

SEC Number:
File Number:

ROCKWELL LAND CORPORATION

(Company's Full Name)

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

(Company's Address)

(632) 793-0088

(Telephone Number)

June 30, 2019

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-QA

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

- For the quarterly period ended **June 30, 2019**
- Commission Identification Number **62893**
- BIR Tax Identification Number **004-710-062-000**
- Exact name of issuer as specified in its charter: **ROCKWELL LAND CORPORATION**
- Province, country or other jurisdiction of incorporation or organization: **Philippines**
- Industry Classification Code: _____ (SEC Use Only)
- Address of issuer's principal office and postal code:
2F , 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City 1200
 - Issuer's telephone number, including area code: **(632) 793-0088**
- Former name, former address, former fiscal year, if changes since last report:
The Garage at Rockwell Center, Estrella St. Makati City 1200
- Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
Common shares	6,116,762,198
Peso retail bonds	5,000,000,000

Amount of Debt Outstanding
PhP23,392,124 (2nd Quarter 2019)

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

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

- Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [**X**]No []
 - (b) has been subject to such filing requirements for the past ninety (90) days.
Yes [**X**]No []

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

	June 30, 2019	December 31, 2018
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	₱2,254	₱2,055
Trade and other receivables	3,746	4,262
Contract asset	12,461	11,035
Real estate inventories	10,081	10,796
Advances to contractors	1,981	1,741
Other current assets	820	1,289
Total Current Assets	31,343	31,178
Noncurrent Assets		
Investment properties – net	13,333	12,517
Property and equipment – net	4,234	3,900
Investment in joint venture and associate	3,356	3,357
Contract asset – net of current portion	3,980	5,159
Investment in equity instruments at FVOCI	23	23
Other noncurrent assets	559	574
Total Noncurrent Assets	25,485	25,530
Total Assets	₱56,828	₱56,708
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱8,351	₱9,064
Current portion of interest-bearing loans and borrowings	6,525	5,174
Installment payable	586	-
Total Current Liabilities	15,462	14,238
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion	16,867	19,053
Installment payable	-	572
Deferred tax liabilities – net	1,289	1,305
Pension liability – net	38	96
Deposits and other liabilities	2,626	2,156
Total Noncurrent Liabilities	20,820	23,182
Total Liabilities	₱36,492	₱37,420
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	6,271	6,271
Additional paid-in capital	28	28
Other comprehensive income	12	12
Other equity adjustments	291	291
Share-based payments	70	70
Retained earnings		
Appropriated	7,000	7,000
Unappropriated	6,512	5,234
	20,184	18,906
Less cost of treasury shares	(185)	(185)
Total Equity Attributable to Equity Holders of the Parent Company	19,999	18,721
Non-controlling interests	547	567
Total Equity	₱20,546	₱19,288
Total Liabilities and Equity	₱56,828	₱56,708

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amount in Millions)

	<u>2019 Unaudited</u>		<u>2018 Restated</u>	
	<u>April 1 to June 30</u>	<u>January 1 to June 30</u>	<u>April 1 to June 30</u>	<u>January 1 to June 30</u>
REVENUE				
Sale of condominium units	₱2,256	₱4,587	₱3,649	₱5,980
Interest income	404	859	460	891
Lease income	461	901	348	662
Cinema revenue	92	145	77	137
Room revenue	51	104	53	107
Others	172	331	124	263
	3,436	6,927	4,711	8,040
EXPENSES				
Cost of real estate	1,995	3,760	3,141	5,119
General and administrative expenses	493	986	583	989
Selling expenses	175	463	294	525
	2,664	5,209	4,018	6,633
INCOME BEFORE OTHER INCOME (EXPENSES)	771	1,718	693	1,407
OTHER INCOME (EXPENSES)				
Interest expense	(50)	(84)	(98)	(198)
Share in net income of joint venture	73	144	66	133
Foreign exchange gain - net	(1)	0	0	3
	22	60	(32)	(62)
INCOME BEFORE INCOME TAX	793	1,778	661	1,345
PROVISION FOR INCOME TAX	255	521	159	330
NET INCOME	538	1,257	502	1,015
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	538	1,257	502	1,015
Net Income Attributable to:				
Equity holders of the Parent Company	563	1,278	496	1,018
Non-controlling Interests	(25)	(21)	6	(3)
TOTAL	538	1,257	502	1,015
Total Comprehensive Income Attributable to:				
Equity holders of Rockwell Land Corporation	563	1,278	496	1,018
Non-controlling Interests	(25)	(21)	6	(3)
TOTAL	538	1,257	502	1,015
Basic/Diluted Earnings per Share (Note 8)	0.09	0.21	0.08	0.17

See accompanying Notes to Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Millions)

	Capital Stock	Additional Paid-in Capital	Unrealized Gain on Available-for-Sale Investments	Equity Attributable to Equity Holders of the Parent Company						Equity Attributable to Non-Controlling Interests	Total Equity
				Other Equity Adjustments	Share-based Payments Plan	Retained Earnings		Treasury Shares	Total		
						Appropriated	Unappropriated				
At December 31, 2018 (Audited)	₱6,271	₱28	₱12	₱291	₱70	₱7,000	₱5,234	(₱185)	₱18,721	₱567	₱19,288
Net income	-	-	-	-	-	-	1,278	-	1,278	(21)	1,257
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,278	-	1,278	(21)	1,257
At June 30, 2019 (Unaudited)	₱6,271	₱28	₱12	₱291	₱70	₱7,000	₱6,512	(₱185)	₱19,999	₱547	₱20,546
At December 31, 2017 (Audited)	₱6,271	₱28	₱9	₱291	₱70	₱5,000	₱5,659	(₱185)	₱17,143	₱572	₱17,715
Effect of adoption of new accounting standard	-	-	-	-	-	-	(548)	-	(548)	-	(548)
	6,271	28	9	291	70	5,000	5,111	(185)	16,595	572	17,167
Net income (as restated)							523		523	(9)	514
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	523	-	523	(9)	514
Appropriations						2,000	(2,000)		-	-	-
At June 30, 2018 (Unaudited)	₱6,271	₱28	₱9	₱291	₱70	₱7,000	₱3,634	(₱185)	₱17,118	₱563	₱17,681

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

(Amounts in Millions)

