COVER SHEET

SEC Registration Number

6	2	8	9	3

Company Name

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

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

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
45,865 (as of 31 JUL 2022)	May 25, 2022	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)

June 30, 2022

(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, 2022**
- 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
PhP24,935,789,336(as of June 30, 2022)

- 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, 2022	December 31, 2021
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	**₱2,037**	₱2,785
Trade and other receivables	**5,417**	5,995
Contract asset	**8,602**	8,459
Real estate inventories	**16,263**	17,244
Advances to contractors	**1,821**	1,717
Other current assets	**3,219**	2,794
Total Current Assets	**37,359**	38,994
Noncurrent Assets		
Investment properties – net	**14,491**	14,634
Property and equipment – net	**2,919**	2,963
Investment in joint venture and associate	**3,473**	3,528
Contract asset – net of current portion	**5,780**	4,112
Investment in equity instruments at FVOCI	**30**	30
Deferred tax assets	**95**	94
Other noncurrent assets	**356**	469
Total Noncurrent Assets	**27,144**	25,830
Total Assets	**₱64,503**	₱64,824
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	**₱7,195**	₱7,003
Current portion of interest-bearing loans and borrowings	**3,010**	4,347
Subscription Payable	**484**	484
Total Current Liabilities	**10,689**	11,834
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion	**21,801**	22,441
Deferred tax liabilities	**1,774**	1,698
Lease liability	**642**	635
Pension liability - net	**283**	242
Deposits and other liabilities	**2,297**	1,993
Total Noncurrent Liabilities	**26,797**	27,009
Total Liabilities	**₱37,486**	₱38,843
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	**6,271**	6,271
Additional paid-in capital	**28**	28
Other comprehensive income	**14**	14
Other equity adjustments	**540**	540
Share-based payments	**70**	70
Retained earnings		
Appropriated	**9,700**	9,700
Unappropriated	**8,189**	6,882
	24,812	23,505
Less cost of treasury shares	**(185)**	(185)
Total Equity Attributable to Equity Holders of the Parent Company	**24,627**	23,320
Non-controlling interests	**2,390**	2,661
Total Equity	**₱27,017**	₱25,981
Total Liabilities and Equity	**₱64,503**	₱64,824

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amount in Millions)

	2022 Unaudited		2021 Restated	
	April 1 to June 30	**January 1 to June 30**	**April 1 to June 30**	**January 1 to June 30**
REVENUE				
Sale of condominium units	₱3,172	₱5,395	₱2,625	₱4,930
Interest income	332	679	413	822
Lease income	471	869	273	585
Others	446	789	207	459
	4,421	7,732	3,517	6,796
EXPENSES				
Cost of real estate	2,356	4,064	1,863	3,515
General and administrative expenses	486	894	412	807
Selling expenses	268	467	271	470
	3,110	5,425	2,546	4,792
INCOME BEFORE OTHER INCOME (EXPENSES)	1,311	2,307	971	2,004
OTHER INCOME (EXPENSES)				
Interest expense	(309)	(607)	(306)	(580)
Share in net income of joint venture	101	195	97	186
Foreign exchange gain - net	7	9	1	1
	(201)	(403)	(208)	(393)
INCOME BEFORE INCOME TAX	1,110	1,904	763	1,611
PROVISION FOR INCOME TAX	(250)	(427)	147	(53)
NET INCOME	860	1,477	910	1,558
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME	860	1,477	910	1,558
Net Income Attributable to:				
Equity holders of the Parent Company	783	1,307	725	1,247
Non-controlling Interests	77	170	185	311
TOTAL	860	1,477	910	1,558
Total Comprehensive Income Attributable to:				
Equity holders of Rockwell Land Corporation	783	1,307	725	1,247
Non-controlling Interests	77	170	185	311
TOTAL	860	1,477	910	1,558
Basic/Diluted Earnings per Share (Note 8)	0.13	0.21	0.12	0.20

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, 2021 (Audited)	**6,271**	**28**	**14**	**540**	**70**	**9,700**	**6,882**	**(185)**	**23,320**	**2,661**	**25,981**
Net income							**1,307**		**1,307**	**170**	**1,477**
Other comprehensive income (loss)							**-**		**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,307**		**1,307**	**170**	**1,477**
Subsidiary's payment of dividends to NCI										**(147)**	**(147)**
Subsidiary's purchase of preferred shares from NCI										**(294)**	**(294)**
At June 30, 2022 (Unaudited)	**6,271**	**28**	**14**	**540**	**70**	**9,700**	**8,189**	**(185)**	**24,627**	**2,390**	**27,017**
At December 31, 2020 (Audited)	**6,271**	**28**	**14**	**540**	**70**	**9,700**	**5,420**	**(185)**	**21,858**	**3,004**	**24,862**
Net income							**1,246**		**1,246**	**311**	**1,557**
Other comprehensive income (loss)							**-**		**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,246**		**1,246**	**311**	**1,557**
Subsidiary's payment of dividends to NCI										**(66)**	**(66)**
Subsidiary's purchase of preferred shares from NCI										**(239)**	**(239)**
At June 30, 2021 (Unaudited)	**6,271**	**28**	**14**	**540**	**70**	**9,700**	**6,666**	**(185)**	**23,104**	**3,010**	**26,114**

