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-A	CRMD	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
45,167	May 29, 2024	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Ellen V. Almodiel	ellena@rockwell.com.ph	7-793-0088	N/A

Contact Person's Address

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

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SEC Number: 62893
PSE Number:
File Number:

ROCKWELL LAND CORPORATION

(Company's Full Name)

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

(Company's Address)

(632) 7793-0088

(Telephone Number)

December 31, 2024

(Year Ending)

SEC Form 17-A Annual Report

(Form Type)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17

OF THE SECURITIES REGULATION CODE AND SECTION 141

OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal period ended **December 31, 2024**

2. Commission Identification Number **62893**

3. BIR Tax Identification Number **004-710-062-000**

4. Exact name of issuer as specified in its charter: **ROCKWELL LAND CORPORATION**

5. Province, country or other jurisdiction of incorporation or organization: **Philippines**

6. Industry Classification Code: ______________ (SEC Use Only)

7. Address of issuer's principal office and postal code:
   2F 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City

8. Issuer's telephone number, including area code: **(632) 7793-0088**

9. Former name, former address, former fiscal year, if changes since last report: **N/A**.

10. 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 shares**

Amount of Debt Outstanding
PhP29,153,095,683

11. Are any or all of the securities listed on a Stock Exchange?
    Yes [**X**] No [ ]
    Stock Exchange: **Philippine Stock Exchange**
    Securities Listed: **Common shares**

12. 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 – BUSINESS AND GENERAL INFORMATION

Item 1 BUSINESS

Background

Rockwell Land Corporation (the "Company" or "Rockwell Land") is a premier property developer for residential and commercial projects that cater to the high-end and upper-mid markets mainly in Metro Manila. It is primarily engaged in the residential development of high-rise condominiums as well as in retail and office leasing. Starting in 2013, the Company offered horizontal and mid-rise residential development projects not only in Metro Manila but in Cebu, Bacolod and Angeles City as well; and launched its first venture in the Hotel and Leisure segment with the launch of Aruga Serviced Apartments within the Rockwell Center in Makati City.

The Company was incorporated on August 11, 1975 as First Philippine Realty and Development Corporation. On February 23, 1995, the name was amended to Rockwell Land Corporation. On September 27, 1996, the Philippine Securities and Exchange Commission (SEC) approved the increase in capital stock of the Company from P1.0 million to P6.0 billion with three major shareholders subscribing to the increase, namely: Manila Electric Company (Meralco), First Philippine Holdings Corporation (FPH) and Lopez Holdings Corporation (formerly Benpres Holdings Corporation or LPZ). During the increase, the Company also amended its articles of incorporation to include the increase in capital stock and the increase in number of directors from 5 to 11. On May 4, 2000, the SEC approved the articles of merger of the Company with Hubbard Realty Holdings Inc., Farragut Realty Holdings Inc., Mc Pherson Square, Inc., and Foggy Bottom, Inc., with the Company as the surviving entity. In July 2008, the SEC approved the Company's increase in authorized capital stock from P6.0 billion divided into 6,000,000,000 Common Shares with ₱1.00 par value each to ₱9.0 billion divided into 8,890,000,000 Common Shares with the same par value and 11,000,000,000 Preferred Shares with a P0.01 par value each with existing shareholders subscribing to the increase in capital. In August 2009, LPZ sold its share in the Company to FPH therefore leaving the Company with only two (2) major shareholders, namely Meralco and FPH.

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

On February 27, 2012, the Board of Directors (BOD) of Meralco approved the declaration of its 51% ownership in the Company as property dividend in favor of common stockholders of record as of March 23, 2012, except for foreign common shareholders who were paid the cash equivalent of the property dividend. Consequently the Company became a public company having more than 200 shareholders. The property dividend was paid on 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 December 31, 2024, FPH continues to own 86.58% of the Company.

Subsidiaries and Affiliates

Rockwell Integrated Property Services, Inc. (RIPSI), a wholly owned subsidiary of the Company, was incorporated in February 19, 1999 to establish, own, manage, operate and carry on the business of maintaining and cleaning buildings and other facilities. To date, RIPSI manages twenty (24) properties. These properties consist of the various Rockwell residential condominium buildings located in the Rockwell Center in Makati City, The Grove in Pasig City, Tribeca and East Bay Residences in Muntinlupa, The Vantage at Kapitolyo and 32 Sanson in Cebu City, as well as the townhouse and midrise developments of Alvendia in San Juan, and 205 Santolan and 53 Benitez in Quezon City.

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

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

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

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

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

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

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

Rockwell Carmelray Development Corporation (Rockwell Carmelray), formerly Carmelray Property Holdings Inc., is a joint venture between the Company and by the Yulo family's Carmelray Property Holdings and San Ramon Holdings, which was incorporated in the Philippines and registered with the SEC on July 5, 2018. On August 8, 2018, the Company purchased 14.7% interest in Rockwell Carmelray, equivalent to 450,000 common shares. On November 20, 2019, it subscribed to an additional 240.9 million Class A redeemable preferred shares, representing 37.6% of the total issued and outstanding shares of Rockwell Carmelray. As a result, the Company owns 52.3% of the business as of December 2019. The first phase of the project, Rockwell South at Carmelray was launched last September 2019. As of December 31, 2023, the Company owns 70% of Rockwell Carmelray. The increase in the Company's ownership resulted from Rockwell Carmelray's redemption of 205,393,902 preferred shares, at the redemption price of ₱10.00, amounting to ₱2,054 million held by the Yulo family and San Ramon Holdings from 2020 to 2023.

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

On November 6, 2020, the Company subscribed to 40% of the outstanding capital stock of Rockwell Nepo Development Corporation (RNDC), formerly Nepwell Property Management Inc. Rockwell Nepo is a joint venture between the Company and T.G.N Realty Corporation, which was incorporated in the Philippines and registered with (SEC) on February 20, 2019. The JV company is set to develop the 3.6 hectares of land in Angeles City, Pampanga into a mixed-use development with residential, commercial and retail components. On April 16, 2021, RNDC's BOD, during the special meeting, approved the redemption of 55,500,000 preferred shares from T.G.N Realty Corporation, at the redemption price of ₱1.00 per share amounting to ₱55,000,000. As of December 31, 2023, the Company owns 38.49% of RNDC. On January 15, 2024, the Parent Company subscribed to an additional 1,488,253,578 shares from the unissued portion of the existing authorized capital stock of RNDC, consisting of 16,878,344 common shares and 1,471,375,234 redeemable preferred shares for an aggregate subscription price of ₱1,488.3 million. As partial payment for the subscription, the Parent Company paid ₱190.0 million in cash to RNDC which was paid upon the execution of the agreement. As a result, the Parent Company's ownership interest in RNDC increased from 38.49% to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, the Parent Company's previously held interest of 38.49% was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱63.9 million.

In December 2021, the Company entered into a Joint Venture Agreement (JVA) with International Pharmaceuticals, Inc. (IPI) to jointly develop parcels of land in Cebu into residential condominiums and commercial, retail and office components through 8 Promove Land, Inc (PLI), and with the view of jointly preserving and continuing IPI's long-standing legacy in the market and the Company's brand of creating communities of unparalleled quality. The Company contributed ₱630.0 million in cash to the JV Co.as partial payment for the Company's subscription. On the same period, PLI filed its application with the SEC for the increase in authorized capital stock. The corresponding shares of the Company's first subscription shall be issued out of the said increase in authorized capital stock. On April 7, 2022, SEC approved the increase in authorized capital of PLI and in May 18, 2022, the Company subscribed to an additional 628,410,000 shares. On September 21, 2022, SEC approved change of company name to Rockwell IPI Development Corporation (RIDC). As of December 31, 2023 the Company owns 50% of RIDC.

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

Business Segments

Rockwell Land's operations are divided into two (2) segments: residential development and commercial development.

RESIDENTIAL DEVELOPMENT

The residential development segment involves the development, sales and property management of all residential units under the Rockwell and Primaries brands. This segment currently accounts for 57% of the Company's EBITDA. Its portfolio of completed projects comprises of the following:

West Block Residential Towers (2000)

Approximately 2.8 hectares, the West Block was the first residential development within Rockwell Center. It consists of four towers, each named after the country's most prominent artists and national figures. The West Block has a total of 856 residential units as follows:

Hidalgo Place	251 units
Luna Gardens	131 units
Rizal Tower	169 units
Amorsolo Square	305 units

The Company completed and handed over these towers to the unit owners on time starting 1999.

