COVER SHEET

SEC Registration Number

62893

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
17-Q		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
45,517 (as of 31 Oct 2023)	June 14, 2023	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.

.

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)

September 30, 2023

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-QA

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

- For the quarterly period ended **September 30, 2023**
- Commission Identification Number **62893**
- BIR Tax Identification Number **004-710-062-000**
- Exact name of issuer as specified in its charter: **ROCKWELL LAND CORPORATION**
- Province, country or other jurisdiction of incorporation or organization: **Philippines**
- Industry Classification Code: _____________ (SEC Use Only)
- Address of issuer's principal office and postal code:
  2F , 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City 1200
  - Issuer's telephone number, including area code: **(632) 793-0088**
- Former name, former address, former fiscal year, if changes since last report:
  The Garage at Rockwell Center, Estrella St. Makati City 1200
- Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each class	Number of shares issued and outstanding
Common shares	**6,116,762,198**

Amount of Debt Outstanding
Php26,538,032,600 (as of September 30, 2023)

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

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

- Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes **[X]** No **[ ]**

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes **[X]** No [ ]

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions)

	September 30, 2023	December 31, 2022
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	**₱5,137**	₱3,518
Trade and other receivables	**2,199**	3,918
Contract asset	**9,665**	12,025
Real estate inventories	**21,197**	17,981
Advances to contractors	**2,062**	1,814
Other current assets	**4,523**	3,482
Total Current Assets	**44,783**	42,738
Noncurrent Assets		
Investment properties – net	**14,419**	14,667
Property and equipment – net	**2,548**	2,154
Investment in joint venture and associate	**5,757**	5,878
Contract asset – net of current portion	**5,545**	3,745
Investment in equity instruments at FVOCI	**37**	37
Deferred tax assets	**189**	107
Other noncurrent assets	**803**	328
Total Noncurrent Assets	**29,298**	26,916
Total Assets	**₱74,081**	₱69,654
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	**₱8,071**	₱9,525
Current portion of interest-bearing loans and borrowings	**2,768**	2,833
Subscription Payable	**1,179**	1,179
Total Current Liabilities	**12,018**	13,537
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion	**23,621**	22,260
Subscription payable – net of current portion	**1,743**	1,743
Deferred tax liabilities	**1,522**	1,476
Lease liability	**701**	650
Pension liability - net	**13**	72
Deposits and other liabilities	**2,606**	2,353
Total Noncurrent Liabilities	**30,206**	28,554
Total Liabilities	**₱42,224**	**₱42,091**
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	**6,271**	6,271
Additional paid-in capital	**28**	28
Other comprehensive income	**21**	21
Other equity adjustments	**540**	540
Share-based payments	**70**	70
Retained earnings		
Appropriated	**11,700**	11,700
Unappropriated	**9,035**	6,974
	27,665	25,604
Less cost of treasury shares	**(185)**	(185)
Total Equity Attributable to Equity Holders of the Parent Company	**27,480**	25,419
Non-controlling interests	**4,377**	2,144
Total Equity	**₱31,857**	₱27,563
Total Liabilities and Equity	**₱74,081**	₱69,654

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amount in Millions)

	2023 Unaudited		2022 Unaudited	
	July 1 to September 30	January 1 to September 30	July 1 to September 30	January 1 to September 30
REVENUE				
Sale of real estate	₱3,361	₱8,519	₱ 3,364	₱ 8,759
Interest income	535	1,541	418	1,096
Lease income	565	1,668	503	1,372
Others	571	1,597	454	1,244
	5,032	13,325	4,739	12,471
EXPENSES				
Cost of real estate	2,510	6,473	2,862	6,926
General and administrative expenses	569	1,634	508	1,394
Selling expenses	319	849	272	747
	3,398	8,956	3,642	9,067
INCOME BEFORE OTHER INCOME (EXPENSES)	1,634	4,369	1,097	3,404
OTHER INCOME (EXPENSES)				
Interest expense	(405)	(1,155)	(295)	(902)
Share in net income of joint venture	112	320	102	297
Foreign exchange gain - net	2	1	16	25
	(291)	(834)	(177)	(580)
INCOME BEFORE INCOME TAX	1,343	3,535	920	2,824
PROVISION FOR INCOME TAX	308	796	203	630
NET INCOME	1,035	2,739	717	2,194
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME	1,035	2,739	717	2,194
Net Income Attributable to:				
Equity holders of the Parent Company	964	2,523	693	2,000
Non-controlling Interests	71	216	24	194
TOTAL	1,035	2,739	717	2,194
Total Comprehensive Income Attributable to:				
Equity holders of Rockwell Land Corporation	964	2,523	693	2,000
Non-controlling Interests	71	216	24	194
TOTAL	1,035	2,739	717	2,194
Basic/Diluted Earnings per Share (Note 8)	0.16	0.41	0.11	0.33