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Millions)

	January 1 to June 30	
	2022 Unaudited	**2021 Unaudited**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,904**	₱1,610
Adjustments for:		
Interest income	**(663)**	(680)
Depreciation and amortization	**369**	339
Interest expense	**607**	580
Share in net income of joint venture	**(195)**	(186)
Pension costs	**38**	39
Operating income before working capital changes	**2,060**	1,702
Decrease (increase) in:		
Trade and other receivables	**(2,146)**	1,685
Contract assets	**2,646**	(980)
Real estate inventories	**751**	(609)
Advances to contractors	**(106)**	(332)
Other current assets	**(1,423)**	(1,573)
Increase (decrease) in:		
Trade and other payables	**684**	1,458
Increase in deposits and other liabilities	**(55)**	(123)
Net cash generated from operations	**2,411**	1,351
Income taxes paid	**(292)**	89
Interest paid	**(467)**	(709)
Net cash provided by (used in) operating activities	**1,652**	731
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	**(83)**	(255)
Investment properties	**(142)**	(194)
Investment in joint venture	**250**	54
Interest received	**4**	7
Net cash used in investing activities	**29**	(388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Bank loans	**(3,251)**	(3,573)
Bonds Payable	**–**	(3,313)
Subsidiary's payment of dividends to non-controlling interest	**(146)**	(66)
Subsidiary's purchase of preferred shares from non-controlling interest	**(294)**	(239)
Availments of loans and borrowings	**1,262**	6,349
Net cash provided by (used in) financing activities	**(2,429)**	(965)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**1**	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(748)**	(622)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,785**	3,205
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱2,037**	₱2,583

See accompanying Notes to Financial Statements

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, 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 constructing, establishing, operating and maintaining 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 Company owns 80% interest of RMFA as at June 30, 2022.

In 2019, Rockwell Land Corporation (the Parent Company) acquired additional 37.6% interest in Rockwell Carmelray Development Corporation (RCDC) for an aggregate purchase price of ₱2,409.0 million. As of June 30, 2022, the Parent Company now holds 67.5% of the common and preferred shares of RCDC. The Parent Company accounted for its acquisition of RCDC as a business combination using the ‘acquisition’ method.

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 (Rockwell Nepo), formerly Nepwell Property Management Inc. Rockwell Nepo is a joint venture between the Company and T.G.N. Realty Corporation, which was incorporated in the Philippines and registered with 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 June 30, 2022, the Company owns 41.2% of RNDC.

In December 2021, the Company entered into a Joint Venture Agreement (JVA) with International Pharmaceuticals, Inc. (IPI) to jointly develop parcels of land in Cebu into residential condominiums and commercial, retail and office components through 9 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 ₱630.0 million in cash to the JV Co. as partial payment of 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.

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.

<u>Statement of Compliance</u>

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 June 30, 2022
Rockwell Integrated Property Services, Inc.	Service provider	100%
Rockwell Primaries Development Corporation (Rockwell Primaries)	Real estate development	100%
Stonewell Property Development Corporation	Real estate development	100%
Rockwell Performing Arts Theater Corporation (formerly Primaries Properties Sales Specialists Inc.)	Marketing	100%
Rockwell Leisure Club Inc	Leisure club	75.1%
Rockwell Hotels & Leisure Management Corp	Hotel management	100%
Retailscapes Inc.	Commercial Development	100%
Rockwell Primaries South Development Corporation (formerly ATR KimEng Land, Inc.)	Real Estate Development	100%
Rockwell MFA Corp. (Rock MFA)	Real Estate Development	80%
Rockwell Carmelray Development Corporation	Real Estate Development	67.5%
Rockwell Nepo Development Corporation	Real Estate Development	41.2%
8 Promoveo Land, Inc	Real Estate Development	50%

All subsidiaries are incorporated in the Philippines.

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

3. Changes in Accounting Policies and Disclosures

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements effective as at January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Adoption of these new pronouncements did not have an impact on the Group's consolidated financial statements unless otherwise indicated.

- Adoption of PIC Q&A 2018-12-H, Accounting for Common Usage Service Area (CUSA) Charges

  In 2021, the Group adopted the provision of PFRS 15, Revenue from Contracts with Customers, covered by PIC Q&A 2018-12-E on the accounting for CUSA charges under the full retrospective approach. Upon adoption, there is no impact on opening retained earnings and the related balance sheet accounts. The Group previously presented the related revenue net of costs and expenses.