The Manansala (2005)

After the completion of West Block, the Company introduced The Manansala in 2001 – the first residential project on the east side of Rockwell Center. It was launched to address the market requirement for smaller units. This 618-unit project was also the first project of the Company that was launched to the Filipino-American investor market. The project broke ground in May 2002 and was completed six months ahead of schedule in July 2005.

Joya Lofts and Towers (2008)

Following The Manansala, the 931-unit Joya Lofts and Towers were launched in late 2003. The distinguishing feature of the Joya Lofts and Towers is its loft design, featuring 20 foot ceilings and a "canvass" for the unit owners' creative ideas. The project also includes more ground for retail spaces for tenants intended to service residents' requirements. The twin tower project broke ground in August 2004 and was completed in June 2008, six months ahead of schedule.

One Rockwell (2011)

Riding on the sales momentum of Joya, the Company launched One Rockwell in 2005 – its largest development within Rockwell Center with 1,275 units. The distinguishing feature of One Rockwell is its Z-loft units, which provides residents with units crossing across the corridor for views from both sides of the building. This two (2) – tower project (East and West Towers) commenced construction in February 2007 and was completed in November 2011. Turnover to unit owners started in November 2010.

The Grove by Rockwell – Towers A & B (2012)

The Grove by Rockwell is the Company's first project outside of Rockwell Center in Makati and its first venture into the upper mid-market segment. The project is situated on a 5.4 hectare prime property along the major thoroughfare of E. Rodriguez Jr. Ave. in Pasig and will consist of six residential towers with a small retail and commercial area. The Grove's master plan intends to retain

75% of its area for open-space and landscaped environment with a resort-inspired design for its 2,400 unit owners.

The project was introduced to the market in late 2008 with the launch of Phase 1 (Towers A, B & Podium). Its construction was completed by end of 2012 while the turnover to unit owners started on July 2012.

Edades Tower and Garden Villas (2015)

Following The Grove, a 50-storey development Edades Tower and Garden Villas was launched on December 2009. It has Garden Villas which are an extension of the tower and are composed of a landscaped cluster of bi-level units while the Garden Loft is a loft unit located within the residential tower that spills out to a generous garden deck. It also features six floors of serviced apartments which has a dedicated lobby and set of amenities. The construction of this masterpiece started on April 2011 and was fully completed last March 2015. Turnover to unit owners started in April 2014.

205 Santolan by Rockwell (2015)

To expand its portfolio of products, the Company launched its first townhouse community venture – the 205 Santolan in 2012. It is situated on a 1.8 hectare property located near the Santolan -Ortigas Avenue intersection that has quick access to major thoroughfares. This 105-unit low density project comes complete with master-planned landscaping and amenities. It broke ground in February 2012 and the turnover to the buyers started February 2014.

The Alvendia (2015)

Coming from the success of its 1st townhouse development, Rockwell Land launched another townhouse project on a 0.5 has site in San Juan City on July 2013. With only 28 units, the project was almost sold out within the first month of its launch. Turnover started on March 2015 while construction was fully completed on July 2015.

The Grove by Rockwell – Towers C & D (2016)

Following the launch of the Phase 1 of The Grove by Rockwell, Phase 2 (Towers C & D) was introduced to the market on November 2010 and turnover to the buyers started on April 2015.

53 Benitez (2016)

Rockwell Primaries launched its first project called the 53 Benitez in July 2013. Situated on a one (1) hectare lot in Quezon City, this project is a mid-rise building which has 358 units. The primary target market for this project is end-users like young and start-up families. This was turned over to unit owners starting July 2016.

The Grove by Rockwell – Towers E & F (2017)

Towers E & F, The Grove's final phase, was completed and turned over to unit owners in September and June 2016, respectively.

In the same year, the Grove Retail Row opened in the 2nd quarter with Rustan's Supermarket and Starbucks as its anchor.

The Grove as well boasts of an 8,000 square meter Amenity Deck with the biggest poolside deck among Rockwell developments to date.

32 Sanson Phase1 – Raffia & Gmelina (2017)

The Company acquired a 3.1 hectare lot in Lahug, Cebu City in 2012 to expand to other strategic urban centers in the Philippines. This is the Company's first venture outside the region of Luzon and Cebu City is one of the most progressive provincial cities in the country. The primarily residential project will have 2 phases; the 135 units for the 1st phase and 218 units for the 2nd phase.

The Phase 1 composed of Towers Raffia and Gmelina is a 5 storey residential development. This project was launched in January 2014 and was turned over to unit owners starting December 2016.

32 Sanson Phase 2 – Buri (2019)

The second phase of 32 Sanson was launched in September 2015. The 111 unit mid-rise building was completed last February 2019.

Proscenium Phase 1 – Kirov, Sakura, Lincoln, Lorraine (2019 and 2020)

The Proscenium is a mixed-use development project situated on a 3.6 hectare property adjacent to Rockwell Center. The development will consist of five (5) residential towers, which will be anchored on a cultural component. Located on the lower west side of the development, this will house a 700-seater performing arts theater as well as a museum.

The first two residential towers, Sakura and Kirov, were launched in November 2012 featuring 389 large size units ranging from 2 to 4 bedrooms. The third residential tower, Lincoln, was launched in February 2013 while the fourth residential tower, Lorraine, was re-launched in March 2015 showcasing bigger-sized units than originally intended. Turnover of Kirov and Sakura started in November 2018, Lincoln in March 2019 and Lorraine in 2020.

Stonewell Acacia Homes (2020)

Rockwell Land's first affordable housing project is situated in a 5.9-hectare property in Sto. Tomas, Batangas, referred to as Stonewell Acacia Homes. This residential development features 564 socialized housing units and 188 economic units whose turnover to unit owners has been underway since 2017.

Edades Suites (2021)

This project is an expansion to the Edades Tower and Garden Villas which was completed in 2015. This is a 23-storey tower which only features 54 very prime units. This was launched in May 2016 and was sold out by end of 2016.

Terreno South Ph1 & Ph2 (2021)

Terreno South is Rockwell Land's pioneering foray into horizontal development in Lipa City, Batangas. Acquired in 2016, the initial 38-hectare property will be developed in several phases, with primarily open lots as its product offering catering to the middle market segment. The first two phases were launched in October 2018 and July 2019 with 359 open lots, and were completed in December 2021.

32 Sanson Phase3 - Solihiya (2022)

Solihiya is an 8-storey building with 120 units. Solihiya started selling in August 2017 and was completed in June 2022.

Stonewell Mahogany Homes (2022)

The second phase of Stonewell projects, Mahogany Homes, was launched in September 2018. This is a three hectare property comprised of 443 socialized housing units. The project was completed last April 2022.

The Vantage at Kapitolyo (2023)

The Vantage at Kapitolyo is Primaries' first integrated high-rise condominium and offers 755 residential units. It is strategically located at the corner of United Street and West Capitol Drive in the bustling Kapitolyo district in Pasig. This two-tower residential development that features an amenity deck at the podium and two-story retail area aims to provide easy access to central business districts, academic institutions and hospitals.

The first tower, called the West Tower rises to 33 storeys high. This was launched in August 2015 and is completed in 2021. It started handover in October 2020.

The East Tower is a 31-storey building. This was launched in June 2016 and completed in 2023.

In addition to the above completed projects, the Company has the following ongoing projects:

The Proscenium Residences (2023)

The Proscenium Residences, which was launched in October 2015, completes the Proscenium residential development project. It was completed in 2023.

The Balmori Suites (2024)

The Balmori Suites, a highly exclusive project located at the heart of Rockwell Center was launched in April 2021 with 57 units at only 3-5 per floor. It is expected to be completed by April 2024.

Stonewell Royal Palm Homes (2024)

Stonewell Royal Palm Homes was launched last August 2019 with 130 socialized housing units. It will be complemented by a retail complex along the national highway in Sto. Tomas. It is expected to be completed in 2024.

East Bay Residences (Phased completion starting 2023)

East Bay Residences is Rockwell Primaries' first vertical development in the South of Metro Manila. The Fordham is the first of the five towers launched in Otober 2016 under this 6.2 hectare development. The 15-storey tower offers 307 units of 2 to 3-bedroom units was completed in 2023. Larsen, the second tower with 375 units was launched in December 2019 and is scheduled to be completed in 2025. This will be complemented by a clubhouse, which opened in February 2018, and a retail row which opened in 2019.

