

COVER SHEET

SEC Registration Number

6	2	8	9	3															
---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Company Name

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

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

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

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

N	/	A
---	---	---

COMPANY INFORMATION

Company's Email Address

ellena@rockwell.com.ph

Company's Telephone Number/s

7-793-0088

Mobile Number

N/A

No. of Stockholders

46,239 (as of 31 JULY 2020)

Annual Meeting
Month/Day

August 28, 2020

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Ellen V. Almodiel

Email Address

ellena@rockwell.com.ph

Telephone Number/s

7-793-0088

Mobile Number

N/A

Contact Person's Address

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

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, 2020

(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, 2020**
- Commission Identification Number **62893**
- BIR Tax Identification Number **004-710-062-000**
- Exact name of issuer as specified in its charter: **ROCKWELL LAND CORPORATION**
- Province, country or other jurisdiction of incorporation or organization: **Philippines**
- Industry Classification Code: _____ (SEC Use Only)
- Address of issuer's principal office and postal code:
2F , 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City 1200
 - Issuer's telephone number, including area code: **(632) 793-0088**
- Former name, former address, former fiscal year, if changes since last report:
The Garage at Rockwell Center, Estrella St. Makati City 1200
- Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
Common shares	6,116,762,198
Peso retail bonds	3,328,400,000

Amount of Debt Outstanding
PhP24,864,596(2nd Quarter 2020)

- 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

	Page No.
PART I – FINANCIAL INFORMATION	
Item 1. Financial Statements	
▪ Consolidated Statement of Financial Position as of June 30, 2020 and December 31, 2019	4
▪ Consolidated Statement of Income for the Six Months Ended June 30, 2020 and June 30, 2019	5
▪ Consolidated Statement of Changes in Equity for the Six Months Ended June 30, 2020 and June 30, 2019	6
▪ Consolidated Cash Flow Statement for Six Months Ended June 30, 2020 and June 30, 2019	7
▪ Notes to Consolidated Financial Statements	8
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation	28
PART II – OTHER INFORMATION	
Item 3. Other Notes and Disclosures	32
SIGNATURE	43

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

	June 30, 2020	December 31, 2019
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	₱3,146	₱5,706
Trade and other receivables	6,084	4,823
Contract asset	9,956	6,873
Real estate inventories	12,503	12,017
Advances to contractors	1,537	1,565
Other current assets	2,153	2,119
Total Current Assets	35,379	33,103
Noncurrent Assets		
Investment properties – net	14,701	14,412
Property and equipment – net	5,930	5,618
Investment in joint venture and associate	2,897	2,944
Contract asset – net of current portion	2,785	6,278
Investment in equity instruments at FVOCI	42	42
Deferred tax assets	87	46
Other noncurrent assets	1,056	1,063
Total Noncurrent Assets	27,498	30,403
Total Assets	₱62,877	₱63,506
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱7,868	₱7,488
Current portion of interest-bearing loans and borrowings	7,084	5,239
Installment payable	-	600
Income tax payable	2	73
Total Current Liabilities	14,954	13,400
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion	17,781	20,497
Deferred tax liabilities	1,675	1,737
Lease liability	622	606
Pension liability – net	157	211
Deposits and other liabilities	2,745	2,706
Total Noncurrent Liabilities	22,980	25,757
Total Liabilities	₱37,934	₱39,157

	June 30, 2020	December 31, 2019
	Unaudited	Audited
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	6,271	6,271
Additional paid-in capital	28	28
Other comprehensive income	17	17
Other equity adjustments	540	540
Share-based payments	70	70
Retained earnings		
Appropriated	9,000	7,000
Unappropriated	6,001	7,394
	21,927	21,320
Less cost of treasury shares	(185)	(185)
Total Equity Attributable to Equity Holders of the Parent Company	21,742	21,135
Non-controlling interests	3,201	3,214
Total Equity	₱24,943	₱24,349
Total Liabilities and Equity	₱62,877	₱63,506
<i>See accompanying Notes to Financial Statements</i>		

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amount in Millions)

	<u>2020 Unaudited</u>		<u>2019 Restated</u>	
	<u>April 1 to June 30</u>	<u>January 1 to June 30</u>	<u>April 1 to June 30</u>	<u>January 1 to June 30</u>
REVENUE				
Sale of condominium units	₱143	₱2,204	₱2,256	₱4,587
Interest income	463	975	404	858
Lease income	204	618	461	901
Cinema revenue	-	31	92	145
Room revenue	4	45	51	104
Others	110	268	182	342
	924	4,141	3,446	6,937
EXPENSES				
Cost of real estate	265	1,545	1,706	3,188
General and administrative expenses	394	885	515	997
Selling expenses	61	246	175	463
	720	2,676	2,396	4,648
INCOME BEFORE OTHER INCOME (EXPENSES)	204	1,465	1,050	2,289
OTHER INCOME (EXPENSES)				
Interest expense	(368)	(708)	(329)	(648)
Share in net income of joint venture	83	166	73	144
Foreign exchange gain - net	(4)	(5)	(1)	-
	(289)	(547)	(257)	(504)
INCOME (LOSS) BEFORE INCOME TAX	(85)	918	793	1,785
PROVISION FOR INCOME TAX	(53)	216	255	523
NET INCOME (LOSS)	(32)	702	538	1,262
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(32)	702	538	1,262
Net Income (Loss) Attributable to:				
Equity holders of the Parent Company	(47)	607	564	1,283
Non-controlling Interests	15	95	(26)	(21)
TOTAL	(32)	702	538	1,262
Total Comprehensive Income (Loss) Attributable to:				
Equity holders of Rockwell Land Corporation	(47)	607	564	1,283
Non-controlling Interests	15	95	(26)	(21)
TOTAL	(32)	702	538	1,262
Basic/Diluted Earnings (Loss) per Share (Note 8)	(0.01)	0.10	0.09	0.21