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

- Adoption of PIC Q&A 2018-14, Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2020-05)

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC

Q&A 2020-05 will have to be applied prospectively from approval date of the FRSC which was November 11, 2020.

The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since it has previously adopted approach 3 in its accounting for sales cancellation which records the repossessed inventory at cost.

- Amendments to PFRS 16, COVID-19-related Rent Concessions beyond 30 June 2021

  The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
  - There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

  The amendment is not applicable as there are no rent concessions granted to the Group as a lessee.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, Interest Rate Benchmark Reform – Phase 2

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - o Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - o Relief from discontinuing hedging relationships
  - o Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:
  - o The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - o Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The Group adopted the amendments beginning January 1, 2021.

<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 the consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- 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, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 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 for 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.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, 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.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- 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.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- 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 by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - 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. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- 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.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

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

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

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

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- 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.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

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

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

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

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023.

Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

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

  The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
    - What is meant by a right to defer settlement
    - That a right to defer must exist at the end of the reporting period
    - 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, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

Effective beginning on or after January 1, 2025

- PFRS 17, Insurance Contracts

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
    - A specific adaptation for contracts with direct participation features (the variable fee approach)
    - A simplified approach (the premium allocation approach) mainly for short-duration contracts

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

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

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 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 POC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 3, 2023
b.	Treatment of land in the determination of the POC discussed in PIC Q&A 2019-12-E	Until December 3, 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 yet to decide on whether the adoption will be using a full retrospective or modified retrospective approach.

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

4. Receivables / Payables
(Amounts in Millions)

Aging of Receivables as of June 30, 2022:

	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 Condominium Units	₱4,716	₱12	₱6	₱8	₱71	₱4,813
Lease	418	52	16	7	16	509
Advances to officers and employees	43	-	-	-	-	43
Others	53	-	-	-	-	53
Total Receivable	**₱5,230**	**₱64**	**₱22**	**₱15**	**₱87**	**₱5,417**

Aging of Payables as of June 30, 2022:

	Due within 3 months	Due Between 3 to 12 months	Total
Trade and Other Payables	₱3,744	₱2,012	₱5,756
Security Deposit (Current Portion)	227	117	344
Retention Payable (Current Portion)	106	820	926
Deferred Lease Income (Current Portion)	169	-	169
Total Payable	**₱4,246**	**₱2,949**	**₱7,195**

5. Trade and Other Payables
(Amounts in Millions)

The trade and other payables as of June 30, 2022 is broken down as follows:

Trade	₱987
Deferred Output VAT	1,378
Accrued expense	1,914
Contract liabilities:	
Excess of collections over recognized receivables	944
Deposits from pre-selling of condominium units	52
Advance payments from members and customers	8
Current portion of:	

Security deposits	344
Retention payable	927
Deferred lease income	169
Lease liabilities	20
Others	452
Total	**₱7,195**

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

This account consists of:

	June 30, 2022	December 31, 2021
Current		
Term loan	**₱2,**962	₱1,262
Notes/ CTS loans payable	75	2,414
Short Term Loans	-	700
	3,037	4,376
Less unamortized loan transaction costs	27	29
Total Current Interest – bearing Loans & Borrowings	**₱3,010**	**₱4,347**
Noncurrent		
Term loan	₱21,898	₱22,549
Notes/ CTS loans payable	-	-
	21,898	22,549
Less unamortized loan transaction costs	98	108
Total Noncurrent Interest – bearing Loans & Borrowings	**₱21,801**	**₱22,441**
Total Interest-bearing Loans & Borrowings	**₱24,811**	**₱26,788**

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

Amounts (gross of unamortized cost)	June 30, 2022				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
Fixed Rate					
Interest-bearing loans and borrowings	₱2,513	₱2,138	₱2,277	₱15,250	₱22,178
Floating Rate					
Interest-bearing loans and borrowings	524	301	301	1,631	2,757
Total	₱3,037	₱2,439	₱2,578	₱16,881	₱24,935

Amounts (gross of unamortized cost)	December 31, 2021				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
Fixed Rate					
Interest-bearing loans and borrowings	₱3,474	₱2,263	₱2,044	₱15,200	₱22,981
Floating Rate					
Interest-bearing loans and borrowings	630	443	406	2,466	3,945
Total	₱4,104	₱2,706	₱2,450	₱17,666	₱26,925

Issuances, Repurchases and Repayments of Debt and Equity Securities January-June 2022

Issuances of Debt and Equity Securities / New Financing through Loans

Nature	Amount (in mm)
Term Loans	₱ 562
Short term Loans	700
Total	**₱ 1,262**

Repayment of Debt and Equity Securities

Nature	Amount (in mm)
Term Loans	₱ 936
CTS Financing	915
Short term Loans	1,400
Total	**₱ 3,251**

7. Segment Information

(Amounts in Millions)

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

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

The Group manages its operations under the following business segments:

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

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

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

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

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

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

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

Business Segments

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

	June 30, 2022		
	Residential Development	**Commercial Development**	**Total**
Revenue	**₱ 5,360**	**₱ 2,372**	**₱ 7,732**
Costs and expenses	(4,096)	(964)	(5,060)
Share in net income of joint venture	5	190	195
Other income - net	9	–	9
EBITDA	**1,278**	**1,598**	**2,876**
Depreciation and amortization			(365)
Interest expense			(607)
Provision for income tax			(427)
Share of minority			(170)
Consolidated Net Income			**₱ 1,307**

	June 30, 2021		
	Residential Development	**Commercial Development**	**Total**
Revenue	**₱ 5,847**	**₱ 949**	**₱ 6,796**
Costs and expenses	(4,005)	(448)	(4,453)
Share in net income of joint venture	–	186	186
Other income - net	1	–	1
EBITDA	**1,843**	**687**	**2,530**
Depreciation and amortization			(340)
Interest expense			(580)
Provision for income tax			(53)
Share of minority			(311)
Consolidated Net Income			**₱1,246**

The following tables present assets and liabilities information regarding the Group's residential and commercial development business segments as of June 30, 2022 and December 31, 2021:

	June 30, 2022 (Unaudited)		
	Residential Development	**Commercial Development**	**Total**
Assets and liabilities:			
Segment Assets	₱ 37,438	₱ 6,183	₱ 43,621
Investment Properties	1,844	12,646	14,490
Investment in Joint Venture and Associate	1,386	2,087	3,473
Property & equipment	2,672	247	2,919
Total assets	**₱ 43,340**	**₱ 21,163**	**₱ 64,503**
Segment liabilities	**₱ 26,446**	**₱ 9,267**	**₱ 35,713**
Deferred tax liabilities -net	1,773	–	1,773
Total liabilities	**₱ 28,219**	**₱ 9,267**	**₱ 37,486**

	December 31, 2021 (Audited)		
	Residential Development	**Commercial Development**	**Total**
Assets and liabilities:			
Segment Assets	₱ 40,473	₱ 3,227	₱ 43,700
Investment Properties	2,244	12,391	14,634
Investment in Joint Venture and Associate	1,100	2,427	3,528
Property & equipment	2,722	240	2,963
Total assets	**₱ 46,539**	**₱ 18,285**	**₱ 64,824**
Segment liabilities	₱ 26,155	₱ 10,991	₱ 37,146
Deferred tax liabilities -net	1,697	–	1,697
Total liabilities	**₱ 27,852**	**₱ 10,991**	**₱ 38,843**

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

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

	June 30, 2022	**June 30, 2021**
Net income attributable to equity holders of the Parent Company	₱1,306.9	₱1,246.4
Dividends on preferred shares	(0.8)	(0.8)
Net income attributable to common shares (a)	₱1,306.1	₱1,245.6
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	1,720,264	1,647,822
Weighted average common shares – diluted (c)	6,118,482,462	6,118,410,020
Per share amounts:		
Basic (a/b)	₱0.21	₱0.20
Diluted (a/c)	0.21	0.20

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, 2022 and December 31, 2020. There are no material unrecognized financial assets and liabilities as of June 30, 2022 and December 31, 2020.

	June 30, 2022				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Investment Properties	**₱14,491**	**₱28,351**	**₱–**	**₱1,835**	**₱24,698**
Due to related parties	**200**	**199**	**-**	**-**	**199**
Investment in equity instruments at FVOCI	**30**	**30**	**27**	**–**	**3**
	₱14,722	**₱28,580**	**₱27**	**₱1,835**	**₱24,900**

	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	**₱24,811**	**₱23,271**	**₱–**	**₱–**	**₱23,271**
Retention payable (including noncurrent portion)	**1,573**	**1,491**	**–**	**–**	**1,491**
Security deposits (including noncurrent portion)	**678**	**643**	**–**	**–**	**643**
	₱27,062	**₱25,405**	**₱–**	**₱–**	**₱25,405**

	December 31, 2021				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Investment Properties	₱13,990	₱28,351	₱–	₱1,835	₱24,698
Due to related parties	300	290	–	–	290
Investment in equity instruments at FVOCI	30	30	27	–	3
	₱14,320	₱28,671	₱ 27	₱1,835	₱24,991

	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	₱26,788	₱26,608	₱–	₱–	₱26,608
Retention payable (including noncurrent portion)	1,541	1,297	–	–	1,297
Security deposits					

(including noncurrent portion)	608	554	–	–	554
	₱28,937	₱28,460	₱–	₱–	₱28,460

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 1.42% to 6.46% as at June 30, 2022 and 1.01% to 5.08% as at December 31, 2021

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 1.42% to 6.46% as at June 30, 2022 and 1.01% to 5.08% as at December 31, 2021.