See accompanying Notes to Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Millions)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock	Additional Paid-in Capital	Other comprehensive income	Other Equity Adjustments	Share-based Payments Plan	Retained Earnings		Treasury Shares	Total	Equity Attributable to Non-Controlling Interests	Total Equity
						Appropriated	Unappropriated				
At December 31, 2022 (Audited)	**6,271**	**28**	**21**	**540**	**70**	**11,700**	**6,974**	**(185)**	**25,419**	**2,144**	**27,563**
Net income							**2,523**		**2,523**	**216**	**2,739**
Other comprehensive income (loss)							**-**		**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,523**		**2,523**	**216**	**2,739**
Cash Dividends							**(462)**		**(462)**		**(462)**
Subsidiary's payment of dividends to NCI										**(218)**	**(218)**
Subsidiary's purchase of preferred shares from NCI										**(285)**	**(285)**
Acquisition of non-controlling interest										**2,520**	**2,520**
At September 30, 2023 (Unaudited)	**6,271**	**28**	**21**	**540**	**70**	**11,700**	**9,035**	**(185)**	**27,480**	**4,377**	**31,857**
At December 31, 2021 (Audited)	**6,271**	**28**	**14**	**540**	**70**	**9,700**	**6,882**	**(185)**	**23,320**	**2,661**	**25,981**
Net income							**2,000**		**2,000**	**194**	**2,194**
Other comprehensive income (loss)											
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,000**		**2,000**	**194**	**2,194**
Subsidiary's payment of dividends to NCI										**(146)**	**(146)**
Subsidiary's purchase of preferred shares from NCI										**(293)**	**(293)**
At September 30, 2022 (Unaudited)	**6,271**	**28**	**14**	**540**	**70**	**9,700**	**8,882**	**(185)**	**25,320**	**2,416**	**27,736**

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Millions)

	January 1 to September 30	
	2023 Unaudited	**2022 Unaudited**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,535**	₱2,824
Adjustments for:		
Interest income	**(1,282)**	(1,082)
Depreciation and amortization	**598**	547
Interest expense	**1,153**	902
Share in net income of joint venture	**(320)**	(297)
Pension costs	**129**	57
Operating income before working capital changes	**3,813**	2,951
Decrease (increase) in:		
Trade and other receivables	**3,731**	1,276
Contract assets	**1,381**	(912)
Real estate inventories	**(4,116)**	1,923
Advances to contractors	**(261)**	(208)
Other current assets	**569**	(1,357)
Increase (decrease) in:		
Trade and other payables	**(1,642)**	1,789
Increase in deposits and other liabilities	**210**	(182)
Net cash generated from operations	**3,685**	5,280
Income taxes paid	**(1,081)**	(546)
Interest paid	**(1,075)**	(804)
Net cash provided by operating activities	**1,529**	3,930
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	**(231)**	(145)
Investment properties	**(167)**	(375)
Investment in joint venture	**441**	391
Interest received	**101**	7
Net cash used in investing activities	**144**	(122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Bank loans	**(2,190)**	(3,939)
Dividends	**(462)**	-
Advances to non-controlling interest	**(400)**	-
Subsidiary's payment of dividends to non-controlling interest	**(218)**	(146)
Subsidiary's redemption of preferred shares from non-controlling interest	**(285)**	(293)
Availments of loans and borrowings	**3,500**	1,329
Net cash provided by (used in) financing activities	**(55)**	(3,049)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**1**	2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,619**	761
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,518**	2,785
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱5,137**	₱3,546

See accompanying Notes to Financial Statements

1. Corporate Information

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

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

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

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

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

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

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

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

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

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

The Company entered into a Joint Venture Agreement with Mitsui Fudosan (Asia) Pte. Ltd. (Mitsui) to develop the residential component of its project in Quezon City called “the Arton by Rockwell”. In accordance with the Agreement, Rockwell MFA Corp. (RMFA) was incorporated on August 2017 by the Company and Mitsui through SEAI Metro Manila One, Inc. (MFAP) to handle the development of the Project. The primary purpose of RMFA is to acquire, purchase, lease, hold, sell, or otherwise deal in land and real estate or any interest or right therein as well as real or personal property of every kind and description for itself or for others. The Company owns 80% interest of RMFA as at September 30, 2023.

In 2019, Rockwell Land Corporation (the Parent Company) entered a Joint Venture with Carmelray Property Holdings and San Ramon Holdings through Rockwell Carmelray Development Corporation (RCDC). As of September 30, 2023, the Parent Company holds 70.0% of the common and preferred shares of RCDC.

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

In November 10, 2020, the Company subscribed to 40% of the outstanding capital stock of Rockwell Nepo Development Corporation (RNDC), formerly Nepwell Property Management Inc. RNDC is a joint venture between the Company and T.G.N. Realty Corporation, which was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 20, 2019. The JV company is set to develop the 3.6 hectares of land in Angeles City, Pampanga into a mixed-use development with residential, commercial and retail components. On April 16, 2021, RNDC’s BOD, during the special meeting, approved the redemption of 55,500,000 preferred shares from T.G.N. Realty Corporation, at the redemption price of ₱1.00 per share amounting to ₱55,000,000. As of September 30, 2023, the Company owns 41.2% of RNDC.

In December 2021, the Company entered into a Joint Venture Agreement (JVA) with International Pharmaceuticals, Inc. (IPI) to jointly develop parcels of land in Cebu into residential condominiums and commercial, retail and office components through 8 Promoveo 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 September 30, 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.