See accompanying Notes to Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Millions)

	Equity Attributable to Equity Holders of the Parent Company								Equity Attributable to Non-Controlling Interests	Total Equity	
	Capital Stock	Additional Paid-in Capital	Other comprehensive income	Other Equity Adjustments	Share-based Payments Plan	Retained Earnings		Treasury Shares			Total
						Appropriated	Unappropriated				
At December 31, 2019 (Audited)	6,271	28	17	540	70	7,000	7,394	(185)	21,135	3,214	24,349
Net income							607		607	95	702
Other comprehensive income (loss)							-		-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	607		607	95	702
Appropriations						2,000	(2,000)		-		-
Subsidiary's payment of dividends to Non-controlling interests										(32)	(32)
Subsidiary's redemption of preferred shares from Non-controlling interests										(75)	(75)
At Jun 30, 2020 (Unaudited)	6,271	28	17	540	70	9,000	6,001	(185)	21,742	3,201	24,943
At December 31, 2018 (Audited)	6,271	28	12	291	70	7,000	5,048	(185)	18,535	567	19,012
Net income (loss)							1,283		1,283	(21)	1,262
Other comprehensive income (loss)							-		-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,283		1,283	(21)	1,262
At Jun 30, 2019 (Unaudited)	6,271	28	12	291	70	7,000	6,331	(185)	19,817	547	20,364

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

(Amounts in Millions)

	January 1 to June 30 2020 Unaudited	2019 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱918	₱1,785
Adjustments for:		
Interest income	(710)	(660)
Depreciation and amortization	381	351
Interest expense	708	648
Share in net income of joint venture	(166)	(144)
Pension costs	(45)	82
Operating income before working capital changes	1,086	2,062
Decrease (increase) in:		
Trade and other receivables	(796)	16,876
Contract assets	410	(13,762)
Real estate inventories	(537)	261
Advances to contractors	41	(232)
Other current assets	(198)	(83)
Increase (decrease) in:		
Trade and other payables	914	(2,020)
Net cash generated from operations	920	3,102
Income taxes paid	(123)	(513)
Interest paid	(676)	(626)
Net cash provided by (used in) operating activities	121	1,963
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment	(320)	(670)
Investment properties	(295)	(872)
Interest received	22	4
Net cash used in investing activities	(593)	(1,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Bank loans	(4,854)	(2,536)
Installment Payable	(600)	14
Subsidiary's payment of dividends to NCI	(32)	-
Subsidiary's redemption of preferred shares from NCI	(75)	-
Availments of loans and borrowings	4,000	1,685
Increase in deposits and other liabilities	(527)	611
Net cash provided by (used in) financing activities	(2,088)	(226)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,560)	199
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,706	2,055
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱3,146	₱2,254

See accompanying Notes to Financial Statements

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

On June 28, 2012 and July 27, 2012, FPH purchased additional shares of the Company from Beacon Electric Asset Holdings, Inc. and San Miguel Corporation, respectively. As of March 31, 2020, 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 March 31, 2020.

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, 2020, the Parent Company now holds 53.06% 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 76.23% ownership in Rockwell Leisure Club Inc. (RLCI). RLCI is a non-profit premier leisure club created to complement Rockwell Land’s exclusive lifestyle concept. Opened in December 1999, RLCI offers its resident members and proprietary shareholders a first-class social, sports and recreational facility within the Rockwell Center.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale investments that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso, which is the Parent Company’s functional and presentation currency and all values are rounded to the nearest thousands, except when otherwise indicated.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS also includes Philippine Accounting Standards (PAS), including Interpretations issued by the Financial Reporting Standards Council (FRSC).

Basis of Consolidation

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

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

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

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

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

are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

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

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

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

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

Subsidiaries	Nature of Business	Percentage of Ownership as of June 30, 2020
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.)	Theater Management	100%
Rockwell Leisure Club Inc	Leisure club	76.23%
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	53.06%

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 starting January 1, 2020. Adoption of these pronouncements did not have any significant impact on the Group's consolidated financial position or performance unless otherwise indicated.

- Adoption of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (IAS 23, Borrowing Cost) for the Real Estate Industry

In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35(c) of PIFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under IAS 23 considering that these inventories are ready for their intended sale in their current condition.