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 six months ended June 30**	
	2022	**2021**
ROA (*)	4.6%	5.0%
ROE (*)	11.1%	12.2%
	As of June 30, 2022	**As of December 31, 2021**
Current ratio *(x)*	3.50	3.29
Debt to equity ratio *(x)*	0.92	1.03
Net debt to equity Ratio *(x)*	0.84	0.92
Asset to equity ratio *(x)*	2.39	2.50
Interest coverage ratio *(x)*	6.16	4.00

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 six months ended 30 June 2022 and 2021

Rockwell Land Corporation ("the Group") registered Php7,732 million in consolidated revenues, higher by 14% from last year's Php6,796 million. Residential development accounted for 69% of the total revenues in 2022, lower than last year's 86%.

Total EBITDA reached Php2,876 million, higher than last year's Php2,530 million driven by higher EBITDA from commercial development. Overall EBITDA margin registered at 37% of total revenues at par compared to last year. The total revenues used as basis for the EBITDA margin excludes gross revenues from the joint venture with Meralco and T.G.N Realty Corporation as these are reported separately under "Share in Net Losses (Income) in JV". Share in net income in the joint venture contributes 7% to the Company's total EBITDA.

Residential development and commercial development contributed 44% and 56% to the total EBITDA, respectively.

Consolidated net income after tax registered at Php1,477 million, slightly lower from last year's Php1,558 million. NIAT to Parent for the six months is Php1,307 million, 5% higher from same period last year of Php1,246 million.

<u>Business Segments</u>

Residential Development generated Php5,361 million, contributing 69% 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 Php1,278 million, 31% lower than the same period last year at Php1,843 million mainly attributable to projects with lower percentage completion and higher cost incurred.

Commercial Development revenues amounted to Php2,372 million, 150% higher than 2021's Php949 million primarily due to recognition of sale of One Proscenium and improved performance of retail segment. This segment contributed 31% to total revenues excluding the share in the joint venture with Meralco for the Rockwell Business Center in Ortigas, Pasig City.

Retail Operations which includes retail leasing, interest income and other mall revenues generated revenues of Php868 million, 88% higher than last year's Php462 million due to improved average rental and occupancy rate. Office Operations generated Php1,408 million which is equivalent to 18% 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 Php96 million and costs and expenses at Php79 million which includes housing costs for the Company's employees. Resulting EBITDA is at Php19 million.

The segment's EBITDA amounted to Php1,598 million, 133% higher from the same period last year due to recognition from sale of One Proscenium and much improved retail operations. This includes the share in net income in the joint venture amounting to Php190 million, contributing 12% to the segment's EBITDA.

Costs and Expenses

Cost of real estate and selling amounted to Php4,531 million. The cost of real estate and selling to total revenue ratio is at 59%, same with last year.

General and administrative expenses (G&A) amounted to Php894 million, 11% higher than last year mainly due to higher serviced apartment and cinema occupancy and admin costs from improved operations and due to higher manpower costs.

Interest Expense amounted to Php607 million, higher by 5% than last year's Php580 million. The increase was mainly due to higher average loan balance and interest rate.

Share in Net Income (Losses) in JV associates realized share in net income of JV and associate amounted to Php195 million, higher than last year's Php186 million. The 5% growth from last year is mainly due to RBC-Ortigas higher average occupancy and rental rate. At its 70% share, the Company generated total revenues of Php299 million and share in net income of Php190 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 Php3.0 billion (gross of VAT) for project and capital expenditures for the six months of 2022. Bulk of the expenditures pertained to development costs, mainly that of The Arton, Proscenium, Rockwell South and Balmori Suites. These were funded mainly by internally generated funds.

Financial Condition

The Group's total assets as of June 30, 2022 amounted to Php64.5 billion, slightly lower from 2021's year-end amount of Php64.8 billion. On the other hand, total liabilities amounted to Php37.5 billion, slightly lower from 2021's year-end amount of Php38.8 billion. The decrease in total assets were mainly from cash and cash equivalents, trade and other receivables and real estate inventories.

Current ratio as of June 30, 2022 increased to 3.50x from 3.28x as of end 2021. Net debt to equity ratio is at 0.84x as of June 30, 2022, lower compared to 2021's year-end ratio of 0.92x.

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

Statement of Comprehensive Income Items – Six Months 2022 vs. Six Months 2021

9% increase in Real Estate Sales
Mainly due to higher sales booking from projects Balmori Suites and One Proscenium.

17% decrease in Interest Income
Mainly due to sell out and completion of The Arton-West, Proscenium and Rockwell South.

49% increase in Lease Income
Due to higher average rental and occupancy rate of retail segment.

72% increase in Other Revenues
Mainly driven by improved performance of Aruga serviced apartments, Rockwell Club and Cinema.

16% increase in Cost of Real Estate

Due to higher cost recognition from Balmori Suites and One Proscenium following higher revenue recognition.