2. Summary of Significant Accounting and Financial Reporting Policies

<u>Basis of Preparation</u>

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

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

Statement of Compliance

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

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

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

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

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

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

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

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

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

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

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

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

Subsidiaries	Nature of Business	Percentage of Ownership as of September 30, 2023
Rockwell Integrated Property Services, Inc.	Service provider	100%
Rockwell Primaries Development Corporation (Rockwell Primaries)	Real estate development	100%
Stonewell Property Development Corporation	Real estate development	100%
Rockwell Performing Arts Theater Corporation (formerly Primaries Properties Sales Specialists Inc.)	Marketing	100%
Rockwell Leisure Club Inc	Leisure club	74.7%
Rockwell Hotels & Leisure Management Corp	Hotel management	100%
Retailscapes Inc.	Commercial Development	100%
Rockwell Primaries South Development Corporation (formerly ATR KimEng Land, Inc.)	Real Estate Development	100%
Rockwell MFA Corp. (Rock MFA)	Real Estate Development	80%
Rockwell Carmelray Development Corporation	Real Estate Development	70%
Rockwell GMC Development Corporation	Real Estate Development	60%

All subsidiaries are incorporated in the Philippines.

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

3. Changes in Accounting Policies and Disclosures

New Standards, Interpretations and Amendments

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

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

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’gains or losses arising from liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or

Philippine-IFRIC 21, *Levies*, if incurred separately. At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

<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, 2023

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

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

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

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

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

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

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

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

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

Effective beginning on or after January 1, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

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

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

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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

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

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

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

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

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

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

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

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

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

b. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach.

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

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

4. Receivables / Payables
(Amounts in Millions)

<u>Aging of Receivables</u> as of September 30, 2023:

	Neither Past Due or Impaired	Past Due but not Impaired				
		Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	Total
Sale of Real estate	₱1,571	₱28	₱10	₱5	₱55	₱1,669
Lease	400	28	5	3	6	442
Advances to officers and employees	69	-	-	-	-	69
Others	19	-	-	-	-	19
Total Receivable	**₱2,059**	**₱56**	**₱15**	**₱8**	**₱61**	**₱2,199**

<u>Aging of Payables</u> as of September 30, 2023:

	Due within 3 months	Due Between 3 to 12 months	Total
Trade and Other Payables	₱5,612	₱861	₱6,473
Retention Payable (Current Portion)	288	734	1,022
Security Deposit (Current Portion)	179	188	367
Deferred Lease Income (Current Portion)	85	124	209
Total Payable	**₱6,164**	**₱1,907**	**₱8,071**

5. Trade and Other Payables
(Amounts in Millions)

The trade and other payables as of September 30, 2023 is broken down as follows:

Trade	₱1,806
Deferred Output VAT	864
Accrued expense	2,649
Contract liabilities:	
Excess of collections over recognized receivables	798
Deposits from pre-selling of condominium units	26
Advance payments from members and customers	12
Current portion of:	
Security deposits	367
Retention payable	1,022
Deferred lease income	209
Lease liabilities	22
Output VAT	293
Others	3
Total	**₱8,071**

6. Interest-bearing Loans & Borrowings
(Amounts in Millions)

This account consists of:

	September 30, 2023	December 31, 2022
Current		
Term loan	₱2,793	₱2,856
Less unamortized loan transaction costs	25	23
Total Current Interest – bearing Loans & Borrowings	**₱2,768**	**₱2,833**
Noncurrent		
Term loan	₱23,745	₱22,350
Less unamortized loan transaction costs	124	90
Total Noncurrent Interest – bearing Loans & Borrowings	**₱23,621**	**₱22,260**
Total Interest-bearing Loans & Borrowings	**₱26,389**	**₱25,093**

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

Amounts (gross of unamortized cost)	September 30, 2023				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
Fixed Rate					
Interest-bearing loans and borrowings	₱2,282	₱2,503	₱3,009	₱13,086	₱20,880
Floating Rate					
Interest-bearing loans and borrowings	511	581	836	3,730	5,658
Total	₱2,793	₱3,084	₱3,845	₱16,816	₱26,538

Amounts (gross of unamortized cost)	December 31, 2022				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
Fixed Rate					
Interest-bearing loans and borrowings	₱2,368	₱2,503	₱2,371	₱15,393	₱22,635
Floating Rate					
Interest-bearing loans and borrowings	488	301	301	1,481	2,571
Total	₱2,856	₱2,804	₱2,672	₱16,874	₱25,206

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

Issuances of Debt and Equity Securities / New Financing through Loans

Nature	Amount (in mm)
Term Loans	₱ 3,500

Repayment of Debt and Equity Securities

Nature	Amount (in mm)
Term Loans	₱ 2,190

7. Segment Information
(Amounts in Millions)

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

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

The Group manages its operations under the following business segments:

- *Residential Development* is engaged in the development, selling, and property management of all residential projects of the Group. It also includes the operations of the Rockwell Club.