The IFRIC agenda decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

On February 11, 2020, the Philippine SEC issued Memorandum Circular No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 1, 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

The Group did not avail of the relief provided by the SEC and instead adopted the IFRIC agenda decision retrospectively effective January 1, 2019. Accordingly, prior year consolidated financial statements have been restated to recognize as "Interest expense" and "Interest income" previously capitalized interest (net of interest income) as part of "Real estate inventories" account in 2018 and 2017.

- PFRS 16, *Leases*

PFRS 16 supersedes PAS 17, *Leases*, Philippine Interpretation IFRIC 4, *Determining whether an Arrangement contains a Lease*, Philippine Interpretation SIC-15, *Operating Leases-Incentives* and Philippine Interpretation SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases. Therefore, PFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted PFRS 16 using the modified retrospective approach upon adoption of PFRS 16 in 2019 and elects to apply the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC-4. The Group will therefore not apply the standard to

contracts that were not previously identified as containing a lease applying PAS 17 and Philippine Interpretation IFRIC-4.

Leases previously accounted for as operating leases

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for all leases were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.

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

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

The interpretation specifically addresses the following:

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

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

The Group determined, based on its tax compliance review and assessment, and in consultation with its tax counsel, that it is probable that its tax treatments will be accepted by the taxation authorities. Accordingly, the interpretation did not have an impact on the consolidated financial statements of the Group.

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

Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments had no impact on the consolidated financial statements of the Group.

▪ *Amendments to PAS 19, Employee Benefits, Plan Amendment, Curtailment or Settlement*

The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event

Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

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

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

- *Annual Improvements to PFRSs 2015-2017 Cycle*

Amendments to PFRS 3, Business Combinations, and PFRS 11, Joint Arrangements, Previously Held Interest in a Joint Operation

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

Amendments to PAS 12, Income Tax Consequences of Payments on Financial Instruments Classified as Equity

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments had no impact on the consolidated financial statements of the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

- *Amendments to PAS 23, Borrowing Costs, Borrowing Costs Eligible for Capitalization*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

- *Amendments to PFRS 3, Definition of a Business*

The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

These amendments will apply on future business combinations of the Group.

- *Amendments to PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Standards Issued But Not Yet Effective

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

Effective beginning on or after January 1, 2021

- *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

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, 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 International Accounting Standards Board (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.

4. Receivables / Payables

(Amounts in Millions)

Aging of Receivables as of June 30, 2020:

	Neither Past Due or Impaired	Past Due but not Impaired				Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	
Sale of Condominium Units	₱4,778	₱66	₱69	₱141	₱515	₱5,569
Lease	264	82	22	29	16	413
Advances to officers and employees	57	-	-	-	-	57
Others	45	-	-	-	-	45
Total Receivable	₱5,144	₱148	₱91	₱170	₱531	₱6,084

Aging of Payables as of June 30, 2020:

	Due within 3 months	Due Between 3 to 12 months	Total
Trade and Other Payables	₱1,770	₱5,374	₱7,144
Retention Payable (Current Portion)	230	52	282
Security Deposit (Current Portion)	71	201	272
Deferred Lease Income (Current Portion)	102	68	170
Total Payable	₱2,173	₱5,695	₱7,868

5. Trade and Other Payables

(Amounts in Millions)

The trade and other payables as of June 30, 2020 is broken down as follows:

Deferred Output VAT	₱1,843
Accrued expenses	1,797
Trade	1,596
Accrued project costs	580
Due to related party	635
Contract liabilities:	
Excess of collections over recognized receivables	333
Deposits from pre-selling of condominium units	125
Advance payments from members and customers	11
Accrued interest expenses	184
Current portion of:	
Retention Payable	282
Security deposits	272
Deferred lease income	170
Lease liabilities	22
Others	17
Total	₱7,868

6. Interest-bearing Loans & Borrowings

(Amounts in Millions)

This account consists of:

	June 30, 2020	December 31, 2019
Current		
Bonds payable	₱5,000	₱-
Corporate notes	-	1,528
Term loan	1,209	1,202
Notes/ CTS loans payable	905	1,777
Short Term Loans	-	750
	7,114	5,257
Less unamortized loan transaction costs	30	19
Total Current Interest – bearing Loans & Borrowings	₱7,084	₱5,239
Noncurrent		
Bonds payable	₱-	₱5,000
Term loan	15,288	11,912
Notes/ CTS loans payable	2,551	3,643
	17,839	20,555
Less unamortized loan transaction costs	58	58
Total Noncurrent Interest – bearing Loans & Borrowings	₱17,781	₱20,497
Total Interest-bearing Loans & Borrowings	₱24,865	₱25,735

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

<i>Amounts (gross of unamortized cost)</i>	June 30, 2020				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	P6,950	P3,586	P2,615	P9,611	P22,762
<i>Floating Rate</i>					
Interest-bearing loans and borrowings	164	217	269	1,541	2,191
Total	P7,114	P3,803	P2,884	P11,152	P24,953

<i>Amounts (gross of unamortized cost)</i>	December 31, 2019				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	P5,093	P8,720	P2,312	P7,411	P23,536
<i>Floating Rate</i>					
Interest-bearing loans and borrowings	164	164	269	1,679	2,276
Total	P5,257	P8,885	P2,581	P9,090	P25,812