11% increase in General and Administrative Expenses
Due to higher serviced apartment and cinema costs from improved performance and higher manpower costs.

5% increase in Interest Expense
Primarily due to higher average loan balance and interest rate.

5% increase in Share in Net Income of JV
Due to higher revenues from higher average rental and occupancy rates of RBC Ortigas.

Statement of Financial Position items – June 30, 2022 vs. December 31, 2021

27% decrease in Cash and Cash Equivalents
Primarily due to development costs spend and net repayment of loans.

10% decrease in Trade and other receivables
Primarily due to collections from Proscenium and 32 Sanson.

6% decrease in Real estate inventories
Primarily due to cost recognition of Proscenium and Balmori Suites.

6% increase in Advances to contractors
Primarily due to advances made for projects 8 Benitez, Mactan, Balmori Suites and Nara.

15% increase in Other Current Assets
Due to payment of prepaid taxes and commissions

14% increase in Contract assets
Primarily due to revenue recognition from new sales and project accomplishments.

24% decrease in Other Noncurrent Assets
Due to collection of other receivables from JV partners

7% decrease in interest-bearing loans and borrowings
Due to payments made for first half of 2022.

5% increase in Deferred Tax Liabilities
Due higher income recognition from Rockwell South & Arton.

17% increase in Pension Liability
Due to accrual of retirement expense for the first half of the year.

15% increase in Deposit and Other Liabilities
Due to collection from pre-selling and excess collections over recognized receivables from Mactan Villa.

10% decrease in Non-controlling interests
Due to subsidiary's preferred shares redemption offset by share in net income of minority shareholders.

Key Performance Indicators

As indicated	**For the three months ended June 30**	
	2022	**2021**
ROA (*)	4.6%	5.0%
ROE (*)	11.1%	12.2%

	As of June 30, 2022	As of June 30, 2021
Current ratio *(x)*	3.50	3.30
Debt to equity ratio *(x)*	0.92	0.94
Net debt to equity Ratio *(x)*	0.84	0.85
Asset to equity ratio *(x)*	2.39	2.44
Interest coverage ratio *(x)*	6.16	3.57

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 lower vs 2021 at 4.6% and 5.0% mainly from 5% lower consolidated net income. Last year's net income includes impact of CREATE adjustment amounting to Php300 million.

Current ratio improved to 3.50x from 3.30x yearend due to lower current portion of loans payable.

Debt to equity ratio slightly decreased to 0.92x from 0.94x. Net debt to equity ratio decrease to 0.84x from 0.85x, due to net repayment of loans and lower cash balance as of June 2022.

Asset to equity ratio is slightly lower at 2.39x vs 2.44x last year due higher increase in equity than total assets.

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

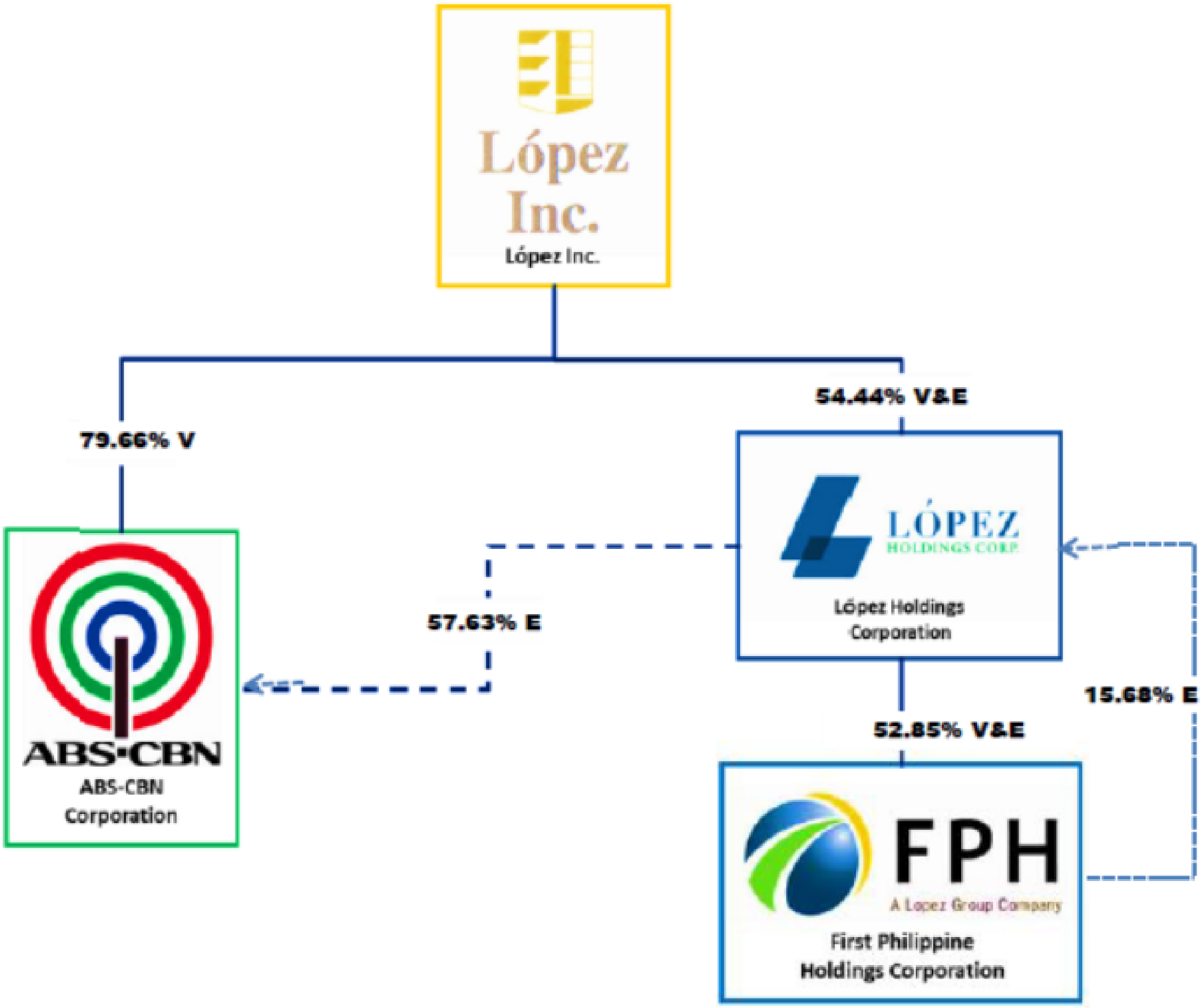
6. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.	None
7. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships 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 -