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

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

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

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

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

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

<u>Business Segments</u>

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

	September 30, 2023		
	Residential Development	Commercial Development	Total
Revenue	**₱ 10,427**	**₱ 2,898**	**₱ 13,325**
Costs and expenses	(7,180)	(1,178)	(8,358)
Share in net income of joint venture	16	304	320
Other income - net	1	–	1
EBITDA	**3,264**	**2,024**	**5,288**
Depreciation and amortization			(598)
Interest expense			(1,155)
Provision for income tax			(796)
Share in minority			(216)
Consolidated Net Income			**₱ 2,523**

	September 30, 2022		
	Residential Development	Commercial Development	Total
Revenue	**₱ 8,976**	**₱ 3,495**	**₱ 12,471**
Costs and expenses	(7,038)	(1,494)	(8,532)
Share in net income of joint venture	7	290	297
Other income - net	25	–	25
EBITDA	**1,970**	**2,291**	**4,261**
Depreciation and amortization			(535)
Interest expense			(902)
Provision for income tax			(630)
Share of minority			(194)
Consolidated Net Income			**₱ 2,000**

The following tables present assets and liabilities information regarding the Group's residential and commercial development business segments as of September 30, 2023 and December 31, 2022:

	September 30, 2023 (Unaudited)		
	Residential Development	Commercial Development	Total
Assets and liabilities:			
Segment Assets	₱ 44,929	₱ 6,239	₱ 51,168
Investment Properties	1,648	12,771	14,419
Investment in Joint Venture and Associate	3,956	1,801	5,757
Deferred Tax Assets	142	47	189
Property & equipment	2,345	203	2,548
Total assets	**₱ 53,020**	**₱ 21,061**	**₱ 74,081**
Segment liabilities	₱ 30,315	₱ 10,387	₱ 40,702
Deferred tax liabilities -net	1,522	–	1,522
Total liabilities	**₱ 31,837**	**₱ 10,387**	**₱ 42,224**

	December 31, 2022 (Audited)		
	Residential Development	**Commercial Development**	**Total**
Assets and liabilities:			
Segment Assets	₱ 45,897	₱ 952	₱ 46,849
Investment Properties	1,271	13,395	14,666
Investment in Joint Venture and Associate	3,893	1,985	5,878
Deferred tax assets - net	53	54	107
Property & equipment	1,240	914	2,154
Total assets	**₱ 52,354**	**₱ 17,300**	**₱ 69,654**
Segment liabilities	₱ 31,196	₱ 9,419	₱ 40,615
Deferred tax liabilities -net	1,476	–	1,476
Total liabilities	**₱ 32,672**	**₱ 9,419**	**₱ 42,091**

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

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

	September 30, 2023	September 30, 2022
Net income attributable to equity holders of the Parent Company	₱2,523.3	₱2,000.1
Dividends on preferred shares`	(1.2)	(1.2)
Net income attributable to common shares (a)	₱2,522.1	₱1,998.9
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	–	(2,230,324)
Weighted average common shares – diluted (c)	6,116,762,198	6,114,531,874
Per share amounts:		
Basic (a/b)	₱0.41	₱0.33
Diluted (a/c)	0.41	0.33

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 September 30, 2023 and December 31, 2022. There are no material unrecognized financial assets and liabilities as of September 30, 2023 and December 31, 2022.

	September 30, 2023				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Investment Properties	₱14,419	₱30,655	₱ –	₱1,865	₱28,790
Due to related parties	217	206	–	–	206
	₱14,636	₱30,861	₱ –	₱1,865	₱28,996

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	₱26,389	₱24,543	₱ –	₱ –	₱24,543
Subscription payable	2,922	2,871	–	–	2,871
Retention payable (including noncurrent portion)	1,706	1,531	–	–	1,531
Security deposits (including noncurrent portion)	759	712	–	–	712
	₱31,776	₱29,657	₱ –	₱ –	₱29,657

	December 31, 2022				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment Properties	₱14,667	₱28,987	₱ –	₱2,088	₱26,899
Due to related parties	100	100	–	–	100
	₱14,767	₱29,087	₱ –	₱2,088	₱26,999

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	₱25,093	₱25,263	₱ –	₱ –	₱25,263
Subscription payable	2,922	2,816	–	–	2,816
Retention payable (including noncurrent portion)	1,612	1,480	–	–	1,480
Security deposits (including noncurrent portion)	699	561	–	–	561
	₱30,326	₱30,120	₱ –	₱ –	₱30,120

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

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

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

Interest-bearing Loans and Borrowings. The fair values of fixed rate loans were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 5.65% to 6.19% as at September 30, 2023 and 3.91% to 7.22% as at December 31, 2022.

Retention Payable and Security Deposits. The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 5.65% to 6.19% as at September 30, 2023 and 3.91% to 7.22% as at December 31, 2022.

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

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

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

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

10. Significant Financial Ratios

The significant financial ratios are as follows:

As indicated	**For the nine months ended September 30**	
	2023	**2022**
ROA (*)	5.1%	4.5%
ROE (*)	12.3%	10.9%
	As of September 30, 2023	**As of December 31, 2022**
Current ratio *(x)*	3.73	3.16
Debt to equity ratio *(x)*	0.83	0.91
Net debt to equity Ratio *(x)*	0.67	0.78
Asset to equity ratio *(x)*	2.33	2.53
Interest coverage ratio *(x)*	4.89	4.42

Notes:
(1) ROA [Net Income/Average Total Assets]
(2) ROE [Net Income/ Average Total Equity]
(3) Current ratio [Current assets/Current liabilities]
(4) Debt to equity ratio [Total interest bearing debt / Total Equity]
(5) Net debt to equity ratio [(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity]
(6) Asset to equity ratio [Total Assets/Total Equity]
(7) Interest coverage ratio [EBITDA/Interest Payments]
** ROA and ROE are annualized figures*

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

RESULTS OF OPERATIONS:

For the nine months ended 30 September 2023 and 2022

Rockwell Land Corporation ("the Group") registered Php13,325 million in consolidated revenues, higher by 6% from last year's Php12,471 million. Residential development accounted for 78% of the total revenues in 2023, higher than last year's 72%.