	January 1 to June 30	
	2019 Unaudited	2018 As restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱1,778	₱1,345
Adjustments for:		
Interest income	(660)	(776)
Depreciation and amortization	351	283
Interest expense	84	198
Share in net losses (income) of joint venture	(144)	(133)
Pension costs	83	27
Operating income before working capital changes	1,491	944
Decrease (increase) in:		
Trade and other receivables	16,845	(1,395)
Contract assets	(13,762)	-
Real estate inventories	832	909
Advances to contractors	(232)	300
Other current assets	(83)	(929)
Increase (decrease) in:		
Trade and other payables	(2,141)	(1,473)
Net cash generated from operations	2,950	(1,644)
Income taxes paid	(513)	(455)
Interest paid	(624)	(520)
Net cash provided by operating activities	1,811	(2,618)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(670)	(242)
Investment properties	(872)	(911)
Investment in joint venture	119	-
Land held for future development	-	(147)
Interest received	35	12
Net cash used in investing activities	(1,387)	(1,289)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Bank loans	(2,536)	(1,087)
Installment Payable	14	13
Availments of loans and borrowings	1,685	3,795
Increase in deposits and other liabilities	611	498
Net cash provided in financing activities	(226)	3,218
NET DECREASE IN CASH AND CASH EQUIVALENTS	199	(690)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,055	2,563
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱2,254	₱1,873

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

On June 28, 2012 and July 27, 2012, FPH purchased additional shares of the Company from Beacon Electric Asset Holdings, Inc. and San Miguel Corporation, respectively. As of June 30, 2019, FPH owns 86.58% of the Company.

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

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

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

Primaries Properties Sales Specialist Inc., a wholly owned subsidiary of the Company, was incorporated on November 2012 primarily to act as the sales and marketing arm of Rockwell Primaries.

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

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

The Company entered into a Joint Venture Agreement with Mitsui Fudosan (Asia) Pte. Ltd. (Mitsui) to develop the residential component of its project in Quezon City called “the Arton by Rockwell”. In accordance with the Agreement, Rockwell MFA Corp. (RMFA) was incorporated on August 2017 by the Company and Mitsui through SEAI Metro Manila One, Inc. (MFAP) to handle the development of the Project. The Company owns 80% interest of RMFA as at June 30, 2019.

The Company also has 76.3% ownership in Rockwell Leisure Club Inc. (RLCI). RLCI is a non-profit premier leisure club created to complement Rockwell Land’s exclusive lifestyle concept. Opened in December 1999, RLCI offers its resident members and proprietary shareholders a first-class social, sports and recreational facility within the Rockwell Center.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale investments that 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 (PFRS). PFRS also includes Philippine Accounting Standards (PAS), including Interpretations issued by the Financial Reporting Standards Council (FRSC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Rockwell Land and its subsidiaries (collectively referred to as 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 statement of financial position, separately from equity attributable to equity holders of the Parent Company.

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

Subsidiaries	Nature of Business	Percentage of Ownership as of June 30, 2019
Rockwell Integrated Property Services, Inc.	Service provider	100%
Rockwell Primaries Development Corporation (Rockwell Primaries)	Real estate development	100%
Stonewell Property Development Corporation	Real estate development	100%
Primaries Properties Sales Specialists Inc.	Marketing	100%
Rockwell Leisure Club Inc	Leisure club	76.3%
Rockwell Hotels & Leisure Management Corp	Hotel management	100%
Retailscapes Inc.	Commercial Development	100%
Rockwell Primaries South Development Corporation (formerly ATR KimEng Land, Inc.)	Real Estate Development	60%
Rockwell MFA Corp. (Rock MFA)*	Real Estate Development	80%

* Incorporated in August 2017

All subsidiaries are incorporated in the Philippines.

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

3. Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following amended PAS and PFRS which were adopted effective beginning January 1, 2018. Except as otherwise indicated, adoption of the new standards and amendments has no significant impact on the Group's consolidated financial statements.

- PFRS 15 supersedes PAS 11 *Construction Contracts*, PAS 18 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

On February 14, 2018, the Philippines Interpretation Committee (PIC) issued PIC Q&A 2018-12 (PIC &A) which provides guidance on some implementation issues of PFRS 15 affecting real estate industry. On October 25, 2018 and February 8, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC Memorandum Circular No. 14 Series of 2018 and SEC Memorandum Circular No. 3, Series of 2019, respectively, providing relief to the real estate industry by deferring the application of the following provisions of the above PIC Q&A for a period of 3 years:

- a. Exclusion of land and uninstalled materials in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
- b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
- c. Accounting to Common Usage Service Area (CUSA) Charges discussed in PIC Q&A No. 2018-12-H

Under the same SEC Memorandum Circular No. 3, Series of 2019, the adoption of PIC Q&A No. 2018-14: PFRS 15 – Accounting for Cancellation of Real Estate Sales was also deferred.

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 in the financial statements had the concerned application guideline 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.

Except for the CUSA charges discussed under PIC Q&A No. 2018-12-H which applies to leasing transactions, the above deferral will only be applicable for real estate sales transactions.

Effective January 1, 2021, real estate companies will adopt PIC Q&A No. 2018-12 and PIC Q&A No. 2018-14 and any subsequent amendments thereof retrospectively or as the SEC will later prescribe.

The Group availed of the deferral of adoption of the above specific provisions of PIC Q&A, except for the exclusion of land in the determination of POC as the provision is consistent with the Group's practice. Had these provisions been adopted, it would have the following impact in the financial statements:

- a) The exclusion of uninstalled materials in the determination of POC would reduce the percentage of completion of real estate projects resulting in a decrease in retained earnings as at January 1, 2018 as well as a decrease in the revenue from real estate sales in 2018.
- b) The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments explicit in the contract to sell would constitute a significant financing component. Interest income would have been recognized for contract assets and interest expense for contract liabilities using effective interest rate method and this would have impacted retained earnings as at January 1, 2018 and the revenue from real estate sales in 2018. Currently, any significant financing component arising from the mismatch discussed above is not considered for revenue recognition purposes.
- c) The Group is acting as a principal for the provision of air-conditioning services, common use service services and administration and handling services. This would have resulted to the gross presentation of the related revenue and the related expenses and cost. Currently, the related revenue is presented net of costs and expenses. These would not result to any adjustment in the retained earnings as at January 1, 2018 and net income.
- d) Upon sales cancellation, the repossessed inventory would be recorded at fair value plus cost to repossess (or fair value less cost to repossess if this would have been opted). This would have increased retained earnings as at January 1, 2018 and gain from repossession in 2018. Currently, the Group records the repossessed inventory at cost.

The Group adopted PFRS 15 using the modified retrospective method of adoption with the date of initial application of January 1, 2018. Under the modified retrospective method, the standard can be applied either to those contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to those contracts not completed as at January 1, 2018. The cumulative effect of initially applying PFRS 15 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PAS 11, PAS 18 and related Interpretations.

