' qualifications and professional experience are all discussed in the Information Statement.

With respect to the votes cast, each director received at least 99.04% of the votes. The Corporate Secretary certified that the board directors so nominated have received the requisite votes for election without prejudice to a final tabulation to be made part of the records.

The Chairman formally declared the said nominated stockholders to be the duly elected members of the Board of Directors, to serve as such for the ensuing year and until their successors are duly elected and qualified.

APPOINTMENT OF EXTERNAL AUDITORS

The last item on the agenda was the appointment of external auditors. The Chairman requested the Corporate Secretary to read the proposed resolution in this regard and the voting results.

The Corporate Secretary said that Management proposed the approval of the following resolution by the stockholders:

"RESOLVED, that the stockholders of Rockwell Land Corporation hereby approve the appointment of SyCip Gorres Velayo & Co. as the Corporation's external auditors for the period 2022-2023."

The Corporate Secretary reported that the Company received votes or proxies representing 8,139,270,038 shares or 99.99% of the shares present or represented in this meeting and which voted in favor of the appointment of Sycip Gorres Velayo & Co. as the Corporation's external auditors, 0 shares voted against, and 33,381 shares abstained. This was noted by the Chairman and who declared the resolution approved.

ADJOURNMENT

There being no other business to be taken up, the Chairman declared the meeting adjourned. He advised that the minutes of the meeting will be made available on the Corporation's website. He proceeded to thank everyone who attended the virtual stockholders' meeting.

ENRIQUE I. QUIASON
Corporate Secretary

A T T E S T:

NESTOR J. PADILLA
Chairman of the Board

Annex C

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **OSCAR J. HILADO**, Filipino, of legal age and a resident of 112 Mariposa Loop, Cubao, Quezon City, Philippines, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of ROCKWELL LAND CORPORATION and have been its independent director since May 27, 2015.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organizations	Position/Relationship	Period of Service
Philippine Investment Management (PHINMA), Inc.	Chairman	August 2005 – Present
Phinma Corporation	Chairman Emeritus	April 12, 2022 – 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
Roxas Holdings, Inc.	Director	March 2016 – Present
Smart Communications, Inc.	Director	May 6, 2013 – Present
Metro Pacific Investments Corporation	Advisor	October 17, 2023 – Present
Phil Cement Corp.	Director	September 22, 2017-Present
Union Insulated Panel Corporation	Director	June 30, 2022-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
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 Venture Holdings, Inc.	Director	November 15, 1994-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 ROCKWELL LAND CORPORATION, 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
NOT APPLICABLE		

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 the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL, OR AGENCY INVOLVED	STATUS
NOT APPLICABLE		

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 ROCKWELL LAND CORPORATION, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. – **NOT APPLICABLE**

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 ROCKWELL LAND CORPORATION of any changes in the abovementioned information within five days from its occurrence.

Done, this ____ day of _________ 2024 at Makati City.

Affiant

APR 11 2024

SUBSCRIBED AND SWORN to before me this ____ day of _________ 2024 at Makati City, affiant personally appeared before me and exhibited to me his/her Passport No. P795921A issued at DFA NCR East on July 16, 2018.

Doc. No. 202;
Page No. 42;
Book No. XLIII;
Series of 2024.

MA. FE CAROLYN GO-PINOY
NOTARY PUBLIC
ROLL NO. 39698
MAKATI CITY, PHILIPPINES

MA. FE CAROLYN GO-PINO
Appointment No. M-157 until December 31,
Roll of Attorneys No. 39698
IBP Lifetime No. 014755 / ZAMBASUL
PTR No. 9577554 / 1.10.2023 / Makati
8 Rockwell, Hidalgo Drive, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MONICO V. JACOB**, Filipino, of legal age, with address at the 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of ROCKWELL LAND CORPORATION and have been its independent director since April 6, 2016.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
STI Education Services Group, Inc.	Vice-Chairman and CEO	2016 – Present
Rosehills Memorial Management, Inc.	Chairman	2014 – Present
Phil. Life Financial Assurance, Inc.	Chairman	2013 – Present
STI-West Negros University Corp.	Chairman	2013 – Present
Asian Terminals, Inc.	Director	2009 – Present
Total Consolidated Asset Mgmt., Inc.	Chairman	1999 – Present
Phoenix Petroleum Philippines, Inc.	Independent Director	2009 – Present
STI Education Systems Holdings, Inc.	President and CEO	2010 – Present
Global Resource for Outsourced Workers, Inc.	Chairman	2001 – Present
GROW-Vite	Chairman	2012 – Present
iAcademy	Director	2003 – Present
PhilhealthCare, Inc.	Director	2013 – Present
Maestro Holdings, Inc.	Director	2007 – Present
PhilPlans First, Inc.	Director	2017 - Present
ABS-CBN Holdings, Inc.	Director	2023 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ROCKWELL LAND CORPORATION, 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 OR RELATIONSHIP
NOT APPLICABLE		

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 the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED / INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NOT APPLICABLE		

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 ROCKWELL LAND CORPORATION, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. ***NOT APPLICABLE***

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 ROCKWELL LAND CORPORATION of any changes in the abovementioned information within five days from its occurrence.

Done, this 5th day of April 2024 at Makati City.

Affiant

APR 1 1 2024

SUBSCRIBED AND SWORN to before me this ____ day of _________ 2024 at Makati City, affiant personally appeared before me and exhibited to me his/her Passport No. P6179864B issued at DFA Manila on 26 January 2021.

Doc. No. 198;
Page No. 41;
Book No. XLIII;
Series of 2024.

MA. FE CAROLYN GO-PINOY NOTARY PUBLIC ROLL NO. 39698 MAKATI CITY, PHILIPPINES

MA. FE CAROLYN GO-PINOY
Appointment No. M-157 until December 31, 2024
Roll of Attorneys No. 39698
IBP Lifetime No. 014754 / ZAMBASULTA
PTR No. 9577554 / 1.10.2023 / Makati City
8 Rockwell, Hidalgo Drive, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Emmanuel S. de Dios**, Filipino, of legal age and a resident of 7 Yakal St., Monte Vista, Industrial Valley, Marikina City, Philippines, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of ROCKWELL LAND CORPORATION and have been its independent director since June 2023.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Bank of the Philippine Islands, Inc.	Independent Director	2022–present
ABS-CBN Holdings, Inc.	Independent Director	2020–present
Peace and Equity Foundation, Inc.	Trustee	2020–present
Assisi Development Foundation, Inc.	Trustee	2016–present
Pulse Asia Research, Inc.	Trustee	2016–present
FEU Public Policy Center	Trustee	2014–present
Human Development Network (Phils)	Trustee	2012–present
ABS-CBN Corp.	Board Adviser	2023–present

3. I possess all the Qualifications and none of the disqualifications to serve as an Independent Director of ROCKWELL LAND CORPORATION, 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.	**N.A.**	**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 the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL, OR AGENCY INVOLVED	STATUS
N.A.	**N.A.**	**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 ROCKWELL LAND CORPORATION, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. – **(N.A.)**

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 ROCKWELL LAND CORPORATION of any changes in the abovementioned information within five days from its occurrence.

APR 15 2024

Done, this ____ day of _________ 2024 at Makati City.

EMMANUEL S. DE DIOS
Affiant

APR 15 2024

SUBSCRIBED AND SWORN to before me this ____ day of _________ 2024 at Makati City, affiant personally appeared before me and exhibited to me his/her Passport No. P795921A issued at DFA NCR East on July 16, 2018.

Doc. No. 261;
Page No. 54;
Book No. XLIII;
Series of 2024.

MA. FE CAROLYN GO-PINOY
NOTARY PUBLIC
ROLL NO. 39698
MAKATI CITY, PHILIPPINES

MA. FE CAROLYN GO-PINOY
Appointment No. M-157 until December 31, 2024
Roll of Attorneys No. 39698
IBP Lifetime No. 0147554 / ZAMBASULTA
PTR No. 9577554 / 1.10.2023 / Makati City
8 Rockwell, Hidalgo Drive, Makati City

ANNEX D

MANAGEMENT DISCUSSION and ANALYSIS of FINANCIAL CONDITION and RESULTS of OPERATIONS

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's audited consolidated financial statements, including the related notes thereto, annexed to this Annual Report.

INTRODUCTION

Rockwell Land Corporation's consolidated net income after tax (NIAT) in 2023 amounted to ₱3.4 billion, an increase of 31% from last year's ₱2.6 billion . As a percentage to revenues, net income was 18% for 2023, 16% for 2022 and 17% for 2021.

Of the consolidated net income, ₱3.1 billion is attributable to equity holders of the Parent company, and is 35% higher than 2022's ₱2.3 billion.

Total revenues increased to ₱18.5 billion in 2023, 12% higher than 2022 revenues of ₱16.5 billion. Residential development accounted for 78% of the total revenues in 2023, higher than 74% in 2022 but lower than the 81% in 2021.

Earnings before interest, taxes, depreciation and amortization (EBITDA) in 2023 amounted to ₱6.8 billion representing 36% of total revenues. EBITDA from Residential Development grew by 55% from 2022 mainly attributable to higher sales bookings and project accomplishment. Commercial Development remained flat at ₱2.9 billion, despite the absence of income from One Proscenium Sales in 2023.

Residential development and Commercial development contributed 57% and 43% to total EBITDA in 2023, respectively.

The ratio of cost of real estate to total revenues slightly decreased to 51% coming from 56% in 2022 and 54% in 2021. This is due to initial recognition of cost in 2021 and 2022 of several projects.

Besides the recent acquisitions, the Company is not aware of any event that could materially affect the consolidated statement of comprehensive income reported in this Annual Report except for the impact to the financial statements of the full adoption of the PFRS 15 which took effect starting January 2018 and PFRS 16 which took effect starting January 2019.

By the end of 2023 debt level was at ₱25.8 billion while the net-debt-to-equity ratio stands at 0.67x. The debt is composed of the outstanding balances of term loans drawn from 2018-2023. About P8.3B or 32% of the total debt has a floating interest rate.

Below is a table showing the key performance indicators of the Company for 2021-2023.

KPI	2023	2022	2021
EBITDA (₱)	₱6.8 billion	₱5.4 billion	₱4.4 billion
Current Ratio (x)	3.43	3.16	3.29
Net DE Ratio (x)	0.67	0.78	0.92
Asset to Equity Ratio (x)	2.31	2.53	2.50
Interest coverage ratio (x)	4.57	4.42	4.00
ROA	4.71%	3.86%	3.48%
ROE	11.36%	9.69%	8.69%
EPS (₱)	0.51	0.38	0.27

Notes:
(1) EBITDA [Net Income + (Interest Expense, Provision for Income Tax, Depreciation & Amortization)]
(2) Current ratio [Current assets/Current liabilities]
(3) Net debt to equity ratio [(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity]
(4) Assets to Equity Ratio [Total Assets/Total Equity]
(5) Interest coverage ratio [EBITDA/ Total interest payments]
(6) ROA [Net Income/Average Total Assets]
(7) ROE [Net Income/ Average Total Equity]
(8) EPS [Net Income/number of common shares outstanding]

Current ratio is at 3.43x, higher than the 3.16x in 2022 due to higher real estate inventories from land acquisition.

Net DE stood at 0.67x, the lowest since 2021, due to higher equity year on year.

EBITDA increased to ₱6.8 billion, with a compounded annual growth rate of 24% since 2021. As a result, interest coverage ratio improved to 4.57x from 4.42x in 2022 and from 4.0x in 2021.

ROA, ROE improved in 2023 at 4.71% and 11.36% mainly from 31% increase in consolidated net income in 2023.

Key variable and Other Qualitative and Quantitative Factors

There are no known trends, events or uncertainties that are expected to affect the Company's continuing operations.

There are no known events that will trigger direct or contigent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), entities or other persons created during the reporting period.

There are no material commitments for capital expenditures except for those disclosed in Note 28 of the audited financial statements.

There are no known trends, events or uncertainties that will materally impact sales.

There are no known significant elements of income or loss from continuing operations.

There are no known seasonal aspects that has material effect on the financial statements.

Review of 2023 versus 2022

The following section provides information on the results of operations and financial condition for the periods 2021-2023.

The following table shows the breakdown of the revenues by business segment for the periods 2021-2023.

	2023	% to Total	2022	% to Total	2021	% to Total
Residential Development [1]	14,434	78%	12,217	74%	10,300	81%
Commercial Development[2]	4,077	22%	4,291	26%	2,423	19%
Total Consolidated Revenues	**18,511**	**100%**	**16,508**	**100%**	**12,724**	**100%**
Share in Net Income (Losses) in JV and associate [3]	*466*		*376*		*368*	

Notes:

1. *Revenues from this segment consist of the following projects in the years indicated: The Grove (2021 to 2023), The Proscenium Towers (2021 to 2023), 32 Sanson (2021 to 2023), Vantage (2021-2023), Stonewell (2021-2023), Terreno South (2021-2023), The Arton West (2021-2023), The Arton North (2021-2023), Arton East (2021-2023) Aruga Resort and Residences -Mactan (2021-2023), Fordham (2021-2023), Larsen (2021-2023), Nara (2021-2023), Rockwell South (2021-2023), 8 Benitez (2021-2023), The Balmori Suites (2021-20232), Rockwell Center in Bacolod (2022-2023) and Edades West (2022-2023).*
2. *Revenues from this segment include leasing income, room revenues from operations of Aruga Serviced Apartments, cinema revenues and revenue from sale of office units from 8 Rockwell and Proscenium projects. The amounts exclude revenues from RBC. Under the Accounting policy for a jointly controlled entity, results of operations of RBC are not consolidated line by line.*
3. *These amounts represent the Company's share in the net income after tax of RBC (2021-2023), RNDC (2021-2023) and RIDC (2022-2023).*

Below is another table showing the breakdown of revenues by type of revenue for the periods 2021-2023.

	2023	% to Total	2022	% to Total	2021	% to Total
Residential Sales[1]	13,649	67%	11,040	67%	9,874	78%
Office Sales[2]	308	7%	1,208	7%	490	4%
Commercial Leasing	2,253	11%	1,777	11%	1,229	10%
Others[3]	2,301	15%	2,483	15%	1,131	8%
Total Consolidated Revenues	**18,511**	**100%**	**16,508**	**100%**	**12,724**	**100%**

Notes:

1. *Pertains only to sales of residential units (at present value) and related interest income.*
2. *Pertains to sale of office units (at present value) and related interest income.*
3. *Includes income from Aruga Serviced Apartments, Cinema, parking and other income.*

Business Segments

The details of the individual performance of each business segment, in terms of revenues and EBITDA, are as follows:

Residential Development contributed 78% of the total revenues of 2023. Total revenues reported from the sale of real estate, including accretion of interest income, amounted to ₱13.9 billion. The 14% increase in this segment's revenue was mainly due to higher project accomplishment and sales bookings than last year. EBITDA from this segment amounted to ₱2.5 billion, which represents 46% of the total EBITDA of ₱5.4 billion.

Reservation sales reached ₱20.3 billion, 6% lower than last year's ₱21.5 billion, due to lower sales from nearly completed projects Balmori Suites and Rockwell South at Carmeray

Commercial Development revenues amounted to ₱4.1 billion, lower by 5% than last year. This was due to lower revenues from Office Sales by 75%, offset by Leasing Income, which accounts for bulk of the segment revenues, increased from ₱1.78 billion to ₱2.25 billion due mainly to significant improvement in tenant sales of retail tenants and higher renewal rates for office tenants. Overall, contribution from the Commercial segment decreased from 26% to 22% of total revenues. This excludes the share in the joint venture (RBC) as this is reported as "Share in Net Losses (Income) of JV" under Other Income (Expenses) and not consolidated line by line in the consolidated financial statements.

The details of the performances per source of revenue stream are explained as follows:

- Revenues from Retail operations amounted to ₱2,237 million and accounted for 12% of total consolidated revenues. The increase of 27% vs. last year's revenues of ₱1,765 million, is mainly driven by the significant improvement in tenant sales.

- Cinema Operations amounted to ₱183 million and comprised 1% of the total revenues.

- Office Leasing increased to ₱1,131 million from ₱988 million last year due to higher average rental rate and addition of One Proscenium offices. The Rockwell-Meralco BPO Venture, generated gross revenues of ₱1,163 million, higher from last year's ₱1,114 million from other revenues and annual rent escalation. At its 70% share, the Company generated revenues of ₱813.9 million and a share in net income of ₱409.9 million. To reiterate, only the ₱409.9 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Losses (Income) of JV".

- Hotel Operations contributed 1% of the total consolidated revenues for 2023. Revenues increased from ₱190 million to ₱218 million. Hotel Operations' registered a ₱64 million income from operations, an improvement from last year's loss of ₱4 million. Costs and expenses under hotel operations include shelter in place expenses incurred by the company for its employees

The Commercial segment's EBITDA amounted to ₱2.7 billion (excluding Office Sale), comprised of Retail, Office and Hotel at 54%, 44% and 2%, respectively. EBITDA increased by 18% from last year's ₱2.3 billion due to improved retail segment performance from higher tenant sales and contributed 22% to the total EBITDA.

Costs and Expenses

Cost of real estate amounted to ₱9.4 billion in 2023, 2% higher than the ₱9.3 billion that was recorded in 2022 following the increase in residential revenues.

General and administrative expenses (G&A) amounted to ₱2.4 billion which represents 13% of the total revenues. The level of expenses increased by 16% vs. last year's ₱2.1 billion. This is mainly from higher business taxes from collections in 2022, higher hotel and cinema direct costs from improved performance for the year and higher personnel costs.

Interest Expense amounted to ₱1.6 billion, which is 32% higher than last year's ₱1.2 billion. Interest incurred increased as average interest rate increased from 5.03% in 2022 to 5.49%, and higher loan balance from ₱25.1 to ₱25.8 billion.

Share in Net Income of JV and associate recorded at ₱465.7 million, a 24% growth from last year of ₱375.6 million due to higher share in RIDC and RNDC. At 70% share in JV, RBC contributed ₱409.9 million, the share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Provision for Income Tax

Provision for income tax amounted to ₱924.5 million, which is 16% higher than last year's provision of ₱798.3 million. The effective tax rate for 2023 is 21.4% lower than 2022's 23.5% due to higher share in net Income of JV and associate and interest income subject to final tax.

Project and capital expenditures

The Company spent a total of ₱15.8 billion for project and capital expenditures in 2023. Bulk of the expenditures pertained to development costs of The Arton (ongoing construction), Aruga Resort and Residences – Mactan (ongoing construction), Balmori Suites (ongoing construction), Nara Residences (ongoing construction), Proscenium (near completion), and costs to acquire certain properties.

FINANCIAL CONDITION

Total Assets as of December 31, 2023 amounted to ₱74.6 billion, higher by 7% from last year's ₱69.6 billion mainly due to higher real estate inventories coming from new acquistions and development costs incurred

Total Liabilities as of December 31, 2023 amounted to ₱42.3 billion, slightly higher than 2022's ₱42.1 billion. The increase in liabilities was mainly from additional loans payable.

Total Equity as of December 31, 2023 amounted to ₱32.3 billion. The 17% growth is mainly attributable to the ₱3.4 billion Net Income offset by dividends payment in 2023.

Current ratio as of December 31, 2023 is 3.43x from 3.16x the previous year while Net debt to equity ratio decreased to 0.67x in 2023 from 0.78x in 2022.

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

Statement of Comprehensive Income Items – 2023 vs. 2022

19% increase in Lease income
Due to higher average rental rate of retail segment and additional leasable area of Proscenium Retail Row.

39% increase in Interest income
Due to higher balance and rates from short term placements with banks

30% increase in Other Revenues
Mainly driven by the improved performance of Aruga serviced apartments, Rockwell Club and Cinema.

27% increase in Selling Expense
Primarily due to higher cost recognition following higher sales booking and higher project completion.

17% increase in General and Administrative Expenses
Due to higher business taxes from higher collections in the prior year, higher hotel and cinema direct costs, and personnel costs.

32% increase in Interest Expense
Due to higher average interest rate and higher loan balance

155% decrease in Other Comprehensive Income
Due to actuarial loss on employee benefits in 2023

Balance Sheet items – 2023 vs. 2022

21% increase in Cash and Cash Equivalents
Primarily from higher cash generated from operations.

71% decrease in Trade and other receivables
Primarily due to collection of upon turnover receivables from The Proscenium Residences, Rockwell South, 32 Sanson and The Arton.

36% increase in Real Estate Inventories
Primarily due to acquisiton of land.

11% increase in Advances to contractors
Due to downpayments made to contractors of Edades West and Aruga Mactan Residences project.

10% increase in Other Current Assets
Due to deposit for land acquisitions.

23% increase in Property and equipment
Mainly due to reclassification of Edades Aruga Service Apartment from inventory to property and equipment.

67% increase in Investments in equity instruments at fair value through profit and loss
Due to unrealized gain from fair value increase of Manila Polo Club shares.

45% decrease in Deferred Tax Asset
Mainly due to application of prior year NOLCO and MCIT in RMFA

52% Increase in Other Noncurrent Asset
Due to advances to land owners for property acquisitions.

7% decrease in Subscription Payable
Due to payment of subscription to RNDC.

542% increase in Income Tax Payable
Due to higher collections from upon turnover dues.

17% decrease in Deferred Tax Liabilities
Due to higher collections from upon turnover dues

18% increase in Pension liability
Mainly due to remeasurement loss on plan assets for the year 2023.

20% decrease in Deposits and other liabilities
Primarily due to lower contract liabilities from higher revenue recognition of Aruga Mactan Residences.

14% increase in Retained Earnings
Due to net income after tax of P3.4 billion for 2023 offset by dividends amounting to P511.7 million.

100% increase in Non-controlling interests
Primarily due to consolidation of Rockwell GMC Development Corp.

Review of 2022 versus 2021

The following section provides information on the results of operations and financial condition for the periods 2020-2022.

The following table shows the breakdown of the revenues by business segment for the periods 2020-2022.

	2022	% to Total	2021	% to Total	2020	% to Total
Residential Development (1)	12,217	74%	10,300	81%	8,816	79%
Commercial Development(2)	4,291	26%	2,423	19%	2,343	21%
Total Consolidated Revenues	**16,508**	**100%**	**12,724**	**100%**	**11,159**	**100%**
Share in Net Income (Losses) in JV and associate (3)	*376*		*368*		*339*	

Notes:

1. *Revenues from this segment consist of the following projects in the years indicated: The Grove (2020 to 2022), The Proscenium Towers (2020 to 2022), 32 Sanson (2020 to 2022), Vantage (2020-2022), Edades Suites (2020), Stonewell (2020-2022), Terreno South (2020-2022), The Arton West (2020-2022), The Arton North (2020-2022), Arton East (2021-2022) Aruga Resort and Residences -Mactan (2020-2022), Fordham (2020-2022), Larsen (2021-2022), Nara (2020-2022), Rockwell South (2020-2022), 8 Benitez (2021-2022), The Balmori Suites (2021-2022), Rockwell Center in Bacolod (2022) and Edades West (2022).*
2. *Revenues from this segment include leasing income, room revenues from operations of Aruga Serviced Apartments, cinema revenues and revenue from sale of office units from 8 Rockwell and Proscenium projects. The amounts exclude revenues from RBC. Under the Accounting policy for a jointly controlled entity, results of operations of RBC are not consolidated line by line.*
3. *These amounts represent the Company's share in the net income after tax of RBC (2020-2022), RNDC (2021-2022) and RIDC (2022).*

Below is another table showing the breakdown of revenues by type of revenue for the periods 2020-2022.

	2022	% to Total	2021	% to Total	2020	% to Total
Residential Sales(1)	11,040	67%	9,874	78%	8,550	77%
Office Sales(2)	1,208	7%	490	4%	370	3%
Commercial Leasing	1,777	11%	1,229	10%	1,150	10%
Others(3)	2,483	15%	1,131	8%	1,089	10%
Total Consolidated Revenues	**16,508**	**100%**	**12,724**	**100%**	**11,159**	**100%**

Notes:

1. *Pertains only to sales of residential units (at present value) and related interest income.*
2. *Pertains to sale of office units (at present value) and related interest income.*
3. *Includes income from Aruga Serviced Apartments, Cinema, parking and other income.*

Business Segments

The details of the individual performance of each business segment, in terms of revenues and EBITDA, are as follows:

Residential Development contributed 74% of the total revenues of 2022. Total revenues reported from the sale of condominium units, including accretion of interest income, amounted to ₱12.2 billion. The 19% increase in this segment's revenue was mainly due to higher project accomplishment and sales bookings than last year. EBITDA from this segment amounted to ₱2.5 billion, which represents 46% of the total EBITDA of ₱5.4 billion.

Reservation sales reached ₱21.2 billion, 52% higher than last year's ₱13.9 billion, due to sales from new launches and higher sales from existing projects.

Commercial Development revenues amounted to ₱4.3 billion, higher by 77% than last year. Leasing Income, which accounts for bulk of the segment revenues, slightly increased from ₱1.22 billion to ₱1.89 billion due mainly to significant improvement in tenant sales of retail tenants and higher renewal rates for office tenants. Overall, contribution from the Commercial segment increased from 19% to 26% of total revenues. This excludes the share in the joint venture (RBC) as this is reported as "Share in Net Losses (Income) of JV" under Other Income (Expenses) and not consolidated line by line in the consolidated financial statements.

The details of the performances per source of revenue stream are explained as follows:

- Revenues from Retail operations amounted to ₱1,782 million and accounted for 11% of total consolidated revenues. The increase of 78% vs. last year's revenues of ₱999 million, is mainly driven by the significant improvement in tenant sales and lower concessions given to the establishments.

- Cinema Operations amounted to ₱107 million and comprised 1% of the total revenues.