The Arton by Rockwell (Phased completion from 2023-2026)

The Arton by Rockwell is Rockwell's first high-end residential development within the Katipunan university row in Quezon City. The project comprises of 3 towers ranging between 24 to 34 stories high with 400-600 units each. The Arton West was launched in July 2017 and completed in July 2023. The Arton North and Arton East were launched last March 2018 and July 2021, respectively. The Arton North started handover in October 2023. The Arton East is expected to be completed in October 2026.

Terreno South (Phased completion from 2024-2027)

The third phase of the Terreno South project was launched in December 2021 with additional 259 lots in inventory. The fourth phase was launched in May 2022 with additional 139 open lots. Given the warm reception of the market for open lots, Terreno South has now grown its footprint to 47 hectares.

Aruga Resort and Residences Mactan-Cebu by Rockwell (Phased completion from 2025)

Aruga Resort and Residences Mactan-Cebu by Rockwell is Rockwell's first ever mixed-use resort project. Located on Punta Engaño in Mactan, Cebu, the property's expansive 300 meter beachfront faces the Hilutungan Channel and Olango Island. The first phase of the development, comprised of 298 residential units, was officially launched in August 2018 and will be completed by 2025. 11 Mactan Villas were launched in 2020 and another 11 villas were launched in 2021. The development will also feature a 300-room Aruga resort hotel which is currently under planning stage.

Rockwell South at Carmelray (completion starting 2024)

Rockwell South is the joint venture project of Rockwell Land and Yulo family's Carmelray Property Holdings and San Ramon Holdings. The 63-hectare property will be developed in phases as highend residential subdivision. The first three phases were launched last September 2019, December 2019 and November 2021 with 253, 178 and 72 lots, respectively, and were completed in 2024. In October 2023, Rockwell South Cluster 5 was launched with 110 lots, with an expected completion in 2026. In November 2024, Rockwell South Cluster 6 was launched, a house-and-lot development with 46 units, expected to be completed by 2028.

Nara Residences (completion starting 2024)

Nara Residences is a 10.9-hectare development in Bacolod which will feature vertical residential condominiums and 2.1 hectares of retail spaces. The first phase was launched in December 2019 with 245 units. The first two towers are expected to be completed in 2025. Nara Lots with 110 residential lots were launched last October 2021 ranging from 250-400sqm was also completed in October 2024.

8 Benitez Suites (completion by 2025)

8 Benitez Suites by Rockwell is an exclusive mid-rise residential development comprising of two six-storey buildings with only a total of 61 units. The project, officially launched in December 2020, consists of only 2 and 3 bedroom suites with the units on the ground floor having their own private garden areas. It is expected to be completed by the end of 2025.

32 Sanson Phase 4 - Sillion (completion by 2025)

The last tower of 32 Sanson project in Cebu was launched March 2021 with 60 units. The project consists of 1-bedroom to 3-bedroom units, including garden units. It is due for completion by end of 2024.

The Manansala and The BenCab (completion by 2026)

RNDC, the joint venture between Rockwell Land Corporation and Juan D. Nepomuceno Realty Group, will be developing a 4.5 hectare property situated in Nepo Center, Angeles City, Pampanga. The mixed-use development will feature 3 residential towers and the first Power Plant Mall outside of Metro Manila.

The Manansala and The BencCab at Rockwell Center Nepo, were launched in September 2021 and September 2022, respectively and are scheduled for turnover in 2026.

Edades West (completion by 2028)

The latest of the Edades cluster, the new residential tower in Rockwell Center, was launched in the last quarter of 2022. With only 217 two to three bedroom units in total, the project delivers on a promise of exclusivity, innovation and future-proof living. It is due for completion in 2028.

The Samanean at Paradise Farms (Phased completion from 2025)

The Samenean at Paradise Farms is a 110-hectare community offers residential lots ranging from 252 to 449 square meters located in San Jose del Monte, Bulacan. Launched in Dec 2024, the development is designed to harmonize modern living with nature, it features amenities such as biking and hiking trails, glamping areas, a yoga deck, nature-inspired play zones, a central amenity area, and a retail row for residents' convenience.

Molinillo at Rockwell Center Lipa (completion starting 2027)

Molinillo is the inaugural residential phase of Rockwell Center Lipa, a 63-hectare mixed-use development located in Lipa City, Batangas. Spanning 14 hectares, Molinillo offers 233 open residential lots, each averaging 280 square meters. Launched in December 2024, the project is set for completion in 2026.

COMMERCIAL DEVELOPMENT

The Commercial development segment of the Company develops, leases and manages its retail and office developments. As of 2024, the Company has a total portfolio of 236,546 sqm of leasable space.

Power Plant Mall (PPM)

The Power Plant Mall is a four-level shopping center with 43,277 sqm. leasable area and three (3) levels of parking. The Power Plant Mall provides the leisure component for the occupants of the residential towers and offices within the Rockwell Center.

With the aim of providing its patrons with a better recreational experience, Rockwell Land commenced the expansion of Power Plant Mall during the last quarter of 2015. The new and improved Mall is expected to house a more comprehensive portfolio of brands and dining concepts as well as a larger chapel. The expansion provided additional 5,620 sqm of leasable space. The notable tenants are Michelin star awarded Din Tai Fung and The Grid. In response to the safety concerns brought about by the pandemic, the mall introduced Rockwell Streetside in 2020, an al fresco dining experience for customers. Due to its increasing popularity and success, it expanded to include more F&B offerings in 2021.

Lifestyle shops like Saddle Row and The Spa also opened in the 1st quarter of 2018.

Two new theaters, Cinema 7 & 8, opened in December 2017. Adjacent to these 2 new cinemas is a VIP lounge where guests can wait and purchase food items more conveniently.

Other Retail Spaces

The Company also maintains 18,554 sqm of retail spaces on the ground floor of its residential and office projects, providing services, convenience and dining choices to residents/tenants and their employees. These include retail hubs in and outside the Rockwell Center including spaces in RBC Ortigas, East Bay, Vantage, RBC Sheridan and the Retail Row at The Grove in Pasig City.

Rockwell Business Center- Ortigas (RBC Ortigas)

The Company established in 2009 an unincorporated joint venture, Rockwell Business Center, with Meralco for the development and operations of an office complex within the Meralco headquarters in Ortigas.

RBC Ortigas is the Company's first venture into the office market. It contains three towers that have a total leasable area of 73,130 sqm of office and 3,700 sqm of retail space.

8 Rockwell

8 Rockwell is a premium world-class 20-storey building that achieved a LEED Gold Certification. Of the 20 physical floors, 7.2 floors were sold and are being occupied by the Company resulting to 18,500 sqm of leasable space by 2016. The notable tenants are Wyeth Philippines, Pfizer and Takeda (pharmaceutical), Ogilvy (international advertising agency) and Estee Lauder (leading global cosmetics company), and Common Ground to name a few.

Rockwell Business Center – Sheridan (RBC Sheridan)

A LEED Silver-Certified, Prime Grade A office development in Mandaluyong, RBC Sheridan has 44,000 sqm of office space and 3,820 sqm of retail area. The two-tower development was completed in 2017. It serves as the Manila headquarters of UNICEF, World Food Progam, Global Payments, Teledirect, among others.

Santolan Town Plaza

Retailscapes, Inc. launched its first community retail venture in December 2017 and was completed by June 2018. Santolan Town Plaza has 9,780 sqm of office and 9,450 sqm of retail to provide the community of residents within and around the San Juan area with casual dining restaurants, 4 cinemas and an elevated retail and leisure experience. First locators that opened in 2017 were Marketplace by Rustan's, Starbucks and True Value, among others.

Arton Strip

Arton Strip is a community retail development situated on a ridge, overlooking the Sierra Madre. It is located in close proximity to The Company's residential project in Quezon City, The Arton by Rockwell. It opened its doors in 2019 and has approximately 2,800 sqm of retail space. The community retail features a supermarket, casual dining restaurants, medical diagnostic center and the sales office of the mentioned residential project of The Company.

1 Proscenium

1 Proscenium office is a 21-floor building with a leasable area of 12,153 sqm situated at The Proscenium at Rockwell. This exciting expansion will provide a new house for multinational companies. 1 Proscenium is applying for LEED and Green Building Certifications. On April 2021, the Company launched about 51% of the leasable area for sale.

Aruga by Rockwell

The Company launched Aruga, its first entry into the hospitality business, last July 2014 to cater to the high demand of room rentals all while keeping its signature brand of exclusivity and luxury for its patrons. The project consists of 114 fully-furnished serviced apartments in the Edades Tower and Garden Villas. The project is registered with the Board of Investments on a Pioneer basis, enjoying several benefits including a tax holiday, which expired in January 2020.