▪ PFRS 16, *Leases*

PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

Early application is permitted, but not before an entity applies PFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group applied the modified retrospective approach upon adoption of PFRS 16 on January 1, 2019 and applied the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC 4, *Determining whether an Arrangement contains a Lease*. The Group, therefore, did not apply the standard to contracts that were not previously identified as containing a lease applying PAS 17 and Philippine Interpretation IFRIC 4.

The Group elected to use the exemptions provided by the standard on lease contracts for which the lease terms ends within 12 months as at the date of initial application, and lease contracts for which the underlying asset is of low value.

The cash flows from operating activities have increased and cash flows from financing cash flows decreased as repayment of the principal portion of the lease liabilities were classified as cash flows from financing activities. In addition, total assets and total liabilities have increased due to the recognition of right-of-use asset and lease liability. The accounting for operating leases where we act as the lessee will significantly change due to the adoption of PFRS 16.

Upon adoption of PFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of 'low-value' assets. The standard provides specific transition requirements and practical expedients, which the Group have applied.

Leases previously accounted for as operating leases

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of 'low-value' assets. The right-of-use assets were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rates at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein the Group:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- Elected not to separate non-lease components from lease components and accounted them as single lease component.

Based on the foregoing, as at January 1, 2019:

- Right-of-use assets of ₱732 million were recognized and presented separately under Investment Property account in the consolidated statement of financial position.
 - Lease liabilities of ₱736 million were recognized and presented separately in the consolidated statement of financial position.
- PFRS 9 *Financial Instruments* replaces PAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied PFRS 9 using the modified retrospective method of adoption, with an initial application date of January 1, 2018. The Group has not restated the comparative information, which continues to be reported under PAS 39. The adoption of PFRS 9 did not have material impact on the consolidated financial statements.

(a) Classification and measurement

Under PFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, January 1, 2018 and then applied retrospectively to those financial assets that were not derecognized before January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PFRS 9 did not have a significant impact to the Group. The Group continued measuring at amortized cost all financial assets previously carried at amortized cost and continued measuring at fair value all financial assets previously held at fair value under PAS 39.

The following are the changes in the classification of the Group's financial assets:

- Cash and cash equivalents, trade receivables and refundable deposits classified as loans and receivables as at December 31, 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortized cost beginning January 1, 2018.
- Equity investments classified as available-for-sale financial assets as at December 31, 2017 are classified and measured as financial assets designated at fair value through other comprehensive income (FVOCI) beginning January 1, 2018.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

b) Impairment

The adoption of PFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the Group to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected net cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For installment contracts receivables (ICR) presented under trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. 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 vintage that is

based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group used the vintage analysis accounts for expected credit losses by calculating the cumulative loss rates of a given ICR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

In addition to life of loan loss data, primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on growth rates of Consumer Price Index (“CPI”), and Household Final Consumption Expenditure (“HFCE”) for individual accounts, and growth rate of CPI Housing Philippines for corporate accounts were added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points.

The key inputs in the model include the Group’s definition of default and historical data of four to eight years for the origination, maturity and default dates. The Group considers an ICR in default when monthly payment of individual customers is 90 days past due (i.e., issuance of final notice of cancellation “FNOC”), or when monthly payment of corporate customers is 30 days past due, and there is an issuance of FNOC.

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 amounts in full before taking into account any credit enhancements held by the Group.

The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, net of cash outflows. For purposes of calculating loss given default, accounts are segmented per project, and per completion status. In calculating the recovery rates, the Group considered subsequent cash collections once resold, or as-if deemed sale fair value if not yet resold, net of direct costs of obtaining and selling the real estate properties after the default event such as remaining costs to complete, payment/refund required under Maceda law and refunds as deemed necessary by management.

As these are future cash flows, these are discounted back to the time of default using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

For cash and cash equivalents, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Group applies the low credit risk simplification in determining significant increase in credit risk since initial recognition. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group’s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor’s

(S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Upon adoption of PFRS 9 the Group did not recognize additional impairment on the Group's cash and cash equivalents and trade receivables. The adjustment in the impairment of cash and cash equivalents and trade receivables as a result of the adoption of PFRS 9 does not significantly impact the financial statements as at December 31, 2018

The ending impairment allowance in the Group's financial assets in accordance with PAS 39 is the same with the opening loss allowances determined in accordance with PFRS 9.

Under PFRS 9, the level of provision for credit and impairment losses did not increase after incorporation of forward-looking information in determining provisions. Further, since the implementation of PFRS 9, all financial assets except installment contract receivables are assessed for at least 12-month ECL and the population of financial assets to which the lifetime ECL applies is larger than the population for which there is objective evidence of impairment in accordance with PAS 39.

- *Amendments to PFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions*

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

The Group is currently assessing the potential effect of the amendments on its consolidated financial statements.

Amendments to PFRS 4, Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4

The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

The amendments are not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

- *Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)*

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in

associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

Since the Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements upon adoption of these amendments.

- Philippine Interpretation IFRIC-22, *Foreign Currency Transactions and Advance Consideration*

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Since the Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements upon adoption of this interpretation.

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Group is currently assessing the impact of adopting this interpretation.

Deferred effectivity

- Amendments to PFRS 10 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, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Receivables / Payables

(Amounts in Millions)

Aging of Receivables as of June 30, 2019:

	Neither Past Due or Impaired	Past Due but not Impaired				Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	
Sale of Condominium Units	₱19,032	₱32	₱26	₱2	₱360	₱19,452
Lease	334	23	13	6	9	385
Advances to officers and employees	59	-	-	-	-	59
Others	291	-	-	-	-	291
Total Receivable	₱19,716	₱55	₱39	₱8	₱369	₱20,187

Aging of Payables as of June 30, 2019:

	Due within 3 months	Due Between 3 to 12 months	Total
Trade and Other Payables	₱1,258	₱6,602	₱7,860
Security Deposit (Current Portion)	66	188	254
Retention Payable (Current Portion)	98	22	120
Deferred Lease Income (Current Portion)	70	47	117
Total Payable	₱1,492	₱6,859	₱8,351

5. Trade and Other Payables

(Amounts in Millions)

The trade and other payables as of June 30, 2019 is broken down as follows:

Accrued project costs	2,267
Trade	1,140
Deferred Output VAT	1,173
Accrued expenses	248
Contract liabilities:	
Excess of collections over recognized receivables	1,066
Deposits from pre-selling of condominium units	1,901
Advance payments from members and customers	14
Current portion of:	
Retention Payable	120
Security deposits	254
Deferred lease income	117
Others	51
Total	8,351

6. Interest-bearing Loans & Borrowings

(Amounts in Millions)

This account consists of:

	June 30, 2019	December 31, 2018
Current		
Corporate notes	₱2,328	₱1,612
Term loan	1,140	836
Notes/ CTS loans payable	2,100	955
Short Term Loans	<u>1,000</u>	<u>1,800</u>
	6,568	5,203
Less unamortized loan transaction costs	43	29
Total Current Interest – bearing Loans & Borrowings	₱6,525	₱5,174
Noncurrent		
Corporate notes	₱ -	₱1,528
Bonds payable	5,000	5,000
Term loan	8,458	8,911
Notes/ CTS loans payable	<u>3,423</u>	<u>3,658</u>
	16,881	19,097
Less unamortized loan transaction costs	14	44
Total Noncurrent Interest – bearing Loans & Borrowings	₱16,867	₱19,053
Total Interest-bearing Loans & Borrowings	₱23,392	₱24,227

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

<i>Amounts (gross of unamortized cost)</i>	June 30, 2019				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	₱6,404	₱7,661	₱2,903	₱5,126	₱22,094
<i>Floating Rate</i>					
Interest-bearing loans and borrowings	164	164	164	863	1,355
Total	₱6,568	₱7,825	₱3,067	₱5,989	₱23,449

<i>Amounts (gross of unamortized cost)</i>	December 31, 2018				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	₱5,040	₱4,117	₱8,117	₱5,589	₱22,863
<i>Floating Rate</i>					
Interest-bearing loans and borrowings	163	164	164	946	1,437
Total	₱5,203	₱4,281	₱8,281	₱6,535	₱24,300

Issuances, Repurchases and Repayments of Debt and Equity Securities January-June 2019

Issuances of Debt and Equity Securities / New Financing through Loans

<u>Nature</u>	<u>Amount (in mm)</u>
CTS Financing	₱ 1,285
Short-term Loans	<u>400</u>
Total	₱ 1,685

Repayment of Debt and Equity Securities

<u>Nature</u>	<u>Amount (in mm)</u>
Short-term Loans	₱ 1,000
Corporate notes	767
CTS Financing	456
Term Loans	<u>313</u>
Total	₱ 2,536

P5.0 Billion Fixed Rate Bonds due on 2021

<u>(In pesos)</u>	<u>ESTIMATED PER PROSPECTUS</u>	<u>ACTUAL</u>
Issue Amount	₱5,000,000,000	₱5,000,000,000
Less: Expenses		
Documentary Stamp Tax	25,000,000	25,000,000
Underwriting Fee	15,000,000	15,000,000
Professional Expenses & Agency Fees	9,725,000	6,522,471
SEC Registration Fee and Legal Research Fee	1,830,625	1,830,625
Listing Application Fee	100,000	100,000
Out of Pocket Expenses (printing & publication)	935,000	173,450
<u>Total Expenses</u>	<u>52,590,625</u>	<u>₱48,626,546</u>
<u>Net Proceeds</u>	<u>₱4,947,409,375</u>	<u>₱4,951,373,454</u>

Balance of Proceeds as of June 30, 2019

Rockwell Land Corporation raised from the Bonds gross proceeds of ₱5.0 billion. After issue-related expenses, actual net proceeds amounted to ₱4.95 billion. Net proceeds were used to partially fund residential and commercial projects. Balance as of June 30, 2019 amounted to nil.

7. Segment Information

(Amounts in Millions)

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

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

The Group manages its operations under the following business segments:

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

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

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

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

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

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

Business Segments

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

	June 30, 2019 (Unaudited)			
	Residential Development	Commercial Development	Hotel	Total
Revenue	₱ 5,617	₱ 1,184	₱ 126	₱ 6,927
Costs and expenses	(4,391)	(367)	(103)	(4,861)
Share in net income of joint venture	–	144	–	144
Other income-net	1	–	–	1
EBITDA	1,227	961	23	2,211
Depreciation and amortization				(351)
Interest expense				(84)
Provision for income tax				(521)
Consolidated Net Income				₱ 1,257

	June 30, 2018 (As restated)			
	Residential Development	Commercial Development	Hotel	Total
Revenue	₱ 6,973	₱ 935	₱ 132	₱ 8,040
Costs and expenses	(5,806)	(434)	(110)	(6,350)
Share in net income of joint venture	–	133	–	133
Other income-net	3	–	–	3
EBITDA	1,170	633	22	1,826
Depreciation and amortization				(283)
Interest expense				(198)
Provision for income tax				(330)
Consolidated Net Income				₱ 1,015

The following tables present assets and liabilities information regarding the Group's residential and commercial development business segments as of June 30, 2019 and December 31, 2018:

	June 30, 2019 (Unaudited)			
	Residential Development	Commercial Development	Hotel	Total
Assets and liabilities:				
Segment Assets	₱ 35,723	₱ 202	₱ 330	₱ 36,255
Investment Properties	1,018	12,315	–	13,333
Investment in Joint Venture and Associate	450	2,906	–	3,356
Property & equipment	2,798	741	695	4,234
Total assets	₱ 39,989	₱ 16,164	₱ 1,025	₱ 57,178
Segment liabilities	₱ 31,559	₱ 3,494	₱ 80	₱ 35,133
Deferred tax liabilities -net	1,499	–	–	1,499
Total liabilities	₱ 33,058	₱ 3,494	₱ 80	₱ 36,632

	December 31, 2018 (Audited)			
	Residential Development	Commercial Development	Hotel	Total
Assets and liabilities:				
Segment Assets	₱ 36,274	₱ 586	₱ 347	₱ 37,207
Investment Properties	1,018	11,499	–	12,517
Investment in Joint Venture and Associate	450	2,907	–	3,357
Property & equipment	2,457	736	707	3,900
Total assets	₱ 40,199	₱ 15,728	₱ 1,054	₱ 56,981
Segment liabilities	₱ 32,508	₱ 3,477	₱ 130	₱ 36,115
Deferred tax liabilities -net	1,578	–	–	1,578
Total liabilities	₱ 34,086	₱ 3,477	₱ 130	₱ 37,693

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

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

	June 30, 2019	June 30, 2018 (as restated)
Net income attributable to equity holders of the Parent Company	₱1,277.9	₱1,018.1
Dividends on preferred shares	(0.8)	(0.8)
Net income attributable to common shares (a)	₱1,277.1	₱1,017.3
Common shares at beginning of year	6,116,762,198	6,116,762,198
Weighted average common shares – basic (b)	6,116,762,198	6,116,762,198
Dilutive potential common shares under the ESOP	13,062,807	12,376,336
Weighted average common shares – diluted (c)	6,129,825,005	6,129,138,534
Per share amounts:		
Basic (a/b)	₱0.21	₱0.17
Diluted (a/c)	0.21	0.17

9. Fair Value Measurement

(Amounts in millions)

Fair Values

Set out below is a comparison by class of the carrying values and fair values of all the Group's financial instruments that are carried in the consolidated financial statements as of June 30, 2019 and December 31, 2018. There are no material unrecognized financial assets and liabilities as of June 30, 2019 and December 31, 2018.