- Office Leasing increased to ₱988 million from ₱906 million last year due to higher average rental rate. The Rockwell-Meralco BPO Venture, generated gross revenues of ₱1,120.8 million, higher from last year's ₱1,069.0 million from other revenues and annual rent escalation. At its 70% share, the Company generated revenues of ₱784.5 million and a share in net income of ₱382.8 million. To reiterate, only the ₱382.8 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Losses (Income) of JV".

- Hotel Operations contributed 1% of the total consolidated revenues for 2022. Revenues increased from ₱80 million to ₱190 million. Hotel Operations' registered a ₱4 million loss from operations, an improvement from last year's loss of ₱27 million. Costs and expenses under hotel operations include shelter in place expenses incurred by the company for its employees

The Commercial segment's EBITDA amounted to ₱2.3 billion (excluding Office Sale), comprised of Retail, Office and Hotel at 53%, 47% and (0.17%), respectively. EBITDA increased by 54% from last year's ₱1.4 billion due to improved retail segment performance from higher tenant sales and lower concessions and contributed 22% to the total EBITDA.

Costs and Expenses

Cost of real estate amounted to ₱9.3 billion in 2022, 34% higher than the ₱6.9 billion that was recorded in 2021 following the increase in residential revenues.

General and administrative expenses (G&A) amounted to ₱2.1 billion which represents 13% of the total revenues. The level of expenses increased by 24% vs. last year's ₱1.7 billion. This is mainly from higher business taxes from collections in 2021, higher hotel and cinema direct costs from improved performance for the year, higher personnel and occupancy and admin costs.

Interest Expense amounted to ₱1.2 billion, which is 6% higher than last year's ₱1.1 billion. Interest incurred increased as average interest rate increased from 4.45% in 2021 to 5.03%, offset by lower loan balance from ₱26.8 to ₱25.1 billion.

Share in Net Income of JV and associate recorded at ₱375.6 million, a 2% growth from last year of ₱368.3 million due to higher share in RBC Ortigas. At 70% share in JV, the gross revenues amounted to ₱683.0 million. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Provision for Income Tax

Provision for income tax amounted to ₱798.3 million, which is 210% higher than last year's provision of ₱257.5 million. The effective tax rate for 2022 is 23.5% higher than 2021's 10.4% due to last year's impact of retroactive adjustment of CREATE law and the Company's share in the income of RBC, which is no longer subject to income tax.

Project and capital expenditures

The Company spent a total of ₱7.4 billion for project and capital expenditures in 2022. Bulk of the expenditures pertained to development costs of The Arton (ongoing construction), Aruga Resort and Residences – Mactan (ongoing construction), Balmori Suites (ongoing construction), Nara Residences (ongoing construction), Proscenium (near completion), and costs to acquire certain properties.

FINANCIAL CONDITION

Total Assets as of December 31, 2022 amounted to ₱69.7 billion, higher by 7% from last year's ₱64.8 billion mainly due higher Contract assets coming from higher sales in 2022, higher Investments in joint venture and associate from additional subscription to RIDC and higher real estate inventories from new acquisitions and development costs.

Total Liabilities as of December 31, 2022 amounted to ₱42.1 billion, higher than 2021's ₱38.8 billion. The increase in liabilities was mainly from accrual for the balance of land cost acquired for the year and from the corresponding subscription payable from additional investments.

Total Equity as of December 31, 2022 amounted to ₱27.6 billion. The 6% growth is mainly attributable to the ₱2.6 billion Net Income offset by dividends payment in 2022.

Current ratio as of December 31, 2022 is 3.16x from 3.29x the previous year while Net debt to equity ratio decreased to 0.78x in 2022 from 0.92x in 2021.

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

<u>Statement of Comprehensive Income Items</u> – 2022 vs. 2021

28% increase in Revenue from sale of real estate
Mainly due to higher bookings and completion of residential projects

54% increase in Lease income
Due to higher average rental and occupancy rate of retail segment. Retail average occupancy rate improved to 90% from 86% last year and average rental rate increased by 56%.

62% increase in Other Revenues
Mainly driven by the improved performance of Aruga serviced apartments, Rockwell Club and Cinema.

34% increase in Cost of Real Estate
Primarily due to higher cost recognition following higher sales booking, higher project completion and initial cost recognition for several projects for this year..

24% increase in General and Administrative Expenses
Due to higher business taxes from higher collections in the prior year, higher hotel and cinema direct costs, higher personnel and occupancy and admin costs.

6% increase in Interest Expense
Due to higher average interest rate

226% increase in Other Comprehensive Loss
Due to actuarial gain on employee benefits in 2022

<u>Balance Sheet items – 2022 vs. 2021</u>

26% increase in Cash and Cash Equivalents
Primarily from higher cash generated from operations.

35% decrease in Trade and other receivables
Primarily due to collection of upon turnover receivables from The Proscenium Residences, Rockwell South, 32 Sanson and Arton.

25% increase in Contract assets
Primarily due to revenue recognition from new sales and project accomplishments.

6% increase in Advances to contractors
Due to downpayments made for 8 Benitez, Mactan, Balmori Suites and Nara Residences projects.

25% increase in Other Current Asset
Due to higher Input VAT and cash balance in escrow accounts.

27% decrease in Property and equipment
Mainly due to reclassification of development costs of Rockwell Performing Arts Theater to Investment Property.

67% increase in Investments in joint venture and associate
Due to additional subscription to RIDC.

21% increase in Investments in equity instruments at fair value through profit and loss
Due to unrealized gain from fair value increase of Manila Polo Club shares.

15% increase in Deferred Tax Asset
Mainly from Retailscapes and Rockwell Primaries South

30% decrease in Other Noncurrent Asset
Due to collection of other receivables from JV partners

*36%*increase in Trade and Other Payables
Due to accrual of land acquisition balance.

504% increase in Subscription Payable
Due to additional subscription to RIDC.

6% decrease in Interest bearing loans
Due to net repayment of loans for the year

13% decrease in Deferred Tax Liabilities
Due to lower variance of income recognition than collection from One Proscenium and Nara Residences.

70% decrease in Pension liability
Mainly due to remeasurement gain on plan assets for the year 2022.

18% increase in Deposits and other liabilities
Primarily due to higher excess collection over recognized receivables from Mactan Villa, 32 Sanson, and 8 Benitez Suites.

13% increase in Retained Earnings
Due to net income after tax of P2.6 billion for 2022 offset by dividends amounting to P330.1 million.

19% decrease in Non-controlling interests
Primarily due to redemption of non controlling shares of RCDC and dividend payments to the minority shareholders .

Review of 2021 versus 2020

The following section provides information on the results of operations and financial condition for the periods 2020-2021.

The following table shows the breakdown of the revenues by business segment for the periods 2020-2021.

	2021	**% to Total**	**2020**	**% to Total**
Residential Development [(1)]	10,300	81%	8,816	79%
Commercial Development [(2)]	2,424	19%	2,343	21%
Total Consolidated Revenues	**12,724**	**100%**	**11,159**	**100%**
Share in Net Income (Losses) in JV and associate [(3)]	*368*		*339*	

Notes:

1. *Revenues from this segment consist of the following projects in the years indicated: The Grove (2019 to 2021), The Proscenium Towers (2019 to 2021), 53 Benitez (2019),32 Sanson (2019 to 2021), Vantage (2019-2021), Edades Suites (2019- 2020), Stonewell (2019-2021), Terreno South (2019-2021), The Arton West (2019- 2021), The Arton North (2019-2021), Arton East (2021) Aruga Resort and Residences -Mactan (2019-2021), Fordham (2019-2021), Nara (2020-2021), Rockwell South (2020-2021), 8 Benitez (2021), The Balmori Suites (2021).*
2. *Revenues from this segment include leasing income, room revenues from operations of Aruga Serviced Apartments, cinema revenues and revenue from sale of office units from 8 Rockwell and Proscenium projects. The amounts exclude revenues from RBC. Under the Accounting policy for a jointly controlled entity, results of operations of RBC are not consolidated line by line.*
3. *These amounts represent the Company's share in the net income after tax of RBC (2019-2021), RCDC (2019) and RNDC (2021).*

Below is another table showing the breakdown of revenues by type of revenue for the periods 2020-2021.

	2021	% to Total	2020	% to Total
Residential Sales(1)	9,874	78%	8,550	77%
Office Sales(2)	490	4%	370	3%
Commercial Leasing	1,229	10%	1,150	10%
Others(3)	1,131	8%	1,089	10%
Total Consolidated Revenues	**12,724**	**100%**	**11,159**	**100%**

Notes:

1. *Pertains only to sales of condominium units (at present value) and related interest income.*
2. *Pertains to sale of office units (at present value) and related interest income.*
3. *Includes income from Aruga Serviced Apartments, Cinema, parking and other income.*

Business Segments

The details of the individual performance of each business segment, in terms of revenues and EBITDA, are as follows:

Residential Development contributed 81% of the total revenues of 2021. Total revenues reported from the sale of condominium units, including accretion of interest income, amounted to P10.3 billion. The 17% increase in this segment's revenue was mainly due to higher project accomplishment and sales bookings than last year. EBITDA from this segment amounted to P2.6 billion, which represents 60% of the total EBITDA of P4.4 billion.

Reservation sales reached P13.9 billion, 77% higher than last year's P7.8 billion, due to sales from new launches and higher sales from existing projects.

Commercial Development revenues amounted to P2.4 billion, higher by 3% than last year. Leasing Income, which accounts for bulk of the segment revenues, slightly increased from P1.15 billion to P1.22 billion due mainly to lower concessions given to the establishments across all Retail properties and higher renewal rates for office tenants. Overall, contribution from the Commercial segment decreased from 21% to 19% of total revenues. This excludes the share in the joint venture (RBC) as this is reported as "Share in Net Losses (Income) of JV" under Other Income (Expenses) and not consolidated line by line in the consolidated financial statements.

The details of the performances per source of revenue stream are explained as follows:

- Revenues from Retail operations amounted to P1,000 million and accounted for 8% of total consolidated revenues. The 12ncrease of 10% vs. last year's revenues of P909 million, is mainly driven by the lower concessions given to the establishments.

- Cinema Operations amounted to P8.6 million and comprised 0.1% of the total revenues.

- Office Leasing decreased to P906 million from P955 million last year due to lower parking and other income. The Rockwell-Meralco BPO Venture, generated gross revenues of P1,069 million, which grew by 37% from last year's P782.7 million from other revenues and annual rent escalation. At its 70% share, the Company generated revenues of P748.3 million and a share in net income of P372.7 million. To reiterate, only the P372.7 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Losses (Income) of JV".

- Hotel Operations contributed 0.1% of the total consolidated revenues for 2021. Revenues increased from P55 million to P63 million. Hotel Operations' registered a P27 million loss from operations, an improvement from last year's loss of P33 million. Costs and expenses under hotel operations include shelter in place expenses incurred by the company for its employees.

The Commercial segment's EBITDA amounted to P1.5 billion excluding Office Sale, comprised of Retail, Office and Hotel at 33%, 69% and (2%), respectively. EBITDA increased by 8% from last year's P1.4 billion due to improved retail segment performance from lower concessions and contributed 34% to the total EBITDA.

Costs and Expenses

Cost of real estate amounted to P6.9 billion in 2021, 17% higher than the P5.9 billion that was recorded in 2020 following the increase in residential revenues.

General and administrative expenses (G&A) amounted to P1.7 billion which represents 13% of the total revenues. The level of expenses declined by 17% vs. last year's P2.0 billion. This is mainly attributable to lower business taxes from lower collection in prior year, which is the basis for current year's business taxes. The lower collection in 2020 is the result of lower residential and commercial revenues due to quarantine restrictions. Decrease in G&A is also from lower depreciation expenses and provision for disallowance for claim for refund. Last year's depreciation expense includes depreciation expense of Edades Serviced Apartments which was reclassified as real estate inventory.

Interest Expense amounted to P1.1 billion, which is 10% lower than last year's P1.3 billion. Interest incurred decreased as average interest rate decreased from 4.52% in 2020 to 4.45%, offset by higher loan balance from P24.8 to P26.8 billion.

Share in Net Income of JV and associate recorded at P368.3 million, a 9% growth from last year of P338.8 million due to higher share in RBC Ortigas. At 70% share in JV, the gross revenues increased by 5% to P574.2 million due to higher rental rate. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Provision for Income Tax

Provision for income tax amounted to P257.5 million, which is 38% lower than last year's provision of P412.5 million. The effective tax rate for 2021 is 10.4% lower than 2020's 24.6% and lower than the statutory tax rate of 25.3% due to the impact of retroactive adjustment impact of CREATE law and the Company's share in the income of RBC, which is no longer subject to income tax.

Project and capital expenditures

The Company spent a total of P10.2 billion for project and capital expenditures in 2021. Bulk of the expenditures pertained to development costs of Proscenium (near completion), The Arton (ongoing construction), Aruga Resort and Residences – Mactan (ongoing construction) and costs to acquire certain properties.

FINANCIAL CONDITION

Total Assets as of December 31, 2021 amounted to P64.8 billion, higher by 5% from last year's P61.9 billion mainly due higher receivables coming from higher sales in 2021 and higher real estate inventories from new acquisitions and development costs.

Total Liabilities as of December 31, 2021 amounted to P38.8 billion, higher than 2020's P37.1 billion. The increase in liabilities was mainly from higher loan balance from new drawdowns in 2021.

Total Equity as of December 31, 2021 amounted to P26.0 billion. The 5% growth is mainly attributable to the P2.2 billion Net Income offset by dividends payment in 2021.

Current ratio as of December 31, 2021 is 3.29x from 2.37x the previous year while Net debt to equity ratio increased to 0.92x in 2021 from 0.87x in 2020.

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

Statement of Comprehensive Income Items – 2021 vs. 2020

24% increase in Revenue from sale of real estate
Mainly due to higher bookings and completion of residential projects

15% decrease in interest income
Due to lower recognition from Proscenium and Vantage which are substantially completed and sold out as of 2020
.
7% increase in Lease income
Due to lower rental concessions given to retail tenants and higher renewal rates of Office tenants. Office rental rates improved by 6%, while retail occupancy rate improved to 76% from 66% last year.

17% increase in Cost of Real Estate
Primarily due to higher cost recognition following higher sales booking and higher project completion.

17% decrease in General and Administrative Expenses
Due to lower business taxes following lower collection and lower sales in 2020 and lower depreciation expenses. Provision for disallowance for claim for refund was also recognized in 2020.

59% increase in Selling Expenses
Primarily due to higher sales commission and marketing related expenses across all projects, and from new launches.

10% decrease in Interest Expense
Due to lower average interest rate

9% increase in Share in Net Income of Joint Venture and Associate
Attributable to higher rental rates of RBC

100% decrease in Loss on Prepayment of Loan
Due to payment of prepayment penalty for refinanced loans in 2020

100% decrease in Loss on Bond Redemption
Due to payment of 1% premium to bondholders bought back in 2020

100% decrease in Loss on Loan Modification
Due to catch up of amortization of loan transaction cost prepaid in 2020

186% decrease in Other Comprehensive Loss
Due to reversal of remeasurement loss on employee benefits in 2020

Balance Sheet items – 2021 vs. 2020

13% decrease in Cash and Cash Equivalents
Primarily due payment for development costs and land acquisitions.

46% increase in Trade and other receivables
Primarily due to higher recognition of The Proscenium Residences receivables from customers upon turn over dues.

11% decrease in Contract assets
Primarily due to reclassification of The Proscenium Residences contract assets to trade receivables.

31% increase in Real Estate Inventories
Primarily due to reclassification from Investment Properties and PPE of portions of One Proscenium and Aruga Makati, respectively and additional acquisitions.

9% increase in Advances to contractors
Due to downpayments made for Nara Residences, Larsen, Mactan and Rockwell South projects.

24% increase in Other Current Asset
Due to higher creditable withholding taxes from higher collection.

44% decrease in Property and equipment
Mainly due to reclassification of Aruga Makati to Real Estate Inventory as Balmori Suites, and The Fifth events place to Investment Property.

25% increase in Investments in joint venture and associate
Due to initial subscription to 8 Promoveo Land Inc.

23% increase in Deferred Tax Asset
Mainly due to losses incurred by Retailscapes Inc.

36% decrease in Other Noncurrent Asset
Due to reclassification of Balmori Suites advances to contractors to current asset, and collection of miscellaneous receivable.

29% decrease in Subscription Payable
Due to payment of subscription to RNDC.

8% increase in Interest bearing loans
Due to additional loan drawdown for the year

6% increase in Deferred Tax Liabilities
Due to higher income recognition than collection from Rockwell South and Arton West.

18% decrease in Pension liability
Mainly due to remeasurement gain on plan assets for the year 2021.

12% increase in Deposits and other liabilities
Primarily due to higher deposits from preselling of condominium units especially from Mactan Villas, Larsen and Nara Residences projects

10% increase in Retained Earnings
Due to net income after tax of P2.2 billion for 2021 offset by dividends amounting to P217.6 million.

11% decrease in Non-controlling interests
Primarily due to redemption of non controlling shares of RCDC and dividend payments to the minority shareholders

Annex E

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

6	2	8	9	3						

COMPANY NAME

ROCKWELL LAND CORPORATION AND
SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

2F 8 Rockwell, HidaLgo Drive,
Rockwell Center, Makati City

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
IR@rockwell.com.ph	7-793-0088	0917-527-0140

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
45,456	May 29	December 31

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
Ms. Ellen V. Almodiel	ellena@rockwell.com.ph	7-793-0088	N/A

CONTACT PERSON's ADDRESS

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

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*

ROCKWELL LAND

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ROCKWELL LAND CORPORATION AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, 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 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 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 consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated 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.

NESTOR J. PADILLA Chairman of the Board and Chief Executive Officer	**ELLEN V. ALMODIEL** Executive Vice President, Chief Finance & Compliance Officer

Signed this 3rd day of April 2024

APR 1 1 2024

SUBSCRIBED AND SWORN to before me this day __________ at Makati City, affiant exhibiting to me his/her Passport as follows:

NAME	PASSPORT NO.	DATE ISSUED	PLACE ISSUED
Nestor J. Padilla	P7155127B	08 June 2021	DFA MANILA
Ellen V. Almodiel	P2373847B	29 June 2019	DFA NCR East

Doc No. 200;
Page No. 41;
Book No. XLIII;
Series of 2024.

MA. FE CAROLYN GO-PINOY NOTARY PUBLIC ROLL NO. 39698 MAKATI CITY, PHILIPPINES

MA. FE CAROLYN GO-PINOY
Appointment No. M-157 until December 31, 2024
Roll of Attorneys No. 39698
IBP Lifetime No. 017551 / ZAMBASULTA
PTR No. 9577554 / 1.10.2023 / Makati City
E Rockwell, Hidalgo Drive, Makati City

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Rockwell Land Corporation
2F 8 Rockwell
Hidalgo Drive, Rockwell Center
Makati City

Opinion

We have audited the consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the 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 December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Notes 2 and 3 to the consolidated financial statements.

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.

Emphasis of Matter

We draw attention to Notes 2 and 3 to the consolidated financial statements which indicate that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2023 consolidated financial statements are discussed in detail in Note 3. Our opinion is not modified in respect of this matter.

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 the 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 this matter. 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 matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer and (2) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as past history with the buyer, age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the project inspector as approved by the project engineer which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

The disclosures related to the real estate revenue are included in Notes 5 and 20 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as request for cancellation form and notice of cancellation.

For the application of the output method, in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage of completion (POC). We obtained the certified POC reports and performed test of relevant controls. We inspected the certified POC reports prepared by the project engineers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we 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 when it becomes available 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.

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, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Notes 2 and 3 to the consolidated financial statements, 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 accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Notes 2 and 3 to the consolidated financial statements.

- 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 Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-145-2021, August 11, 2021, valid until August 10, 2024
PTR No. 10079978, January 6, 2024, Makati City

April 3, 2024

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 28 and 29)	**₱4,251,289**	₱3,517,752
Trade and other receivables (Notes 8, 16, 20, 26, 28 and 29)	**1,127,495**	3,917,432
Contract assets (Notes 8, 20 and 28)	**9,237,501**	12,024,821
Real estate inventories (Notes 9, 11 and 12)	**24,411,338**	17,981,211
Advances to contractors (Note 9)	**2,000,280**	1,814,366
Other current assets (Notes 10, 28 and 29)	**3,838,097**	3,481,948
Total Current Assets	**44,866,000**	42,737,530
Noncurrent Assets		
Investment properties (Notes 9, 11, 12 and 16)	**14,624,071**	14,666,614
Property and equipment (Notes 9, 11 and 12)	**2,648,963**	2,154,070
Investments in joint venture and associate (Note 13)	**5,726,874**	5,878,073
Contract assets - net of current portion (Notes 8, 20 and 28)	**6,110,549**	3,745,457
Investment in equity instruments at fair value through other comprehensive income (FVOCI) (Notes 14, 28 and 29)	**61,549**	36,711
Deferred tax assets - net (Note 25)	**59,238**	107,405
Other noncurrent assets (Notes 11, 12, 22, 26, 28 and 29)	**499,803**	328,015
Total Noncurrent Assets	**29,731,047**	26,916,345
	₱74,597,047	₱69,653,875
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 9, 13, 15, 17, 20, 24 and 28)	**₱9,730,914**	₱9,500,352
Current portion of interest-bearing loans and borrowings (Notes 11, 16, 26, 28 and 29)	**2,812,449**	2,833,346
Subscription payable (Note 13)	**367,150**	1,179,150
Income tax payable	**160,414**	24,997
Total Current Liabilities	**13,070,927**	13,537,845
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Notes 11, 16, 26, 28 and 29)	**23,031,839**	22,260,138
Deferred tax liabilities - net (Note 25)	**1,219,343**	1,475,856
Subscription payable - net of current portion (Note 13)	**2,355,410**	1,743,410
Lease liabilities - net of current portion (Notes 15, 27 and 28)	**663,600**	649,569
Pension liability - net (Note 24)	**84,762**	72,043
Deposits and other liabilities (Notes 15, 17, 28 and 29)	**1,876,456**	2,352,407
Total Noncurrent Liabilities	**29,231,410**	28,553,423
Total Liabilities	**₱42,302,337**	₱42,091,268

(Forward)

	December 31	
	2023	2022
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Notes 18 and 19)	**₱6,270,882**	₱6,270,882
Additional paid-in capital	**28,350**	28,350
Other comprehensive income (Note 14)	**45,580**	20,580
Other equity adjustments (Note 19)	**540,323**	540,323
Share-based payments (Note 18)	**69,700**	69,700
Retained earnings (Note 19):		
Appropriated	**14,700,000**	11,700,000
Unappropriated	**6,530,847**	6,974,257
	28,185,682	25,604,092
Less cost of treasury shares (Notes 1 and 19)	**185,334**	185,334
Total Equity Attributable to Equity Holders of the Parent Company	**28,000,348**	25,418,758
Non-controlling interests (Note 6)	**4,294,362**	2,143,849
Total Equity	**32,294,710**	27,562,607
	₱74,597,047	₱69,653,875

See accompanying Notes to Consolidated Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Years Ended December 31		
	2023	2022	2021
REVENUES			
Revenue from sale of real estate (Note 20)	**₱11,914,442**	₱11,382,413	₱8,925,994
Lease income (Note 11)	**2,256,045**	1,889,427	1,227,788
Interest income (Notes 7, 8 and 21)	**2,057,077**	1,477,459	1,482,381
Others (Notes 5 and 20)	**2,283,447**	1,758,665	1,087,540
	18,511,011	16,507,964	12,723,703
EXPENSES			
Cost of real estate (Notes 5, 9, 11 and 22)	**9,434,611**	9,268,529	6,896,070
General and administrative expenses (Notes 11, 12, 13, 22, 23 and 24)	**2,392,675**	2,067,051	1,668,777
Selling expenses (Notes 22 and 23)	**1,223,438**	960,372	931,906
	13,050,724	12,295,952	9,496,753
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	**5,460,287**	4,212,012	3,226,950
OTHER INCOME (EXPENSES)			
Interest expense (Notes 16, 17, 22 and 27)	**(1,599,014)**	(1,213,289)	(1,141,452)
Share in net income of joint venture and associate (Note 13)	**465,711**	375,628	368,273
Foreign exchange gain (loss) – net	**(2,941)**	17,979	12,312
	(1,136,244)	(819,682)	(760,867)
INCOME BEFORE INCOME TAX	**4,324,043**	3,392,330	2,466,083
PROVISION FOR INCOME TAX (Note 25)	**924,491**	798,254	257,450
NET INCOME	**3,399,552**	2,594,076	2,208,633
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on employee benefits (Note 24)	**(131,668)**	155,623	75,358
Fair value gain on equity instruments designated at FVOCI (Note 14)	**25,000**	6,361	–
Income tax effect	**36,663**	(35,108)	(36,425)
	(70,005)	126,876	38,933
TOTAL COMPREHENSIVE INCOME	**₱3,329,547**	₱2,720,952	₱2,247,566
Net Income Attributable To			
Equity holders of the Parent Company	**₱3,113,226**	₱2,301,911	₱1,640,936
Non-controlling interests	**286,326**	292,165	567,697
	₱3,399,552	₱2,594,076	₱2,208,633
Total Comprehensive Income Attributable To			
Equity holders of the Parent Company	**₱3,043,221**	₱2,428,787	₱1,679,869
Non-controlling interests	**286,326**	292,165	567,697
	₱3,329,547	₱2,720,952	₱2,247,566
Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 30)			
Basic	**₱0.5087**	₱0.3761	₱0.2680
Diluted	**₱0.5087**	₱0.3761	₱0.2679