Total EBITDA reached Php5,288 million, higher than last year's Php4,261 million driven by higher EBITDA from residential development. Overall EBITDA margin registered at 40% of total revenues, higher than last year's 34%. The total revenues used as basis for the EBITDA margin excludes gross revenues from the joint venture with Meralco, T.G.N Realty Corporation and International Pharmaceuticals, Inc. as these are reported separately under “Share in Net Losses (Income) in JV”. Share in net income in the joint venture contributes 6% to the Company’s total EBITDA.

Residential development and commercial development contributed 62% and 38% to the total EBITDA, respectively.

Consolidated net income after tax registered at Php2,739 million, higher than last year’s Php2,194 million. NIAT to Parent for the nine months is Php2,523 million, 26% higher from same period last year of Php2,000 million.

Business Segments

Residential Development generated Php10,427 million, contributing 78% of the total revenues for the period. Bulk of the revenues came from the sale of real estate, including accretion from interest income.

EBITDA from this segment amounted to Php3,264 million, 66% higher than the same period last year at Php1,970 million mainly attributable to projects with higher construction progress.

Commercial Development revenues amounted to Php2,898 million, 17% lower than 2022’s Php3,495 million primarily due to prior year recognition of One Proscenium unit sale. This segment contributed 22% to total revenues excluding the share in the joint venture with Meralco for the Rockwell Business Center in Ortigas, Pasig City.

Retail Operations which include retail leasing, interest income and other mall revenues generated revenues of Php1,767 million, 30% higher than last year’s Php1,362 million due to improved average rental and occupancy rate. Office Operations generated Php958 million which is equivalent to 7% of the total revenues. Office operations include office leasing, sale of office units and other office revenues.

Hotel Operations, contributed 1% of the total revenues. Its revenues amounted to Php173 million and costs and expenses at Php114 million. Resulting EBITDA is at Php59 million.

The segment’s EBITDA amounted to Php2,024 million, 12% lower from the same period last year due to prior year recognition from One Proscenium unit sale. This includes the share in net income in the joint venture amounting to Php304 million, contributing 15% to the segment’s EBITDA.

Costs and Expenses

Cost of real estate and selling amounted to Php7,322 million. The cost of real estate and selling to total revenue ratio is at 55%, lower than last year’s 62% due to higher lease income and higher interest income accretion from new launches.

General and administrative expenses (G&A) amounted to Php1,634 million, 17% higher than last year mainly due to higher hotel and cinema direct costs from improved operations, higher manpower related costs and higher taxes and fees.

Interest Expense amounted to Php1,155 million, higher by 28% than last year’s Php902 million. The increase was mainly due to higher average loan balance and interest rate.

Share in Net Income (Losses) in JV and associates realized share in net income of JV and associate amounted to Php320 million, higher than last year’s Php297 million. The 8% growth from last year is mainly due to RBC-Ortigas higher rental rate. At its 70% share, the Company generated total revenues of Php443 million and share in net income of Php304 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 Php11.5 billion (gross of VAT) for project and capital expenditures for the nine months of 2023. Bulk of the expenditures pertained to land acquisitions and development costs, mainly that of The Arton, Mactan and Nara Residences. These were funded mainly by internally generated funds.

Financial Condition

The Group's total assets as of September 30, 2023 amounted to Php74.1 billion, slightly higher from 2022's year-end amount of Php69.7 billion. On the other hand, total liabilities amounted to Php42.2 billion, higher from 2022's year-end amount of Php42.1 billion. The increase in total assets were mainly from cash and cash equivalents and other current assets.

Current ratio as of September 30, 2023 increased to 3.73x from 3.16x as of end 2022. Net debt to equity ratio is at 0.67x as of September 30, 2023, lower compared to 2022's year-end ratio of 0.78x.

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

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

41% increase in Interest Income
Due to recognition from new launches, Edades West and Rockwell Center in Bacolod.

22% increase in Lease Income
Due to higher average rental rates of retail and office segment.

28% increase in Other Revenues
Mainly driven by improved performance of Aruga serviced apartments, Rockwell Club and Cinema.

7% decrease in Cost of Real estate
Primarily due to lower cost incurred of Proscenium and Rockwell South.

17% increase in General and Administrative Expenses
Due to higher manpower costs, fees and taxes, and improved operations from hotel and cinema.

14% increase in Selling Expenses
Due to higher marketing expenses for Edades West and Rockwell Center in Bacolod.

28% increase in Interest Expense
Primarily due to higher average loan balance and average interest rate.

8% increase in Share in Net Income of JV
Due to higher revenues from higher average rental rates of RBC Ortigas.

Statement of Financial Position items – September 30, 2023 vs. December 31, 2022

46% increase in Cash and Cash Equivalents
Primarily due to loan drawdown and collection of receivables.

44% decrease in Trade and other receivables
Primarily due to collections from Proscenium, Balmori and 32 Sanson.

18% increase in Real estate inventories
Due to land acquisitions.