	June 30, 2019				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment Properties	₱13,333	₱25,724	₱–	₱7,994	₱17,730
Investment in equity instruments at FVOCI	23	23	20	–	3
	₱13,356	₱25,747	₱20	₱7,994	₱17,733
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	₱23,392	₱23,226	₱–	₱–	₱23,226
Installment payable	586	618	–	–	618
Retention payable (including noncurrent portion)	1,268	1,248	–	–	1,248
Security deposits (including noncurrent portion)	430	397	–	–	397
	₱25,676	₱25,489	₱–	₱–	₱25,489

December 31, 2018					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment Properties	P12,517	P25,724	P–	P7,994	P17,730
Investment in equity instruments at FVOCI	23	23	20	–	3
	P12,540	P25,747	P20	P8,391	P17,733
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	P24,227	P21,888	P–	P–	P21,888
Installment payable	572	584	–	–	584
Retention payable (including noncurrent portion)	1,371	1,211	–	–	1,211
Security deposits (including noncurrent portion)	480	343	–	–	343
	P26,650	P24,026	P–	P–	P24,026

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

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

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

Interest-bearing Loans and Borrowings. The fair values of fixed rate loans were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 4.3% to 5.1% as at June 30, 2019 and 5.4% to 7.5% as at December 31, 2018.

Installment Payable. The fair value of installment payable were calculated by discounting the expected cash flows at prevailing credit adjusted BVAL interest rates ranging from 4.3% to 5.1% as at June 30, 2019 and 5.4% to 7.5% as at December 31, 2018.

Retention Payable and Security Deposits. The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 4.3% to 5.1% as at June 30, 2019 and 5.4% to 7.5% as at December 31, 2018.

Fair Value Hierarchy

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

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

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

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

10. Significant Financial Ratios

The significant financial ratios are as follows:

<i>As indicated</i>	For the 1st half ended June 30	
	2019	2018 (as restated)
ROA (*)	4.4%	4.0%
ROE (*)	12.6%	11.1%
	As of June 30, 2019	As of December 31, 2018
Current ratio (<i>x</i>)	2.03	2.19
Debt to equity ratio (<i>x</i>)	1.14	1.26
Net debt to equity Ratio (<i>x</i>)	1.03	1.15
Asset to equity ratio (<i>x</i>)	2.78	2.95
Interest coverage ratio (<i>x</i>)	3.54	3.85

Notes:

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

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

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

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

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

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

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

* ROA and ROE are annualized figures

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

RESULTS OF OPERATIONS:

For the 1st half ended 30 June 2019 and 2018 (as restated)

Rockwell Land Corporation ("the Group") registered Php6,927 million in consolidated revenues, lower by 14% from last year's Php8,040 million. Residential development accounted for 81% of the total revenues in 2019, slightly lower than last year's 87% due to a higher contribution from commercial revenues.

To make the financial statement comparable, the 2018 figures were restated to reflect the impact of PFRS 15 which were not yet reflected last year. Changes were mainly on recognition of Cost of Real Estate and Selling and Marketing Expenses.

Total EBITDA reached Php2,211 million, 21% higher than last year's Php1,826 million primarily driven by strong performance of commercial segment. Overall EBITDA margin registered at 32% of total revenues, which is higher compared to last year's 22%. The total revenues used as basis for the EBITDA margin excludes gross revenues from the joint venture with Meralco as the latter is reported separately under "Share in Net Losses (Income) in JV". Share in net income in the joint venture contributes 7% to the Company's total EBITDA.

Residential development, commercial development and hotel contributed 55%, 43% and 1% to the total EBITDA, respectively.

Net income after tax registered at Php1,257 million, up by 24% from last year's Php1,015 million. NIAT margin is at 18%, higher than the same period in 2018.

Business Segments

Residential Development generated Php5,617 million, contributing 81% of the total revenues for the period. Bulk of the revenues came from the sale of condominium units, including accretion from interest income.

EBITDA from this segment amounted to Php1,227 million, 5% higher than the same period last year at Php1,170 million attributable to lower cost of sales and offset by lower construction accomplishment for the period of Proscenium and Vantage.

Commercial Development revenues amounted to Php1,183 million, 27% higher than 2018's Php935 million mainly driven by higher occupancy of Power Plant Mall Expansion, RBC Sheridan and Santolan Town Plaza. This segment contributed 17% of total revenues excluding the share in the joint venture with Meralco for the Rockwell Business Center in Ortigas, Pasig City.

Retail Operations accelerated to Php664 million driven by higher leased area and effective rate of mall expansion, accounting for 12% of total revenues. Retail operations include retail leasing, interest income and other mall revenues. Cinema Operations also generated Php145 million which is 2% of total revenues. Cinema operations include Cinema ticket and snackbar sales and other cinema revenues. Office Operations generated Php374 million which is equivalent to 5% of the total revenues. Office operations include office leasing, sale of office and other office revenues.

The segment's EBITDA amounted to Php961 million, higher by 52% from the same period last year. This includes the share in net income in the joint venture amounting to Php144 million, contributing 7% to the segment's EBITDA.

Hotel Operations contributed 2% of the total revenues. Revenues amounted to Php126 million, while EBITDA slightly increased by 5% from Php22 million to Php23 million.

Costs and Expenses

Cost of real estate and selling amounted to Php4,223 million. The cost of real estate and selling to total revenue ratio is at 61%, lower than last year's 70%, due to lower cost ratio from Proscenium and The Vantage.

General and administrative expenses (G&A) amounted to Php986 million, almost at par with the same period last year.

Interest Expense amounted to Php84 million, lower by 57% than last year's Php198 million. The decrease was mainly due to higher capitalized interest for residential development and hotel projects.

Share in Net Income (Losses) in JV realized share in net income of RBC amounting to Php144 million, an 8% growth from last year's income of Php133 million due to higher revenues and reimbursable charges. At its 70% share, the Company generated total revenues of Php252 million and share in net income of Php144 million. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Project and capital expenditures

The Group spent a total of Php4.7 billion for project and capital expenditures for the first six months of 2019. Bulk of the expenditures pertained to development costs, mainly that of Proscenium.