Aruga Resort Mactan

Further expanding the hospitality business, the Company plans to open its first beach resort hotel in Cebu. This is located within a 4.8 hectare lot is situated along the stretch of well-known beach resorts in Punta Engano, Lapu-Lapu City, Cebu. This is presently undergoing design and planning.

Rockwell Performing Arts Theater

Rockwell Performing Arts Theater is the Company's first, and one of the grandest features of its residential project, Proscenium at Rockwell in Makati. The state of the art performing arts theater will be home of world class cultural performances. The project is due for completion in 2025.

Power Plant Mall Angeles

Upscale shopping and dining destination located within the 4.5-hectare Rockwell at Nepo Center in Angeles City, Pampanga. The mall will feature approximately 30,000 square meters of retail space, offering a diverse mix of international and local brands which is scheduled to open in 2027.

Customers and Distribution Methods of Products

The Company caters to a wide range of customers, not any one of whom account for 20% or more of its revenues. Its residential projects are sold to both local individuals and corporations and foreign individuals with the local market accounting for about 91% of sales by end 2023, higher from previous three year's average of 88% (2020-2022) due to foreign ownership restrictions of lots. For its commercial leasing business, its customers are individuals and institutions.

Residential projects are sold to clients primarily through the Company's in-house sales team which exclusively sells Rockwell projects, complemented by a network of licensed brokers. Its in-house sales team, now numbering 77, consists of regular employees and is headed by licensed brokers. The Company also has an in-house leasing team which handles its commercial retail and office business.

The Company maintains websites and various model units which serve as touch points for its customers. In 2002, the Company started to tap the Filipinos living overseas or abroad through international roadshows. In 2013, the Company formally organized an International Sales team which is focused on servicing the current international markets as well as establishing new markets. In recent years, the Company has been active in tapping the international market through roadshows in the US, Singapore and in Dubai.

Competition

Rockwell Land has initially developed vertical residential projects in Metro Manila, targeting high-end and the upscale markets. With a view of expanding its customer base, the Company has since catered to the affordable segment and broadened its reach outside Metro Manila with its Stonewell project. The company's focus on diversification has led it to increase its retail and office portfolio through the years. In 2013, the Company entered into a new market, Hotel and Leisure, by introducing Aruga Serviced Apartments. In 2018, Terreno South in Lipa, Batangas is its first foray into mid-market horizontal community. In 2019, the Company offered its first premium horizontal development and its biggest property yet, Rockwell South in Canlubang, Laguna. Rockwell Land believes that it can effectively compete in the property sectors that it competes in, given the Company's strong brand name and its track record of project innovations and successful delivery.

As a luxury property developer, the Company competes with Ayala Land Premier, Alveo and Shang Properties. For Primaries brand, in relation to its existing projects, the Company competes with the likes of Ayala Land's Alveo, Ortigas & Co. and DMCI Homes. Rockwell Land is able to effectively compete in the high-end and upper middle market segments based on reputation, quality, reliability, location, amenities, and price.

With respect to the socialized, economic housing segments, the Company competes with Vista Land thru its Bria, Lumina and Camella Homes, Ayala Land's Bella Vita and Amaia, and SM Development Corporation.

Rockwell Land believes that its competitors in the retail segment include Ayala Land, Shang Properties, Ortigas & Company and Megaworld. The Company competes based on reputation, quality, and tenant mix.

With the growth in the Philippine economy experienced since 2010, the Company has observed that big players have diversified across income segments and expanded geographically. This is true for both residential and retail development, resulting in heavier competition in the markets that we are present in.

For its office segment, the Company considers Megaworld, Ayala Land, Robinsons Land, SM Prime Holdings and the Net group as its main competitors. Rockwell Land competes based on reputation, quality, location and price.

For its serviced apartments, the Company competes with likes of Ascott, Makati Diamond Residences and Discovery Primea. Aruga by Rockwell Land competes on the basis of quality, location, and price.

Suppliers

The Company's raw material requirements for its business are widely available from local and international sources. It generally enters into fixed-sum agreements with reputable general contractors for the construction and development works of its projects except in instances when it believes that it can benefit from the direct procurement of certain materials and packages. Awarding of construction contracts and packages go through the following selection process: pre-qualification (based on project track record, including previous works done for Rockwell, and financial capacity, among others), submission of sealed bids, evaluation of accepted bids (technical and commercial) and a final bidding. It maintains a wide base of suppliers and is not dependent on one or a limited number. Rockwell Land also continues to seek new suppliers as well as explore ways of effectively partnering with its contractors and subcontractors to ensure the quality, on time delivery and the cost-effectiveness of its projects.

Rockwell Land maintains an in-house project development team that it has built over the past completed residential projects. This team of about 222 employees with specialization in various engineering and architectural disciplines is tasked to ensure that projects are delivered on time according to a specified quality and budget. It manages the different projects by strictly monitoring project milestones in coordination with the general contractors and ensuring that issues during construction are resolved timely.

Some of Rockwell Land's manpower requirements for its retail, office and property management operations are outsourced to accredited services providers. This includes housekeeping, janitorial, security and maintenance personnel, among others. The service providers also go through a selection and accreditation process and regular evaluation in order to maintain the required service level.

Intellectual Property

The Company currently owns following registered trademarks, namely:

1. THE GROVE BY ROCKWELL
   TM Registration No. 4-2007-013661
   Issued on 6 October 2008, valid until 6 October 2028

THE GROVE by Rockwell

2. POWER PLANT MALL
TM Registration No. 4-2012-003100
Issued on 7 June 2012, valid until 7 June 2032

3. POWER PLANT CINEMA
TM Registration No. 4-2012-003101
Issued on 7 June 2012, valid until 7 June 2032

4. THE PROSCENIUM AT ROCKWELL
TM Registration No. 4-2012-003496
Issued on 14 June 2012, valid until 14 June 2032

5. 205 SANTOLAN BY ROCKWELL
TM Registration No. 4-2012-003497
Issued on 14 June 2012, valid until 14 June 2032

6. PROSCENIUM LOGO
TM Registration No. 4-2012-00114355
Issued on 25 April 2013, valid until 25 April 2033

PROSCENIUM

7. PRIMARIES A ROCKWELL COMPANY
TM Registration No. 4-2012-00014881
Issued on 4 July 2013, valid until 4 July 2033

8. LINCOLN AT THE PROSCENIUM
TM Registration No. 4-2013-003555
Issued on 18 July 2013, valid until 18 July 2023

9. SAKURA AT THE PROSCENIUM
TM Registration No. 4-2013-003556
Issued on 18 July 2013, valid until 18 July 2033

10. KIROV AT THE PROSCENIUM
TM Registration No. 4-2013-003552
Issued on 5 September 2013, valid until 5 September 2023

11. LORRAINE AT THE PROSCENIUM
TM Registration No. 4-2013-00003554
Issued on 5 September 2013, valid until 5 September 2033

12. PROSCENIUM (WORD MARK)
TM Registration No. 4-2012-00014354
Issued on 25 April 2013, valid until 25 April 2033

13. THE GORGEOUS MESS
TM Registration No. 4-2015-00504659
Issued on 16 June 2016, valid until 16 June 2026

14. 8 ROCKWELL
TM Registration. No. 4-2016-00501938
Issued on 04 August 2016, valid until 4 August 2026

15. STONEWELL STO. TOMAS, BATANGAS
TM Registration No. 4-2015-00005140
Issued on 4 August 2016, valid until 4 August 2026

16. THE ROCKWELL BUSINESS CENTER - SHERIDAN
TM Registration No. 4-2015-00505271
Issued on 3 December 2016, valid until 3 December 2026

17. THE ROCKWELL BUSINESS CENTER - ORTIGAS
TM Registration No. 4-2015-00505272
Issued on 12 January 2017, valid until 12 January 2027

18. SANTOLAN TOWN PLAZA
TM Registration No. 4-2016-00500580
Issued on 3 December 2016, valid until 3 December 2026

19. EIGHT COFFEE BAR
TM Registration No. 4-2016-00503014
Issued on 24 March 2017, valid until 24 March 2027

20. EDADES TOWER AND GARDEN VILLAS
TM Registration No. 4-2010-00011100
Issued on 24 March 2017, valid until 24 March 2027