14% increase in Advances to Contractors
Primarily due to additional advances for Mactan and Arton properties.

30% increase in Other Current Assets
Due to initial collections for projects placed in escrow accounts.

18% increase in Property and Equipment - net
Mainly due to transfer of Edades Aruga Apartments from real estate inventories.

76% increase in Deferred tax assets
Due to net operating loss from subsidiaries.

15% decrease in Trade and other payables
Due to land acquisition and accrued expenses payments.

6% increase in interest-bearing loans and borrowings
Due to new loan availment.

82% decrease in Pension Liability
Due to funding of pension fund contribution for the year.

8% increase in Lease liability
Due to increase in rent accrual for RBC Sheridan.

11% increase in Deposit and Other Liabilities
Due to higher deposits from pre-selling from Edades West and RCB Bel-Air.

104% increase in Attributable to Non-Controlling Interest
Due to consolidation of RGDC with 40% minority share.

Key Performance Indicators

As indicated	**For the nine months ended September 30**	
	2023	**2022**
ROA (*)	5.1%	4.5%
ROE (*)	12.3%	10.9%
	As of September 30, 2023	**As of September 30, 2022**
Current ratio *(x)*	3.73	3.47
Debt to equity ratio *(x)*	0.83	0.87
Net debt to equity Ratio *(x)*	0.67	0.74
Asset to equity ratio *(x)*	2.33	2.34
Interest coverage ratio *(x)*	4.89	5.30

Notes:
(1) ROA [Net Income/Average Total Assets]
(2) ROE [Net Income/ Average Total Equity]
(3) Current ratio [Current assets/Current liabilities]
(4) Debt to equity ratio [Total interest bearing debt / Total Equity]
(5) Net debt to equity ratio [(Total Interest bearing debt)-(Cash and cash equivalents) / Total Equity]
(6) Asset to equity ratio [Total Assets/Total Equity]
(7) Interest coverage ratio [EBITDA/Interest Payments]
** ROA and ROE are annualized figures*

ROA and ROE are slightly higher vs 2022 at 5.1% and 12.3% mainly from higher net income.

Current ratio increased to 3.73x from 3.47x due to lower current liabilities mainly from trade and other payables.

Debt to equity ratio decreased to 0.83x from 0.87x. Net debt to equity ratio decreased to 0.67x from 0.74x, due to higher cash and cash equivalents.

Asset to equity ratio is flat at 2.33x as of this quarter.

PART II – OTHER INFORMATION

Item 3. Other Notes and Disclosures

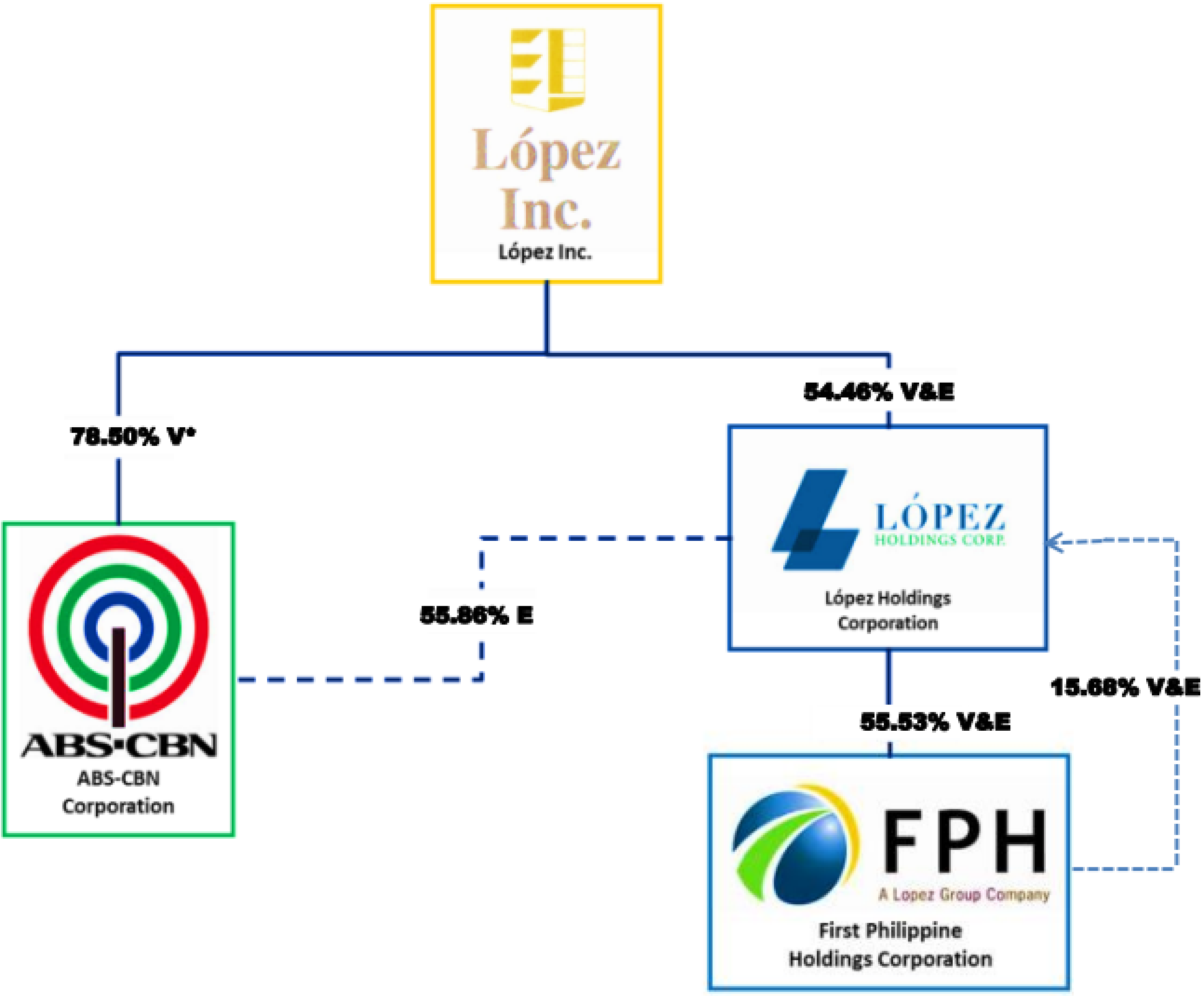
1. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.	None
2. The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.	None
3. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.	None
4. Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.	None
5. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	None
6. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.	None
7. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.	None
8. Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.	None
9. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.	None
10. Any significant elements of income or loss that did not arise from the registrant's continuing operations.	None
11. Any seasonal aspects that had a material effect on the financial condition or results of operations.	None
12. Disclosure not made under SEC Form 17-C.	None