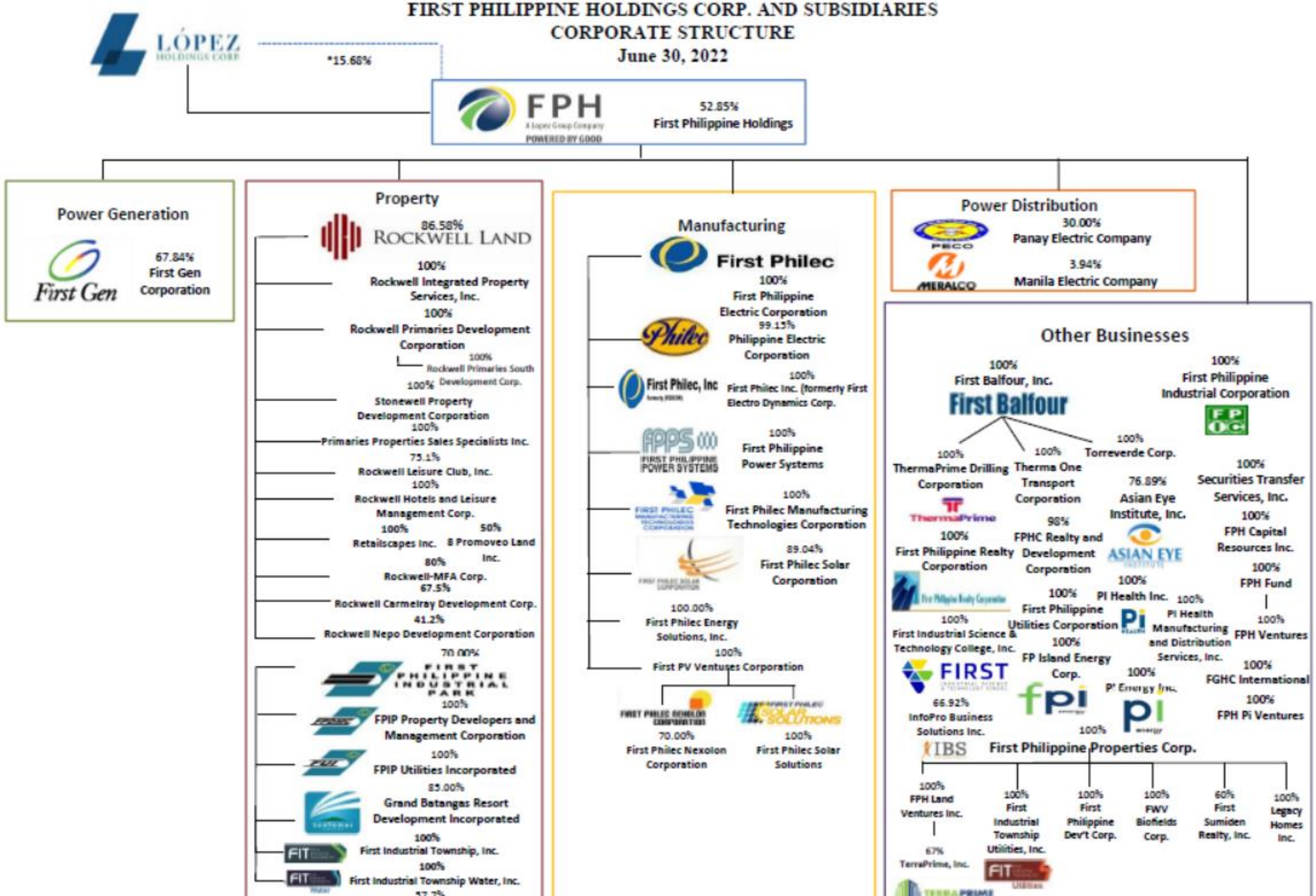
The stockholders, directors and officers of the Company, their respective number of Common Shares and the corresponding percentage of these Common Shares as of June 30, 2022 are as follows:

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	Miguel Ernesto L. Lopez	Shareholder and Director	243,694	0.00%
7	Francis Giles B. Puno	Shareholder and Director	5,656	0.00%
8	Oscar J. Hilado	Director	1	0.00%
9	Monico V. Jacob	Director	2	0.00%
10	Albert F. Del Rosario	Director	2,818	0.00%
11	Jose Valentin A. Pantangco, Jr.	Director	1	0.00%
12	Benjamin R. Lopez	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	Manuel L. Lopez Jr.	Officer	0	0.00%
18	Estela Y. Dasmariñas	Shareholder and Officer	1,882	0.00%
19	Angela Marie B. Pagulayan	Officer	0	0.00%
20	Jesse S. Tan	Officer	0	0.00%
21	Christine T. Coqueiro	Officer	0	0.00%
22	Jovie Jade Lim-Dy	Officer	0	0.00%
23	Geraldine B. Brillantes	Officer	0	0.00%
24	Romeo G. Del Mundo, Jr.	Officer	0	0.00%
25	Enrique I. Quiason	Officer	3,575	0.00%
26	Esmeraldo C. Amistad	Officer	0	0.00%
27	Alexis Nikolai S. Diesmos	Officer	13,000	0.00%
28	Ma. Fe Carolyn Go Pinoy	Officer	0	0.00%
29	Stella May Arais Fortu	Officer	0	0.00%
30	Sherry Rose Isidoro Lorenzo	Officer	0	0.00%
31	Samantha Joyce G. Castillo	Officer	0	0.00%
32	Vienn C. Tionglico-Guzman	Officer	0	0.00%
33	Others (Public)	Shareholder	796,022,848	13.01%
		6,116,762,198	**100.00%**	

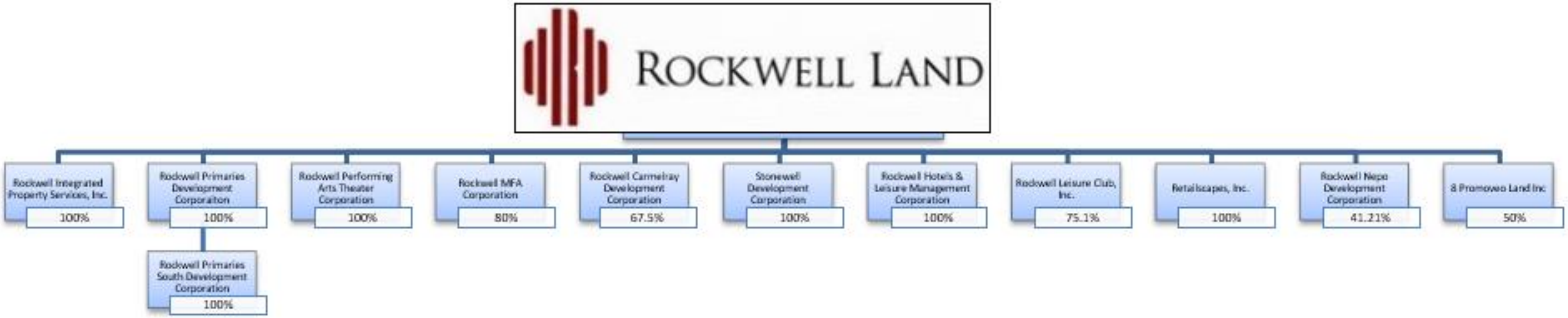
ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
As of June 30, 2022



FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES
CORPORATE STRUCTURE
June 30, 2022



*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 Corporaiton
100%
Rockwell Primaries South Development Corporation
100%
Rockwell Performing Arts Theater Corporation
100%
Rockwell MFA Corporation
80%
Rockwell Carmelray Development Corporation
67.5%
Stonewell Development Corporation
100%
Rockwell Hotels & Leisure Management Corporation
100%
Rockwell Leisure Club, Inc.
75.1%
Retailscapes, Inc.
100%
Rockwell Nepo Development Corporation
41.21%
8 Promoveo Land Inc
50%

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: August 12, 2022