21. THE ARTON BY ROCKWELL
TM Registration No. 4-2017-00501551
Issued on 1 March 2018, valid until 1 March 2028

22. THE GRID (Logo)
TM Registration No. 4-2017-00503574
Issued on 8 February 2018, valid until 8 February 2028

23. THE GRID
TM Registration No. 4-2017-00503576
Issued on 5 April 2018, valid until 5 April 2028

24. THE GRID FOOD MARKET
TM Registration No. 4-2017-00503575
Issued on 5 April 2018, valid until 5 April 2028

25. THE GRID FOOD MARKET (Logo)
TM Registration No. 4-2017-00503573
Issued on 5 April 2018, valid until 5 April 2028

26. THE FIFTH AT ROCKWELL (White on Black)
TM Registration No. 4-2018-00017656
Issued on 21 February 2019, valid until 21 February 2029

27. THE FIFTH AT ROCKWELL (Black on White)
TM Registration No. 4-2018-00017658
Issued on 21 February 2019, valid until 21 February 2029

28. THE GROVE RETAIL ROW
TM Registration No. 4-2017-00501978
Issued on 28 February 2019, valid until 28 February 2029

29. EVENTS HALL THE FIFTH AT ROCKWELL (White on Black)
TM Registration No. 4-2018-00017655
Issued on 18 April 2019, valid until 18 April 2029

30. EVENTS HALL THE FIFTH AT ROCKWELL (Black on White)
TM Registration No. 4-2018-00017657
Issued on 18 April 2019, valid until 18 April 2029

31. THE ROCKWELL BUSINESS CENTER
TM Registration No. 4-2018-00016865
Issued on 4 July 2019, valid until 4 July 2029

32. 32 SANSON BY ROCKWELL (With Color Claim)
TM Registration No. 4-2018-00022085
Issued on 14 July 2019, valid until 14 July 2029

33. 32 SANSON BY ROCKWELL
TM Registration No. 4-2018-00022086
Issued on 14 July 2019, valid until 14 July 2029

34. THE PROSCENIUM RESIDENCES (White)
TM Registration No. 4-2018-00019230
Issued on 14 July 2019, valid until 14 July 2029

35. THE PROSCENIUM RESIDENCES (Gold)
TM Registration No. 4-2018-00019231
Issued on 14 July 2019, valid until 14 July 2029

36. THE PROSCENIUM RESIDENCES (Dark Blue)
TM Registration No. 4-2018-00019232
Issued on 14 July 2019, valid until 14 July 2029

37. ROCKWELL LAND
TM Registration No. 4-2018-00022616
Issued on 14 July 2019, valid until 14 July 2029

38. ROCKWELL
TM Registration No. 4-2019-00006572
Issued on 25 August 2019, valid until 25 August 2029

39. ROCKWELL SOUTH AT CARMELRAY (with color claim)
TM Registration No. 4-2019-00006034
Issued on 22 September 2019, valid until 22 September 2029

40. ROCKWELL SOUTH AT CARMELRAY
TM Registration No. 4-2019-00006033
Issued on 22 September 2019, valid until 22 September 2029

41. STONEWELL
TM Registration No. 4-2019-00008773
Issued on 3 October 2019, valid until 3 October 2029

42. ROCKWELL LAND with LOGO
TM Registration No. 4-2019-00006573
Issued on 1 December 2019, valid until 1 December 2029

43. TERRENO SOUTH
TM Registration No. 4-2018-00019226
Issued on 10 January 2020, valid until 10 January 2030

44. ROCKWELL ATLETICA (White)
TM Registration No. 4-2019-00012263
Issued on 11 April 2020, valid until 11 April 2030

45. ROCKWELL ATLETICA (Black)
TM Registration No. 4-2019-00012262
Issued on 19 July 2020, valid until 19 July 2030

46. ROCKWELL ATLETICA
TM Registration No. 4-2019-00012261
Issued on 19 July 2020, valid until 19 July 2030

47. 8 BENITEZ SUITES BY ROCKWELL
TM Registration No. 4-2019-00501116
Issued on 19 July 2020, valid until 19 July 2030

48. ROCKWELL CENTER NEPO, ANGELES
TM Registration No. 4-2021-507725
Issued on 21 May 2021, valid until 21 May 2031

49. THE BURI TOWER
TM Registration No. 4-2021-00508379
Issued on 4 June 2021, valid until 4 June 2031

50. THE GMELINA TOWER
TM Registration No. 4-2021-00508371
Issued on 4 June 2021, valid until 4 June 2031

51. THE RAFFIA TOWER
TM Registration No. 4-2021-00508372
Issued on 4 June 2021, valid until 4 June 2031

52. THE SILLION TOWER
TM Registration No. 4-2021-00508374
Issued on 4 June 2021, valid until 4 June 2031

53. THE SOLIHIYA TOWER
TM Registration No. 4-2021-00508376
Issued on 4 June 2021, valid until 4 June 2031

54. THE BALMORI SUITES
TM Registration No. 4-2021-503008
Issued on 23 July 2021, valid until 23 July 2031

55. THE MANANSALA BY ROCKWELL
TM Registration No. 4-2021-513727
Issued on 30 July 2021, valid until 30 July 2031

56. THE MANANSALA
TM Registration No. 4-2021-513502
Issued on 8 August 2021, valid until 8 August 2031

57. THE VILLAS AT ARUGA RESORT AND RESIDENCES
TM Registration No. 4-2021-508478
Issued on 8 August 2021, valid until 8 August 2031

58. NARA RESIDENCES BY ROCKWELL
TM Registration No. 4-2019-507068
Issued on 2 May 2022, valid until 2 May 2032

59. ROCKWELL IPI CEBU
TM Registration No. 4-2022-507876
Issued on 14 July 2022, valid until 14 July 2032

60. EDADES WEST
TM Registration No. 4-2022-510911
Issued on 18 July 2022, valid until 18 July 2032

61. EDADES WEST (logo)
TM Registration No. 4-2022-514566
Issued on 8 August 2022, valid until 8 August 2032

62. DONE ROCKWELL
TM Registration No. 4-2023-523737
Issued on 29 December 2023, valid until 29 December 2033

63. ROCKWELL AT NEPO CENTER
TM Registration No. 4-2023-515601
Issued on 6 January 2024, valid until 6 January 2034

64. IPI CENTER BY ROCKWELL
TM Registration No. 4-2023-511259
Issued on 24 January 2024, valid until 24 January 2034

65. ROCKWELL COUNTRY CLUB AT CARMELRAY
TM Registration No. 4-2023-517243
Issued on 11 July 2024, valid until 11 July 2034

66. ROCKWELL LIPA
TM Registration No. 4-2024-518283
Issued on 14 Septemer 2024, valid until 14 September 2034

67. MOLINILLO
TM Registration No. 4-2024-518284
Issued on 14 Septemer 2024, valid until 14 September 2034

68. IPI CENTER DONE ROCKWELL
TM Registration No. 4-2023-530418
Issued on 16 September 2024, valid until 16 September 2034

69. MOLINILLO AT ROCKWELL CENTER LIPA
TM Registration No. 4-2024-521116
Issued on 12 October 2024, valid until 12 October 2034

70. ROCKWELL CENTER LIPA
TM Registration No. 4-2024-521120
Issued on 12 October 2024, valid until 12 October 2034

71. LAUAN RIDGES BY ROCKWELL
TM Registration No. 4-2024-521139
Issued on 12 October 2024, valid until 12 October 2034

72. THE GUEST HOUSE AT ROCKWELL SOUTH AT CARMELRAY
TM Registration No. 4-2024-521139
Issued on 4 November 2024, valid until 4 November 2034

At the time of this writing, the Company has the following pending trademark applications:

1. PRIMARIES
TM Appl. No. 4-2012-014880 filed on 10 December 2012

2. ROCKWELL WORKSPACES
TM Appl. No. 4-2021-524398 filed on 13 October 2021

3. LAUAN RIDGES
TM Registration No. 4-2024-516651 filed on 18 June 2024

4. LOS CABOS SAN DIEGO
TM Registration No. 4-2024-519851 filed on 19 July 2024

5. LOS CABOS SAN DIEGO (Logo)
TM Registration No. 4-2024-521146 filed on 1 August 2024

The following registered trademarks are owned by Rockwell Hotel and Leisure Management Corporation:

1. ARUGA
TM Registration No. 4-2015-00505825
Issued on 12 May 2016, valid until 12 May 2026

2. ARUGA (with background)
TM Registration No. 4-2015-00505829
Issued on 12 May 2016, valid until 12 May 2026

3. ARUGA BY ROCKWELL RESORT AND RESIDENCES MACTAN – CEBU (Brown)
TM Registration No. 4-2018-00015497
Issued on 10 January 2019, valid until 10 January 2029