Issuances, Repurchases and Repayments of Debt and Equity Securities January-June 2020

Issuances of Debt and Equity Securities / New Financing through Loans

<u>Nature</u>	<u>Amount (in mm)</u>
Term Loans	P 4,000

Repayment of Debt and Equity Securities

<u>Nature</u>	<u>Amount (in mm)</u>
CTS Financing	P 1,967
Corporate notes	1,528
Short-term Loans	750
Term Loans	<u>608</u>
Total	<u>P 4,854</u>

P5.0 Billion Fixed Rate Bonds due on 2021

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	P5,000,000,000	P5,000,000,000
Less: Expenses		
Documentary Stamp Tax	25,000,000	25,000,000
Underwriting Fee	15,000,000	15,000,000
Professional Expenses & Agency Fees	9,725,000	6,522,471
SEC Registration Fee and Legal Research Fee	1,830,625	1,830,625
Listing Application Fee	100,000	100,000
Out of Pocket Expenses (printing & publication)	935,000	173,450
Total Expenses	52,590,625	P48,626,546
Net Proceeds	P4,947,409,375	P4,951,373,454

Balance of Proceeds as of June 30, 2020

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

7. Segment Information

(Amounts in Millions)

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

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

The Group manages its operations under the following business segments:

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

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

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

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

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

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

Business Segments

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

	June 30, 2020 (Unaudited)			Total
	Residential Development	Commercial Development	Hotel	
Revenue	₱ 3,313	₱ 770	₱ 59	₱ 4,141
Costs and expenses	(2,024)	(206)	(66)	(2,295)
Share in net income of joint venture	–	166	–	166
Other income-net	(5)	–	–	(5)
EBITDA	1,284	730	(7)	2,007
Depreciation and amortization				(381)
Interest expense				(708)
Provision for income tax				(216)
Share of minority				(95)
Consolidated Net Income				₱ 607

	June 30, 2019 (As restated)			Total
	Residential Development	Commercial Development	Hotel	
Revenue	₱ 5,628	₱ 1,183	₱126	₱ 6,937
Costs and expenses	(3,885)	(318)	(94)	(4,298)
Share in net income of joint venture	–	144	–	144
Other income-net	1	–	–	1
EBITDA	1,744	1,009	32	2,784
Depreciation and amortization				(351)
Interest expense				(648)
Provision for income tax				(523)
Share of minority				21
Consolidated Net Income				₱ 1,283

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

	June 30, 2020 (Unaudited)			Total
	Residential Development	Commercial Development	Hotel	
Assets and liabilities:				
Segment Assets	P 38,742	P 132	P 475	P 39,349
Investment Properties	1,018	13,683	–	14,701
Investment in Joint Venture	-	2,897	–	2,897
Property & equipment	3,158	2,098	674	5,930
Total assets	P 42,918	P 19,690	P 1,149	P 62,877
Segment liabilities	P 32,435	P 3,700	P 124	P 36,259
Deferred tax liabilities -net	1,675	–	–	1,675
Total liabilities	P 34,110	P 3,700	P 124	P 37,934

	December 31, 2019 (Audited)			Total
	Residential Development	Commercial Development	Hotel	
Assets and liabilities:				
Segment Assets	P 39,568	P 528	P 436	P 40,532
Investment Properties	–	14,412	–	14,412
Investment in Joint Venture	–	2,944	–	2,944
Property & equipment	3,105	1,828	685	5,618
Total assets	P 42,673	P 19,712	P 1,121	P 63,506
Segment liabilities	P 33,676	P 3,630	P 114	P 37,420
Deferred tax liabilities -net	1,737	–	–	1,737
Total liabilities	P 35,413	P 3,630	P 114	P 39,157

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

(Amounts in millions, except for number of common shares)	June 30, 2020	June 30, 2019 (as restated)
Net income attributable to equity holders of the Parent Company	P606.9	P1,282.7
Dividends on preferred shares	(0.8)	(0.8)
Net income attributable to common shares (a)	P606.1	P1,281.9
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	5,548,677	13,062,807
Weighted average common shares – diluted (c)	6,122,310,875	6,129,825,005
Per share amounts:		
Basic (a/b)	P0.10	P0.21
Diluted (a/c)	0.10	0.21

9. Fair Value Measurement

(Amounts in millions)

Fair Values

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

	June 30, 2020				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment Properties	P15,209	P27,228	P-	P1,823	P25,405
Due to related parties	400	357			
Investment in equity instruments at FVOCI	42	42	38	-	3
	P15,470	P27,627	P38	P1,823	P25,408
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	P24,865	P23,226	P-	P-	P23,226
Retention payable (including noncurrent portion)	1,317	1,310	-	-	1,310
Security deposits (including noncurrent portion)	456	441	-	-	441
	P25,676	P25,489	P-	P-	P25,489

	December 31, 2019				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment Properties	P14,412	P27,228	P-	P7,240	P19,988
Due to related parties	400	357	-	-	357
Investment in equity instruments at FVOCI	42	42	38	-	3
	P14,854	P27,627	P 38	P7,240	P20,348