See accompanying Notes to Consolidated Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Notes 18 and 19)	**Additional Paid-in Capital**	**Other Comprehensive Income** (Note 14)	**Other Equity Adjustments** (Note 19)	**Share-based Payments** (Note 18)	**Retained Earnings** (Note 19) **Appropriated**	**Unappropriated**	**Treasury Shares** (Notes 1 and 19)	**Total**	**Non-controlling Interests** (Note 6)	**Total Equity**
Balance at December 31, 2022	**₱6,270,882**	**₱28,350**	**₱20,580**	**₱540,323**	**₱69,700**	**₱11,700,000**	**₱6,974,257**	**(₱185,334)**	**₱25,418,758**	**₱2,143,849**	**₱27,562,607**
Net income	–	–	–	–	–	–	**3,113,226**	–	**3,113,226**	**286,326**	**3,399,552**
Other comprehensive income (Notes 14 and 24)	–	–	**25,000**	–	–	–	**(95,005)**	–	**(70,005)**	–	**(70,005)**
Total comprehensive income	–	–	**25,000**	–	–	–	**3,018,221**	–	**3,043,221**	**286,326**	**3,329,547**
Reversal of appropriation (Note 19)	–	–	–	–	–	**(11,000,000)**	**11,000,000**	–	–	–	–
Appropriation (Note 19)	–	–	–	–	–	**14,000,000**	**(14,000,000)**	–	–	–	–
Non-controlling interest arising from incorporation of a subsidiary (Note 6)	–	–	–	–	–	–	–	–	–	**2,728,656**	**2,728,656**
Cash dividends (Note 19)	–	–	–	–	–	–	**(461,631)**	–	**(461,631)**	–	**(461,631)**
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	**(585,281)**	**(585,281)**
Subsidiary's payment of dividends to non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	**(279,188)**	**(279,188)**
Balance at December 31, 2023	**₱6,270,882**	**₱28,350**	**₱45,580**	**₱540,323**	**₱69,700**	**₱14,700,000**	**₱6,530,847**	**(₱185,334)**	**₱28,000,348**	**₱4,294,362**	**₱32,294,710**
Balance at December 31, 2021	₱6,270,882	₱28,350	₱14,219	₱540,323	₱69,700	₱9,700,000	₱6,881,951	(₱185,334)	₱23,320,091	₱2,661,082	₱25,981,173
Net income	–	–	–	–	–	–	2,301,911	–	2,301,911	292,165	2,594,076
Other comprehensive income (Notes 14 and 24)	–	–	6,361	–	–	–	120,515	–	126,876	–	126,876
Total comprehensive income	–	–	6,361	–	–	–	2,422,426	–	2,428,787	292,165	2,720,952
Reversal of appropriation (Note 19)	–	–	–	–	–	(9,000,000)	9,000,000	–	–	–	–
Appropriation (Note 19)	–	–	–	–	–	11,000,000	(11,000,000)	–	–	–	–
Cash dividends (Note 19)	–	–	–	–	–	–	(330,120)	–	(330,120)	–	(330,120)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	(534,004)	(534,004)
Subsidiary's payment of dividends to non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	(275,394)	(275,394)
Balance at December 31, 2022	₱6,270,882	₱28,350	₱20,580	₱540,323	₱69,700	₱11,700,000	₱6,974,257	(₱185,334)	₱25,418,758	₱2,143,849	₱27,562,607

(Forward)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Notes 18 and 19)	**Additional Paid-in Capital**	**Other Comprehensive Income** (Note 14)	**Other Equity Adjustments** (Note 19)	**Share-based Payments** (Note 18)	**Retained Earnings** (Note 19) **Appropriated**	**Retained Earnings** (Note 19) **Unappropriated**	**Treasury Shares** (Notes 1 and 19)	**Total**	**Non-controlling Interests** (Note 6)	**Total Equity**
Balance at December 31, 2020	₱6,270,882	₱28,350	₱14,219	₱540,323	₱69,700	₱9,700,000	₱5,419,654	(₱185,334)	₱21,857,794	₱3,003,974	₱24,861,768
Net income	–	–	–	–	–	–	1,640,936	–	1,640,936	567,697	2,208,633
Other comprehensive loss (Notes 14 and 24)	–	–	–	–	–	–	38,933	–	38,933	–	38,933
Total comprehensive income	–	–	–	–	–	–	1,679,869	–	1,679,869	567,697	2,247,566
Cash dividends (Note 19)	–	–	–	–	–	–	(217,572)	–	(217,572)	–	(217,572)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	(676,332)	(676,332)
Subsidiary's payment of dividends to non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	(234,257)	(234,257)
Balance at December 31, 2021	₱6,270,882	₱28,350	₱14,219	₱540,323	₱69,700	₱9,700,000	₱6,881,951	(₱185,334)	₱23,320,091	₱2,661,082	₱25,981,173

See accompanying Notes to Consolidated Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱4,324,043**	₱3,392,330	₱2,466,083
Adjustments for:			
Interest income (Notes 7, 8 and 21)	**(2,057,077)**	(1,477,459)	(1,482,381)
Interest expense (Notes 16, 17, 22 and 27)	**1,599,014**	1,213,289	1,141,452
Depreciation and amortization (Notes 11, 12 and 22)	**840,789**	755,738	762,755
Share in net income of joint venture and associate (Note 13)	**(465,711)**	(375,628)	(368,272)
Pension expense, net of contributions (Note 24)	**(118,949)**	(6,265)	22,271
Provision for disallowance of claim for refund (Note 22)	**17,544**	–	8,500
Unrealized foreign exchange loss (gain) - net	**2,941**	(17,979)	(12,312)
Operating income before working capital changes	**4,142,594**	3,484,026	2,538,096
Decrease (increase) in:			
Trade and other receivables	**4,838,135**	3,490,329	(455,008)
Contract assets	**422,228**	(3,199,719)	1,628,360
Real estate inventories	**(4,252,701)**	(175,816)	(1,683,020)
Advances to contractors	**(185,914)**	(97,188)	(146,464)
Other current assets	**(356,149)**	(759,232)	(574,223)
Increase (decrease) in:			
Trade and other payables	**299,458**	2,523,135	(323,204)
Deposits and other liabilities	**(331,818)**	359,205	206,712
Net cash generated from operations	**4,575,833**	5,624,740	1,191,249
Income taxes paid	**(1,149,627)**	(996,256)	(183,491)
Interest received	**216,879**	64,215	52,842
Net cash provided by operating activities	**3,643,085**	4,692,699	1,060,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Investment properties (Note 11)	**(675,350)**	(304,570)	(531,115)
Property and equipment (Note 12)	**(274,559)**	(236,606)	(466,084)
Investment in associate (Note 13)	**–**	–	(634,446)
Dividends received (Note 13)	**416,045**	490,479	304,220
Decrease in investment in joint venture (Note 13)	**200,865**	53,200	–
Decrease in other noncurrent assets	**(189,170)**	141,830	260,679
Net cash provided by (used in) investing activities	**(522,169)**	144,333	(1,066,746)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of loans and borrowings (Note 16)	**3,500,000**	2,828,600	11,596,000
Payments of:			
Interest-bearing loans and borrowings (Note 16)	**(2,746,008)**	(4,507,278)	(9,504,580)
Dividends (Note 19)	**(461,631)**	(330,120)	(217,572)
Lease liabilities (Notes 15 and 27)	**(38,986)**	(37,663)	(36,401)
Debt issue cost (Note 16)	**(26,250)**	(15,803)	(61,470)
Interest paid	**(1,547,094)**	(1,162,548)	(1,091,712)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	**(585,281)**	(534,004)	(676,332)
Subsidiary's payment of dividends to non-controlling interests (Note 6)	**(279,188)**	(275,394)	(234,257)
Payment of subscription payable (Note 6)	**(200,000)**	(80,000)	(200,000)
Benefits paid (Note 24)	**–**	(7,913)	–
Net cash used in financing activities	**(2,384,438)**	(4,122,123)	(426,324)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(2,941)**	17,979	12,312
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**733,537**	732,888	(420,158)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,517,752**	2,784,864	3,205,022
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱4,251,289**	₱3,517,752	₱2,784,864

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Rockwell Land Corporation (Rockwell Land or the Parent Company) is incorporated in the Philippines and is engaged in real estate development and sale or lease of condominium and commercial units and lots.

Rockwell Land became a public company in 2012 following the declaration of 51% ownership by Manila Electric Company (Meralco) as property dividend in favor of common stockholders, except for foreign common shareholders who were paid the cash equivalent of the property dividend (see Note 19).

As at December 31, 2023 and 2022, First Philippine Holdings Corporation (FPHC) owns 86.58% of Rockwell Land and the rest by the public. Lopez, Inc. is the ultimate parent company.

The Parent Company's principal office address is 2F 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City.

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 3, 2024.

2. Basis of Preparation and Statement of Compliance

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 for 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 values are rounded to the nearest thousands, except when otherwise indicated.

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 reliefs on the accounting for significant financing component 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.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in Note 3.

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 non-controlling 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 the financial statements of the Parent Company and the following subsidiaries:

Subsidiaries	Nature of Business	Percentage of Ownership 2023	2022	2021
Rockwell Integrated Property Services, Inc.	Service provider	**100.0**	100.0	100.0
Rockwell Primaries Development Corporation (Rockwell Primaries)	Real estate development	**100.0**	100.0	100.0
Stonewell Property Development Corporation	Real estate development	**100.0**	100.0	100.0
Rockwell Performing Arts Theater Corporation	Theater operator	**100.0**	100.0	100.0
Rockwell Hotels & Leisure Management Corp.	Hotel management	**100.0**	100.0	100.0
Retailscapes Inc. (Retailscapes)	Commercial development	**100.0**	100.0	100.0
Rockwell Primaries South Development Corporation (Rockwell Primaries South) (through Rockwell Primaries)	Real estate development	**100.0**	100.0	100.0
Rockwell MFA Corp. (Rock MFA)	Real estate development	**80.0**	80.0	80.0
Rockwell Leisure Club, Inc. (Rockwell Club)	Leisure club	**74.7**	75.0	75.1
Rockwell Carmelray Development Corporation (RCDC, formerly Carmelray Property Holdings, Inc.)	Real estate development	**70.0**	71.6	63.1
Rockwell GMC Development Corporation (RGDC)*	Real estate development	**60.0**	–	–

**A subsidiary incorporated in 2023*

All subsidiaries are incorporated in the Philippines.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent 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 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unl ess otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

  The amendments provide guidance and examples to help entities apply materiality judgements 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 judgement (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).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

  The amendment is currently not applicable to the Group.

<u>Standards Issued but not yet Effective</u>
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, 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.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. 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*. 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

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Amendments to PAS 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

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.

  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

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

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 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. The Group elected to adopt the guidance using the modified retrospective approach. The adoption of this guidance will impact interest income, interest expense, revenue from real estate sales, installment contracts receivable or contract assets, provision for deferred income tax, deferred tax asset or liability, and the balance of retained earnings as of January 1, 2024. The Group has assessed that the mismatch constitutes a significant financing component for its contracts to sell and is currently finalizing the quantification of the impact to its consolidated financial statements.

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. **Summary of Material Accounting Policies**

Business Combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is then considered in the determination of goodwill.

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because the fair values to be assigned to the acquiree's identifiable assets and liabilities can be determined only provisionally, the Group accounts for the combination using provisional values. Adjustments to those provisional values as a result of completing the initial accounting shall be made within twelve (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 shall be calculated as if its fair value at the acquisition date had been recognized from that date. Goodwill or any gain recognized shall 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.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

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 FVOCI with recycling of cumulative gains and losses (debt instruments) and financial assets at FVPL as at December 31, 2023 and 2022.

- *Financial Assets at Amortized Cost (Debt Instruments).* This category is most relevant to the Group. 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 the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables, restricted cash and refundable deposits as at December 31, 2023 and 2022.

- *Financial Assets Designated at FVOCI (Equity Instruments).* Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Equity instruments designated at FVOCI are not subject to impairment assessment.

  The Group elected to classify irrevocably its quoted and unquoted equity securities under this category as at December 31, 2023 and 2022.

- *Impairment of Financial Assets*

PFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under PAS 39.

The Group recognizes expected credit losses (ECLs) for the following financial assets that are not measured at FVPL:

- debt instruments that are measured at amortized cost;
- loan commitments; and
- financial guarantee contracts.

General Approach. Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group has leveraged on available market data for cash and cash equivalents to calculate the ECLs.

Simplified Approach. For 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.

The Group considers a financial asset in default when contractual payments are over 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.

b. Financial Liabilities

Financial liabilities are classified at initial recognition as financial liabilities at FVPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group has no financial liabilities at FVPL and derivatives designated as hedging instruments.

The Group's financial liabilities include trade and other payables (excluding statutory payables), lease liabilities, interest-bearing loans and borrowings and subscription payable as at December 31, 2023 and 2022.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition of Financial Instruments
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 asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement 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 assets and settle the liabilities simultaneously. The Group assesses that it has a 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 event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories
Real estate inventories consist of condominium units, residential house and lots for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:
- Land cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less specifically identifiable estimated costs of completion and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to profit or loss.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Advances to Contractors

Advances to contractors represent advance payments on services to be incurred in connection with the Group's operations. These are capitalized to projects under "Real estate inventories", "Investment properties" and "Property and equipment" accounts in the consolidated statements of financial position upon actual receipt of services. These are considered as nonfinancial instruments as these will be applied against future billings from contractors normally within one year or normal operating cycle.

Investment Properties

Investment properties represent land, building, structures and improvements of the mall (the "Power Plant"), other commercial establishments held for lease within and outside Rockwell Center ,and land held for appreciation. These, except land, are measured initially at cost, including transaction costs, less accumulated depreciation and any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Land is carried at cost (initial purchase price and other costs directly attributable in bringing such assets to its working condition) less any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of investment properties, except for land. Investment properties are estimated to have a useful life of 5 to 35 years.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending 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 sale. These transfers are recorded using the carrying amount of the investment property at the date of change in use.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Investment properties in progress pertain to projects under construction and are stated at cost which includes cost of construction and other direct costs. Investment properties in progress are not depreciated until such time that the relevant assets are completed and become available for operational use.

Investment in Joint Venture and Associate

Investment in joint venture and associate is accounted for under the equity method of accounting. An associate is an entity over which the Group has significant influence or the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

Under the equity method, investment in joint venture and associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share in net assets of the joint venture and associate. Goodwill relating to a joint venture or an associate is included in the carrying amount of the investment and is neither nor individually tested for impairment. The consolidated statement of comprehensive income reflects the share on the financial performance of the joint venture and associate. Distributions received from joint venture reduce the carrying amount of the investment. When the Group's 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 on behalf of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share in any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

The joint venture and associate is prepared for the same reporting year as the Parent Company, using consistent accounting policies. Unrealized intercompany profits arising from the transactions with the joint venture and associate are eliminated to the extent of the interest in the joint venture and associate.

<u>Property and Equipment</u>
Property and equipment, except land, is stated at cost, excluding the costs of day-to-day servicing, net of accumulated depreciation and/or impairment in value, if any. Such cost includes the cost of replacing part of such property and equipment, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of comprehensive income as incurred.

Land is carried at cost (initial purchase price and other costs directly attributable in bringing such assets to its working condition) less any impairment in value.

Depreciation and amortization is calculated for each significant item or part of an item of property and equipment on a straight-line basis over the following estimated useful lives:

Buildings and improvements	15-35 years
Office furniture and other equipment	3-5 years
Transportation equipment	5 years

Construction in progress pertains to serviced apartments under construction and is stated at cost which includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and become available for operational use. Upon completion, it will be depreciated over a period of 5 to 25 years.

<u>Impairment of Nonfinancial Assets</u>
The Group assesses at each reporting date whether there is an indication that a nonfinancial asset (e.g., investment properties, investment in joint venture and associate and property and equipment) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use

and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. Those budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or 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 goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5 to the consolidated financial statements.

Real estate sales. The Group derives its real estate revenue from the sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date/ milestones reached/ time elapsed. This is based on the monthly project accomplishment report prepared by the project inspector as approved by the project manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contract receivables under "Trade and other receivables" account, is included in the "Contract assets" account in the asset section of the consolidated statements of financial position.

Any excess of collections over the total of recognized installment contract receivables is included in the contract liabilities under "Trade and other payables" account in the liabilities section of the consolidated statements of financial position.

Room Revenue (presented under Other Revenue). Room revenue is recognized when services are performed. Deposits received from customers in advance on rooms or other services are recorded as liabilities until services are provided to the customers.

Cinema, Mall and Other Revenues (presented under Other Revenue). Revenue is recognized when services are rendered.

Common use service area (CUSA) charges. The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

The Group assessed itself as principal for CUSA, air-conditioning charges and electricity and water usage. Accordingly, the Group presented revenue from recoveries and its related costs on a gross basis as part of "Others" under revenue and "Cost of real estate", respectively, in the consolidated statement of comprehensive income.

Membership Dues (presented under Other Revenue). Membership dues are recognized as revenue in the applicable membership period. Membership dues received in advance are recorded as part of "Trade and other payables - others" under the current liabilities section of the consolidated statement of financial position.

Income from Recreational Facilities (presented under Other Revenue). Revenue is recognized as the services are provided to or the rights are used by the members.

Room, cinema, mall and other revenues, membership dues and income from recreational facilities are recognized at a point in time.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Contract Balances

Trade Receivables. Trade 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).

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or 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.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or 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.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to Obtain Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract Fulfillment Assets. Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Group's contract fulfillment assets pertain to connection fees and land acquisition costs.

Amortization, Derecognition and Impairment of Contract Fulfillment Assets and Capitalized Costs to Obtain a Contract.
The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included under cost of real estate.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that contract fulfillment asset or cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, there judgments are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Interest Income

Revenue is recognized using the effective interest, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Unearned discount is recognized as income over the terms of the related financial assets at amortized cost (i.e., loans and receivables) using the effective interest method and is shown as deduction to the related financial assets.

Leases

Right-of-use assets. 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 measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The costs of right-of-use assets include the amount of lease liability recognized, and lease payments made at or before the commencement date. Right-of-use asset are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets of 35 years. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of investment properties and are subject to impairment. Refer to the accounting policies in impairment of non-financial assets section.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms or based on the terms of the lease, as applicable.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

The Group shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Group as a Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases and Leases with Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of 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 lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. 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.

Equity
When the Parent Company issues its par value shares, the proceeds shall be credited to the "Capital stock" account in the consolidated statement of financial position to the extent of the par value, with any excess being reflected as "Additional paid-in-capital" account in the consolidated statement of financial position. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Other equity adjustments represent the difference between the fair value of the consideration and the book value of the shares sold of the non-controlling interests.

Retained earnings represent the Group's accumulated earnings, net of dividends declared. This includes the accumulated equity in undistributed earnings of the consolidated subsidiaries which are not available for dividends until declared by the subsidiaries.

Treasury Shares
Acquisitions of treasury shares are recorded at cost. Own equity instruments which are reacquired are deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or the cancellation of the Parent Company's own equity instruments.

Share-based Payment Transactions
Employees (including directors) of the Parent Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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 the option is granted. The fair value is determined using Binomial Pricing Model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than the conditions linked to the price of the shares of the Parent Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognized in profit or loss with a corresponding increase in "Share-based payments" account in equity, over the period in which the performance and/or service conditions are fulfilled.

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 Parent Company's best estimate of the number of equity instruments that will ultimately vest at that date. The cost of share-based payment is recognized in the consolidated statement of comprehensive income as part of "Personnel expenses" account under "General and administrative expenses" account.

No expense is recognized for awards that do not ultimately vest.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled with payment, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. 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 they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Pension Costs and Other Employee Benefits
The Group has a funded, noncontributory defined benefit pension plan covering all regular and permanent employees. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit obligation or asset
- Remeasurements of net defined benefit obligation or asset

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as part of general and administrative and selling expenses in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit obligation or asset is the change during the period in the net defined benefit obligation or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit obligation or asset is recognized under general and administrative expenses in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements recognized in other comprehensive income are closed to retained earnings at the end of every reporting period.

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on 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).

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Employee Leave Entitlement. Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period. Employee entitlements beyond 12 months are recognized as part of the noncurrent portion of other employee benefits liability.

Income Tax

Current Income Tax. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the financial reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the financial reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO and excess of MCIT over RCIT can be utilized. Deferred tax assets and liabilities, however, are not recognized when the deductible and taxable temporary differences arise 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 nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each financial reporting date 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 each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 financial reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax on share-based payments is recognized directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

<u>Value-added Tax (VAT)</u>
Revenues, expenses and assets 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 tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from and payable to the tax authority is included as part of "Other current assets" and "Trade and other payables" accounts in the consolidated statement of financial position. Deferred output VAT, however, is shown separately under "Trade and other payables" account in the consolidated statement of financial position.

Deferred input VAT relating to the unpaid portion of the acquisition cost of the asset expected to be settled beyond the succeeding year is recognized under "Other noncurrent assets" account in the consolidated statement of financial position.

<u>Foreign Currency-Denominated Transactions</u>
The consolidated financial statement are presented in Philippine peso, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the financial reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets (included in "Property and equipment" and "Investment properties" accounts in the consolidated statement of financial position). Capitalization ceases when pre-selling of real estate inventories under construction commences. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying the economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects a provision to be reimbursed, such as under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Events after the Reporting Period
Post-year-end events that provide additional information about the Group's financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statement. Post-year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statement when material.

Basic/Diluted Earnings Per Share
Basic earnings per share is calculated by dividing the net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding.

Diluted earnings per share attributable to equity holders of the Parent Company is calculated in the same manner assuming that, the weighted average number of common shares outstanding is adjusted for potential common shares from the assumed exercise of convertible stock options. Outstanding convertible stock options will have a dilutive effect only when the average market price of the underlying common shares during the year exceeds the exercise price of the option. Where the outstanding convertible stock options have no dilutive effect, diluted earnings per share is the same as basic earnings per share attributable to equity holders of the Parent Company.

Segment Reporting
The Group's operating businesses are organized and managed separately into two business activities. Such business segments are the bases upon which the Group reports its operating segment information. The Group operates in one geographical area where it derives its revenue. Financial information on segment reporting is presented in Note 31.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the accompanying consolidated financial statements requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of Business Models. The Group determines its business model at the level that best reflects how it manages groupings of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Definition of Default and Credit-impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*
  Installment contracts receivable
  - For individual customers - upon issuance of Final Notice of Cancellation ("FNOC") when monthly payments are 120 days past due
  - For corporate customers - when monthly payments are 30 days past due, and upon issuance of FNOC.

- *Qualitative criteria*

  The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

  a. The customer is experiencing financial difficulty or is insolvent
  b. The customer is in breach of financial covenant(s)
  c. An active market for that financial assets has disappeared because of financial difficulties
  d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
  e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Significant Increase in Credit Risk. The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors.

The Group's cash and cash equivalents and accounts receivable are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, 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 these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Using its expert credit judgment and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not other otherwise be fully reflected in its quantitative analysis on a timely basis.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset falls below an investment grade; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Existence of a Contract. The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotations sheets and other documents, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of customers' equity before commencing revenue recognition. Management assessed that the historical cancellations and back-outs, despite the pandemic, still supports the Group's current threshold of customers' equity.

Revenue Recognition Method and Timing of Revenue Recognition. The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right to payment for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

The Group concluded that rooms, cinema and other revenues are to be recognized at a point in time because the Group has a right to payment for the service once the customer obtains the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset in exchange.

Revenue from sale of real estate recognized over time amounted to ₱11,914.4 million, ₱11,382.4 million and ₱8,926.0 million in 2023, 2022 and 2021, respectively, while room, cinema and other revenues recognized at a point in time amounted to ₱2,283.4 million, ₱1,758.7 million and ₱1,087.5 million in 2023, 2022 and 2021, respectively (see Note 20).

Identifying Performance Obligation. The Group has contracts to sell covering the sale of lots, house and lots, condominium unit and parking lot. The Group concluded that there is one performance obligation in these contracts because, the developer has the obligation to deliver the condominium unit and parking lot duly constructed in a specific lot and fully integrated into the serviced land in accordance with the approved plan. Included also in this performance obligation is the Group's service is to transfer the title of the real estate unit to the customer.

Common use service area (CUSA) charges – Principal versus Agent Assessment. The Group assessed itself as principal for CUSA, air-conditioning charges and electricity and water usage being charged to its tenants. Accordingly, the Group presented the revenue from recoveries and its related costs on a gross basis as part of "Others" under revenue and "Cost of real estate", respectively, in the consolidated statements of comprehensive income.

Total CUSA adjustments recognized amounted to ₱772.3 million in 2023, ₱544.2 million in 2022 and ₱418.6 million in 2021.

Operating Lease Commitments (Group as a Lessor). The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, which are leased out under operating lease arrangements.

Lease income earned from investment properties amounted to ₱2,256.0 million, ₱1,889.4 million and ₱1,227.8 million in 2023, 2022 and 2021, respectively (see Note 11).

Determining whether Lease Concessions are Lease Modifications. The Group provided certain rent concessions to its tenants in the form of rent-free periods and discounts in 2022 and 2021. Management, in consultation with its external legal counsel, assessed that the grant of rent concession does not qualify as an amendment to the lease contract. The waiver of rent is pursuant to the provision in the lease contract. Accordingly, management recorded the negative variable lease payment at the time the concession was given.

The rent concessions resulted to reduction in rental income in 2022 and 2021 amounting to ₱84.9 million and ₱456.5 million, respectively (nil in 2023) (see Note 11).