4. ARUGA BY ROCKWELL RESORT AND RESIDENCES MACTAN – CEBU (Teal Blue)
TM Registration No. 4-2018-00015496
Issued on 10 January 2019, valid until 10 January 2029

5. ARUGA BY ROCKWELL RESORT AND RESIDENCES MACTAN – CEBU (Ocean Blue)
TM Registration No. 4-2018-00015498
Issued on 7 February 2019, valid until 7 February 2029

6. ARUGA BY ROCKWELL RESORT AND RESIDENCES MACTAN – CEBU (Cream)
TM Registration No. 4-2018-00015500
Issued on 7 February 2019, valid until 7 February 2029

7. ARUGA BY ROCKWELL (with background)
TM Registration No. 4-2018-014427
Issued on 7 February 2019, valid until 7 February 2029

8. ARUGA BY ROCKWELL
TM Registration No. 4-2018-014039
Issued on 7 February 2019, valid until 7 February 2029

9. ARUGA SERVICED APARTMENTS
TM Registration No. 4-2018-00014426
Issued on 10 October 2019, valid until 10 October 2029

10. ARUGA APARTMENTS BY ROCKWELL
TM Registration No. 4-2020-00511318
Issued on 14 December 2020, valid until 14 December 2030

The following registered trademarks are owned by Rockwell Primaries Development Corporation, a subsidiary of the Company:

1. THE VANTAGE AT KAPITOLYO
TM Registration No. 4-2015-00503590
Issued on 4 January 2016, valid until 4 January 2026

2. THE VANTAGE PIN
TM Registration No. 4-2015-00505440
Issued on 19 May 2016, valid until 19 May 2026

3. THE VANTAGE GALLERY
TM Registration No. 4-2017-00507069
Issued on 11 April 2020, valid until 11 April 2030

The following registered trademarks are owned by Rockwell Primaries South Development Corporation, a subsidiary of the Company:

1. LARSEN TOWER BY ROCKWELL PRIMARIES
TM Registration No. 4-2019-012259
Issued on 19 July 2020, valid until 19 July 2030

2. THE FORDHAM TOWER
TM Registration No. 4-2019-012259
Issued on 18 June 2021, valid until 18 June 2031

3. LARSEN TOWER
TM Appl. No. 4-2019-012260
Issued on 2 July 2021, valid until 2 July 2031

The following registered trademarks are owned by Retailscapes Inc., a subsidiary of the Company:

1. RETAILSCAPES
TM Registration No. 4-2015-00502880
Issued on 10 December 2015, valid until 10 December 2025

The following registered trademarks are owned by Rockwell Nepo Development Corporation, an associate of the Company:

1. THE MANANSALA AT ROCKWELL CENTER NEPO, ANGELES
TM Registration No. 4-2021-520289
Issued on 25 November 2021, valid until 25 November 2031

As trademark owner, the Company (and its subsidiaries) has the sole right to use the trademarks in the real estate development business, and to exclude any person or entity from exploiting the trademarks in the same business, or in the manner that will dilute or diminish the distinctiveness of the trademarks.

Research and Development

Although the expense for research and development did not amount to a significant percentage versus revenues, extra measures are being taken by the Company to improve its research and development function. The Company, along with its plans for expansion, has continued to engage with industry consultants and research services last year.

Employees

As of December 31, 2024, Rockwell Land and its subsidiaries had a total of 3,663 employees, including 1,182 organic employees and 2,481 non-organic (contractual and agency) employees. The breakdown of organic employees per business unit is as follows:

Business Units`	Number of Employees
Residential Development	800
Commercial Development	100
Hotel and Leisure	60
Shared	222
TOTAL	**1,182**

The organic employees can be broken down by function as follows:

Function	Number of Employees
Operational	634
Technical	440
Administrative	108
TOTAL	**1,182**

The Company has no collective bargaining agreements with employees and none of the Company's employees belong to a union.

The Company provides employees with training and other development programs to effectively carryout their jobs and to prepare them for career advancement in the Company.

Item 2 PROPERTIES

The Company, in the course of its business, has invested in various properties for its existing and future development projects. It entered into a joint venture with Meralco for Rockwell Business Center, an office development project in Ortigas. It has also signed two long-term lease agreements for the development of Santolan Town Plaza and RBC - Sheridan.

Following is the list of properties owned by the Company as of December 31, 2024. The list excludes properties which have been completed or have been launched as development projects since titles of properties in these projects have already been or will be transferred to the buyers and/or the respective condominium corporations.

	Location	**Description and use**
Investment Properties		
Power Plant Mall	Rockwell Center, Makati	Retail
Estrella lots	Estrella St., Makati City	Company use (office & storage)
Grove retail	The Grove, Pasig City	Company use (office and retail)
8 Rockwell	Rockwell Center, Makati	Office and retail
Various retail spaces	The Manansala, Joya Lofts and Towers, One Rockwell, Edades #38 Rockwell Drive, Balmori Suites-- all within Rockwell Center, Makati; East Bay in Muntinlupa and Vantage in Pasig	Retail
Rockwell Business Center – Sheridan	Sheridan, Mandaluyong	Office and Retail
Santolan Town Plaza	Bonny Serrano Ave, San Juan	Office and Retail
Batangas property	Sto. Tomas, Batangas	Retail development
Arton Strip	Quezon City	Retail development
1 Proscenium	Rockwell Center, Makati	Office development
Proscenium Retail Row	Rockwell Center, Makati	Retail
Rockwell Performing Arts Theater	Rockwell Center, Makati	Theater
Power Plant Mall Angeles	Rockwell at Nepo Center, Angeles City, Pampanga	Retail
Property, Plant & Equipment		
Aruga Serviced Apartments	Rockwell Center, Makati	Hotel development
Aruga Resort & Residences-Mactan	Mactan, Cebu	Hotel development

Investment in Shares of Stock	**No. of Shares**	**Par or Market Value and Description**
Rockwell Primaries Development Corporation	500,000,000 Common Stock	₱500.0 Million
Rockwell Primaries South Development Corporation*	3,100,000 Common Stock 6,000,000 Preferred Shares	₱316 Million
Stonewell Property Development Corporation	12,500,000 Common Stock	₱12.5 Million
Rockwell Performing Arts Theater Corporation	2,500,000 Common Stock	₱2.5 Million

Investment in Shares of Stock	No. of Shares	Par or Market Value and Description
Rockwell Integrated Property Services Inc.	20,000,000 Common Stock	₱20.0 Million
Rockwell Leisure Club Inc.	760 Proprietary Shares and 1,491 Ordinary Shares	₱394.6 Million (Market Value) and 1.5 Million (Par Value of Ordinary Shares)
Rockwell Hotels & Leisure Management Corp.	5,000,000 Common Stock	₱5.0 Million
Retailscapes Inc.	500,000,000 Common Stock	₱500.0 Million
Rockwell MFA Corp.	399,996 Common Stock 10,800,000 Preferred Shares	₱1,120.0 Million
Rockwell Carmelray Development Corporation	900,000 Common Stock 127,662,223 Preferred Shares	₱1,285.6 Million
Rockwell Nepo Development Corporation (formerly Nepwell Property Management, Inc.)	9,451,878 Common Stock 746,698,125 Preferred Shares	₱756.1 Million
Rockwell IPI Development Corpo Inc. (formerly 8 Promoveo Land Inc.)	1,019,205,000 Common Stock 2,129,205,000 Preferred Shares	₱3,148 Milllion
Rockwell GMC Development Corporation	12,000,000 Common Stock 4,080,984,000 Preferred Shares	₱4,093 Milllion

* *indirect subsidiary*

Item 3 LEGAL PROCEEDINGS

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

- Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the insolvency or within two (2) years prior to that time;

- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- Any final and executory order, judgment, or decree or any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and

- Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Item 4 SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for matters discussed during the Annual Stockholder's meeting, there were no other matters submitted to a vote of security holders during the period covered by this report.

PART II – SECURITIES OF REGISTRANT

Item 5 MARKET FOR ISSUER'S COMMON SHARE EQUITY and RELATED STOCKHOLDERS

(1) Market Information

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

(b) STOCK PRICES

	Common	
	High	Low
2024		
First Quarter.........................	1.48	1.43
Second Quarter	1.56	1.50
Third Quarter	1.50	1.46
Fourth Quarter	1.51	1.51

ROCK closed at P1.51 and P1.57 per share on December 31, 2024 and March 31, 2025, respectively.