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 September 30, 2023 are as follows:

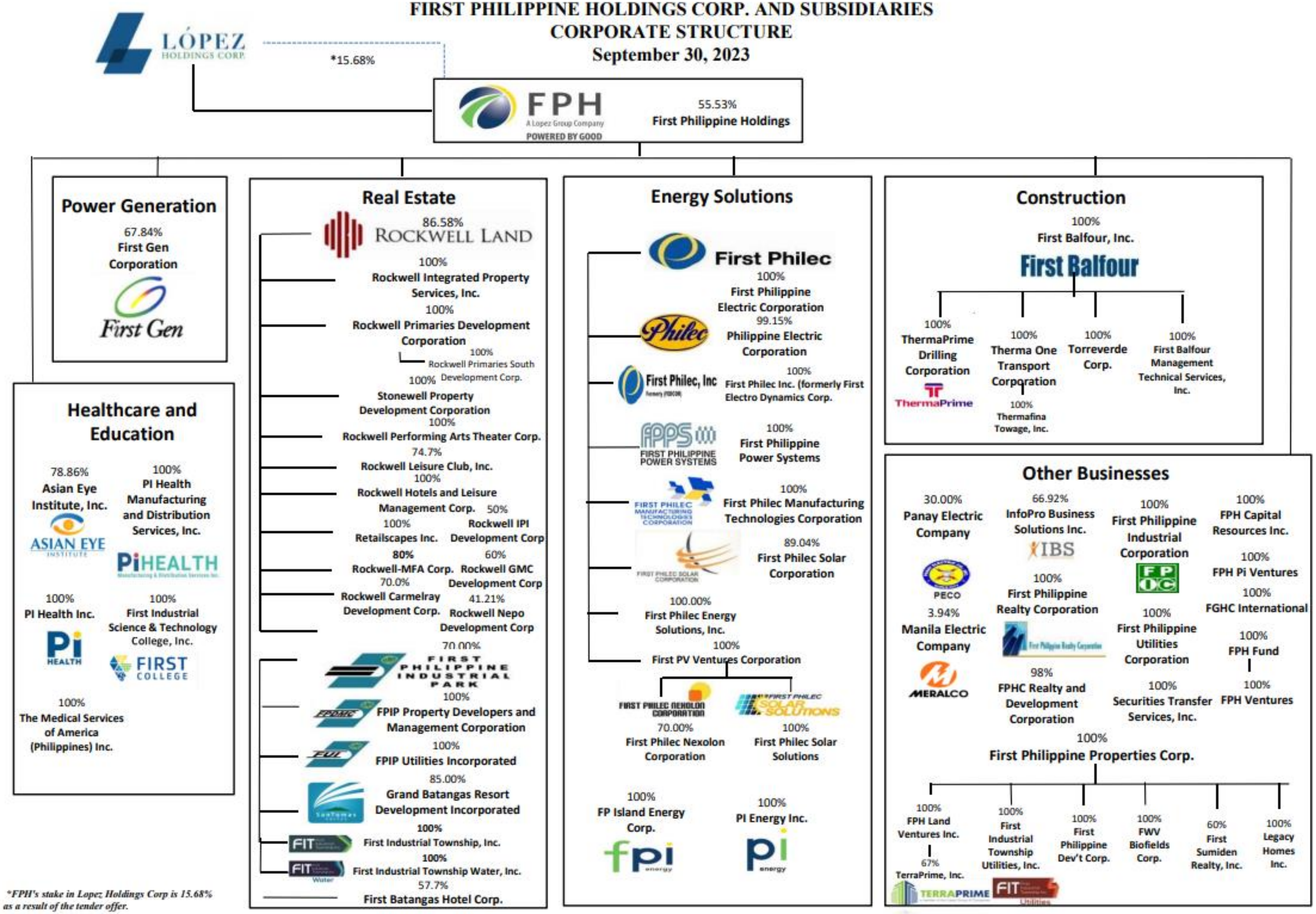
Name of Stockholder		Relationship	No. of Shares	% of Total Outstanding Shares
1	First Philippine Holdings Corporation	Shareholder	5,296,015,375	86.58%
2	Federico R. Lopez	Shareholder and Director	14,923	0.00%
3	Nestor J. Padilla	Shareholder and Director	21,150,001	0.35%
4	Miguel Ernesto L. Lopez	Shareholder and Director	243,694	0.00%
5	Francis Giles B. Puno	Shareholder and Director	5,656	0.00%
6	Oscar J. Hilado	Director	1	0.00%
7	Monico V. Jacob	Director	2	0.00%
8	Emmanuel S. de Dios	Shareholder and Director	1,000	0.00%
9	Jose Valentin A. Pantangco, Jr.	Director	1	0.00%
10	Roberta L. Feliciano	Shareholder and Director	1,000	0.00%
11	Benjamin R. Lopez	Shareholder and Director	14,923	0.00%
12	Valerie Jane L. Soliven	Shareholder and Officer	29,000	0.00%
13	Ellen V. Almodiel	Officer	0	0.00%
14	Davy T. Tan	Officer	0	0.00%
15	Manuel L. Lopez Jr.	Officer	0	0.00%
16	Angela Marie B. Pagulayan	Officer	0	0.00%
17	Estela Y. Dasmariñas	Shareholder and Officer	1,882	0.00%
18	Jesse S. Tan	Officer	0	0.00%
19	Christine T. Coqueiro	Officer	0	0.00%
20	Geraldine B. Brillantes	Officer	0	0.00%
21	Romeo G. Del Mundo, Jr.	Officer	0	0.00%
22	Jovie Jade Lim-Dy	Officer	0	0.00%
23	Enrique I. Quiason	Shareholder and Officer	3,575	0.00%
24	Alexis Nikolai S. Diesmos	Shareholder and Officer	13,000	0.00%
25	Ma. Fe Carolyn Go Pinoy	Officer	0	0.00%
26	Stella May Arais Fortu	Officer	0	0.00%
27	Sherry Rose Isidoro Lorenzo	Officer	0	0.00%
28	Samantha Joyce G. Castillo	Officer	0	0.00%
29	Vienn C. Tionglico-Guzman	Officer	0	0.00%
30	Karen C. Go	Officer	0	0.00%
31	Vergel V. Rape	Officer	0	0.00%
32	Others (Public)	Shareholder	799,268,165	13.07%
			6,116,762,198	100.00%