Transfers to/from Real Estate Inventories, Investment Properties, and Property and Equipment. The Group has made transfers to/from real estate inventories, investment properties, and property and equipment after determining that there is a change in use, evidenced by ending of owner-occupation. Transfers are made from property and equipment when, and only when, there is a change in use, evidenced by commencement of an operating lease to another party or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment properties at the date of change in use.

Determination of Control over an Investee Company. Control is presumed to exist when an investor 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. The Parent Company has established that it has the ability to control its subsidiaries by virtue of either 100% or majority interest in the investee companies (see Note 6).

Interests in Joint Ventures. Management has assessed that it has joint control in its joint venture agreements and joint venture parties have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Under the Joint Venture Agreement, each party's share in any proceeds, profits, losses, and other economic value derived under the Joint Venture as well as any economic benefits and losses derived from the utilization of the access ways and open spaces of the joint venture property shall be proportional to the respective financial contributions made by each party (see Note 13).

Interest in an Associate. The Parent Company owns 38.49% and 41.21% of Rockwell Nepo Development Corporation (RNDC), formerly NepWell Property Management, Inc., as at December 31, 2023 and 2022, respectively . The contractual arrangement relative to the JV Agreement with T.G.N. Realty Corporation does not give two or more of those parties joint control over the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. However, considering the percentage shareholdings of each party to the JVA and the agreement on quorum and voting, multiple combinations of parties could collectively control the arrangement. The Parent Company's management has assessed that it has significant influence in its JVA with T.G.N. Realty Corporation shareholders as the Parent Company has representation in the BOD of RNDC, participation in the policy-making processes and provision of essential technical information as the sole project developer and marketing and sales agent (see Note 13).

Contingencies. The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 27). No provision for contingencies was recognized in 2023, 2022 and 2021.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue Recognition Method and Measure of Progress. The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue. This is generally driven by the buyer's commitment to pay and percentage of completion.

The Group's revenue from sale of real estate is recognized using the percentage-of-completion method. This is measured principally on the basis of the estimated completion of a physical proportion of the contract work. In view of the recent signs of increased market activity with the easing of community quarantines in key areas of the Philippines, the progress of the Group's performance obligation is directly affected which resulted to higher percentage of completion in the current period as compared to previous year.

The Group has set a certain percentage of collection over the total selling price in demonstrating the buyer's commitment to pay. The percentage is representative of the buyer's substantial investment that gives the buyer a stake in the project sufficient that the risk of loss through default motivates the buyer to honor its obligation to the Group.

Revenue from sale of real estate recognized over time amounted to ₱11,914.4 million, ₱11,382.4 million and ₱8,926.0 million in 2023, 2022 and 2021, respectively.

Measurement of ECLs. ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the EIR. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the EIR.

Except for installment contracts receivable, the Group uses low credit risk operational simplification to identify whether the credit risk of financial assets has significantly increased.

Inputs, Assumptions and Estimation Techniques. ECLs are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the PD, LGD, and EAD, defined as follows:

- *PD*

  The PD represents the likelihood of a customer defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

  The 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.

- *LGD*

  LGD represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

- *EAD*

  EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

  ECLs are determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original EIR or the customer's borrowing rates.

  The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the contractual repayments owed by the customer. Early repayment/refinance assumptions, when allowed, are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by project and by completion status.

General Approach for Cash and Cash Equivalents. The Group recognizes a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group uses external credit rating approach to calculate ECLs for cash and cash equivalents, accounts receivable and receivable from ultimate parent. This approach leverages on available market data (i.e., S&P and Moody's and Fitch credit ratings for default rates). S&P, Moody's, Fitch and Reuters are reliable market data sources that provide default and recovery rate data. This information is widely used by investors and stakeholders in decision-making in terms of investment, credit activities, etc.

Simplified Approach for Installment Contracts Receivable. The Group uses vintage analysis to calculate ECLs for installment contracts receivable. The PD rates using vintage analysis are based on default counts of contract issuances in a given period for groupings of various customer segments that have similar loss patterns (i.e., individual, and corporate).

The vintage analysis is initially based on the Group's historical observed default rates. The Group will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., CPI) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the relationship between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of Forward-looking Information. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECLs.

The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past one year and three months. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

Grouping of Instruments for Losses Measured on Collective Basis. For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. In performing this grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

The Group grouped its installment contracts receivable for collective measurement into (i) individuals and (ii) corporate customers. No impairment losses were recognized for installment contracts receivable, recognized as trade receivables, in 2023 and 2022.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECLs. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group in accordance with externally available ratings.

The carrying values of cash and cash equivalents, trade and other receivables and contract assets are disclosed in Notes 7, 8, 20 and 28.

Fair Value of Financial Assets, Investment Properties and Financial Liabilities. Entities are required to disclose for each class of financial assets and liabilities and investment properties the fair value of that class of assets and liabilities in a way that permits it to be compared with the corresponding carrying amount in the consolidated statements of financial position, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would affect the disclosures made by management. The fair values of the Group's financial assets, investment properties and financial liabilities are set out in Note 29.

Evaluation of Net Realizable Value of Real Estate Inventories. Real estate inventories are carried at the lower of cost or NRV. The carrying value of real estate inventories are adjusted when the NRV becomes lower than cost due to changes in estimated selling prices less cost to sell.

Real estate inventories, stated at cost, amounted to ₱24,411.3 million and ₱17,981.2 million as at December 31, 2023 and 2022, respectively (see Note 9).

Estimating Useful Lives of Investment Properties and Property and Equipment. The useful life of each of the Group's investment properties and property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, 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 changes in the factors mentioned above. A reduction in the estimated useful life of any items of property and equipment, and investment properties would increase the recorded depreciation expense and decrease investment properties and property and equipment accounts.

There were no changes in the estimated useful lives of investment properties and property and equipment in 2023, 2022 and 2021.

Investment properties, net of accumulated depreciation, (excluding land and investment properties in progress) amounted to ₱11,417.7 million and ₱11,403.6 million as at December 31, 2023 and 2022, respectively (see Note 11).

Property and equipment, net of accumulated depreciation and amortization, (excluding land and construction in progress) amounted to ₱1,867.3 million and ₱1,163.4 million as at December 31, 2023 and 2022, respectively (see Note 12).

Impairment of Nonfinancial Assets. PFRS requires that an impairment review be performed when certain impairment indicators are present. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Determining the recoverable amounts of investment properties, investment in joint venture and associate and property and equipment, which requires 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 investment properties, investment in joint venture and property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations of the Group.

The preparation of estimated future cash flows involves significant judgment and estimations. 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 charges under PFRS.

Noncurrent assets that are subject to impairment testing when impairment indicators are present are as follows:

	2023	2022
Investment properties (see Note 11)	**₱14,624,071**	₱14,666,614
Property and equipment (see Note 12)	**2,648,963**	2,154,070
Investments in joint venture and associate (see Note 13)	**5,726,874**	5,878,073
Advances to contractors (see Notes 11 and 12)	**86,614**	202,921

The fair value of the investment properties amounted to ₱32.2 billion and ₱30.7 billion as at December 31, 2023 and 2022, respectively (see Note 11).

The Group has considered and assessed that the Group's nonfinancial assets are not impaired. As at December 31, 2023 and 2022, no other impairment indicators were identified for the Group's nonfinancial assets.

No impairment loss was recognized in 2023, 2022 and 2021.

Deferred Tax Assets. Management uses judgment in reviewing the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of such deferred tax assets to be utilized. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets recognized in the consolidated statements of financial position amounted to ₱59.2 million and ₱107.4 million as at December 31, 2023 and 2022, respectively. Deductible temporary difference, NOLCO and MCIT for which no deferred tax assets have been recognized amounted to ₱4.1 million as at December 31, 2022 (nil as at December 31, 2023) (see Note 25).

Pension Costs and Other Employee Benefits. The determination of the Group's obligation and cost of pension and other employee benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 24 and include, among others, discount rate and expected rate of salary increase. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability and other employee benefits amounted to ₱84.8 million and ₱72.0 million as at December 31, 2023 and 2022, respectively. Since there is no minimum funding requirement, the resulting net asset or net liability recognized in the consolidated statements of financial position was determined as the lower of the surplus of the plan and the present value of the future service cost to the Group (see Note 24).

6. **Non-controlling Interests**

a. RGDC

On March 30, 2023, the Parent Company and General Milling Corporation (GMC) entered into a joint venture agreement to form an entity to jointly develop a property into a mixed-use project with residential and retail components. Pursuant to the agreement, Rockwell GMC Development Corporation (RGDC) was incorporated. The Parent Company will be the sole and exclusive project development manager and sole marketing and sales agent of RGDC, contributing cash with 60% ownership interest in RGDC while GMC contributed land and shall contribute cash for 40% ownership interest in RGDC.

Non-controlling interest in RGDC amounted to ₱2,711.4 million as at December 31, 2023, after recognizing non-controlling interest in net loss of RGDC amounting to ₱17.3 million in 2023.

b. RCDC

On August 8, 2018, the Parent Company entered into a Joint Venture Agreement with San Ramon Holdings, Inc., CVY Property Holdings, Inc. and various individuals (collectively "Carmelray shareholders") to develop the residential project in Canlubang, Laguna called "Rockwell South at Carmelray". Pursuant to the Agreement, RCDC was designated by the Parent Company and the Carmelray shareholders to handle the development of "Rockwell South at Carmelray" project. As at December 31, 2018, the Parent Company held 14.7% interest in RCDC, equivalent to 450,000 common shares (eventually converted into 44.1 million Class A redeemable preferred shares and 900,000 common shares on May 27, 2019), and was accounted for as an investment in associate (see Note 13).

On November 20, 2019, the Parent Company subscribed to an additional 240.9 million Class A redeemable preferred shares, representing 37.6% of the total issued and outstanding shares of RCDC, for a total purchase price of ₱2,409.0 million, subject to SEC approval of RCDC's increase in authorized capital stock. On December 18, 2019, the SEC approval has been obtained and RCDC became Rockwell Land's subsidiary.

RCDC's summarized financial information follows:

	2023	2022
Current assets	**₱3,342,892**	₱6,081,905
Noncurrent assets	**186,655**	196,530
Current liabilities	**812,675**	1,138,619
Noncurrent liabilities	**347,359**	640,304
Revenues	**1,760,580**	1,906,447
Total comprehensive income	**535,508**	480,564

	2023	2022
Cash flows:		
Operating	**₱2,948,606**	₱1,406,276
Financing	**(2,665,507)**	(713,799)

In 2023, RCDC redeemed voting preferred shares of the Parent Company and non-controlling interest holder amounting to ₱585.3 million resulting to 70.0% ownership interest by RLC, and paid dividends to non-controlling interest holder amounting to ₱279.2 million.

In 2022, RCDC redeemed voting preferred shares of non-controlling interest holder amounting to ₱534.0 million which resulted to 71.6% ownership interest by RLC, and paid dividends to non-controlling interest holder amounting to ₱275.4 million.

Non-controlling interest in RCDC amounted to ₱980.1 million and ₱1,609.4 million as at December 31, 2023 and 2022, respectively.

c. Rock MFA

On July 14, 2017, the Parent 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, Rock MFA was incorporated on August 22, 2017 by the Parent Company and Mitsui through SEAI Metro Manila One, Inc. (MFAP) to handle the development of “The Arton by Rockwell”. As at December 31, 2023 and 2022, the Parent Company owns 80% interest in Rock MFA.

Non-controlling interest in Rock MFA amounted to ₱537.7 million, ₱472.8 million and ₱379.3 million as at December 31, 2023, 2022 and 2021, respectively.

7. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand and in banks	**₱1,285,495**	₱980,792
Short-term investments	**2,965,794**	2,536,960
	₱4,251,289	₱3,517,752

Cash in banks earn interest at the respective bank deposit rates. Short-term investments consist of peso and dollar-denominated placements made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term investment rates.

Interest income earned from cash in banks and short-term investments amounted to ₱216.9 million, ₱22.9 million and ₱6.3 million in 2023, 2022 and 2021 respectively (see Note 21).

8. Trade and Other Receivables and Contract Assets

Trade and other receivables consist of:

	2023	2022
Trade receivables from:		
Sale of real estate (see Note 20)	**₱294,583**	₱3,278,946
Lease	**532,670**	406,312
Due from related parties (see Note 26)	**75,960**	145,527
Subscriptions receivable (see Note 26)	**208,000**	–
Advances to officers and employees (see Note 26)	**29,891**	46,947
Others	**11,570**	65,427
	1,152,674	3,943,159
Less allowance for ECLs	**25,179**	25,727
	₱1,127,495	₱3,917,432

Trade receivables from sale of condominium units, house and lot and residential lots consist of installment contract receivables from real estate customers. Installment contract receivables are collectible in equal monthly installments with terms typically up to five years for high-rise projects and up to three years for horizontal projects. These are noninterest-bearing and are carried at amortized cost. The fair value at initial recognition is derived using discounted cash flow model.

As of December 31, contract assets consist of:

	2023	2022
Current	**₱9,237,501**	₱12,024,821
Noncurrent	**6,110,549**	3,745,457
	₱15,348,050	₱15,770,278

Contract assets represent excess of recognized revenues from contracts with real estate customers determined based on percentage of completion against amounts billed to customers. As at December 31, 2023, the movement in contract assets comprises the reclassifications to installment contracts receivables from sale of real estate, and unbilled revenues recognized for the year amounting to ₱12,033.7 million and ₱11,611.5 million, respectively. As at December 31, 2022, the movement in contract assets comprises of the reclassifications to installment contracts receivables from sale of real estate, and unbilled revenues recognized for the year amounting to ₱3,279.0 million and ₱6,479.0 million, respectively (see Note 20).

Interest income earned from sale of real estate amounted to ₱1.8 billion, ₱1.4 billion and ₱1.4 billion in 2023, 2022 and 2021, respectively (see Note 21). Unamortized unearned interest on these receivables and contract assets amounted to ₱4.1 billion and ₱3.6 billion as at December 31, 2023 and 2022, respectively.

Movements in unearned interest on trade receivables from sale of real estate and contract assets follow:

	2023	2022
Trade receivables/contract assets at nominal amount	**₱19,748,927**	₱22,694,430
Less unearned interest:		
Balance at beginning of year	**3,645,206**	3,336,872
Unearned interest	**2,261,050**	1,721,578
Amortization (see Note 21)	**(1,799,962)**	(1,413,244)
Balance at end of year	**4,106,294**	3,645,206
Trade receivables/contract assets at discounted amount	**₱15,642,633**	₱19,049,224

Trade receivables from lease represent short-term receivables from the “Power Plant” Mall tenants and from other commercial establishments held for lease within and outside Rockwell Center which are normally collectible within 30 days from billing date.

Advances to officers and employees mainly representing cash advances to be used for operations are noninterest-bearing and will be liquidated within one year.

Other receivables mainly consist of claims from contractors, receivable from various third parties and accrued interest. These are noninterest-bearing and are due and demandable.

The movements in allowance for ECL, determined on a collective basis using ECL model (trade receivables) and specific identification (other receivables), follows:

	2023			2022		
	Trade Receivables from Lease	**Others**	**Total**	Trade Receivables from Lease	Others	Total
Balance at beginning of year	**₱9,594**	**₱16,133**	**₱25,727**	₱15,690	₱18,833	₱34,523
Reversal (see Note 22)	**(2,944)**	**–**	**(2,944)**	(6,096)	(2,700)	(8,796)
Provision (see Note 22)	**–**	**2,396**	**2,396**	–	–	–
Balance at end of year	**₱6,650**	**₱18,529**	**₱25,179**	₱9,594	₱16,133	₱25,727

9. Real Estate Inventories

This account consists of:

	2023	2022
Land and development costs	**₱15,260,561**	₱11,931,384
Land held for future development and other developments costs (see Note 26)	**8,339,691**	4,920,448
Condominium units for sale	**811,086**	1,129,379
	₱24,411,338	₱17,981,211

The rollforward analysis of this account follows:

	2023	2022
At January 1	**₱17,981,211**	₱17,243,928
Construction/development costs incurred (see Note 27)	**8,230,153**	5,414,704
Cost of real estate sold (shown as part of "Cost of real estate" account in the consolidated statements of comprehensive income)	**(8,061,449)**	(8,208,501)
Land acquired	**6,604,653**	2,969,613
Transfers to property and equipment (see Note 12)	**(460,299)**	(134,250)
Transfers from investment properties (see Note 11)	**117,069**	695,717
Balance at end of year	**₱24,411,338**	₱17,981,211

As at December 31, 2023 and 2022, land held for future development and other development costs mainly pertain to land acquisitions in Metro Manila and certain provinces.

As at December 31, 2023 and 2022, condominium units for sale pertains to unsold units of various completed projects.

As at December 31, 2023 and 2022, advances to contractors, shown separately in the consolidated statements of financial position, mainly pertain to advances related to the development of various projects.

The cost of real estate inventories (i.e., land and development costs and condominium units for sale) consists of the costs of land and direct development costs.

Contract fulfillment assets, included under land and development costs, mainly pertain to unamortized portion of the land cost totaling ₱4,777.4 million and ₱6,364.5 million as at December 31, 2023 and 2022, respectively.

Estimated cost to complete various on-going projects expected to be completed until year 2028 amounted to ₱16.9 billion and ₱22.3 billion as at December 31, 2023 and 2022, respectively.

10. Other Current Assets

This account consists of:

	2023	2022
Creditable withholding tax	**₱1,671,088**	₱1,555,700
Input VAT	**926,979**	973,915
Prepaid costs (see Note 20)	**728,050**	537,224
Deposit for land acquisition (see Note 26)	**158,676**	–
Restricted cash	**155,944**	250,285
Refundable deposits	**96,045**	88,215
Supplies	**56,647**	18,649
Others	**44,668**	57,960
	₱3,838,097	₱3,481,948

Prepaid costs primarily pertain to costs to obtain a contract which consist of sales commission pertaining to real estate sold capitalized as deferred selling expense (see Note 20).

As at December 31, 2023 and 2022, restricted cash represents escrow account to cover all payments received from the buyers for the sale of real estate with restriction on withdrawal and remittance. The escrow account is required to be maintained until satisfactory compliance with the conditions of the Temporary License to Sell issued by the Department of Human Settlements and Urban Development.

Refundable deposits mainly consist of security deposits in accordance with lease agreement.

11. Investment Properties

The rollforward analysis of this account follows:

	2023				
	Land	**Buildings and Improvements**	**Right-of-use Assets**	**Investment Properties in Progress**	**Total**
At January 1, 2023, net of accumulated depreciation and amortization	**₱2,803,529**	**₱10,940,161**	**₱463,414**	**₱459,510**	**₱14,666,614**
Additions to construction (see Note 27)	–	**474,445**	–	**200,905**	**675,350**
Transfers to real estate inventories (see Note 9)	–	–	–	**(117,069)**	**(117,069)**
Reclassification	–	**140,514**	–	**(140,514)**	–
Depreciation and amortization (see Note 22)	–	**(585,556)**	**(15,268)**	–	**(600,824)**
At December 31, 2023, net of accumulated depreciation and amortization	**₱2,803,529**	**₱10,969,564**	**₱448,146**	**₱402,832**	**₱14,624,071**

(Forward)

	2023				
	Land	**Buildings and Improvements**	**Right-of-use Assets**	**Investment Properties in Progress**	**Total**
At January 1, 2023:					
Cost	**₱2,803,529**	**₱15,415,258**	**₱524,486**	**₱459,510**	**₱19,202,783**
Accumulated depreciation and amortization	**–**	**(4,475,097)**	**(61,072)**	**–**	**(4,536,169)**
Net carrying amount	**₱2,803,529**	**₱10,940,161**	**₱463,414**	**₱459,510**	**₱14,666,614**
At December 31, 2023:					
Cost	**₱2,803,529**	**₱16,022,489**	**₱524,486**	**₱402,832**	**₱19,753,336**
Accumulated depreciation and amortization	**–**	**(5,052,925)**	**(76,340)**	**–**	**(5,129,265)**
Net carrying amount	**₱2,803,529**	**₱10,969,564**	**₱448,146**	**₱402,832**	**₱14,624,071**

	2022				
	Land	Buildings and Improvements	Right-of-use Assets	Investment Properties in Progress	Total
At January 1, 2022, net of accumulated depreciation and amortization	₱2,930,648	₱10,703,212	₱478,682	₱521,554	₱14,634,096
Additions to construction (see Note 27)	–	282,892	–	21,678	304,570
Transfers (to) from real estate inventories (see Note 9)	(356,900)	(51,034)	–	(287,783)	(695,717)
Transfers (to) from property and equipment (see Note 12)	229,781	90,414	–	619,337	939,532
Reclassification	–	415,276	–	(415,276)	
Depreciation and amortization (see Note 22)	–	(500,599)	(15,268)	–	(515,867)
At December 31, 2022, net of accumulated depreciation and amortization	₱2,803,529	₱10,940,161	₱463,414	₱459,510	₱14,666,614
At January 1, 2022:					
Cost	₱2,930,648	₱14,677,710	₱524,486	₱521,554	₱18,654,398
Accumulated depreciation and amortization	–	(3,974,498)	(45,804)	–	(4,020,302)
Net carrying amount	₱2,930,648	₱10,703,212	₱478,682	₱521,554	₱14,634,096
At December 31, 2022:					
Cost	₱2,803,529	₱15,415,258	₱524,486	₱459,510	₱19,202,783
Accumulated depreciation and amortization	–	(4,475,097)	(61,072)	–	(4,536,169)
Net carrying amount	₱2,803,529	₱10,940,161	₱463,414	₱459,510	₱14,666,614

Investment properties are carried at cost. Investment properties consist of the "Power Plant" Mall (₱3.1 billion and ₱3.2 billion as at December 31, 2023 and 2022, respectively), other investment properties held for lease within and outside Rockwell Center (₱11.0 billion and ₱10.9 billion as at December 31, 2023 and 2022, respectively) and land held for appreciation (₱539.7 million as at December 31, 2023 and 2022).

Investment properties in progress include costs incurred for the construction of Rockwell Performing Arts Theater. General borrowing costs capitalized as part of investment properties amounted to ₱46.2 million in 2022 (nil in 2023) (see Note 16). Average capitalization rate used for this ongoing project is 4.82% in 2022.

Amortization of discount on retention payable, capitalized as part of construction costs, amounted to nil and ₱1.8 million in 2023 and 2022 (see Note 17).

As at December 31, 2023 and 2022, advances to contractors, included under "Other noncurrent assets" account in the consolidated statements of financial position, amounting to ₱80.8 million and ₱165.4 million, respectively, primarily pertain to advances related to the development of Rockwell Performing Arts Theater, One Proscenium projects and Mall Expansion.

Lease income earned from investment properties amounted to ₱2,256.0 million, ₱1,889.4 million and ₱1,227.8 million in 2023, 2022 and 2021, respectively. Direct operating expenses incurred amounted to ₱526.8 million, ₱433.6 million and ₱399.5 million in 2023, 2022 and 2021, respectively.

As a consequence of the COVID-19 pandemic, the Group provided certain rent concessions to its tenants of commercial spaces in the form of lease payment holidays and lease reduction from March 2020 to December 31, 2022. The Group accounted for the rent concessions as not a lease modification. The rent concessions resulted to reduction in rental income amounting to ₱84.9 million and ₱456.5 million in 2022 and 2021, respectively (nil in 2023).

The aggregate fair value of the Group's Power Plant Mall amounted to ₱12.8 billion and ₱12.6 billion as at December 31, 2023 and 2022, respectively. The aggregate fair value of other investment properties held for lease within and outside Rockwell Center and land held for appreciation amounted to ₱19.3 billion and ₱18.1 billion as at December 31, 2023 and 2022, respectively.

The fair value as at December 31, 2023 and 2022 was determined by independent professionally qualified appraiser accredited by the SEC. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.

The fair value of the mall and investment properties held for lease was arrived at through the use of the "Income Approach," particularly the "Discounted Cash Flow Analysis" which is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property being valued. In an operating property, periodic cash flow is typically estimated as gross revenue less operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. This is included under Level 3 in the fair value hierarchy (see Note 29).

The fair value of land held for appreciation and land component of assets under construction was arrived at through the use of the "Market Data Approach." "Market Data Approach" is based on the assumption that no prudent purchaser will buy more than what it will cost him to acquire an equally desirable substitute parcel or site. This approach is primarily based on sales and listings, which are adjusted for time of sale, location, and general characteristics of comparable lots in the neighborhood where the subject lot is situated. This is included under Level 2 in the fair value hierarchy (see Note 29).

The fair value of assets recently completed and undergoing construction was arrived at through the use of the "Cost Approach". "Cost Approach" is based on the amount required to replace the service capacity of an asset (frequently referred to as current replacement cost). This approach is applied by estimating the amount that currently would be required to construct a substitute software asset of comparable utility. This is included under Level 3 in the fair value hierarchy (see Note 29).