(c) DIVIDENDS PER SHARE – The Company declared cash dividends in July 24, 2024 of ₱0.1018 per Common Share to stockholders of record as of August 16, 2024 payable on or before September 11, 2024. The company's policy is to declare dividends equivalent to 20% of prior year's net income.

The number of common and preferred shareholders of record as of December 31, 2024 was 45,062 and 25,947 who owned at least (1) board lot. As of December 31, 2024, common and preferred shares issued and subscribed were 6,243,382,344 shares (inclusive of 126,620,146 treasury shares) and 2,750,000,000 respectively.

Top 20 Stockholders of Common Shares as of December 31, 2024:

	Name	No. of Shares Held	% to Total
1.	First Philippine Holdings Corporation	5,296,015,375	86.58%
2.	PCD Nominee Corporation (Filipino)	638,357,120	10.44%
3.	PCD Nominee Corporation (Foreign)	16,892,045	0.28%
4.	Mantes Corporation	32,373,508	0.53%
5.	Padilla, Nestor J.	15,000,001	0.24%
6.	Yan, Lucio W.	1,136,324	0.01%
7.	Cheng, Charlotte Cua	886,422	0.01%
8.	Avesco Marketing Corporation	801,574	0.01%

	Name	No. of Shares Held	% to Total
9.	B.P. Insurance Agency, Inc.	792,139	0.01%
10.	Makati Supermarket Corporation	677,238	0.01%
11.	Croslo Holdings Corporation	584,297	0.01%
12	Laarni Nieman Enriquez	552,943	0.01%
13.	Carlos, Jose Ignacio A.	455,667	0.01%
14.	Tan, Lozano	422,730	0.01%
15.	Flordeliza, Virgilio C.	398,550	0.01%
16.	BP Insurance Agency, Inc.	328,969	0.01%
17.	Foresight Realty & Development Corporation	305,353	0.01%
18.	Gallinero, Olivares Teodoro	266,331	0.00%
19.	Almazora, Roberto Reyes	246,150	0.00%
20.	Gruet, Victor B.	241,295	0.00%

Stockholders of Preferred Shares as of December 31, 2024:

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

Recent Sales of Unregistered Securities

On December 12, 2007, the Board of Directors and the stockholders representing at least two-thirds of the Company's outstanding capital stock approved the increase in authorized capital stock from ₱6.0 billion to ₱9.0 billion divided into 8,890,000,000 Common shares with a par value of ₱1.00 each and 11,000,000,000 preferred shares with a par value of ₱0.01 each. The increase in authorized capital stock was approved by the SEC on July 28, 2008.

Subscription for shares of capital stock of a corporation in pursuance of an increase in its authorized capital stock, when no expense is incurred, no commission, compensation or remuneration is paid or given in connection with the sale or disposition of such securities, and only when the purpose for soliciting, giving or taking of such subscriptions is to comply with the required minimum 25% subscribed capital stock, is exempt from registration under the SRC. No notice or confirmation of exemption is required to be filed for the issuance of shares pursuant to an increase in authorized capital stock.

Exempt Transactions and Securities

ROCK also issued the following securities as exempt transactions under the SEC:

Date	Amount (In Thousands)	Type of Security	Issued to:
June 2016, May, June & October 2017, November 2019	₱3,611,000	Fixed Rate Term Loan	MBTC
June & September 2016, December 2019, March & August 2020	₱3,465,100	Floating Rate Term Loan	MBTC
May 2016, December 2019, January & December 2020,	₱6,057,590	Fixed Rate Term Loan	PNB

Date	Amount (In Thousands)	Type of Security	Issued to:
February & October 2021			
April 2022	₱500,000	Floating Rate Term Loan	PNB
February, April, July & September 2020, April, June, August, September & October 2021	₱9,532,000	Fixed Rate Term Loan	BDO
December 2022 & March 2023	₱5,000,000	Floating Rate Term Loan	BDO
July 2018, July 2019, August, October & December 2020, January, April, July & October 2021, January, March, July and September 2022	₱540,200	Fixed Rate Term Loan	SEAI Metro Manila One, Inc.
January 2024	₱3,000,000	Fixed Rate Term Loan	MBTC
June & December 2024	₱1,500,000	Fixed Rate Term Loan	PNB

*Refer to supplementary information of the 2024 Consolidated Financial Statements for more detail.

PART III – FINANCIAL INFORMATION

Item 6 MANAGEMENT DISCUSSION and ANALYSIS of FINANCIAL CONDITION and RESULTS of OPERATIONS

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

INTRODUCTION

Rockwell Land Corporation's consolidated net income after tax (NIAT) in 2024 amounted to ₱4.1 billion, an increase of 21% from last year's ₱3.4 billion. As a percentage to revenues, net income was 20% for 2024, 18% for 2023 and 16% for 2022.

Of the consolidated net income, ₱3.7 billion is attributable to equity holders of the Parent company, and is 19% higher than 2023's ₱3.1 billion.

Total revenues increased to ₱20.1 billion in 2024, 8% higher than 2023 revenues of ₱18.5 billion. Residential development accounted for 79% of the total revenues in 2024, higher than 78% in 2023 and 74% in 2022.

Earnings before interest, taxes, depreciation and amortization (EBITDA) in 2024 amounted to ₱7.6 billion representing 38% of total revenues. EBITDA from Residential Development grew by

21% from 2023 mainly attributable to higher sales bookings and project accomplishment. Commercial Development remained flat at ₱2.9 billion.

Residential development and Commercial development contributed 62% and 38% to total EBITDA in 2024, respectively.

The ratio of cost of real estate to total revenues slightly decreased to 49% coming from 51% in 2023 and decreased from 56% in 2022. This is due to initial recognition of cost in 2022 and 2023 of several projects.

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

By the end of 2024 debt level was at ₱29.1 billion while the net-debt-to-equity ratio stands at 0.70x. The debt is composed of the outstanding balances of term loans drawn from 2018-2024. About P7.5B or 26% of the total debt has a floating interest rate.

Below is a table showing the key performance indicators of the Company for 2022-2024.

KPI	2024	2023	2022
EBITDA (₱)	₱7.6 billion	₱6.8 billion	₱5.4 billion
Current Ratio (x)	3.18	3.43	3.16
Net DE Ratio (x)	0.70	0.67	0.78
Asset to Equity Ratio (x)	2.28	2.31	2.53
Interest coverage ratio (x)	4.39	4.57	4.42
ROA	5.26%	4.71%	3.86%
ROE	12.08%	11.36%	9.69%
EPS (₱)	0.61	0.51	0.38

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

Current ratio is at 3.18x, lower than the 3.43x in 2023 due to higher current portion of interest bearing loans

Net DE stood at 0.70x, due to higher availments in 2024.

EBITDA increased to ₱7.6 billion, 13% higher than 2023. As a result, interest coverage ratio decreased to 4.39x, down from 4.57x in 2023.

ROA, ROE improved in 2024 at 5.26% and 12.08% mainly from 21% increase in consolidated net income in 2024.

Key variable and Other Qualitative and Quantitative Factors

There are no known trends, events or uncertainties that are expected to affect the Company's continuing operations.
There are no known events that will trigger direct or contigent financial obligation that is material to the company, including any default or acceleration of an obligation.
There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), entities or other persons created during the reporting period.

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

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

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

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

Review of 2024 versus 2023

The following section provides information on the results of operations and financial condition for the periods 2022-2024.

The following table shows the breakdown of the revenues by business segment for the periods 2022-2024.

	2024	% to Total	2023	% to Total	2022	% to Total
Residential Development [1]	15,862	79%	14,434	78%	12,217	74%
Commercial Development[2]	4,224	21%	4,077	22%	4,291	26%
Total Consolidated Revenues	**20,085**	**100%**	**18,511**	**100%**	**16,508**	**100%**
Share in Net Income (Losses) in JV and associate [3]	*374*		*466*		*376*	

Notes:

1. *Revenues from this segment consist of the following projects in the years indicated: The Grove (2022 to 2024), The Proscenium Towers (2022 to 2024), 32 Sanson (2022 to 2024), Vantage (2022-2024), Stonewell (2022-2024), Terreno South (2022-2024), The Arton West (2022-2024), The Arton North (2022-2024), Arton East (2022-2024) Aruga Resort and Residences -Mactan (2022-2024), Fordham (2022-2024), Larsen (2022-2024), Nara (2022-2024), Rockwell South (2022-2024), 8 Benitez (2022-2024), The Balmori Suites (2022-2024), Rockwell Center in Bacolod (2022-2024) and Edades West (2022-2024).*
2. *Revenues from this segment include leasing income, room revenues from operations of Aruga Serviced Apartments, cinema revenues and revenue from sale of office units from 8 Rockwell and Proscenium projects. The amounts exclude revenues from RBC. Under the Accounting policy for a jointly controlled entity, results of operations of RBC are not consolidated line by line.*
3. *These amounts represent the Company's share in the net income after tax of RBC (2022-2024), RNDC (2022-2023) and RIDC (2022-2024).*

Below is another table showing the breakdown of revenues by type of revenue for the periods 2022-2024.