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Interest-bearing loans & borrowings (including noncurrent portion)	₱25,736	₱25,966	₱–	₱–	₱25,966
Installment payable	600	642	–	–	642
Retention payable (including noncurrent portion)	1,351	1,356	–	–	1,356
Security deposits (including noncurrent portion)	446	430	–	–	430
	₱28,135	₱28,394	₱–	₱–	₱28,394

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

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

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

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

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

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

Fair Value Hierarchy

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

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

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

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

10. Significant Financial Ratios

The significant financial ratios are as follows:

<i>As indicated</i>	For the 1st half ended June 30	
	2020	2019
ROA (*)	2.2%	4.4%
ROE (*)	5.7%	12.7%
	As of June 30, 2020	As of December 31, 2019
Current ratio (x)	2.37	2.47
Debt to equity ratio (x)	1.00	1.06
Net debt to equity Ratio (x)	0.87	0.82
Asset to equity ratio (x)	2.52	2.61
Interest coverage ratio (x)	2.97	4.17

Notes:

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

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

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

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

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

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

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

* ROA and ROE are annualized figures

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

RESULTS OF OPERATIONS:

For the 1st half ended 30 June 2020 and 2019 (as restated)

Rockwell Land Corporation (“the Group”) registered Php4,141 million in consolidated revenues, lower by 40% from last year's Php6,937 million, due to the imposed quarantine in Metro Manila and key cities in the Philippines where the Company operates. Residential development accounted for 80% of the total revenues in 2020, slightly lower than last year's 81%.

To make the financial statement comparable, the 1H 2019 figures were restated to reflect the impact of PFRS 15 mainly on Cost of Sales and Interest Expense and PFRS 16 on Rent Expense, Depreciation and Interest Expense.

Total EBITDA reached Php2,007 million, lower than last year's Php2,784 million driven by lower EBITDA from residential development and retail leasing segment. Overall EBITDA margin registered at 48% of total revenues, which is higher compared to last year's 40% mainly due to lower operating and selling & marketing expenses. The total revenues used as basis for the EBITDA margin excludes gross revenues from the joint venture with Meralco as the latter is reported separately under “Share in Net Losses (Income) in JV”. Share in net income in the joint venture contributes 8% to the Company's total EBITDA.

Residential development, commercial development and hotel contributed 64%, 36% and 0% to the total EBITDA, respectively.

Consolidated net income after tax registered at Php702 million, lower from last year's Php1,262 million. NIAT to Parent for the first half is Php607 million, 53% lower from same period last year of Php1,283 million.

Business Segments

Residential Development generated Php3,313 million, contributing 80% 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 Php1,285 million, 26% lower than the same period last year at Php1,743 million mainly attributable to lower sales bookings and project accomplishment due to the quarantine imposed starting March 16, 2020.

Commercial Development revenues amounted to Php770 million, 35% lower than 2019's Php1,183 million primarily due to concessions given to establishments in relation to the Enhanced/ Modified/ General Community Quarantine (quarantine starting March 16, 2020). This segment contributed 19% of 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 was significantly affected by the implementation of the quarantine with revenue amounting to Php 343 million 48% lower from same period last year. Cinema Operations which were also affected by the quarantine, generated Php31 million in revenues from January 2020 up to last day of operations in March 2020, which is 1% of total revenue for the year. Cinema operations include Cinema ticket and snackbar sales and other cinema revenues. Office Operations generated Php396 million which is equivalent to 10% of the total revenues. Office operations include office leasing, sale of office and other office revenues.

The segment's EBITDA amounted to Php730 million, 28% lower from the same period last year. This includes the share in net income in the joint venture amounting to Php166 million, contributing 23% to the segment's EBITDA.

Hotel Operations, also affected by the quarantine, contributed 1% of the total revenues. Its revenues amounted to Php59 million, while EBITDA is at negative Php7 million.

Costs and Expenses

Cost of real estate and selling amounted to Php1,792 million. The cost of real estate and selling to total revenue ratio is at 43%, lower than last year's 53%, mainly due to lower costs incurred.

General and administrative expenses (G&A) amounted to Php885 million, 11% lower than last year mainly due to lower direct operating costs of cinema and serviced apartments and lower occupancy and admin costs.

Interest Expense amounted to Php708 million, higher by 9% than last year's Php648 million. The increase was mainly due to higher loan balance and reclassification of interest expense accretion from installment payable from land and development costs to interest expense.

Share in Net Income (Losses) in JV realized share in net income of RBC amounting to Php166 million, 15% growth from last year's income of Php144 million due to higher revenues and better operational efficiency. At its 70% share, the Company generated total revenues of Php384 million and share in net income of Php166 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 Php3.1 billion (gross of VAT) for project and capital expenditures for the six months of 2020. Bulk of the expenditures pertained to land acquisition and development costs, mainly that of Proscenium and The Arton projects, including the full payment of Installment payable. Funding partially came from the P4.0 billion long term debt drawn in the period.