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

12. Property and Equipment

The rollforward analysis of this account follows:

	2023					
	Land	**Buildings and Improvements**	**Office Furniture and Other Equipment**	**Transportation Equipment**	**Construction in Progress**	**Total**
Cost						
At January 1	**₱683,864**	**₱2,017,434**	**₱2,265,896**	**₱387,424**	**₱306,850**	**₱5,661,468**
Additions	**–**	**55,980**	**178,194**	**40,385**	**–**	**274,559**
Transfers from real estate inventories (see Note 9)	**6,980**	**453,319**	**–**	**–**	**–**	**460,299**
Reclassification	**–**	**215,989**	**–**	**–**	**(215,989)**	**–**
Disposals	**–**	**–**	**(89,156)**	**(52,071)**	**–**	**(141,227)**
At December 31	**690,844**	**2,742,722**	**2,354,934**	**375,738**	**90,861**	**6,255,099**
Accumulated Depreciation and Amortization						
At January 1	**–**	**1,279,651**	**1,943,080**	**284,667**	**–**	**3,507,398**
Depreciation and amortization (see Note 22)	**–**	**81,206**	**123,358**	**35,401**	**–**	**239,965**
Disposals	**–**	**–**	**(89,156)**	**(52,071)**	**–**	**(141,227)**
At December 31	**–**	**1,360,857**	**1,977,282**	**267,997**	**–**	**3,606,136**
Net Book Value at December 31	**₱690,844**	**₱1,381,865**	**₱377,652**	**₱107,741**	**₱90,861**	**₱2,648,963**

	2022					
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	Total
Cost						
At January 1	₱779,395	₱2,064,217	₱2,159,092	₱383,130	₱919,188	₱6,305,022
Additions	–	43,631	108,489	77,487	6,999	236,606
Transfers (to) from real estate inventories (see Note 9)	134,250	–	–	–	–	134,250
Transfers to investment properties (see Note 11)	(229,781)	(90,414)	–	–	(619,337)	(939,532)
Reclassification	–	–	(1,685)	(73,193)	–	(74,878)
At December 31	683,864	2,017,434	2,265,896	387,424	306,850	5,661,468
Accumulated Depreciation and Amortization						
At January 1	–	1,177,204	1,833,114	332,087	–	3,342,405
Depreciation and amortization (see Note 22)	–	102,447	111,651	25,773	–	239,871
Disposals	–	–	(1,685)	(73,193)	–	(74,878)
At December 31	–	1,279,651	1,943,080	284,667	–	3,507,398
Net Book Value at December 31	₱683,864	₱737,783	₱322,816	₱102,757	₱306,850	₱2,154,070

As at December 31, 2023 and 2022, advances to contractors, included under "Other noncurrent assets" account in the consolidated statements of financial position, amounting to ₱5.8 million and ₱37.6 million, respectively, primarily pertain to advances related to the development of "Mactan Hotel".

13. Investments in Joint Venture and Associate

This account consists of:

	2023	2022
Investment in:		
Joint venture	**₱4,922,842**	₱5,116,073
Associate	**804,032**	762,000
	₱5,726,874	₱5,878,073

The details and movement in investments in joint venture and associate are as follows:

	2023	2022
Cost:		
Balance at beginning of year	**₱5,512,549**	₱3,047,339
Additional investment	**–**	2,518,410
Return of investment	**(200,865)**	(53,200)
	5,311,684	5,512,549
Accumulated share in net income:		
Balance at beginning of year	**365,524**	480,376
Share in net income	**465,711**	375,618
Dividend distribution	**(416,045)**	(490,470)
Balance at end of year	**415,190**	365,524
Carrying value	**₱5,726,874**	₱5,878,073

a. RIDC

In December 2021, the Parent 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 (the Project) through Rockwell IPI Development Corporation (RIDC or JV Co), formerly 8 Promoveo Land, Inc. (PLI), and with the view of jointly preserving and continuing IPI's long-standing legacy in the market and the Parent Company's brand of creating communities of unparalleled quality. Under the terms of the JVA, each of the Parent Company and IPI shall at all times hold 50% of the total subscribed shares, except in certain circumstances provided for in the JVA. Pursuant to the JVA, The Parent Company shall subscribe to 3,148,410,000 common and redeemable preferred shares out of the unissued authorized shares of PLI in the following manner:

a. *First Subscription:* On the execution date of the JVA Agreement, the Parent Company shall execute a Subscription Agreement to subscribe to 1,019,205,000 common shares and 1,500,795,000 redeemable preferred shares - Tier 1.

b. *Second Subscription:* Upon SEC approval of the increase in capital stock, the Parent Company shall execute a second Subscription Agreement to subscribe to the additional 628,410,000 redeemable preferred shares - Tier 1 to complete its subscription for the shares comprising its Tier 1 capital contribution.

In December 2021, the Parent Company contributed ₱630.0 million in cash to the JV Co as partial payment for its subscription. On the same period, PLI filed its application with the SEC for the increase in authorized capital stock. The corresponding shares of the Parent Company's first subscription shall be issued out of the said increase in authorized capital stock. Accordingly, the aforementioned partial subscription payment is treated as deposits for stock subscription as at December 31, 2021 presented as part of investments in joint ventures.

The increase in RIDC's authorized capital stock was approved by the SEC in April 2022, with the Parent Company accruing the remaining portion of its subscription amounting to ₱2,518.4 million as of December 31, 2022. Out of the accrued subscription, ₱775.0 million will be paid in 2023 while the remaining will be paid within 1 year based on the terms of the JVA. In 2023, the subscription payment was revised depending on the cashflow requirements for the project development with ₱163.0 million to be paid in 2024.

RIDC's statements of financial position include the following:

	2023	2022
Current assets	**₱2,476,514**	₱2,994,954
Noncurrent assets	**4,036,569**	3,457,179
Current liabilities	**67,450**	32,657
Noncurrent liabilities	**156,223**	157,688
Cash and cash equivalents	**596,680**	521,188
Real estate inventories	**1,698,108**	1,590,569

RIDC's statements of comprehensive income include the following:

	2023	2022
Revenue (including interest income on cash in banks)	**₱34,412**	₱600
Costs and expenses	**3,084**	47,461
Provision for (benefit from) deferred income tax	**3,704**	(11,828)
Total comprehensive income (loss)	**27,624**	(35,033)

The carrying value of the Parent Company's investment in RIDC amounted ₱3.1 million and ₱3.1 million as at December 31, 2023 and 2022, respectively. Share in net income (loss) of RIDC, recognized as part of "Share in net income of joint venture and associate", amounted to ₱13.8 million and (₱17.4) in 2023 and 2022, respectively.

Below is the reconciliation of the summarized financial information of RIDC to the carrying amount of the Parent Company's investment therein:

	2023	2022
Net assets of RIDC	**₱6,289,410**	₱6,261,788
Interest of the Parent Company in the net assets of RIDC	**50%**	50%
Carrying amount of investment in RIDC	**₱3,144,705**	₱3,130,894

As at December 31, 2023 and 2022, RIDC has no commitments and contingencies.

RIDC is not considered as a material investment in joint venture by the Parent Company in 2021.

b. Unincorporated JV

On March 25, 2008, the Parent Company entered into a 25-year JV Agreement with Meralco to form an unincorporated and registered JV (70% for the Parent Company and 30% for Meralco), referred to as "unincorporated JV." Under the JV Agreement, the parties agreed to pool their allocated areas in the first two towers of the BPO Building (called "Rockwell Business Center" or "RBC"), including the right to use the land, and to operate and manage the combined properties for lease or any similar arrangements to third parties under a common property management and administration. Consequently, the Parent Company's contribution to the unincorporated JV is presented as "Investment in joint venture" account in the consolidated statements of financial position. The unincorporated JV started commercial operations in July 2009.

In accordance with the terms of the JV Agreement, the Parent Company acts as the Property Manager of the unincorporated JV. Management fees recognized by the Parent Company, which is shown as part of "Others" account in the consolidated statements of comprehensive income, amounted to ₱9.9 million, ₱7.5 million and ₱4.4 million in 2023, 2022 and 2021, respectively (see Note 26). The unincorporated JV will be managed and operated in accordance with the terms of the JV Agreement and with the Property Management Plan provided for in the JV Agreement. The principal place of business of the unincorporated JV is at Meralco Compound, Ortigas Center, Pasig City.

On December 6, 2013, Meralco and the Parent Company entered into a Supplemental Agreement to the JV Agreement to include their respective additional rights and obligations, including the development and construction of the third tower of the BPO Building. Under the Supplemental Agreement, Meralco shall contribute the corresponding use of the land where the third BPO Building will be constructed while the Parent Company shall provide the additional funds necessary to cover the construction costs. Construction of the third tower was completed in December 2014.

The joint venture's statements of financial position include the following:

	2023	2022
Current assets	**₱885,034**	₱974,122
Noncurrent assets	**2,089,612**	2,288,408
Current liabilities	**197,349**	74,441
Noncurrent liabilities	**237,101**	352,116
Cash and cash equivalents	**511,589**	579,315
Current financial liabilities (excluding trade and other payables and provisions)	**47,579**	44,850
Noncurrent financial liabilities (excluding trade and other payables and provisions)	**341,798**	332,415

The joint venture's statements of comprehensive income include the following:

	2023	2022	2021
Revenue	**₱1,162,746**	₱1,113,797	₱1,062,447
Cost and expenses	**263,228**	247,843	207,013
Depreciation and amortization expense	**212,157**	211,461	212,191
Interest income	**23,225**	8,702	2,039
Provision for income tax	**125,062**	116,318	112,788
Total comprehensive income/net income	**585,524**	546,877	532,493

The carrying value of the Parent Company's investment in joint venture consists of:

	2023	2022
Cost:		
Balance at beginning of year	**₱1,612,461**	₱1,665,661
Return of investment*	**(200,865)**	(53,200)
	1,411,596	1,612,461
Accumulated share in net income:		
Balance at beginning of year	**372,719**	480,376
Share in net income**	**409,867**	382,813
Dividend distribution	**(416,045)**	(490,479)
Balance at end of year	**366,541**	372,719
Carrying value	**₱1,778,137**	₱1,985,180

**Represents excess cash of the joint venture distributed as return of capital as agreed by the joint venture partners.*
***Shown as part of "Share in net income of joint venture and associate" account in the consolidated statements of comprehensive income.*

In 2020, the Parent Company and Meralco have agreed that effective January 1, 2020, all income sharing distribution in excess of the JV's retained earnings shall be treated as return of capital.

Below is the reconciliation of the summarized financial information of the unincorporated JV to the carrying amount of the Parent Company's investment therein:

	2023	2022
Net assets of the unincorporated JV	**₱2,540,196**	₱2,835,973
Interest of the Parent Company in the net assets of the unincorporated JV	**70%**	70%
Carrying amount of investment in joint venture	**₱1,778,137**	₱1,985,181

As at December 31, 2023 and 2022, the unincorporated JV has no commitments and contingencies.

Investment in an Associate
On August 17, 2020, the Parent Company entered into a Joint Venture Agreement with T.G.N. Realty Corporation to develop parcels of land in Pampanga, through RNDC. The final shareholdings shall be 40%-60% between Rockwell Land and T.G.N. Realty Corporation, respectively.

On November 6, 2020, the Parent Company subscribed to 746,698,125 redeemable preference shares and 9,451,878 common shares of RNDC, equivalent to 40% of RNDC's outstanding capital stock, for a total consideration of ₱756.2 million. As at December 31, 2020, the Parent Company made partial payment of the subscription price amounting to ₱72.0 million and accounted for such investment as an associate. The purchase price allocation resulted to recognition of RNDC's assets and liabilities at fair value, with land as the primary asset, and embedded goodwill amounting to ₱51.0 million.

As at December 31, 2023 and 2022, the Parent Company made a partial payment of the subscription price amounting to ₱200.0 million and ₱80.0 million, respectively, while the remaining unpaid subscription of the Parent Company in RNDC amounting to ₱204.2 million and ₱404.2 million, respectively, is recognized as subscription payable in the consolidated statements financial position (see Note 13).

On December 5, 2023, the SEC certified the valuation of real properties in the amount of ₱129,800,000 be applied as payment for RNDC's additional issuance of 129,800,000 redeemable preferred shares to T.G.N. Realty Corporation at par value of ₱1.00 each from the unissued portion of its authorized capital stock bringing the ownership of the Parent Company in RNDC to 38.5% as of December 31, 2023 from 41.2% as of December 31, 2022.

As at December 31, 2023 and 2022, the Group's investment in RNDC amounted to ₱804.0 million and ₱762.0 million, respectively. Share in net income of RNDC, recognized as part of "Share in net income of joint venture and associate", amounted to ₱42.0 million and ₱10.3 million in 2023 and 2022, respectively.

14. Investment in Equity Instruments at FVOCI

As at December 31, this account consists of:

	2023	2022
Quoted	**₱58,280**	₱33,280
Unquoted	**3,269**	3,431
	₱61,549	₱36,711

Quoted Equity Shares
This primarily consists of investment in Manila Polo Club shares. Movement in the balance follows:

	2023	2022
Balance at beginning of year	**₱33,280**	₱26,919
Unrealized gain on fair value adjustments	**25,000**	6,361
Balance at end of year	**₱58,280**	₱33,280

Unquoted Equity Shares
Unquoted equity securities consist of investments in Meralco preferred shares which were issued to the Parent Company when Meralco meters were connected and will only be disposed of upon termination of service. These shares have no quoted market price and any fair value gain or loss on these investments is not material to the consolidated financial statements. As at financial reporting date, the Parent Company has no plans of disposing these unquoted equity securities.

15. Trade and Other Payables

This account consists of:

	2023	2022
Trade	**₱1,647,268**	₱1,206,993
Accrued expenses:		
Project costs	**3,573,461**	3,005,039
Selling, marketing and promotions	**529,379**	483,210
Employee benefits (see Note 24)	**136,754**	93,369
Interest	**134,476**	107,289
Utilities	**82,815**	66,408
Repairs and maintenance	**69,171**	45,048
Taxes and licenses	**62,904**	105,831
Producers' share	**30,867**	27,021
Others	**195,698**	193,527
Contract liabilities:		
Deposits from pre-selling of condominium units (see Notes 17 and 20)	**972,366**	103,764
Excess of collections over recognized receivables (see Notes 17 and 20)	**601,965**	762,844
Advance payments from members and customers (see Note 20)	**11,695**	11,646
Current portions of:		
Retention payable (see Note 17)	**890,273**	910,960
Security deposits (see Note 17)	**354,707**	359,611
Deferred lease income (see Note 17)	**188,355**	185,314
Lease liabilities (see Note 27)	**26,761**	27,858
Output VAT	**147,770**	340,921
Deferred output VAT	**39,887**	1,136,501
Due to related parties (see Note 26)	**29,224**	107,159
Others	**5,118**	220,039
	₱9,730,914	₱9,500,352

Trade payables and accrued project costs are noninterest-bearing normally settled on a 30-day term.

Accrued taxes mainly consist of transfer fees payable and taxes payable other than income tax.

Accrued expenses are normally settled within 12 months.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes and are expected to be settled relative with the payment terms provided to customers.

Deposits from pre-selling of condominium units represent cash received from buyers of certain projects with pending recognition of revenue. The current portion of these deposits are expected to be applied against receivable from sale of condominium units the following year (see Notes 9 and 20).

Advance payments from members and customers mainly include membership dues received but are not yet due as at reporting period.

Retention payable pertains to the amount withheld by the Group on contractor's billings to be released after the guarantee period. The retention serves as a security from the contractor should there be defects in the project.

Security deposits pertains to rent of tenants with cancellable lease contracts. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

16. Interest-bearing Loans and Borrowings

This account consists of:

	Effective Interest Rate	**2023**	2022
Current			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	**₱2,836,245**	₱2,856,010
Less unamortized loan transaction costs		**23,796**	22,664
		₱2,812,449	₱2,833,346
Noncurrent			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	**₱23,123,635**	₱22,349,880
Less unamortized loan transaction costs		**91,796**	89,742
		₱23,031,839	₱22,260,138

Term Loan

PNB. On May 25, 2016, December 19, 2019 and September 13, 2021, the Parent Company entered into unsecured credit facilities with PNB each amounting to ₱5.0 billion, for a total of ₱15.0 billion. As at September 13, 2022, ₱3.5 billion of the credit facility with PNB has expired. The Parent Company will pay 70% of the loan amounts quarterly over the term of the loans and the balance upon maturity.

Details of drawdowns are as follows:

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarterly Payments	Amount (in billions)
1	May 2016	10 years	August 2018	32	₱1.0
2	August 2017	7 years	August 2019	20	1.0
3	September 2017	7 years	September 2019	20	1.0
4	October 2017	7 years	October 2019	20	1.0
5	December 2017	7 years	December 2019	20	1.0
6	December 2019	7 years	December 2021	20	1.0
7	January 2020	7 years	April 2022	20	1.0
8	December 2020	7 years	March 2023	20	1.0
9	February 2021	7 years	May 2022	24	2.0
10	October 2021	7 years	January 2024	20	1.0
11	April 2022	7 years	January 2024	22	0.5
					₱11.5

MBTC. On June 14, 2016, the Parent Company entered into a credit facility with MBTC amounting to ₱4.0 billion. The Parent Company will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	June 2016	7 years	September 2018	20	₱1.0
2	June 2016	10 years	September 2018	32	1.0
3	September 2016	7 years	December 2018	20	0.5
4	June 2017	10 years	September 2018	32	1.0
5	October 2017	10 years	September 2018	32	0.5
					₱4.0

On November 18, 2019, the Parent Company entered into an unsecured credit facility with Metropolitan Bank and Trust Company (MBTC) amounting to ₱5.0 billion. The Parent Company will pay 50% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarterly Payments	Amount (in billions)
1	November 2019	7 years	February 2022	20	₱2.0
2	December 2019	7 years	February 2022	20	1.0
3	March 2020	7 years	June 2022	20	1.0
4	August 2020	7 years	November 2022	20	1.0
					₱5.0

As at December 31, 2020, the credit facility with MBTC has been fully utilized.

On December 16, 2022, the Parent Company entered into an unsecured credit facility with MBTC amounting to ₱3.0 billion. There were no drawdowns made in the facility as at December 31, 2022.

On June 14, 2016, Retailscapes entered into a credit facility with MBTC amounting to ₱1.0 billion to finance the development of Santolan Town Plaza. Retailscapes will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarterly Payments	Amount (in billions)
1	June 2016	10 years	September 2018	32	₱0.5
2	May 2017	10 years	September 2018	32	0.5
					₱1.0

BDO. On January 20, 2020, the Parent Company entered into an unsecured credit facility with BDO amounting to ₱10.0 billion. The Parent Company will pay 48% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	February 2020	10 years	May 2022	32	₱1.0
2	April 2020	10 years	July 2022	32	1.0
3	July 2020	10 years	October 2022	32	2.0
4	September 2020	10 years	December 2022	32	1.0
5	April 2021	9 years	May 2022	32	1.0
6	June 2021	9 years	May 2022	32	1.0
7	August 2021	9 years	May 2022	32	1.0
8	September 2021	9 years	May 2022	32	1.0
9	October 2021	9 years	May 2022	32	1.0
					₱10.0

As at December 31, 2021, the credit facility with BDO has been fully utilized.

On March 4, 2022, the Parent Company entered into an unsecured credit facility with BDO amounting to ₱5.0 billion. The Parent Company will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	Dec 2022	10 years	March 2024	36	₱1.5
2	March 2023	10 years	March 2024	36	3.5
					₱5.0

As at December 31, 2023, the credit facility with BDO has been fully utilized.

Shareholder Loan. On June 5, 2018, Rockwell MFA entered into a shareholder loan agreement with the Parent Company and Mitsui, through SEAI Metro Manila One, Inc., for the purpose of funding "The Arton by Rockwell" project.

As at December 31, 2023 and 2022, the loan proceeds received by Rockwell MFA from SEAI Metro Manila One, Inc. amounted to nil and ₱128.6 million, respectively.

The loan bears an interest rate equal to the base rate plus the applicable spread of 150 bps. The base rate may be any benchmark rate relevant to the currency and term of the loan. The outstanding loan drawdowns in 2018 and 2019 amounting to ₱105.6 million shall be payable in lumpsum on December 31, 2022, while the loan drawdowns in 2020 amounting to ₱110.0 million shall be payable on December 31, 2023. On November 3, 2022, Rockwell MFA and the Creditor agreed to defer the maturity date of loan with principal amounting to ₱41.0 million and ₱64.6 million from December 31, 2022 to December 31, 2024 and June 30, 2024, respectively. On November 6, 2023, the Rockwell MFA and the Creditor agreed to defer the maturity date of loan with principal amounting to ₱110.0 million; ₱64.6 million and ₱142.6 million from December 31, 2023; June 30, 2024 and December 31, 2024 to December 31, 2027, respectively.

The outstanding balance of the term loans, net of unamortized loan transaction costs, amounted to ₱25,844.3 million and ₱25,093.5 million as of December 31, 2023 and 2022, respectively.

Contracts to Sell (CTS) Loan Financing
The Group entered into loan financing agreements with financial institutions to fund the ongoing construction of its projects whereby the Group assigned its installment contracts receivables under its CTS on a with recourse basis. These receivables are used as collateral to secure the corresponding loans obtained until full settlement in 2022.

The CTS loans bear fixed interest rates ranging from 5.0% to 6.0%. Principal payments on the loan amounting to ₱1,262.5 million were made in 2022.

Short-term Loans
In 2022, the Parent Company obtained short-term loans from various financial institutions bearing interest rates ranging from 2.45% to 3.00% with terms of three months. As at December 31, 2023 and 2022, outstanding short-term loans amounted to nil.

Loan Transaction Costs. As at December 31, 2023 and 2022, loan transaction costs consisting of documentary stamp tax and underwriting fees on the corporate notes and bonds were capitalized and presented as a deduction from the related loan balance.

The movement in the balance of the capitalized loan transaction costs are as follows:

	2023	2022
Balance at beginning of year	**₱112,406**	₱137,480
Additions	**26,250**	15,802
Amortization (see Note 22)	**(23,064)**	(40,876)
Balance at end of year	**₱115,592**	₱112,406

Interest expense. Interest expense on interest-bearing loans and borrowings amounted to ₱1,479.3 million, ₱1,105.6 million and ₱1,024.3 million in 2023, 2022 and 2021, respectively (see Note 22). Interest expense capitalized as part of investment properties amounted to nil and ₱46.2 million in 2023 and 2022, respectively (see Note 11).

Principal Repayments. The principal repayments of all loans and borrowings based on existing terms are scheduled as follows:

Year	Amount
2024	₱2,836,245
2025	2,952,345
2026	6,581,261
2027	2,534,169
2028 and onwards	11,055,860
	₱25,959,880

Covenants. The loan contains, among others, covenants regarding incurring additional long-term debt and paying out dividends, to the extent that such will result in a breach of the required debt-to-equity ratio (2:1 max.) and current ratio (1:1 min.). As at December 31, 2023 and 2022, the Group has complied with these covenants (see Note 28).

17. **Deposits and Other Liabilities**

This account consists of:

	2023	2022
Retention payable - net of current portion of ₱890.2 million in 2023 and ₱911.0 million in 2022 (see Note 15)	**₱786,626**	₱700,999
Contract liabilities:		
Security deposits - net of current portion of ₱354.7 million in 2023 and ₱359.6 million in 2022 (see Note 15)	**391,310**	339,443
Deferred lease income - net of current portion of ₱188.4 million in 2023 and ₱185.3 million in 2022 (see Note 15)	**224,844**	194,736
Deposits from pre-selling of condominium units - net of current portion of ₱972.4 million in 2023 and ₱103.8 million in 2022 (see Notes 15 and 20)	**160,118**	381,290
Excess of collections over recognized receivables - net of current portion of ₱602.0 million in 2023 and ₱762.8 million in 2022 (see Notes 15 and 20)	**86,217**	539,392
Condominium and utility deposits	**187,965**	157,204
Others (see Notes 15 and 24)	**39,376**	39,343
	₱1,876,456	₱2,352,407

Retention payable is the portion of the amount billed by contractors that is being withheld as security in case the Parent Company incurs costs during the defects and liability period, which is one year after a project's completion. This is subsequently released to the contractors after the said period.

As discussed in Note 4, the Group uses discounted cash flow analysis to measure the fair value of retention payable. The resulting difference between the transaction price and fair value at initial recognition is recognized in the consolidated statements of financial position as a reduction from "Real estate inventories". The retention payable is carried at amortized cost using effective interest method. The amortization of discount on retention payable is expensed as part of the "Interest expense" account in the consolidated statements of comprehensive income (see Note 22).

The following table shows a reconciliation of unamortized discount on retention payable as at year-end.

	2023	2022
Balance at beginning of year	**₱44,399**	₱32,457
Additions	**60,339**	28,060
Amortization (see Notes 11 and 22)	**(44,737)**	(16,118)
Balance at end of year	**₱60,001**	₱44,399

Security deposits mainly consist of the four months deposits paid by mall tenants at the beginning of the lease term, to be refunded at the end of the contract.

Deferred lease income pertains to two months advance rent included in the initial billing to mall tenants, which shall be applied to the monthly rental at the end of the lease term.

Condominium and utility deposits primarily pertains to customer's security upon purchase of an unit and upfront payments for services such as water and electricity.

18. Share-based Payment Plans

The Parent Company has an Employee Stock Option Plan (ESOP) that was approved by the BOD and stockholders on May 2, 2012 and August 3, 2012, respectively. The ESOP is offered to all regular employees of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include. The aggregate number of ESOP shares that may be issued shall not at any time exceed 3% of the issued capital stock or 192,630,881 common shares of the Parent Company on a fully diluted basis and may be issued upon the exercise by the eligible participants of the stock option plans. The maximum numbers of shares a participant is entitled to shall be determined as a multiple of the gross basic monthly salary based on rank and performance for the year preceding the award. The option is exercisable anytime within the Option Term once vested. The ESOP was approved by the SEC on December 6, 2012 and was communicated to the employees on January 3, 2013.

The terms of the ESOP include, among others, a limit as to the number of shares a qualified regular employee of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include may purchase. Options are expected to be granted annually over a period of 5 years. Options granted are vested after one year. All qualified participants are given until 10th year of the grant date to exercise the stock option.