Financial Condition

The Group's total assets as of June 30, 2019 amounted to Php57.2 billion, which increased by Php0.2 billion from 2018's year-end amount of Php57.0 billion. On the other hand, total liabilities amounted to Php36.6 billion, lower than 2018's Php37.7 billion. The increase in total assets was mainly from higher investments properties, while the decrease in total liabilities was mainly from interest bearing loans and borrowings.

Current ratio as of June 30, 2019 increased to 2.03x from 2.19x as of end 2018. Net debt to equity ratio is at 1.03x as of June 30, 2019, lower than 2018's yearend ratio of 1.15x.

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

Statement of Comprehensive Income Items – 1st Half 2019 vs. 1st Half 2018

23% decrease in Sale of Condominium Units

Mainly due to lower construction accomplishment of Proscenium and The Vantage and lower sales booking of The Grove.

36% increase in Lease Income

Mainly driven by additional leased area from RBC Sheridan, Santolan Town Plaza and the expansion of Power Plant Mall and higher effective rate of retail projects.

6% increase in Cinema Revenues

Attributable to increased ticket prices and higher ticket sales from Santolan Town Plaza Cinema.

26% increase in Other Revenues

Due to higher revenues from secondary sales and parking income.

27% decrease in Cost of Real Estate

Primarily due to lower construction accomplishment of Proscenium and The Vantage.

12% decrease in Selling Expenses

Due to lower marketing expense.

57% decrease in Interest Expense

Primarily due to higher capitalized interest expenses for residential development and hotel projects.

85% decrease in Foreign Exchange Gain

Due to lower collections denominated in U.S. dollars.

Statement of Financial Position items – June 30, 2019 vs. December 31, 2018

10% increase in Cash and Cash Equivalents

Primarily due to improved net cash from operations arising from turnover of Kirov and Sakura units.

12% decrease in Trade and Other Receivables

Primarily due to higher collections from Proscenium.

13% increase in Contract asset

Primarily due to reclassification from current to non-current.

7% decrease in Real Estate Inventories

Due to higher units sold from The Grove.

14% increase in Advances to Contractors

Primarily due to downpayment to contractors related to Mactan and Arton projects.

36% decrease in Other current assets

Mainly due to utilization of creditable withholding taxes.

7% increase in Investment Properties

Mainly due to adoption of PFRS16 and recognition of Right of Use asset.

9% increase in Property and Equipment

Mainly due to construction progress of Rockwell Hotel.

8% decrease in Trade and other payables

Due to various payments to supplier and contractors.

61% decrease in Pension Liability

Due to additional contribution to the Pension plan.

22% increase in Deposits and Other Liabilities

Primarily due to increase in customer deposits and retention payable.

24% increase in Retained Earnings

Due to net income after tax of P1,257 million for the first six months of 2019.

Key Performance Indicators

<i>As indicated</i>	For the 1st half ended June 30	
	2019	2019
ROA (*)	4.4%	4.0%
ROE (*)	12.6%	11.1%
	As of June 30, 2019	As of December 31, 2018
Current ratio (<i>x</i>)	2.03	2.19
Debt to equity ratio (<i>x</i>)	1.14	1.26
Net debt to equity Ratio (<i>x</i>)	1.03	1.15
Asset to equity ratio (<i>x</i>)	2.78	2.95
Interest coverage ratio (<i>x</i>)	3.54	3.85

Notes:

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

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

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

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

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

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

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

* ROA and ROE are annualized figures

PART II – OTHER INFORMATION

Item 3. Other Notes and Disclosures

1. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.	On July 19, 2019, BOD approved the declaration of a regular cash dividend of P0.0831 per share to all common shareholders of record as of August 02, 2019 and 6% per annum cumulative cash dividend from July 1, 2018 to June 30, 2019 to all preferred shareholders, payable on or before August 29, 2019.
2. The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.	None
3. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.	None
4. Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.	None
5. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	None
6. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.	None
7. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.	None
8. Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.	None
9. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.	None
10. Any significant elements of income or loss that did not arise from the registrant's continuing operations.	None

11. Any seasonal aspects that had a material effect on the financial condition or results of operations.	None
12. Disclosure not made under SEC Form 17-C.	None

Annex A

The stockholders, directors and officers of the Company, their respective number of Common Shares and the corresponding percentage of these Common Shares as of June 30, 2019 are as follows:

	Name of Stockholder	Relationship	No. of Shares	% of Total Outstanding Shares
1	First Philippine Holdings Corporation	Shareholder	5,296,015,375	86.58%
2	Manuel M. Lopez	Shareholder and Director	2,959,173	0.05%
3	Oscar M. Lopez	Shareholder and Director	174,898	0.00%
4	Federico R. Lopez	Director	1	0.00%
5	Nestor J. Padilla	Shareholder and Director	21,150,001	0.35%
6	Eugenio L. Lopez III	Director	1	0.00%
7	Miguel Ernesto L. Lopez	Shareholder and Director	243,694	0.00%
8	Francis Giles B. Puno	Shareholder and Director	5,656	0.00%
9	Oscar J. Hilado	Director	1	0.00%
10	Monico V. Jacob	Director	2	0.00%
11	Albert E. Del Rosario	Director	2,818	0.00%
12	Jose Valentin A. Pantangco, Jr.	Director	1	0.00%
13	Valerie Jane L. Soliven	Officer	28,000	0.00%
14	Maria Lourdes L. Pineda	Shareholder and Officer	141,272	0.00%
15	Ellen V. Almodiel	Officer	0	0.00%
16	Davy T. Tan	Officer	0	0.00%
17	Baldwin T. Chua	Officer	0	0.00%
18	Estela Y. Dasmariñas	Shareholder and Officer	1,882	0.00%
19	Adela D. Flores	Shareholder and Officer	4,340	0.00%
20	Angela Marie B. Pagulayan	Officer	0	0.00%
21	Jesse S. Tan	Officer	0	0.00%
22	Christine T. Coqueiro	Officer	0	0.00%
23	Geraldine B. Brillantes	Officer	0	0.00%
24	Rica L. Bajo	Officer	0	0.00%
25	Romeo G. Del Mundo, Jr.	Officer	0	0.00%
26	Jovie Jade Lim-Dy	Officer	0	0.00%
27	Enrique I. Quiason	Officer	3,575	0.00%
28	Esmeraldo C. Amistad	Officer	0	0.00%
29	Others (Public)	Shareholder	796,031,508	13.01%
			6,116,762,198	100.00%

Annex B

**ROCKWELL LAND CORPORATION
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER SRC RULE 68, AS AMENDED (2011)**

I. List of Philippine Financial Reporting Standards (PFRSs) [which consists of PFRSs, Philippine Accounting Standards (PASs) and Philippine Interpretations] effective as of June 30, 2019

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards	✓		
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions	✓		
PFRS 3	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓

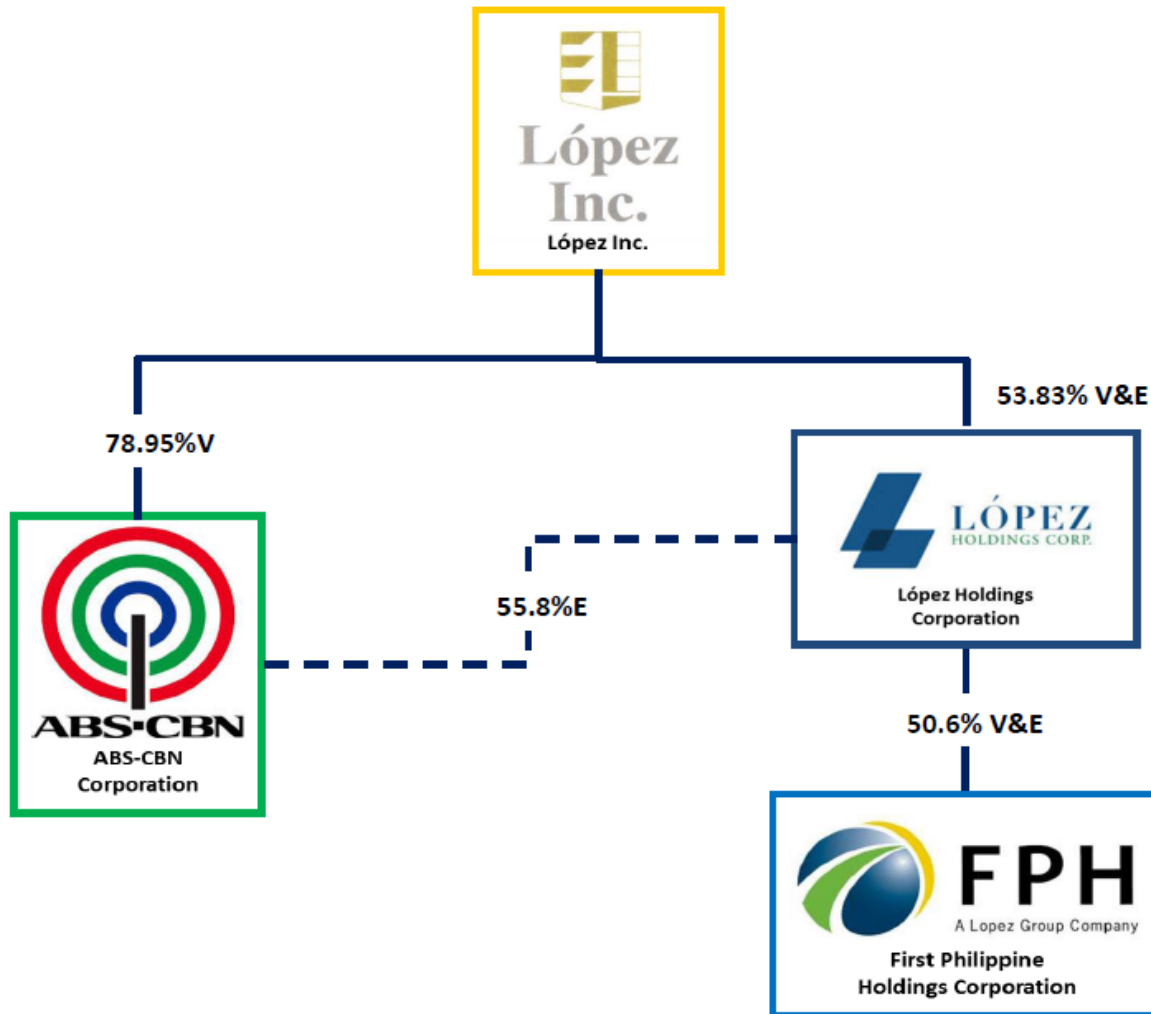
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS				
Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
PFRS 15	Revenue from Contracts with Customers	✓		
PFRS 16	Leases	✓		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes			✓
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 19	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
PAS 23	Borrowing Costs	✓		
PAS 24	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Separate Financial Statements	✓		
PAS 28	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS				
Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40, Transfers of Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
Philippine Interpretation IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
Philippine Interpretation IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✓
Philippine Interpretation IFRIC-4	Determining whether an Arrangement contains a Lease			✓
Philippine Interpretation IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
Philippine Interpretation IFRIC-6	Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment			✓
Philippine Interpretation IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Interpretation IFRIC-10	Interim Financial Reporting and Impairment	✓		
Philippine Interpretation IFRIC-12	Service Concession Arrangements			✓
Philippine Interpretation IFRIC-14	PAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
Philippine Interpretation IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
Philippine Interpretation IFRIC-17	Distributions of Non-cash Assets to Owners	✓		
Philippine Interpretation IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments			✓
Philippine Interpretation IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine			✓
Philippine Interpretation IFRIC-21	Levies			✓
Philippine Interpretation IFRIC-22	Foreign Currency Transactions and Advance Consideration			✓
Philippine Interpretation SIC-7	Introduction of the Euro			✓
Philippine Interpretation SIC-10	Government Assistance—No Specific Relation to Operating Activities			✓
Philippine Interpretation SIC-15	Operating Leases—Incentives			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2018		Adopted	Not Adopted	Not Applicable
Philippine Interpretation SIC-25	Income Taxes—Changes in the Tax Status of an Entity or its Shareholders			✓
Philippine Interpretation SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
Philippine Interpretation SIC-29	Service Concession Arrangements: Disclosures			✓
Philippine Interpretation SIC-32	Intangible Assets—Web Site Costs			✓

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
 As of June 30, 2019



**ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
As of June 30, 2019**




FPH
 A Lopez Group Company
 POWERED BY GOOD
 50.60%
 First Philippine Holdings

Power Generation

 67.11%
 First Gen Corporation

Property

ROCKWELL LAND
 86.58%
 Rockwell Land Corporation 100%
 Rockwell Integrated Property Services, Inc. 100%
 Primaries Development Corporation 60%
 Rockwell Primaries South Development Corp. 100%
 Stonewell Property Development Corporation 100%
 Primaries Properties Sales Specialists Inc. 76.4%
 Rockwell Leisure Club, Inc. 100%
 Rockwell Hotels and Leisure Management Corp. 100%
 Retailscapes Inc. 80%
 Rockwell-MFA Corp.

FIRST PHILIPPINE INDUSTRIAL PARK
 70.00%
 First Philippine Industrial Park, Inc. 100%

FIPMC
FPIP Property Developers and Management Corporation 100%

FUI
FPIP Utilities Incorporated 85.00%
Grand Batangas Resort Development Incorporated 40.52%
 First Batangas Hotel Corp. 100%
 First Industrial Township, Inc. 100%
 First Industrial Township Water, Inc.