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
As of September 30, 2023

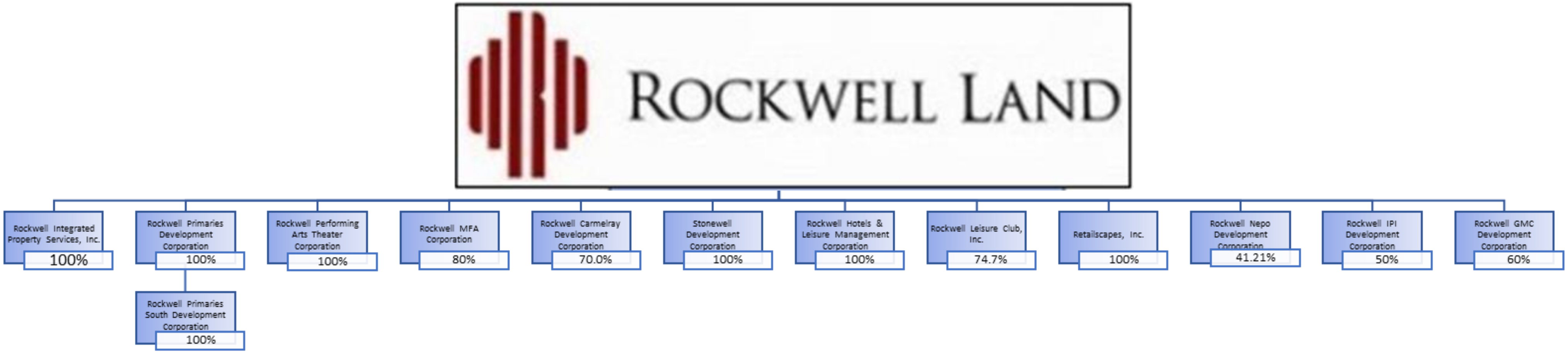


* *voting rights include preferred shares*

FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES
CORPORATE STRUCTURE
September 30, 2023



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


ROCKWELL LAND
Rockwell Integrated Property Services, Inc.
100%
Rockwell Primaries Development Corporation
100%
Rockwell Primaries South Development Corporation
100%
Rockwell Performing Arts Theater Corporation
100%
Rockwell MFA Corporation
80%
Rockwell Carmelray Development Corporation
70.0%
Stonewell Development Corporation
100%
Rockwell Hotels & Leisure Management Corporation
100%
Rockwell Leisure Club, Inc.
74.7%
Retailscapes, Inc.
100%
Rockwell Nepo Development Corporation
41.21%
Rockwell IPI Development Corporation
50%
Rockwell GMC Development Corporation
60%

SIGNATURE

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

Issuer: **ROCKWELL LAND CORPORATION**

By:

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

Date: November 9, 2023