The primary terms of the grants follow:

Grant date	January 3, 2013
Number of options granted	63,918,000
Offer price per share	1.46
Option value per share	1.43

The fair value of equity-settled share options granted is estimated as at the date of grant using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the option grants:

Expected volatility (%)	36.94
Exercise price (₱)	1.46
Spot price (₱)	2.52
Risk-free interest rate (%)	4.19
Term to maturity (years)	10.0
Dividend yield (%)	1.91

The expected volatility reflects the average historical volatility of peer companies based on a lookback period consistent with the term to maturity of the option. This may likewise not necessarily be the actual volatility outcome. The effects of expected early exercise, including the impact of the vesting period and blackout periods, are captured in the binomial model. No other features of the option grants were incorporated into the measurement of the fair value of the options.

On April 25, 2019, the Parent Company's BOD approved the extension of plan expiry date of ESOP shares from December 31, 2022 to December 31, 2025.

There were no share options granted or exercised in 2023, 2022 and 2021.

As at December 31, 2023 and 2022, the outstanding ESOP shares are as follows:

	2023	2022
Number of grants	**63,918,000**	63,918,000
Cancellations	**(13,630,000)**	(4,429,000)
Exercised	**(15,000,000)**	(15,000,000)
Remaining shares	**35,288,000**	44,489,000

As at December 31, 2023 and 2022, total share-based payment transactions, net of applicable tax, amounting to ₱69.7 million are presented as "Share-based payments" account under the equity section of the consolidated statements of financial position.

19. **Equity**

a. Capital Stock

As at December 31, 2023 and 2022, capital stock consists of:

	Number of Shares	Amount
Authorized		
Common - ₱1 par value	8,890,000,000	₱8,890,000
Preferred - ₱0.01 par value	11,000,000,000	110,000
	19,890,000,000	₱9,000,000

	Number of Shares	Amount
Issued		
Common - ₱1 par value	6,243,382,344	₱6,243,382
Preferred - ₱0.01 par value	2,750,000,000	27,500
	8,993,382,344	₱6,270,882

The preferred shares are of equal rank, preference and priority with the common shares and are identical in all respects regardless of series, except as to the issue value which may be specified by the BOD from time to time. It has voting rights and are non-participating in any other or further dividends beyond that specifically on such preferred shares. Each preferred share shall not be convertible to common shares. Other features of the preferred shares shall be at the discretion of the BOD at the time of such issuance. All preferred shares currently outstanding earn 6% cumulative dividend per annum. On January 31, 2012, the Parent Company fully redeemed these preferred shares at par value, including dividends in arrears of 4.1 million. On February 28, 2012, the BOD authorized the reissuance of these preferred shares at a later date. On April 10, 2012, the Parent Company issued to FPHC all preferred shares at par value.

Below is the track record of issuance of the Parent Company's common stock:

Date of SEC Approval	Authorized Capital Stock	New Subscriptions/ Issuances	Issue/ Offer Price
May 2012, listing by way of introduction	8,890,000,000	6,228,382,344	₱1.46
Exercise of ESOP shares (see Note 18)	–	15,000,000	
	8,890,000,000	6,243,382,344	

As of December 31, 2023 and 2022, the Parent Company has total shareholders of 45,456 and 45,777, respectively, on record. For this purpose, public shares held under PCD Nominee are counted as two (one for PCD Nominee - Filipino and another for PCD Nominee - Foreign).

b. Other Equity Adjustments

This account represents the difference between the consideration received from the sale of the proprietary shares and the carrying value of the related interest amounting to ₱540.3 million as at December 31, 2023 and 2022.

c. Treasury Shares

In May 2012, Rockwell Land acquired 126,620,146 common shares from Meralco, representing the foreign shareholders' entitlement from property dividend distribution made by Meralco, at ₱1.4637 per share (see Note 1).

d. Retained Earnings

As at December 31, 2023 and 2022, the unappropriated consolidated retained earnings include undistributed net earnings of subsidiaries amounting to ₱422.6 million and ₱409.3 million, respectively. Such undistributed net earnings are not currently available for dividend distribution unless declared by the BOD of the subsidiaries. Retained earnings are further restricted to the extent of the cost of treasury shares. As at December 31, 2023 and 2022, retained earnings available for dividend declaration amounted to ₱5.0 billion and ₱5.4 billion, respectively.

On December 7, 2023, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱14.0 billion (after reversal of ₱11.0 billion appropriation) out of the total retained earnings as of December 31, 2023 to partially fund capital expenditures of the Parent Company from 2024 to 2025.

On December 7, 2022, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱11.0 billion (after reversal of ₱9.0 billion appropriation) out of the total retained earnings as of December 31, 2022 to partially fund capital expenditures of the Parent Company from 2023 to 2024.

On April 1, 2022, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱9.0 billion (after reversal of ₱9.0 billion appropriation) out of the total retained earnings as of December 31, 2021 to partially fund capital expenditures of the Parent Company from 2022 to 2023.

As at December 31, 2023 and 2022, appropriated retained earnings amounted to ₱14.7 billion and ₱11.7 billion, respectively.

e. Dividends

On July 28, 2023, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.0752 per share to all common shareholders of record as at August 23, 2023 amounting to ₱459.9 million and 6% per annum cumulative cash dividend from July 1, 2022 to June 30, 2023 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on September 18, 2023.

On September 30, 2022, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.0537 per share to all common shareholders of record as at October 18, 2022 amounting to ₱328.4 million and 6% per annum cumulative cash dividend from July 1, 2021 to June 30, 2022 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on November 14, 2022.

On October 6, 2021, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.0353 per share to all common shareholders of record as at October 21, 2021 amounting to ₱215.9 million and 6% per annum cumulative cash dividend from July 1, 2020 to June 30, 2021 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on November 17, 2021.

As at December 31, 2023 and 2022, unpaid cumulative dividends on preferred shares amounted to ₱0.8 million for each year.

20. Revenue from Contracts with Customers

Disaggregated Revenue Information
The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types and in geographical locations within the Philippines.

The Group's disaggregation of revenue from contracts with customers by primary geographical market and major products/service lines and the reconciliation of the disaggregated revenue with the Group's two strategic divisions are presented below (excluding interest and lease income):

	2023	
	Residential Development	**Commercial Development**
Primary geographical markets		
National Capital Region	**₱8,943,625**	**₱1,739,281**
Southern Luzon	**614,528**	**–**
Central Visayas	**1,881,938**	**–**
Western Visayas	**1,018,517**	**–**
	₱12,458,608	**₱1,739,281**

(Forward)

	2023	
	Residential Development	**Commercial Development**
Major product/service lines		
Sale of high-end residential condominium units	**₱9,575,433**	**₱–**
Sale of residential lots	**2,107,911**	**–**
Sale of affordable housing units	**15,732**	**–**
Sale of office spaces	**–**	**215,366**
Room revenue	**–**	**225,665**
Cinema revenue	**–**	**193,672**
Others	**759,532**	**1,104,578**
	₱12,458,608	**₱1,739,281**
Timing of revenue recognition		
Transferred over time	**₱11,699,076**	**₱215,366**
Transferred at a point in time	**759,532**	**1,523,915**
	₱12,458,608	**₱1,739,281**

	2022	
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱7,155,032	₱2,297,880
Southern Luzon	1,790,857	–
Central Visayas	1,441,882	–
Western Visayas	455,427	–
	₱10,843,198	₱2,297,880
Major product/service lines		
Sale of high-end residential condominium units	₱8,363,114	₱–
Sale of residential lots	1,886,350	–
Sale of affordable housing units	11,688	–
Sale of office spaces	–	1,121,262
Room revenue	–	184,588
Cinema revenue	–	119,693
Others	582,046	872,337
	₱10,843,198	₱2,297,880
Timing of revenue recognition		
Transferred over time	₱10,261,152	₱1,121,262
Transferred at a point in time	582,046	1,176,618
	₱10,843,198	₱2,297,880

	2021	
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱4,715,161	₱1,171,906
Southern Luzon	3,600,183	–
Central Visayas	526,284	–
Western Visayas	–	–
	₱8,841,628	₱1,171,906
Major product/service lines		

	2021	
	Residential Development	Commercial Development
Sale of high-end residential condominium units	₱4,847,062	₱–
Sale of residential lots	3,143,608	–
Sale of affordable housing units	456,576	–
Sale of office spaces	–	478,749
Room revenue	–	63,654
Cinema revenue	–	8,986
Others	394,382	620,517
	₱8,841,628	₱1,171,906
Timing of revenue recognition		
Transferred over time	₱8,447,246	₱478,749
Transferred at a point in time	394,382	693,157
	₱8,841,628	₱1,171,906

Contract Balances
The table below shows the contract balances arising from revenue from contracts with customers as at December 31.

	2023	2022
Trade receivables* (see Note 8)	**₱294,583**	₱3,278,946
Contract assets (see Note 8)	**15,348,050**	15,770,278
Deposits from pre-selling of condominium units** (see Notes 15 and 17)	**1,132,484**	485,054
Excess of collections over recognized receivables** (see Note 15 and 17)	**688,182**	1,302,236
Advances payments from members and customers** (see Note 15)	**11,695**	11,646

**Included under "Trade and other receivables" account*
***Included under "Trade and other payables" and "Deposits and other liabilities" accounts*

Trade receivables consist of installment contract receivables from sale of condominium units, house and lot and residential lots. Installment contracts receivables arising from real estate sales are collectible in equal monthly installments with various terms up to a maximum of five years. These are recognized at amortized cost using the effective interest method. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price. The movement in installment contracts receivables is mainly due to billings to customers during the year. Trade receivables arising from room revenue, cinema revenue and other service income are noninterest-bearing and are generally on terms of 30 days.

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as installment contracts receivable. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection. In 2023 and 2022, the movement in contract assets is mainly due to revenue recognized relative to the increase in percentage of completion of certain projects and the collection of outstanding receivables of completed residential condominium units.

No allowance for expected credit losses related to trade receivables from sale of real estate and contract assets was recognized as at December 31, 2023 and 2022.

Contract liabilities consist of deposits from pre-selling of condominium units (i.e., collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition, excess of collections over recognized receivables (i.e., excess of collections over the goods and services transferred by Group based on percentage of completion) and advance payments from members and customers (membership dues received but are not yet due as at reporting period). In 2023 and 2022, the movement in contract liabilities is mainly due to additional deposits received from pre-selling of condominium units in the "Edades West" and "Rockwell South Cluster 5" projects, excess of collections over revenue recognized of certain projects and the collection of outstanding receivables of completed residential condominium units of certain projects.

Revenue recognized from amounts included in contract liabilities at the beginning of 2023 and 2022 amounted to ₱2,102.9 million and ₱1,178.4 million, respectively.

Performance Obligations
Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover either the (i) house and lot; (ii) condominium unit and parking lot; and (iii) residential lot, and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 5% or 10% of the contract price spread over a period of one year at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to five (5) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31 follows:

	2023	2022
Within one year	**₱6,275,596**	₱9,692,821
More than one year	**11,963,100**	7,590,432
	₱18,238,696	₱17,283,253

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units and house and lots are expected to be completed within three to four years from start of construction while residential lots are expected to be completed within two years from start of construction.

Room, cinema and other revenues
The performance obligation is satisfied as the related services are rendered.

Costs to Obtain Contract and Contract Fulfillment Assets
The Group pays sales commission to its brokers and sales agents for each contract that they obtain from real estate customers. This sales commission is considered incremental costs of obtaining the contract and has been capitalized in accordance with PFRS 15 since the Group expects that sales commission is recoverable.

As at December 31, 2023 and 2022, sales commission pertaining to real estate sold capitalized as deferred selling expense as part of “Prepaid costs” included under “Other current assets” in the consolidated statements of financial position amounted to ₱529.4 million and ₱264.2 million, respectively (see Note 10). For the year ended December 31, 2023, 2022 and 2021, the amortization related to incremental costs to obtain a contract recorded under “Selling expenses” account in the consolidated statements of comprehensive income amounted to ₱431.3 million, ₱492.0 million and ₱459.9 million, respectively (see Note 22). No impairment loss was recognized in the consolidated statements of comprehensive income for the years ended December 31, 2023, 2022 and 2021 related to the Group’s incremental costs to obtain a contract.

The Group considers land as contract fulfillment asset. Additions to land are disclosed in Note 9 to the consolidated financial statements. No impairment on contract fulfillment assets was recognized for the years ended December 31, 2023, 2022 and 2021.

In preparing the consolidated financial statements, the Group undertook a comprehensive review of its major contracts to identify indicators of impairment of contract fulfilment assets. The Group determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test.

In line with the Group’s accounting policy, as set out in Note 4, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

21. **Interest Income**

This account consists of:

	2023	2022	2021
Interest income from:			
Amortization of unearned interest (see Note 8)	**₱1,799,962**	₱1,413,244	₱1,429,539
Penalty charges	**34,255**	35,492	38,426
Cash and cash equivalents (see Note 7)	**216,879**	22,856	6,336
In-house financing	**5,981**	5,867	8,080
	₱2,057,077	₱1,477,459	₱1,482,381

22. **Expenses**

Depreciation and Amortization
Depreciation and amortization expense included in the consolidated statements of comprehensive income is as follows:

	2023	2022	2021
Included in:			
Cost of real estate (see Note 11)	**₱600,824**	₱515,867	₱500,069
General and administrative expenses (see Note 12)	**239,965**	239,871	262,686
	₱840,789	₱755,738	₱762,755

General and Administrative Expenses
General and administrative expenses are comprised of:

	2023	2022	2021
Taxes and licenses (see Note 6)	**₱547,540**	₱444,405	₱354,717
Personnel (see Notes 23 and 24)	**500,156**	480,436	428,925
Depreciation and amortization (see Note 12)	**239,965**	239,871	262,686
Repairs and maintenance	**156,862**	112,727	82,390
Dues and subscriptions	**95,211**	89,430	51,885
Utilities	**99,515**	85,152	76,498
Entertainment, amusement and recreation	**82,130**	79,923	46,653
Contracted services	**78,926**	65,548	33,517
Marketing and promotions	**84,083**	77,162	48,280
Rental expense	**73,737**	56,136	25,718
Producer's share	**74,468**	67,066	7,497
Fuel and oil	**57,751**	55,030	40,354
Accommodations	**41,467**	9,868	5,040
Professional fees	**36,638**	53,443	73,457
Insurance	**24,794**	21,193	19,053

(Forward)

	2023	2022	2021
Donation and contributions	**₱21,327**	₱20,125	₱11,403
Security services	**22,264**	19,369	14,009
Provision for disallowance of claim for refund	**17,544**	–	8,500
Provision for (reversal of) ECLs (see Note 8)	**(548)**	(8,796)	17,531
Transportation and travel	**17,444**	15,442	5,952
Office supplies	**14,883**	10,995	9,687
Bank charges	**5,030**	5,750	4,198
Others	**101,488**	66,776	40,827
	₱2,392,675	₱2,067,051	₱1,668,777

The Group recognized provision for disallowance of claim for input VAT refund amounting to ₱17.5 million and ₱8.5 million in 2023 and 2021, respectively (nil in 2022). As at December 31, 2022, input VAT being claimed for refund, recognized under "Other noncurrent assets" in the consolidated statement of financial position, amounted to ₱17.5 million (nil as at December 31, 2023).

Selling expenses
Selling expenses are comprised of:

	2023	2022	2021
Marketing and promotions	**₱556,651**	₱254,878	₱308,130
Commissions and amortization of prepaid costs (see Notes 4 and 9)	**431,260**	491,997	459,856
Personnel (see Notes 23 and 24)	**120,654**	103,303	76,639
Entertainment, amusement and recreation	**37,629**	28,443	24,314
Contracted services	**18,404**	14,181	8,162
Others	**58,840**	67,570	54,805
	₱1,223,438	₱960,372	₱931,906

Interest Expense
Interest expense is comprised of:

	2023	2022	2021
Interest expense on interest-bearing loans and borrowings (see Note 16)	**₱1,479,293**	₱1,105,554	₱1,024,258
Interest expense on lease liabilities (see Note 27)	**51,920**	50,741	49,740
Amortization of:			
Loan transaction costs (see Note 16)	**23,064**	40,876	22,898
Discount on retention payable (see Note 17)	**44,737**	16,118	44,556
	₱1,599,014	₱1,213,289	₱1,141,452

23. **Personnel Expenses**

Personnel expenses included in general and administrative expenses and selling expenses are comprised of:

	2023	2022	2021
Salaries and wages and other employee benefits (see Notes 22 and 24)	**₱565,441**	₱508,004	₱423,885
Pension costs (see Notes 22 and 24)	**55,369**	75,735	81,679
	₱620,810	₱583,739	₱505,564

24. **Pension Costs and Other Employee Benefits**

a. Pension Costs

The Group has a funded, noncontributory defined benefit pension plan covering all qualified and permanent employees.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Group's retirement plan meets the minimum retirement benefit specified under Republic Act 7541.

The following tables summarize the components of the net pension costs recognized in the consolidated statements of comprehensive income and the fund status and amounts recognized in the consolidated statements of financial position for the plan:

Net Pension Costs

	2023	2022	2021
Current service cost	**₱53,072**	₱63,770	₱70,946
Net interest cost	**2,297**	11,965	10,733
Net pension cost	**₱55,369**	₱75,735	₱81,679

Net Pension Liability

	2023	2022
Present value of benefit obligation	**₱801,806**	₱577,479
Fair value of plan assets	**(717,044)**	(505,436)
Net pension liability	**₱84,762**	₱72,043

The changes in the present value of benefit obligation are as follows:

	2023	2022
Defined benefit obligation at beginning of year	**₱577,479**	₱695,850
Current service cost	**53,072**	63,770
Interest cost	**40,423**	33,249
Actuarial loss (gain) in other comprehensive income/loss due to:		
Experience adjustments	**27,057**	666
Change in assumptions	**108,800**	(183,470)
Benefits paid	**(5,025)**	(32,586)
Defined benefit obligation at end of year	**₱801,806**	₱577,479

The changes in the fair values of plan assets of the Group are as follows:

	2023	2022
Fair values of plan assets at beginning of year	**₱505,436**	₱454,006
Interest income included in net interest cost	**38,126**	21,284
Actual contributions	**174,318**	82,000
Gain (loss) on plan assets in other comprehensive income/loss	**4,189**	(27,181)
Benefits paid	**(5,025)**	(24,673)
Fair values of plan assets at end of year	**₱717,044**	₱505,436

The Group does not expect to contribute to its pension plan in 2024.

The major categories of plan assets as percentage of the fair value of total plan assets are as follows:

	2023	2022
Investments in:		
Government securities	**66.32%**	11.44%
Loans and debt instruments	**2.66%**	36.43%
Other securities	**31.02%**	52.13%
	100.00%	100.00%

The principal assumptions used as of January 1 in determining pension cost obligation for the Group’s plans are as follows:

	2023	2022
Discount rate	**7.23-7.34%**	5.16-5.18%
Future salary rate increases	**10.00%**	10.00%

As of December 31, 2023, discount rate and future salary rate increases are 6.14-6.19% and 10.00%, respectively.

The plan assets of the Group are maintained by the trustee banks, BDO Unibank, Inc. (BDO) and MBTC.

As at December 31, the carrying values of the plan approximate their fair values:

	2023	2022
Cash in banks:		
MBTC	**₱18,080**	₱18,603
BDO	**89**	3,007
Receivables - net of payables:		
MBTC	**4,131**	2,318
BDO	**1,475**	504
Investments held for trading:		
MBTC	**440,074**	320,511
BDO	**253,195**	160,493
	₱717,044	₱505,436

Cash in banks are composed of current account, savings deposits and special savings deposits.

Receivables - net of payables are composed of loans receivables, interest receivables and accrued trust fees.

Investments held for trading are investments in government securities, corporate bonds and stocks.

i. Government securities' maturities range from 1 to 20 years with interest rates ranging from 3.00% to 10.125%.
ii. The Corporate bonds are certificates of indebtedness issued by top and usually listed corporations exhibiting sound financial performance and enjoying good credit from reputable/accredited agencies. Maturity dates range from 1 to 5 years with interest rates ranging from 4.41% to 7.06%.
iii. Investment in stocks represents equity securities of companies listed in the PSE.

The Retirement Plan has investment in shares of stock of the Parent Company amounting to ₱58.0 million and ₱57.6 million as at December 31, 2023 and 2022, respectively.

The Group's retirement fund is exposed to a short-term risk since 42% of it is in equities. On the long term, should there be any major corrections in the local equities market, the correction should have a positive impact of the fund since historically the equities market have always out-performed the fixed income market in the long term.

There are no outstanding balances arising from transactions between the Retirement Plan and the Group as at December 31, 2023 and 2022. Except as stated above, there were no other transactions entered into during the year by the Retirement Plan relating to the Group.

In 2023 and 2022, the sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2023		2022	
	Increase (Decrease) in Basis Points	**Increase (Decrease) in Defined Benefit Obligation**	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation
Discount rate	**+100**	**(₱92,785)**	+100	(₱64,748)
	-100	**111,905**	-100	77,656
Future salary increases	**+100**	**110,596**	+100	77,752
	-100	**(93,791)**	-100	(66,163)

The Group does not currently employ any asset-liability matching.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

Year	**2023**	2022
Less than 1 year	**₱55,812**	₱53,693
More than 1 year to 5 years	**89,411**	72,263
More than 5 years to 10 years	**445,838**	295,902
More than 10 years to 15 years	**483,751**	473,338
More than 15 years to 20 years	**954,050**	881,310
More than 20 years	**4,950,193**	4,242,786

b. Other Employee Benefits

Other employee benefits consist of accumulated employee vacation and sick leave benefit amounting to ₱7.0 million, ₱5.1 million and ₱4.8 million in 2023, 2022 and 2021, respectively (see Note 22).

The present value of the defined benefit obligation of other employee benefits amounted to ₱126.3 million and ₱98.0 million as at December 31, 2023 and 2022, respectively (see Notes 15 and 17).

25. **Income Taxes**

The components of provision for income tax for the years ended December 31 follow:

	2023	2022	2021
Current	**₱1,285,044**	₱996,256	₱183,491
Deferred	**(360,553)**	(198,002)	73,959
	₱924,491	₱798,254	₱257,450

The provision for income current tax represents RCIT / MCIT of the Parent Company and certain subsidiaries.

For income tax purposes on sale of real estate, full revenue recognition is applied when greater than 25% of the selling price has been collected in the year of sale, otherwise, the installment method is applied.

The components of the Group's net deferred tax assets and liabilities shown in the consolidated statements of financial position are as follows:

	2023	2022
Net deferred tax assets:		
Lease liabilities	**₱159,386**	₱162,068
Right-of-use asset	**(152,210)**	(155,088)
Unutilized NOLCO	**46,313**	118,919
Deferred lease income	**5,749**	8,541
Allowance for ECLs and others	–	207,557
Excess of taxable gross profit over accounting gross profit	–	(181,000)
Excess of fair value over carrying value of asset acquired in a business combination	–	(96,160)
Capitalized interest	–	29,886
Unutilized excess MCIT	–	6,337
Accrued/deferred selling expense	–	5,066
Unrealized foreign exchange loss and others	–	(4,023)
Other employee benefits	–	3,925
Unamortized past service cost	–	1,377
	₱59,238	₱107,405
Net deferred tax liabilities:		
Excess of accounting gross profit over taxable gross profit	**(₱1,416,158)**	(₱2,287,360)
Lease liabilities	**132,457**	47,364
Excess of fair value over carrying value of asset acquired in a business combination	**(96,160)**	–
Right-of-use asset	**(79,132)**	(723)
Deferred lease income	**83,118**	74,148
Unamortized past service cost	**43,633**	24,266
Share-based payment	**31,886**	23,078
Other employee benefits	**30,967**	23,727
Unfunded pension cost	**19,936**	17,059
Unutilized NOLCO	**15,073**	25,614
Unrealized foreign exchange loss and others	**8,156**	(2,976)
Accrued/deferred selling expense	**6,886**	34,857
Allowance for ECLs and others	**(5)**	6,304
Capitalized interest	–	624,575
Unrealized gain on investment in equity instruments at FVOCI	–	(90,441)
Unutilized excess MCIT	–	4,652
	(₱1,219,343)	(₱1,475,856)

As of December 31, 2022, certain subsidiaries have deductible temporary difference, NOLCO and MCIT amounting to ₱3.8 million, ₱0.3 million and ₱0.03 million, respectively, for which no deferred tax assets are recognized since management believes that there are no sufficient taxable profits against which the deferred tax assets can be utilized. ..

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As at December 31, 2023, NOLCO of certain subsidiaries can be carried forward and claimed as deduction against regular taxable income as follows:

Year Incurred	Expiry Date	Amount
2020	2025	₱50,852
2021	2026	75,846
2022	2025	60,290
2023	2026	58,554
		₱245,542

The reconciliation of the statutory income tax rate to effective income tax rate as shown in the consolidated statements of comprehensive income is summarized as follows:

	2023	2022	2021
Statutory income tax rate	**25.0%**	25.0%	25.0%
Additions to (deductions from) income tax resulting from:			
Share in net income of joint venture and associate	**(2.7%)**	(2.3%)	(1.4%)
Nontaxable income and others	**(0.9%)**	(0.7%)	(0.9%)
Effective income tax rate	**21.4%**	22.0%	22.7%

Revenue Memorandum Circular (RMC) No. 35-2012
On August 3, 2012, RMC No. 35-2012 was issued to clarify the taxability of clubs organized and operated exclusively for pleasure, creation and non-profit purposes.

In accordance with this RMC, Rockwell Club pays output VAT under protest starting August 3, 2012 and income tax effective January 1, 2013.