Financial Condition

The Group's total assets as of June 30, 2020 amounted to Php62.9 billion, lower by 1% from 2019's year-end amount of Php63.5 billion. On the other hand, total liabilities amounted to Php37.9 billion, also lower than 2019's Php39.2 billion. The decrease in total assets and liabilities were mainly from payment of loans due for the period.

Current ratio as of June 30, 2020 decrease to 2.37x from 2.47x as of end 2019. Net debt to equity ratio is at 0.87x as of June 30, 2020, higher than 2019's yearend ratio of 0.82x.

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

Statement of Comprehensive Income Items – 1st Half 2020 vs. 1st Half 2019

52% decrease in Sale of Condominium Units

Mainly due to lower bookings and completion across all residential projects resulting from the quarantine

14% increase in Finance Revenue

Mainly due to due to recognition of interest income from discounting of receivable of projects launched late last year.

31% decrease in Lease Income

Due to tenant closures and rental concessions given to tenants during the quarantine period.

57% decrease in Room Revenue

Due to lower average occupancy during the quarantine period.

79% decrease in Cinema

Due to lower ticket sales and theater closure during the quarantine period.

21% decrease in Other Revenues

Mainly driven by lower revenues from subsidiary and lower carpark income.

52% decrease in Cost of Real Estate

Primarily due to lower cost recognition following lower sales booking and lower project completion

11% decrease in General and Administrative Expenses

Due to lower direct operating costs of cinema and service apartments and lower occupancy and admin costs.

47% decrease in Selling Expenses

Primarily due to lower sales commission and marketing related expenses across all projects.

9% increase in Interest Expense

Primarily due to additional drawdowns in the 1st half of 2020 and reclassification of interest expense accretion from installment payable from land and development costs to interest expense.

1,055% decrease in Foreign Exchange Gain

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

Statement of Financial Position items – June 30, 2020 vs. December 31, 2019

45% decrease in Cash and Cash Equivalents

Primarily due to repayment of loans.

26% increase in Trade and other receivables - net

Primarily due to receivable recognition following project completion.

6% increase in Property and equipment-net

Due to construction progress of Proscenium Theater.

89% increase in Deferred Tax Assets

Mainly due to higher taxable gross profit from Rockwell South project.

5% increase in Trade and Other Payables

Due to higher accrued expenses and retention payable.

100% decrease in Installment Payable

Primarily due to full payment in June 2020.

97% decrease in Income Tax Payable

Mainly due to payment of taxes in 2nd quarter of 2020.

26% increase in Pension Liability

Due to additional expenses recognized.

Key Performance Indicators

<i>As indicated</i>	For the 1st half ended June 30	
	2020	2019
ROA (*)	2.2%	4.4%
ROE (*)	5.7%	12.7%
	As of June 30, 2020	As of December 31, 2019
Current ratio (x)	2.37	2.47
Debt to equity ratio (x)	1.00	1.06
Net debt to equity Ratio (x)	0.87	0.82
Asset to equity ratio (x)	2.52	2.61
Interest coverage ratio (x)	2.97	4.17

Notes:

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

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

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

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

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

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

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

* ROA and ROE are annualized figures

PART II – OTHER INFORMATION

Item 3. Other Notes and Disclosures

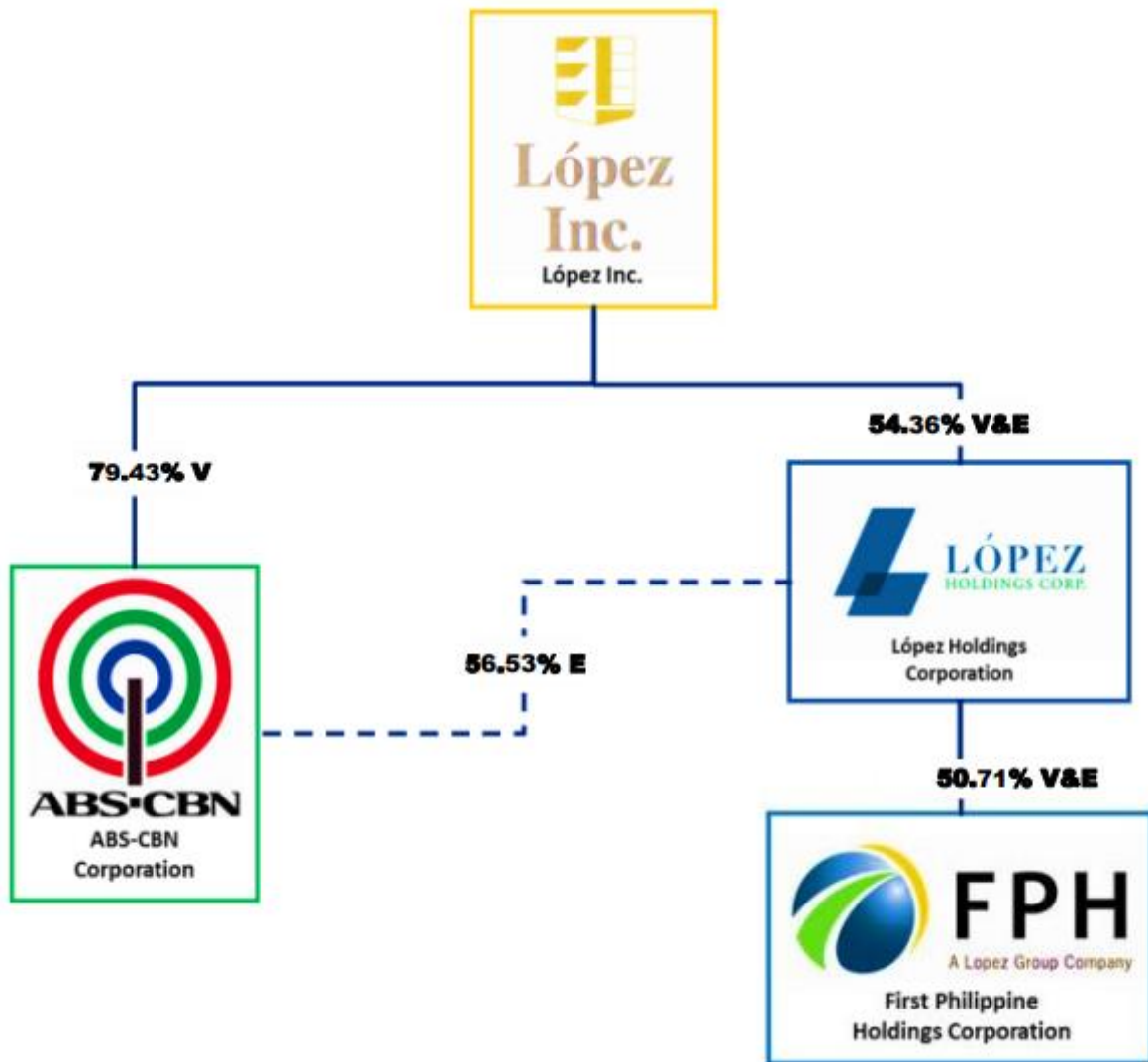
1. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.	Buy back of Php1.67 billion bonds following the Consent solicitation exercise in June 2020
2. The effect of changes in the composition of the issuer during the 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, 2020 are as follows:

	Name of Stockholder	Relationship	No. of Shares	% of Total Outstanding Shares
1	First Philippine Holdings Corporation	Shareholder	5,296,015,375	86.58%
2	Manuel M. Lopez	Shareholder and Director	2,959,173	0.05%
3	Oscar M. Lopez	Shareholder and Director	174,898	0.00%
4	Federico R. Lopez	Director	1	0.00%
5	Nestor J. Padilla	Shareholder and Director	21,150,001	0.35%
6	Eugenio L. Lopez III	Director	1	0.00%
7	Miguel Ernesto L. Lopez	Shareholder and Director	243,694	0.00%
8	Francis Giles B. Puno	Shareholder and Director	5,656	0.00%
9	Oscar J. Hilado	Director	1	0.00%
10	Monico V. Jacob	Director	2	0.00%
11	Albert E. Del Rosario	Director	2,818	0.00%
12	Jose Valentin A. Pantangco, Jr.	Director	1	0.00%
13	Valerie Jane L. Soliven	Officer	28,000	0.00%
14	Maria Lourdes L. Pineda	Shareholder and Officer	141,272	0.00%
15	Ellen V. Almodiel	Officer	0	0.00%
16	Davy T. Tan	Officer	0	0.00%
17	Alexis Diesmos	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	Rica L. Bajo	Officer	0	0.00%
25	Romeo G. Del Mundo, Jr.	Officer	0	0.00%
26	Enrique I. Quiason	Officer	3,575	0.00%
27	Esmeraldo C. Amistad	Officer	0	0.00%
28	Others (Public)	Shareholder	796,035,848	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, 2020



**ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
As of June 30, 2020**



Power Generation
67.82%
First Gen Corporation

Property

- ROCKWELL LAND** 86.58%
 - Rockwell Land Corporation 100%
 - Rockwell Integrated Property Services, Inc. 100%
 - Rockwell Primaries Development Corporation 100%
 - Rockwell Primaries South Development Corp. 100%
 - Stonewell Property Development Corporation 100%
 - Primaries Properties Sales Specialists Inc. 76.23%
 - Rockwell Leisure Club, Inc. 100%
 - Rockwell Hotels and Leisure Management Corp. 100%
 - Retailscapes Inc. 80%
 - Rockwell-MFA Corp. 53.06%
 - Rockwell Carmelray Development Corp.
- FIRST PHILIPPINE INDUSTRIAL PARK** 70.00%
 - First Philippine Industrial Park, Inc. 100%
 - FPIP Property Developers and Management Corporation 100%
 - FPIP Utilities Incorporated 100%
 - Grand Batangas Resort Development Incorporated 85.00%
 - First Industrial Township, Inc. 100%
 - First Industrial Township Water, Inc. 100%