Manufacturing

First Philec
 100%
 First Philippine Electric Corporation 99.15%
 Philippine Electric Corporation 100%
 First Philec, Inc. (formerly First Electro Dynamics Corp.) 100%

FPPS
FIRST PHILIPPINE POWER SYSTEMS 100%

FIRST PHILEC MANUFACTURING TECHNOLOGIES CORPORATION 100%

FIRST PHILEC SOLAR CORPORATION 89.04%
 First Philec Solar Corporation 100%

Cleantech Energy Holdings Pte. Ltd. 100%
 Cleantech Energy Holdings PTE, Ltd.
 First PV Ventures Corporation 100%










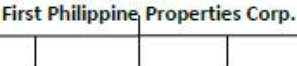

FIRST PHILEC GEN/INT'L CORPORATION 70.00%
 First Philec Nexolon Corporation 100.00%
 First Philec Energy Solutions, Inc.

FPI SOLUTIONS 100%
 First Philec Solar Solutions 100%
 MHE-DEMAG (P), Inc. 25%

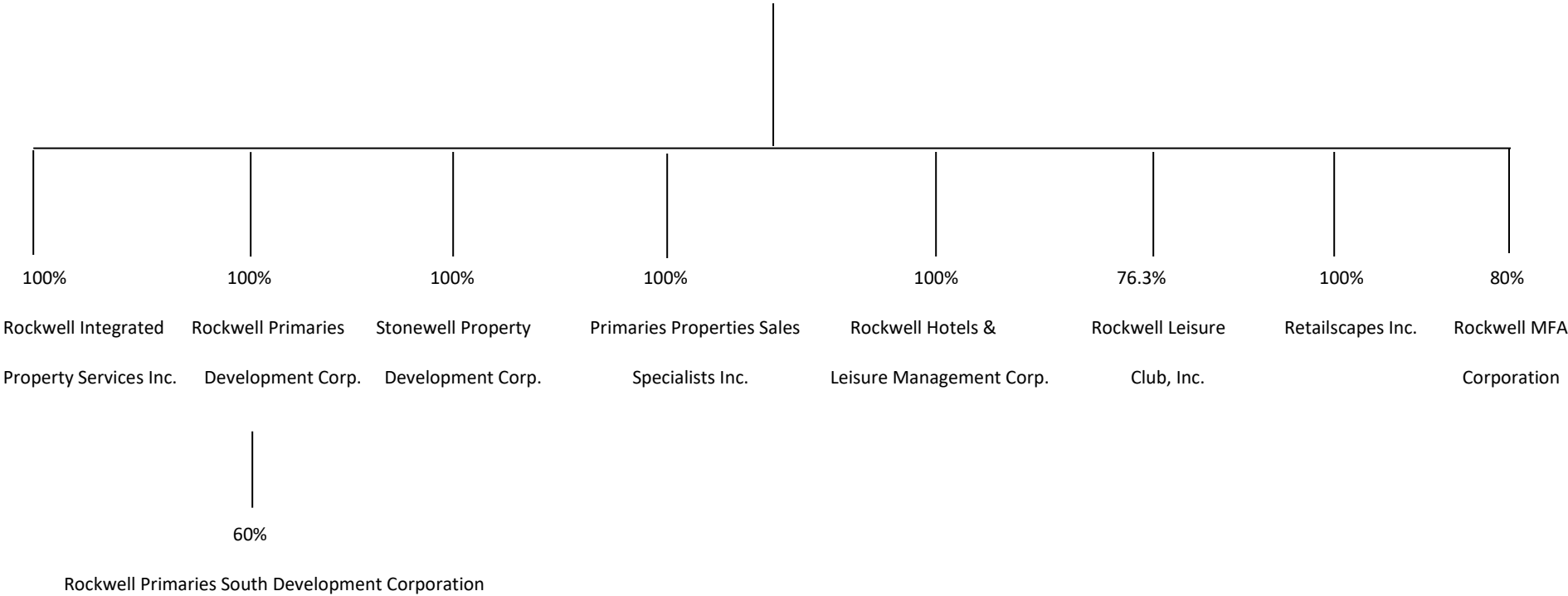
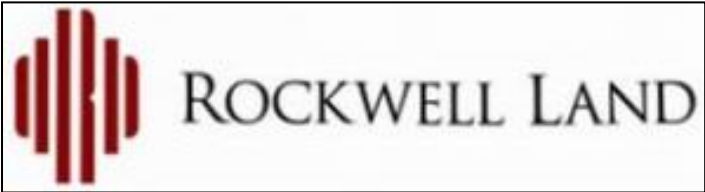
Power Distribution
 30.00%

PECO
 Panay Electric Company
 3.94%

MERALCO
 Manila Electric Company

Other Businesses

First Balfour
 100%
 First Balfour, Inc.
 100.00%
 First Philippine Industrial Corporation

FPIC
 100%
 Torreverde Corp.
 100%
 ThermaPrime Drilling Corporation

ThermaPrime
 100%
 Therma One Transport Corporation
 68.30%
 Asian Eye Institute, Inc.

ASIAN EYE INSTITUTE
 100%
 First Philippine Realty Corporation

First Philippine Realty Corporation
 98.00%
 FPHC Realty and Development Corporation

ASIAN EYE INSTITUTE
 100%
 First Philippine Realty Corporation

First Philippine Realty Corporation
 100%
 First Philippine Utilities Corporation
 100%
 PI Health Inc.
 100%
 PI Energy Inc.
 100%
 FPH Capital Resources Inc.
 100%
 FPH Fund
 100%
 FPH Ventures

FIRST INDUSTRIAL SCIENCE & TECHNOLOGY SCHOOL
 100%
 First Industrial Science & Technology School, Inc.

FPI ENERGY
 100%
 FP Island Energy Corp.
 100%
 FGHC International

FIRST PHILIPPINE PROPERTIES CORP.
 100%
 100%
 FPH Land Ventures Inc.
 67%
 TerraPrime, Inc.

TERRAPRIME
 100%
 First Industrial Township Utilities, Inc.
 100%
 First Philippine Dev't Corp.
 100%
 FWV Biofields Corp.
 60%
 First Sumiden Realty, Inc.
 100%
 Legacy Homes Inc.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
As of June 30, 2019



SIGNATURE

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

Issuer: ROCKWELL LAND CORPORATION

By:

A handwritten signature in blue ink, appearing to read "E. Almodiel".

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

Date: August 14, 2019