On August 13, 2019, the Supreme Court declared that membership fees, assessment dues and fees of similar nature collected by recreational clubs, which are organized and operated exclusively for pleasure, recreation and other nonprofit purposes, are not necessarily subject to income tax as well VAT. Accordingly, Rockwell Club ceased paying output VAT and income tax from its membership dues prospectively starting from August 2019.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act
President Rodrigo Duterte 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 Group:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 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 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

26. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The following table summarizes these significant transactions with related parties:

Related Parties	Relationship	Nature of Transaction	Period	Transaction Amount	Amounts Owed from (to) Related Parties	Terms	Conditions
ABS-CBN Group	Under common control	Land acquisitions (see Note 9)	**2023**	**₱733,487**	**(₱25,472)**	Payable in tranches based on the agreement; noninterest-bearing	Unsecured
			2022	₱786,186	(₱107,159)		
			2021	₱–	₱–		
	Under common control	Deposit for land acquisition (see Note 10)	**2023**	**158,676**	**158,676**	Payable in tranches based on the agreement; noninterest-bearing	Unsecured, no impairment
			2022	–	–		
			2021	–	–		
Rockwell - Meralco BPO	Joint venture	Advances	**2023**	**1,844**	**3,429**	On demand; non-interest-bearing	Unsecured, no impairment
			2022	(2,329)	1,585		
			2021	(19,873)	3,914		
		Management fee (see Note 13)	**2023**	**9,872**	**651**	On demand; non-interest-bearing	Unsecured, no impairment
			2022	7,527	3,388		
			2021	4,355	4,355		
SEAI Metro Manila One, Inc.	Non-controlling shareholder	Loan payable (see Note 16): Principal	**2023**	**–**	**(540,200)**	Payable on December 31, 2022; interest-bearing	Unsecured
			2022	128,600	(540,200)		
			2021	196,000	(411,600)		
		Interest	**2023**	**128,600**	**–**		
			2022	23,740	–		
			2021	15,086	–		

(Forward)

Related Parties	Relationship	Nature of Transaction	Period	Transaction Amount	Amounts Owed from (to) Related Parties	Terms	Conditions
Carmelray shareholders	Non-controlling shareholders	Advances (included under "Other noncurrent assets" account in the consolidated statement of financial position)	**2023**	**₱–**	**₱–**	3 years from the launch of the Phase 1 of the "Rockwell South" project; noninterest-bearing	Unsecured; no impairment
			2022	₱–	₱100,000		
			2021	₱–	₱300,000		
RNDC	Joint Venture	Project Management Fee	**2023**	**28,588**	**2,809**	On demand; non-interest-bearing	Unsecured; no impairment
			2022	3,181	276		
			2021	390	233		
		Marketing Fee	**2023**	**85,870**	**15,598**	On demand; non-interest-bearing	Unsecured; no impairment
			2022	44,908	3,326		
			2021	20,662	6,503		
		Sales Commission	**2023**	**50,297**	**4,220**	On demand; non-interest-bearing	Unsecured; no impairment
			2022	56,014	3,797		
			2021	56,846	24,247		
		Construction Management Fee	**2023**	**110,447**	**1,139**	On demand; non-interest-bearing	Unsecured; no impairment
			2022	10,018	967		
			2021	3,023	1,053		
		Reimbursement	**2023**	**(6,794)**	**(3,752)**	On demand; non-interest-bearing	Unsecured; no impairment
			2022	30,758	1,821		
			2021	178,179	–		
RIDC	Joint Venture	Reimbursement	**2023**	**(25,717)**	**4,650**	On demand; non-interest-bearing	Unsecured; no impairment
			2022	30,367	30,367		
		Management Fee	**2023**	**91,834**	**43,464**	On demand; non-interest-bearing	Unsecured; no impairment
			2021	–	–		
GMC	Non-controlling shareholder	Subscriptions receivable (see Note 8)	**2023**	**208,000**	**208,000**	On demand; non-interest-bearing	Unsecured; no impairment
			2022	–	–		
Advances to officers and employees		Advances (see Note 8)	**2023**	**(17,056)**	**29,891**	30-day; noninterest-bearing	Unsecured; no impairment
			2022	–	46,947		
			2021	–	47,555		
Due from related parties (see Note 8)			**2023**		**₱75,960**		
			2022		₱145,527		
Deposit for land acquisition (see Note 10)			**2023**		**₱158,676**		
			2022		₱–		
Due to related parties (see Note 15)			**2023**		**(₱29,224)**		
			2022		(₱107,159)		
Loan payable (see Note 16)			**2023**		**(₱540,200)**		
			2022		(₱540,200)		
Subscriptions receivable (see Note 8)			**2023**		**₱208,000**		
			2022		₱–		
Advances to officers and employees (see Note 8)			**2023**		**₱29,891**		
			2022		₱46,947		

Other transactions with related parties pertain to the Project Development and JV Agreement with Meralco (see Note 13).

<u>Terms and Conditions of Transactions with Related Parties</u>
Purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand/in tranches. There have been no guarantees provided for or received for any related party receivables or payables. For the years ended December 31, 2023, 2022 and 2021, the Group has not made any provision for expected credit losses relating to amounts owed by related parties. This assessment is undertaken at each financial year through examination of the financial position of the related party and the market in which the related party operates.

Compensation of Key Management Personnel of the Group

	2023	2022	2021
Short-term employee benefits	**₱134,496**	₱124,478	₱110,230
Post-employment pension and other benefits (Note 24)	**39,451**	49,253	40,010
Total compensation attributable to key management personnel	**₱173,947**	₱173,731	₱150,240

27. **Commitments and Contingencies**

Lease Commitments
The Group has entered into agreements for the lease of land to be used for various commercial projects. These noncancelable leases have remaining terms of twenty-one years and are automatically renewable for additional ten to twenty-five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The Group also has certain leases of machinery and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Below are the amounts recognized in the consolidated statements of comprehensive income:

	2023	2022
Depreciation expense of right-of-use assets included in investment properties (see Notes 11 and 22)	**₱15,268**	₱15,268
Interest expense on lease liabilities (see Note 22)	**51,920**	50,741
Expenses relating to short-term leases and low-value assets (included under "General and administrative expenses" account) (see Note 22)	**73,737**	56,136
	₱140,925	₱122,145

The rollforward analysis of lease liabilities follows:

	2023	2022
At January 1	**₱677,427**	₱664,349
Interest expense (see Note 22)	**51,920**	50,741
Payments	**(38,986)**	(37,663)
As at December 31	**690,361**	677,427
Less current portion (see Note 15)	**26,761**	27,858
Noncurrent portion	**₱663,600**	₱649,569

Future minimum undiscounted lease payments are as follows:

Year	2023	2022
Within one year	**₱40,379**	₱38,986
Year 2	**42,398**	40,379
Year 3	**43,375**	42,398
Year 4	**45,544**	43,375
Year 5 and beyond	**1,867,947**	1,913,491
	₱2,039,643	₱2,078,629

Capital Commitments

The Group entered into contracts covering land acquisitions, construction works related to various projects with related parties and different contractors and suppliers. As at December 31, 2023 and 2022, the contract sum awarded amounted to ₱16.7 billion and ₱21.9 billion, respectively, inclusive of all pertinent local and national taxes, overhead and cost of labor and materials and all cost necessary for the proper execution of works. Land acquisitions are consummated following the terms of the contracts. As at December 31, 2023 and 2022, ₱13.7 billion and ₱18.6 billion, respectively, has been incurred.

Contingencies

The Group is contingently liable for lawsuits or claims filed by third parties, which are either pending decision by the courts or under negotiations, the outcomes of which are not presently determinable. It is the opinion of management and its outside legal counsel that it is possible, but not probable that the lawsuits and claims will be settled. Accordingly, no provision for any liability has been made in the consolidated financial statements.

28. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, investment in equity instruments at FVOCI, and interest-bearing loans and borrowings. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, refundable deposits, trade and other payables, installment payable, retention payable and security deposits which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's interest-bearing loans and borrowings.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at December 31, 2023 and 2022, approximately 90% of the Group's borrowings are at a fixed rate of interest.

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

	2023				
	Within 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Fixed Rate					
Interest-bearing loans and borrowings	**₱2,255,445**	**₱2,371,545**	**₱4,820,261**	**₱10,930,029**	**₱20,377,280**
Floating Rate					
Interest-bearing loans and borrowings	**580,800**	**580,800**	**1,761,000**	**2,660,000**	**5,582,600**
Short-term investments	**2,965,794**	**–**	**–**	**–**	**2,965,794**

	2022				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
Fixed Rate					
Interest-bearing loans and borrowings	₱2,368,310	₱2,502,646	₱2,371,446	₱15,393,188	₱22,635,590
Floating Rate					
Interest-bearing loans and borrowings	487,700	300,800	300,800	1,481,000	2,570,300
Short-term investments	2,536,960	–	–	–	2,536,960

Interest on financial instruments is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

	2023 Effect on income before income tax increase (decrease)	
Change in basis points	**+100 basis points**	**-100 basis points**
Floating rate borrowings	**(49,281)**	**49,281**

	2022 Effect on income before income tax increase (decrease)	
Change in basis points	+100 basis points	-100 basis points
Floating rate borrowings	(38,066)	38,066

<u>Credit Risk</u>
Credit risk is the risk that a counterparty will meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily from trade receivables and loans) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Default or delinquency on the part of buyers of condominium units are being monitored on an ongoing basis to enable the Group to determine the appropriate action, usually cancelling the sale and holding the units open for sale. Lease receivables are closely monitored based on aging of the accounts. Accounts determined to be uncollectible are recommended for write off. With regard to the other financial assets of the Group, these are also monitored regularly with the result that the Group's exposure to bad debts is not significant.

Trade receivables from sale of condominium units are secured with pre-completed condominium units. The legal title and ownership of these units will only be transferred to the customers upon full payment of the contract price. For other receivables, since the Group trades only with recognized third parties, there is no requirement for collateral.

The table below summarizes the maximum exposure to credit risk of each class of financial assets.

	2023		
	Gross Maximum Exposure	**Net Exposure**	**Financial Effect of Collateral or Credit Enhancement**
Cash and cash equivalents*	**₱4,247,612**	**₱4,177,330**	**₱70,282**
Trade receivables from:			
Sale of real estate	**294,583**	**–**	**294,583**
Lease	**532,670**	**–**	**532,670**
Due from related parties	**75,960**	**75,960**	**–**
Advances to officers and employees	**29,891**	**29,891**	**–**
Other receivables	**11,570**	**11,570**	**–**
Refundable deposits**	**96,045**	**96,045**	**–**
Restricted cash**	**155,944**	**154,944**	**1,000**
	₱5,444,275	**₱4,545,740**	**₱898,535**

	2022		
	Gross Maximum Exposure	Net Exposure	Financial Effect of Collateral or Credit Enhancement
Cash and cash equivalents*	₱3,516,053	₱3,435,949	₱80,104
Trade receivables from:			
Sale of real estate	3,278,946	327,747	2,951,199
Lease	406,312	–	406,312
Due from related parties	145,527	145,527	–
Advances to officers and employees	46,947	46,947	–
Other receivables	165,327	165,327	–
Refundable deposits**	88,215	88,215	–
Restricted cash**	250,285	247,785	2,500
	₱7,897,612	₱4,457,497	₱3,440,115

**Excluding cash on hand amounting to 3,677 and 1,699 as at December 31, 2023 and 2022, respectively.*
***Presented as part of "Other current assets" account in the consolidated statements of financial position.*

There are no significant concentrations of credit risk because the Group trades with various third parties.

The tables below show the credit quality by class of financial asset based on the Group's credit rating system.

	2023		
	A Rating	**B Rating**	**Total**
Cash and cash equivalents	**₱4,251,289**	**₱–**	**₱4,251,289**
Trade receivables from:			
Sale of real estate	**294,583**	**–**	**294,583**
Lease	**461,726**	**70,944**	**532,670**
Due from related parties	**75,960**	**–**	**75,960**
Advances to officers and employees	**29,891**	**–**	**29,891**
Other receivables	**11,570**	**–**	**11,570**
Refundable deposits	**96,045**	**–**	**96,045**
Restricted cash	**155,944**		**155,944**
	₱5,377,008	**₱70,944**	**₱5,447,952**

	2022		
	A Rating	B Rating	Total
Cash and cash equivalents	₱3,517,752	₱–	₱3,517,752
Trade receivables from:			
Sale of real estate	2,309,386	969,560	3,278,946
Lease	359,141	47,171	406,312
Due from related parties	145,527	–	145,527
Advances to officers and employees	46,947	–	46,947
Other receivables	165,327	–	165,327
Refundable deposits	88,215	–	88,215
Restricted cash	250,285	–	250,285
	₱6,882,580	₱1,016,731	₱7,899,311

For trade receivables from sale of real estate, customers who have no history of delayed payment are classified as having a credit rating of "A" while customers who have history of delayed payment but is currently updated are given a credit rating of "B".

Trade receivables from lease are classified as having a credit rating of "A" when tenants pay within the discount period and "B" when tenants pay on or before due date.

As at December 31, 2023 and 2022, the analyses of the age of financial assets are as follows:

	2023						
	Current	**Less than 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**More than 90 Days**	**Impaired Financial Assets**	**Total**
Cash and cash equivalents	**₱4,251,289**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱4,251,289**
Trade receivables from:							
Sale of real estate	**245,145**	**4,170**	**1,700**	**1,522**	**42,046**	**–**	**294,583**
Lease	**461,726**	**45,004**	**9,212**	**4,870**	**11,858**	**–**	**532,670**
Due from related parties	**75,960**	**–**	**–**	**–**	**–**	**–**	**75,960**
Advances to officers and employees	**29,891**	**–**	**–**	**–**	**–**	**–**	**29,891**
Other receivables	**11,570**	**–**	**–**	**–**	**–**	**–**	**11,570**
Refundable deposits	**96,045**	**–**	**–**	**–**	**–**	**–**	**96,045**
Restricted cash	**155,944**	**–**	**–**	**–**	**–**	**–**	**155,944**
	₱5,327,570	**₱49,174**	**₱10,912**	**₱6,392**	**₱53,904**	**₱–**	**₱5,447,952**

	2022						
	Current	Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	Impaired Financial Assets	Total
Cash and cash equivalents	₱3,517,752	₱–	₱–	₱–	₱–	₱–	₱3,517,752
Trade receivables from:							
Sale of real estate	3,185,947	17,641	8,986	7,010	59,362	–	3,278,946
Lease	361,004	29,766	11,843	2,987	712	–	406,312
Due from related parties	145,527	–	–	–	–	–	145,527
Advances to officers and employees	46,947	–	–	–	–	–	46,947
Other receivables	165,327	–	–	–	–	–	165,327
Refundable deposits	88,215	–	–	–	–	–	88,215
Restricted cash	250,285	–	–	–	–	–	250,285
	₱7,761,004	₱47,407	₱20,829	₱9,997	₱60,074	₱–	₱7,899,311

Financial assets are considered past due when collections are not received on due date.

Past due accounts which pertain to trade receivables from sale of real estate are recoverable since the legal title and ownership of the real estate will only be transferred to the customers upon full payment of the contract price. In case of cancellation, the real estate becomes available for sale. The fair value of the real estate amounted to ₱56.4 billion and ₱53.9 billion as at December 31, 2023 and 2022, respectively.

Past due accounts pertaining to lease are recoverable because security deposits and advance rent paid by the tenants are sufficient to cover the balance in case of default or delinquency of tenants.

The changes in the gross carrying amount of receivables and unbilled revenue from sale of real estate in 2023 and 2022 did not materially affect the allowance for ECLs.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets in 2023 and 2022:

	2023		
	Trade receivables from sale of real estate and lease		
	High-end	**Affordable**	**Lease**
ECL rate	**0.0%**	**0.0%**	**1.3%**
Estimated total gross carrying amount at default	**₱14,943,859**	**₱698,774**	**₱532,670**

	2022		
	Trade receivables from sale of real estate and lease		
	High-end	Affordable	Lease
ECL rate	0.0%	0.0%	2.4%
Estimated total gross carrying amount at default	₱18,576,483	₱472,741	₱406,312

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. As at December 31, 2023 and 2022, 11% and 11% of the Group's debt will mature in less than one year as at December 31, 2023 and 2022, respectively.

The liquidity risk of the Group arises from their financial liabilities. The tables below summarized the maturity profile of the Group's financial liabilities at December 31, 2023 and 2022 based on contractual undiscounted payments.

	2023				
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due After 12 Months	Total
Trade and other payables*	₱–	₱6,697,185	₱–	₱–	₱6,697,185
Interest-bearing loans and borrowings					
Principal	–	709,061	2,127,184	23,123,635	25,959,880
Interest**	–	311,701	906,499	3,941,122	5,159,322
Lease liabilities	–	9,665	17,096	663,600	690,361
Retention payable***	–	–	890,273	786,626	1,676,899
Security deposits***	–	54,865	299,842	391,310	746,017
	₱–	₱7,782,477	₱4,240,894	₱28,906,293	₱40,929,664

	2022				
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due After 12 Months	Total
Trade and other payables*	₱–	₱ 5,950,235	₱–	₱–	₱ 5,950,235
Interest-bearing loans and borrowings					
Principal	–	610,903	2,245,107	22,349,880	25,205,890
Interest**	–	289,449	838,138	3,879,935	5,007,522
Lease liabilities	–	9,337	29,649	2,039,643	2,078,629
Retention payable***	–		910,960	700,999	1,611,959
Security deposits***	–	79,015	280,596	339,443	699,054
	₱–	₱6,938,939	₱4,304,450	₱29,309,900	₱40,553,289

**Excluding the current portion of retention payable and security deposits, lease liability, deposits from pre-selling of condominium units and excess of collections over recognized receivables and other statutory payables.*
***Future interest payments.*
****Presented as part of "Trade and other payables" and "Deposits and other liabilities" accounts in the consolidated statements of financial position.*

Maturity Profile of Financial Assets and Contract Assets Held for Liquidity Purposes

The table below shows the maturity profile of the Group's financial assets and contract assets based on contractual undiscounted cash flows as at December 31:

	2023					
	On Demand	Within 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Cash and cash equivalents	₱1,285,495	₱2,965,794	₱–	₱–	₱–	₱4,251,289
Trade receivables from:						
Sale of real estate	245,145	4,170	1,700	1,522	42,046	294,583
Lease	461,726	45,004	9,212	4,870	11,858	532,670
Contract assets	–	₱2,729	1,194	598	15,343,529	15,348,050
Investment in equity instruments at FVOCI	–	–	–	–	61,549	61,549
	₱1,992,366	₱3,017,697	₱12,106	₱6,990	₱15,458,982	₱20,488,141

	2022					
	On Demand	Within 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Cash and cash equivalents	₱980,792	₱2,536,960	₱–	₱–	₱–	₱3,517,752
Trade receivables from:						
Sale of real estate	–	3,203,588	8,986	7,010	59,362	3,278,946
Lease	361,004	29,766	11,843	2,987	712	406,312
Contract assets	–	5,361	4,115	1,808	15,758,994	15,770,278
Investment in equity instruments at FVOCI	–	–	–	–	36,711	36,711
	₱1,341,796	₱5,775,675	₱24,944	₱11,805	₱15,855,779	₱23,009,999

Capital Management Policy
The primary objective of the Group's capital management is to maximize shareholder value by maintaining a healthy balance between debt and equity (capital) financing in support of its business requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2023 and 2022.

The Group monitors its capital adequacy using the net debt-to-equity ratio, which is interest-bearing loans and borrowings less cash and cash equivalents divided by equity. The Group's policy is to limit the net debt-to-equity ratio to 1.0x.

The Group is required to maintain debt-to-equity ratio as set forth in the Fixed Rate Corporate Notes Facility Agreement and Bonds. The Agreement provides for a higher debt to equity ratio than the internal limit set by the Group (see Note 16).

	2023	2022
Interest-bearing loans and borrowings	**₱25,959,880**	₱25,093,484
Less cash and cash equivalents	**4,251,289**	3,517,752
Net debt	**21,708,591**	21,575,732
Equity	**32,294,710**	27,562,607
Net debt-to-equity ratio	**0.67**	0.78

29. Fair Value Measurement

Set out below is a comparison by class of carrying values and fair values of the Group's assets and liabilities for which fair values are determined for measurement and/or disclosure as at December 31, 2023 and 2022.

	2023				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Investment properties	**₱14,624,071**	**₱32,164,213**	**₱–**	**₱2,074,206**	**₱30,090,007**
Due from related parties	**75,960**	**75,232**	**–**	**–**	**₱75,232**
Investment in equity instruments at FVOCI	**61,549**	**61,549**	**58,280**	**–**	**3,269**
	14,761,580	**32,300,994**	**58,280**	**2,074,206**	**30,168,508**
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	**25,844,288**	**24,429,077**	**–**	**–**	**24,429,077**
Subscription payable	**2,722,560**	**2,408,407**	**–**	**–**	**2,408,407**
Retention payable (including noncurrent portion)	**1,676,899**	**1,616,898**	**–**	**–**	**1,616,898**
Security deposits (including noncurrent portion)	**746,017**	**712,031**	**–**	**–**	**712,031**
	₱30,989,764	**₱29,166,413**	**₱–**	**₱–**	**₱29,166,413**

	2022				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment properties	₱14,666,614	₱30,654,523	₱–	₱2,087,823	₱28,566,700
Due from related parties	145,527	144,857	–	–	144,857
Investment in equity instruments at FVOCI	36,711	36,711	33,280	–	3,431
	14,848,852	30,836,091	33,280	2,087,823	28,714,988
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	25,093,484	25,262,802	–	–	25,262,802
Retention payable (including noncurrent portion)	2,922,560	2,816,155	–	–	2,816,155
Security deposits (including noncurrent portion)	1,611,959	1,480,171	–	–	1,480,171
Subscription payable	699,054	560,671	–	–	560,671
	₱30,327,057	₱30,119,799	₱–	₱–	₱30,119,799

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 Sale of Real Estate, Trade Receivables from Lease, 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.

Investments in Equity Securities. 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 as the difference between the carrying value and fair value of these unquoted equity securities is not material to the consolidated financial statements.

Due from Related Parties. The fair value was calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rate of 3.82% and 3.82% as at December 31, 2023 and 2022, respectively.

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 5.12% to 6.12% as at December 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 5.12% to 6.12% as at December 31, 2023 and 3.91% to 7.22% as at December 31, 2022.

For the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. **Basic/Diluted Earnings Per Share Computation**

	2023	2022	2021
	(In Thousands, Except Numbers of Shares and Per Share Data)		
Net income attributable to equity holders of the Parent Company	**₱3,113,226**	₱2,301,911	₱1,640,936
Dividends on preferred shares	**(1,650)**	(1,650)	(1,650)
Net income attributable to common shares (a)	**3,111,576**	2,300,261	1,639,286
Common shares at beginning of year	**6,116,762,198**	6,116,762,198	6,116,762,198
Weighted average number of common shares - basic (b)	**6,116,762,198**	6,116,762,198	6,116,762,198
Dilutive potential common shares under the ESOP	**–**	–	1,575,521
Weighted average number of common shares - diluted (c)	**6,116,762,198**	6,116,762,198	6,118,337,719
Per share amounts:			
Basic (a/b)	**₱0.5087**	₱0.3761	₱0.2680
Diluted (a/c)	**₱0.5087**	₱0.3761	₱0.2679

In 2023 and 2022, the diluted EPS did not consider the effect of stock options outstanding since these were anti-dilutive. In 2021, the Parent Company considered the effect of stock options outstanding since these are dilutive.

31. **Segment Information**

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, hotel and resort operations.

The Group does not have any customers which constitutes 10% or more of the Group’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. *EBITDA* is a non-GAAP measure.

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 Group's existing business portfolio.