Manufacturing

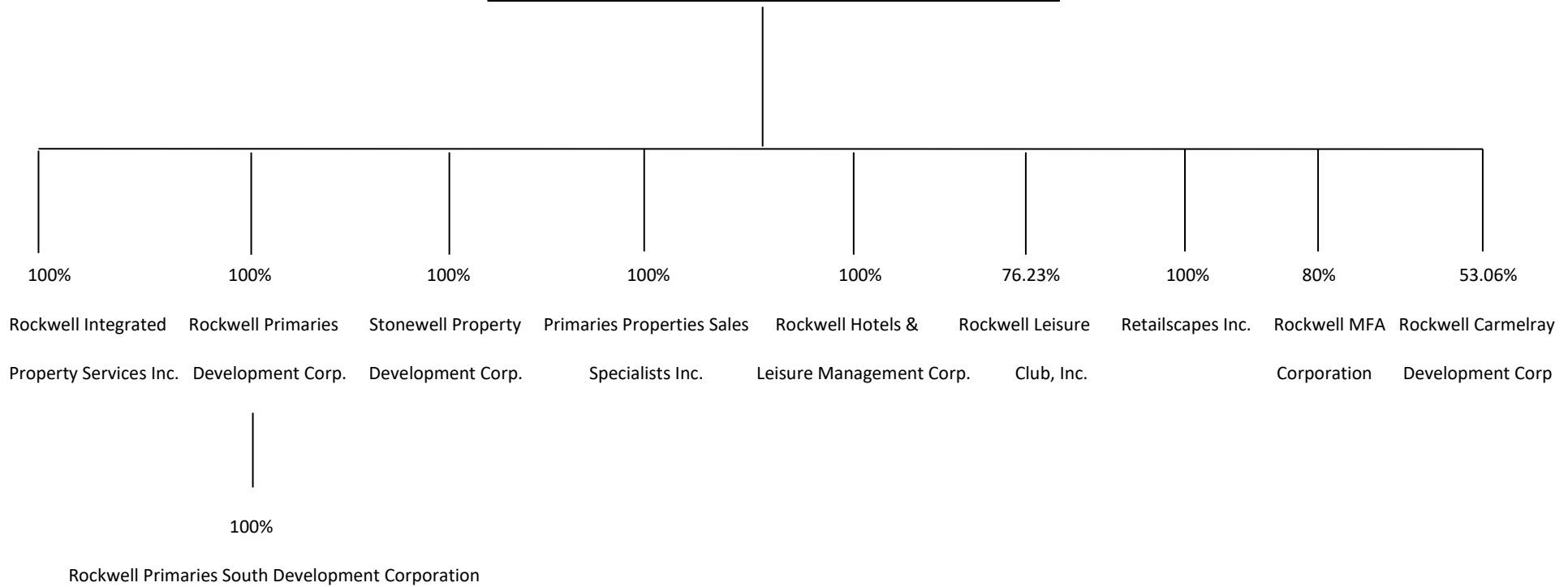
- First Philec** 100%
 - First Philippine Electric Corporation 99.15%
 - Philippine Electric Corporation 100%
 - First Philec Inc. (Formerly First Electro Dynamics Corp.) 100%
 - First Philec, Inc. 100%
 - FPPS** 100%
 - FIRST PHILIPPINE POWER SYSTEMS 100%
 - FIRST PHILEC MANUFACTURING TECHNOLOGIES CORPORATION** 100%
 - First Philec Solar Corporation 89.04%
 - Cleantech Energy** 100%
 - Cleantech Energy Holdings PTE, Ltd. 100%
 - First PV Ventures Corporation 100%
 - FIRST PHILEC RENEWABLE ENERGY CORP. 70.00%
 - First Philec Nexolon Corporation 100.00%
 - First Philec Energy Solutions, Inc. 25%
 - MHE-Demag (P), Inc. 100%

Power Distribution
30.00%
Panay Electric Company 3.94%
Manila Electric Company

Other Businesses

- First Balfour** 100%
 - First Balfour, Inc. 100%
 - ThermaPrime Drilling Corporation 100%
 - Therma One Transport Corporation 98.00%
 - First Philippine Realty Corporation 100%
 - First Philippine Realty Development Corporation 100%
 - First Philippine Realty Corporation 100%
 - First Industrial Science & Technology School, Inc. 100%
 - Torreverde Corp. 100%
 - Asian Eye Institute, Inc. 69.34%
 - FPHC Realty and Development Corporation 98.00%
 - First Philippine Utilities Corporation 100%
 - FP Island Energy Corp. 100%
 - First Philippine Properties Corp. 100%
 - FPH Land Ventures Inc. 67%
 - First Industrial Township Utilities, Inc. 100%
 - First Philippine Dev't Corp. 100%
 - FWV Biofields Corp. 100%
 - First Suniden Realty, Inc. 60%
 - Legacy Homes Inc. 100%
 - First Philippine Industrial Corporation 100.00%
 - Securities Transfer Services, Inc. 100%
 - FPH Capital Resources Inc. 100%
 - PI Health Inc. 100%
 - PI Energy Inc. 100%
 - FGHC International 100%
 - FPH Ventures 100%
 - FPH PI Ventures 100%

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
 As of June 30, 2020



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 14, 2020