The President, the Group'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 financial 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 information regarding the Group's residential development and commercial development business segments:

	2023		
	Residential Development	**Commercial Development**	**Total**
Revenue	**₱14,434,134**	**₱4,076,877**	**₱18,511,011**
Costs and expenses	**(10,610,538)**	**(1,599,397)**	**(12,209,935)**
Share in net income of joint venture and associate	**55,844**	**409,867**	**465,711**
Other income – net	**(2,914)**	**(27)**	**(2,941)**
EBITDA	**3,876,526**	**2,887,320**	**6,763,846**
Depreciation and amortization			**(840,789)**
Interest expense			**(1,599,014)**
Provision for income tax			**(924,491)**
Consolidated net income			**₱3,399,552**
Assets and Liabilities			
Segment assets	**₱50,816,482**	**₱721,420**	**₱51,537,902**
Investment properties	**1,127,710**	**13,496,361**	**14,624,071**
Investment in joint venture and associate	**3,948,737**	**1,778,137**	**5,726,874**
Deferred tax assets - net	**14,352**	**44,886**	**59,238**
Property and equipment	**1,715,617**	**933,346**	**2,648,963**
Total assets	**₱57,622,898**	**₱16,974,150**	**₱74,597,048**
Segment liabilities	**₱32,375,768**	**₱8,707,226**	**₱41,082,994**
Deferred tax liabilities – net	**1,219,343**	**–**	**1,219,343**
Total liabilities	**₱33,595,111**	**₱8,707,226**	**₱42,302,337**

	2022		
	Residential Development	Commercial Development	Total
Revenue	₱12,216,708	₱4,291,256	₱16,507,964
Costs and expenses	(9,741,448)	(1,798,766)	(11,540,214)
Share in net income of joint venture and associate	(7,195)	382,823	375,628
Other income – net	18,443	(464)	17,979
EBITDA	2,486,508	2,874,849	5,361,357
Depreciation and amortization			(755,738)
Interest expense			(1,213,289)
Provision for income tax			(798,254)
Consolidated net income			₱2,594,076

(Forward)

	2022		
	Residential Development	Commercial Development	Total
Assets and Liabilities			
Segment assets	₱45,895,613	₱952,100	₱46,847,713
Investment properties	1,271,357	13,395,257	14,666,614
Investment in joint venture and associate	3,892,853	1,985,220	5,878,073
Deferred tax assets – net	53,256	54,149	107,405
Property and equipment	1,239,694	914,376	2,154,070
Total assets	₱52,352,773	₱17,301,102	₱69,653,875
Segment liabilities	₱31,196,549	₱9,418,863	₱40,615,412
Deferred tax liabilities – net	1,475,856	–	1,475,856
Total liabilities	₱32,672,405	₱9,418,863	₱42,091,268

	2021		
	Residential Development	Commercial Development	Total
Revenue	₱10,300,361	₱2,423,342	₱12,723,703
Costs and expenses	(7,681,839)	(1,052,159)	(8,733,998)
Share in net income of joint venture and associate	(4,472)	372,745	368,273
Other income – net	12,312	–	12,312
EBITDA	2,626,362	1,743,928	4,370,290
Depreciation and amortization			(762,755)
Interest expense			(1,141,452)
Provision for income tax			(257,450)
Consolidated net income			₱2,208,633

32. Supplemental Disclosure of Cash Flow Information

a. The changes in the Group's liabilities arising from financing activities are as follows:

	January 1, 2023	**Cash Flows**	**Reclassification from Noncurrent to Current**	**Interest Expense/ Discount Amortization**	**December 31, 2023**
Current portion of interest-bearing loans and borrowings	**₱2,833,346**	**(₱2,833,346)**	**₱2,812,449**	**₱–**	**₱2,812,449**
Interest-bearing loans and borrowings - net of current portion	**22,260,138**	**3,561,088**	**(2,812,449)**	**23,062**	**23,031,839**
Lease liabilities	**677,427**	**(38,986)**	**–**	**51,920**	**690,361**
Total liabilities from financing activities	**₱25,770,911**	**₱688,756**	**₱–**	**₱74,982**	**₱26,534,649**

	January 1, 2022	Cash Flows	Reclassification from Noncurrent to Current	Interest Expense/ Discount Amortization	December 31, 2022
Current portion of interest-bearing loans and borrowings	₱4,347,235	(₱4,347,235)	₱2,833,346	₱–	₱2,833,346
Interest-bearing loans and borrowings - net of current portion	22,440,730	2,611,878	(2,833,346)	40,876	22,260,138
Lease liabilities	664,349	(37,663)	–	50,741	677,427
Total liabilities from financing activities	₱27,452,314	(₱1,773,020)	₱–	₱91,617	₱25,770,911

	January 1, 2021	Cash Flows	Reclassification from Noncurrent to Current	Interest Expense/ Discount Amortization	December 31, 2021
Current portion of interest-bearing loans and borrowings	₱7,354,635	(₱7,354,635)	₱4,347,235	₱–	₱4,347,235
Interest-bearing loans and borrowings - net of current portion	17,403,380	9,361,687	(4,347,235)	22,898	22,440,730
Lease liabilities	651,010	(36,401)	–	49,740	664,349
Total liabilities from financing activities	₱25,409,025	₱1,970,651	₱–	₱72,638	₱27,452,314

b. In 2023, the Group's material non-cash investing activities include the subsidiary's issuance of shares to non-controlling interest amounting to ₱2,728.7 million (see Note 6). In 2022 and 2021, the Group's material non-cash investing activities include the investment in a joint venture and an associate with unpaid subscription amounting to ₱2,518.4 million and ₱484.2 million, respectively (see Note 13).

33. Events After the Reporting Period

a. Step Acquisition of an Associate

On January 15, 2024, the Parent Company subscribed to an additional 1,488,253,578 shares from the unissued portion of the existing authorized capital stock of RNDC, consisting of 16,878,344 common shares and 1,471,375,234 redeemable preferred shares for an aggregate subscription price of ₱1,488.3 million. As partial payment for the subscription, the Parent Company paid ₱ 190.0 million in cash to RNDC which was paid upon the execution of the agreement.

As a result, the Parent Company's ownership interest in RNDC increased from 38.49% to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, the Parent Company's previously held interest of 38.49% was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱16.3 million.

The provisional fair values and corresponding carrying amounts of the identifiable assets and liabilities of RNDC at acquisition date are as follows (in thousands):

	Provisional Fair Value	Carrying Value
Cash and cash equivalents	₱157,584	₱157,584
Receivables and contract assets	106,329	106,329
Subscriptions receivable	1,858,903	1,858,903
Real estate inventories	719,148	653,100
Other current assets	451,951	451,951
Investment properties	856,332	685,505
Trade and other payables	(303,829)	(303,829)
Deferred tax liability - net	(92,015)	(32,797)
Net assets	3,754,403	₱3,576,746
Non-controlling interests (35% of fair value of net assets acquired)	(1,314,041)	
Fair value of previously held interest	(822,169)	
Gain on bargain purchase	(129,939)	
Consideration transferred	₱1,488,254	

The identifiable net assets included in the purchase price allocation above were based on a provisional assessment of their fair values while the Group sought an independent valuation for the real estate inventories and investment properties of RNDC. The valuation had not been completed as of April 3, 2024.

The receivables and contract assets have not been impaired and it is expected that full contractual amounts can be collected.

The non-controlling interest were recognized as a proportion of the fair value of the identifiable net assets acquired.

If the acquisition had taken place at the beginning of the year 2023, RNDC's contributions to the 2023 consolidated revenue and consolidated net income would have been ₱464.3 million and ₱76.6 million, respectively.

The gain on bargain purchase was the result of the higher increase in the fair value of RNDC's real estate inventories and investment properties as compared to the consideration transferred by the Parent Company.

Analysis of cash flow at acquisition date is as follows:

Cash acquired from the subsidiary	₱157,584
Cash paid*	(190,000)
Net cash outflow on acquisition	(₱32,416)

**Partial payment out of total subscription price of ₱1,488.3 million*

b. New Loan Facilities

On February 28, 2024, the BOD of Parent Company approved the following items:

1. ₱5.0 billion term loan facility of up to ten years with Philippine National Bank (PNB). The proceeds of the loan will be used to fund capital expenditures, land acquisitions, and other investments.

2. ₱5.0 billion term loan facility of up to seven years with Rizal Commercial Banking Corporation (RCBC). The proceeds of the loan will be used to fund capital expenditures, land acquisitions, and other investments.

ROCKWELL LAND CORPORATION

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SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Rockwell Land Corporation
2F 8 Rockwell
Hidalgo Drive, Rockwell Center
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Notes 2 and 3 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-145-2021, August 11, 2021, valid until August 10, 2024
PTR No. 10079978, January 6, 2024, Makati City

April 3, 2024

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Rockwell Land Corporation
2F 8 Rockwell
Hidalgo Drive, Rockwell Center
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Notes 2 and 3 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Notes 2 and 3 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-145-2021, August 11, 2021, valid until August 10, 2024
PTR No. 10079978, January 6, 2024, Makati City

April 3, 2024

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE A – FINANCIAL ASSETS
DECEMBER 31, 2023

Name of Issuing Entity and Association of Each Issue	**Number of Shares or Principal Amount of Bonds or Notes**	**Amount shown in the Statement of Financial Position**	Value based on Market Quotation at End of Reporting Period	**Income Received or Accrued**

Schedule of financial assets not applicable to the Group as the Group does not have financial assets at fair value through profit or loss (FVPL)

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
December 31, 2023

Name and Designation of Debtor	Beginning balance	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
AR							
Officers & Directors	₱82,492,504	₱95,474,326	(₱26,872,000)	₱–	₱19,012,448	₱132,082,382	₱151,094,830
Employees	118,730,754	34,935,213	(40,379,925)	–	23,612,072	89,673,970	113,286,042
TOTAL	**₱201,223,258**	**₱130,409,539**	**(₱67,251,925)**	**₱–**	**₱42,624,520**	**₱221,756,352**	**₱264,380,872**

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
December 31, 2023

Receivable to Name of Subsidiary / Counterparty	Beginning balance	Additions	Amounts Collected	Current	Non-Current	Ending balance
Rockwell Leisure Club Inc., subsidiary	₱18,085,052	₱26,765,812	(₱32,706,496)	₱12,144,368	₱–	₱12,144,368
Rockwell Integrated Property Services, Inc.	16,715,788	142,150,138	(153,930,178)	4,935,748	–	4,935,748
Rockwell Primaries Development Corporation	2,005,173,392	39,709,467	(459,631,380)	1,585,251,479	–	1,585,251,479
Rockwell Primaries South Development Corporation	2561,287,134	212,915,187	(12,200,516)	168,497,805	593,504,000	762,001,805
Stonewell Property Development Corporation	6742,253	7,087,354	(3,136,068)	4,693,539	–	4,693,539
Rockwell Performing Arts Theater Corporation	2,040,931	123,513	–	2,168,444	–	2,168,444
Rockwell Hotels & Leisure Management Corp.	28,865,466	66,788,858	(50,758,082)	44,896,242	–	44,896,242
Retailscapes, Inc.	798,173,564	15,038,835	(19,817,980)		793,394,419	793,394,419
Rockwell MFA Corp.	2,211,753,281	365,460,582	(362,504,591)	53,909,272	2,160,800,000	2,214,709,272
Rockwell Carmelray Development Corp.	7,686,555	248,958,414	(254,359,106)	2,285,863	–	2,285,863
Rockwell GMC Development Corp.	–	1,659,600	–	1,659,600	–	1,659,600

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE D – LONG TERM DEBT
As of December 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Current Portion of Long-Term Debt	Long-Term Debt (net of Current Portion)	Average Interest Rate	No. Of Periodic Installments	Maturity Date
Philippine Peso, 7-year fixed rate notes due 2026	₱3,000,000,000	₱357,768,421	₱1,926,694,737	5.56%	12	11/20/2026 12/23/2026
Philippine Peso, 7-year floating rate notes due 2026	₱3,000,000,000	₱315,600,000	₱2,053,200,000	7.57%	12	12/23/2026 11/20/2026
Philippine Peso, 10-year fixed rate notes due 2026	₱3,500,000,000	₱316,322,581	₱1,445,403,226	5.79% 5.94% 6.03% 5.69% 6.24%	10	5/31/2026 6/29/2026 6/17/2026
Philippine Peso, 10-year floating rate notes due 2026	₱1,000,000,000	₱90,400,000	₱413,000,000	6.84%	10	6/17/2026
Philippine Peso, 7-year fixed rate notes due 2027	₱2,000,000,000	₱274,641,148	₱1,244,736,842	5.92% 5.26%	13 16	1/20/2027 12/7/2027
Philippine Peso, 7-year fixed rate notes due 2028	₱3,000,000,000	₱390,846,682	₱2,183,066,362	5.26% 5.36%	17 19	2/10/2028 10/6/2028
Philippine Peso, 7-year floating rate notes due 2029	₱500,000,000	₱66,666,667	₱433,333,333	6.75%	21	4/6/2029
Philippine Peso, 10-year fixed rate notes due 2030	₱7,000,000,000	₱436,800,000	₱5,798,800,000	3.44% 3.75% 4.31% 4.61% 5.00% 5.04%	25	2/22/2030
Philippine Peso, 10-year fixed rate notes due 2030	₱3,000,000,000	₱187,200,000	₱2,485,200,000	4.37% 4.52% 5.30%	25	2/22/2030
Philippine Peso, 10-year floating rate notes due 2032	₱5,000,000,000	₱400,000,000	₱4,600,000,000	6.14%	36	12/14/2032
Philippine Peso, 4-year fixed rate notes due 2025	₱116,000,000	–	₱116,000,000	4.18% 4.42%	1	12/31/2025
Philippine Peso, 4-year fixed rate notes due 2027	₱357,200,000	–	₱357,200,000	7.44% 3.64% 3.85% 3.69% 3.57% 4.29% 4.59% 4.87%	1	12/31/2027
Philippine Peso, 5-year fixed rate notes due 2027	₱67,000,000	–	₱67,000,000	7.57% 7.66%	1	3/31/2027
TOTAL	₱25,959,879,999	₱2,836,245,499	₱23,123,634,500			

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
December 31, 2023

Name of Related Party	Beginning balance	Ending balance
N/A	N/A	N/A

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
December 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed & Outstanding	Amount owed by Person for which Statement is filed	Nature of Guarantee
N/A	N/A	N/A	N/A	N/A

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE G – CAPITAL STOCK
December 31, 2023

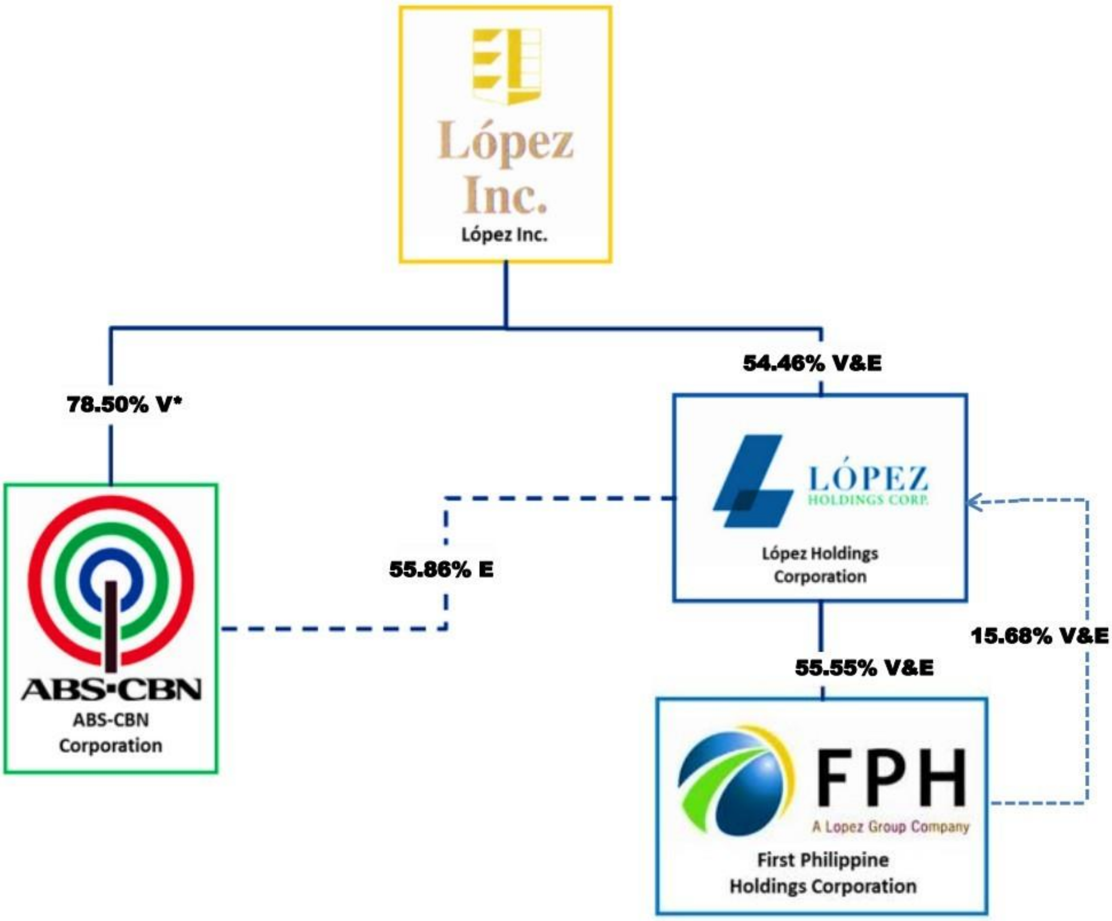
				Number of Shares Held By		
Title of Issue	**Number of Shares Authorized**	**Number of Shares Issued and Outstanding**	**Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights**	**Related Parties**	**Directors, Officers and Employees**	**Others**
Common Shares	8,890,000,000	6,116,762,198[(a)]	35,288,000	5,296,015,375	21,478,658	799,268,165
Preferred Shares	11,000,000,000	2,750,000,000	–	2,750,000,000	–	–

[(a)] *Net of treasury shares of 126,620,146*

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2023
Amount in thousands

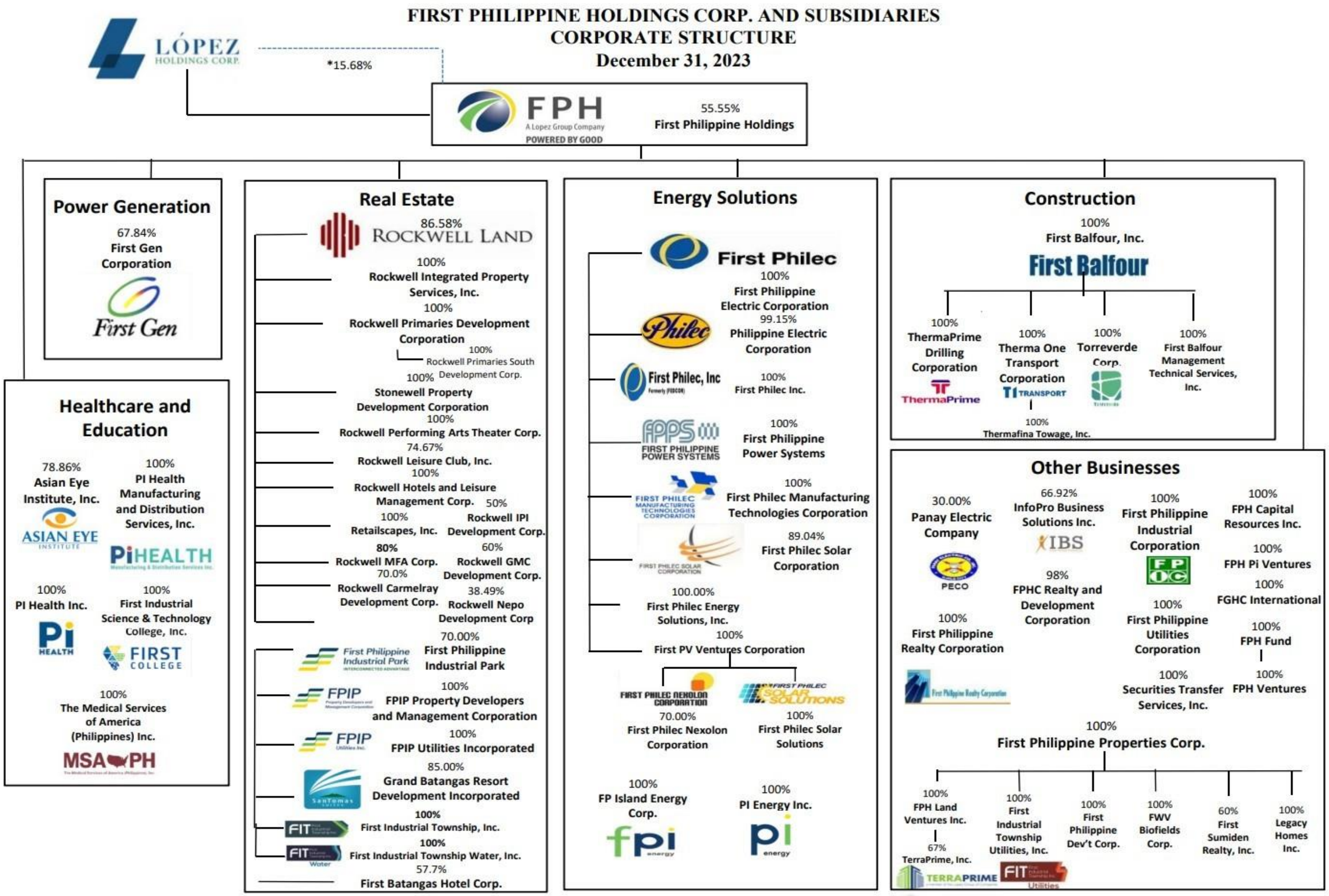
Unappropriated retained earnings, beginning of reporting period	₱5,352,593
Add: Items that are directly credited to unappropriated retained earnings	
Reversal of retained earnings appropriation during the period	11,000,000
Less: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	461,631
Retained earnings appropriation during the period	14,000,000
Unappropriated retained earnings, as adjusted	1,890,962
Add: Net income for the current year	3,099,920
Add/Less: Other items that should be excluded from the determination of available for dividends distribution	
Net movement in deferred tax assets not considered in the reconciling items under the previous categories	13,690
Net movement in deferred tax assets and deferred tax liabilities related to same transaction (set up of right of use asset and lease liability)	(5,961)
Total retained earnings available for dividend, end of reporting period	₱4,998,611

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (A)
DECEMBER 31, 2023

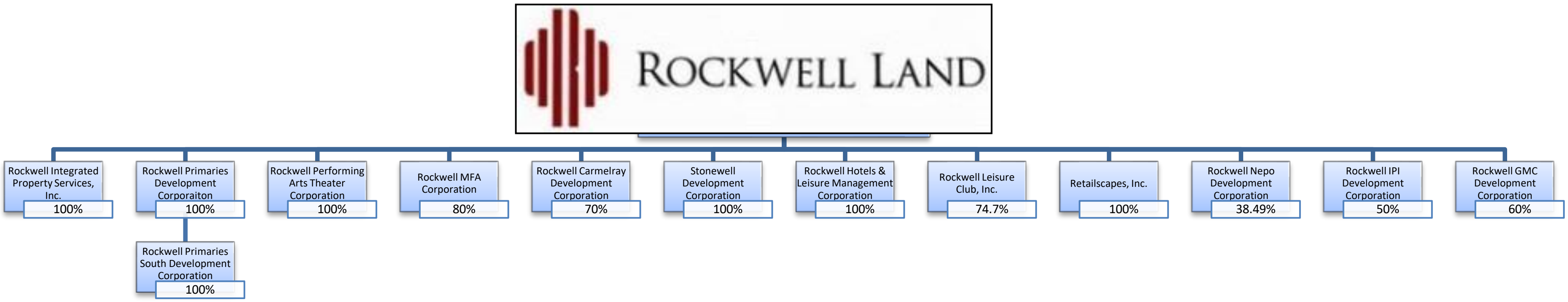


* *voting rights include preferred shares*

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (B)
DECEMBER 31, 2023



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (C)
DECEMBER 31, 2023



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2023

KPI	2023	2022	2021
EBITDA (₱)[1]	6.8 billion	5.4 billion	4.4 billion
Current Ratio (x)[2]	3.43	3.16	3.29
Net DE Ratio (x)[3]	0.67	0.78	0.92
Asset to Equity Ratio (x)[4]	2.31	2.53	2.50
Interest coverage ratio (x)[5]	4.57	4.42	4.00
ROA[6]	4.71%	3.86%	3.48%
ROE[7]	11.36%	9.69%	8.69%
EPS (₱)[8]	0.51	0.38	0.27

Notes:
(1) EBITDA [Net Income + (Interest Expense, Provision for Income Tax, Depreciation & Amortization)]
(2) Current ratio [Current assets/Current liabilities]
(3) Net debt to equity ratio [(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity]
(4) Assets to Equity Ratio [Total Assets/Total Equity]
(5) Interest coverage ratio [EBITDA/ Total interest payments]
(6) ROA [Net Income/Average Total Assets]
(7) ROE [Net Income/ Average Total Equity]
(8) EPS [Net Income/number of common shares outstanding]

Annex F

ROCKWELL LAND

Report of the Audit Committee

(For the year ended December 31, 2023)

The Audit Committee's roles and responsibilities are defined in the Corporate Governance Manual of Rockwell Land Corporation and the Audit Committee Charter. We assist the Board of Directors in fulfilling its oversight responsibility to the shareholders relating to: a) Integrity of financial statements and the financial reporting process; b) Appointment, re- appointment, remuneration, qualifications, independence and performance of independent auditor; c) Effectiveness of internal control system; d) Review of the sufficiency and effectiveness of the risk management process; and e) Oversight on Internal Audit function. We confirm that:

1) An Independent Director chairs the Audit Committee. Two (2) out of the three (3) members of the Audit Committee are independent directors;
2) We had five (5) Committee meetings during the year, four (4) regular and one (1) special committee meeting, which were held virtually and face-to-face;
3) We have reviewed and approved the 2023 Internal Audit Plan, including its scope, resources and the subsequent changes thereto;
4) We have reviewed and discussed the reports of the Internal Auditors, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal controls and compliance issues;
5) We have discussed and approved the overall scope and audit plan of SGV & Co. for the audit of 2023 Financial Statements. We have also discussed the results of their audits and their assessment of Rockwell Land's internal control and the overall quality of the financial reporting process;
6) We have reviewed and discussed the quarterly unaudited financial statements and year-end audited financial statements of Rockwell Land with the Management and SGV & Co.;

   These activities were performed in the following context:

   - The management has the primary responsibility for the financial statements and the financial reporting process; and
   - That SGV & Co. is responsible for expressing an opinion on the conformity of Rockwell Land's consolidated financial statements with the Philippine Financial Reporting Standards.
7) For the year ended December 31, 2023, Rockwell Land has engaged its independent auditor, SGV & Co. to do other audit-related and non-audit services aside from the conduct of year-end financial audit. Such engagements were presented to and reviewed by the Audit Committee and concluded that the nature and scope are not incompatible with their role as independent auditor and the related fees are not significant to impair their independence;
8) We have reviewed the report on regulatory compliance and ensured that appropriate timely actions are taken and requirements are complied with;
9) We have reviewed and approved the Management Representation letter for the year ended December 31, 2023 before submission to our external auditor.

Based on the reviews and discussions undertaken, and subject to the limitations on our roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Annual Report for the year ended December 31, 2023 for filing with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). We are also recommending to the Board of Directors the re-appointment of SGV & Co., as Rockwell Land Corporation's independent auditor for 2024 based on the review of its performance and qualifications.

March 25, 2024

OSCAR J. HILADO
Chairman

MONICO V. JACOB
Member

FRANCIS GILES B. PUNO
Member