	2024	% to Total	2023	% to Total	2022	% to Total
Residential Sales[(1)]	14,967	75%	13,649	67%	11,040	67%
Office Sales[(2)]	125	1%	308	7%	1,208	7%
Commercial Leasing	2,468	12%	2,253	11%	1,777	11%
Others[(3)]	2,511	12%	2,301	15%	2,483	15%
Total Consolidated Revenues	**20,072**	**100%**	**18,511**	**100%**	**16,508**	**100%**

Notes:

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

Business Segments

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

Residential Development contributed 79% of the total revenues of 2024. Total revenues reported from the sale of real estate, including accretion of interest income, amounted to ₱15.0 billion. The 10% increase in this segment's revenue was mainly due to higher project accomplishment than last year. EBITDA from this segment amounted to P4.7 billion, which represents 62% of the total EBITDA of P7.7 billion.

Reservation sales reached ₱15.6 billion, 23% lower than last year's ₱20.3 billion, due to delay in the launches of new projects.

Commercial Development revenues amounted to ₱4.2 billion, higher by 4% than last year. This was due to higher leasing income which increased from ₱2.25 billion to ₱2.47 billion mainly due to significant improvement in tenant sales of retail tenants and higher renewal rates for office tenants. Overall, contribution from the Commercial segment decreased from 22% to 21% of total revenues. This excludes the share in the joint venture (RBC) as this is reported as "Share in Net Losses (Income) of JV" under Other Income (Expenses) and not consolidated line by line in the consolidated financial statements.

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

- Revenues from Retail operations amounted to ₱2,470 million and accounted for 12% of total consolidated revenues. The increase of 10% vs. last year's revenues of ₱2,237 million, is mainly driven by the significant improvement average rental and occupancy rate.

- Cinema Operations amounted to ₱200 million and comprised 1% of the total revenues.

- Office Leasing increased to ₱1,198 million from ₱1,131 million last year due to higher average rental rate. The Rockwell-Meralco BPO Venture, generated gross revenues of ₱1,268 million, higher from last year's ₱1,163 million from other revenues and annual rent escalation. At its 70% share, the Company generated revenues of ₱887.5 million and a share in net income of ₱414.5 million. To reiterate, only the ₱414.5 million share in net income of RBC is reflected in the Company's consolidated statements of comprehensive income as "Share in Net Losses (Income) of JV".

- Hotel Operations contributed 1% of the total consolidated revenues for 2024. Revenues increased from ₱218 million to ₱236 million. Hotel Operations' registered a ₱51 million income from operations, lower from last year of ₱64 million. Costs and expenses under hotel operations.

The Commercial segment's EBITDA amounted to ₱2.9 billion (excluding Office Sale), comprised of Retail, Office and Hotel at 56%, 42% and 2%, respectively. EBITDA increased by 18% from last year's ₱2.8 billion due to improved retail segment performance from higher tenant sales and contributed 20% to the total EBITDA.

Costs and Expenses

Cost of real estate amounted to ₱9.8 billion in 2024, 4% higher than the ₱9.4 billion that was recorded in 2023 following the increase in residential revenues.

General and administrative expenses (G&A) amounted to ₱2.5 billion which represents 13% of the total revenues. The level of expenses increased by 6% vs. last year's ₱2.4 billion. This is mainly from higher business taxes from collections in 2023, higher hotel and cinema direct costs from improved performance for the year and higher personnel costs.

Interest Expense amounted to ₱1.7 billion, which is 32% higher than last year's ₱1.6 billion. Interest incurred increased as average interest rate increased from 5.49% in 2023 to 5.71%, higher loan balance from ₱25.8 to ₱29.1 billion and interest expense resulting from significant financing component amounting to 71.4 million.

Share in Net Income of JV and associate represents the Company's share in the operations generated by RBC and Rockwell IPI. Realized shared in net income of JV and associate amounted to ₱374.1 million, a 20% decrease from last year of ₱465.7 million due to consolidation of RNDC and due higher cost and expenses of RIDC. At 70% share in JV, RBC contributed ₱414.5 million, the share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Provision for Income Tax

Provision for income tax amounted to ₱1,187 million, which is 28% higher than last year's provision of ₱924.5 million. The effective tax rate for 2024 is 22.4% higher than 2023's 21.4% due to lower share in net Income of JV and associate and interest income subject to final tax.

Project and capital expenditures

The Company spent a total of ₱17,0 billion for project and capital expenditures in 2024. Bulk of the expenditures pertained to development costs of Edades West (ongoing construction), Rockwell Center Bacolod (ongoing construction), Rockwell Nepo (ongoing construction), The Arton (ongoing construction), Aruga Resort and Residences – Mactan (ongoing construction), Nara Residences (ongoing construction), Proscenium (near completion), and costs to acquire certain properties.

FINANCIAL CONDITION

Total Assets as of December 31, 2024 amounted to ₱80.7 billion, higher by 8% from last year's ₱74.6 billion mainly due to higher real estate inventories coming from new acquisitions and development costs incurred and consolidation of RNDC with total assets of 4.3B.

Total Liabilities as of December 31, 2024 amounted to ₱44.9 billion, slightly higher than 2023's ₱42.3 billion. The increase in liabilities was mainly from additional loan availments.

Total Equity as of December 31, 2024 amounted to ₱35.8 billion. The 11% growth is mainly attributable to the ₱3.7 billion Net Income offset by dividends paid amounting to 624.3 million.

Current ratio as of December 31, 2024 is 3.20x from 3.43x, the previous year while Net debt to equity ratio increased to 0.70x in 2024 from 0.67x in 2023.

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

Statement of Comprehensive Income Items – 2024 vs. 2023

22% increase in Sale of Real Estate
Primarily due to higher project completion

9% increase in Lease income
Due to higher average rental rate of retail and office segment and additional leasable area of Proscenium Retail Row.

74% decrease in Interest income
Due to adoption of significant financing component

10% increase in Other Revenues
Mainly driven by the improved performance of Aruga serviced apartments, Rockwell Club, Cinema and tenant charges

8% increase in General and Administrative Expenses
Due to higher business taxes from higher collections in the prior year, higher cinema direct costs, and personnel costs.

9% increase in Selling Expense
Primarily due to higher cost recognition following higher sales booking and higher project completion.

9% increase in Interest Expense
Due to higher average interest rate, higher loan balance and recognition of interest expense associated with significant financing component for residential projects

20% decrease in Share in Net Income of JV
Due to consolidation of RNDC and higher cost and expenses resulting to a net loss from Rockwell IPI.

585% increase in foreign exchange gain - net
Due to revaluation of dollar loan

100% increase in Excess of fair value of net assets acquired over consideration paid
Arising from the step-up acquisition for RNDC investment.

100% increase in Gain on remeasurement of previously held interest
Due to higher fair values of the identifiable net assets of RNDC than the book value of the initial investment.

95% decrease in Other Comprehensive Loss
Due decrease of actuarial loss on employee benefits slightly offset by the fair value change in derivative instrument

Balance Sheet items – 2024 vs. 2023

6% decrease in Cash and Cash Equivalents
Primarily due to land acquisitions and development costs.

51% increase in Trade and other receivables
Primarily due to Installment Contract Receivable from Nara Residences, Mactan and 32 Sanson

6% increase in contract assets
Due to higher completion from 8 Benitez, Mactan and Nara Residences

19% increase in Real Estate Inventories
Primarily due to land acquisitions and consolidation of RNDC

28% increase in Advances to contractors
Due to downpayments made to contractors of Edades West and Aruga Mactan Residences project.

11% increase in Other Current Assets
Due to higher input vat and creditable withholding tax

8% increase in Investment Properties
Due to development cost of Power Plant Mall Angeles

8% decrease in Subscription Payable
Due to payment of subscription to Rockwell Nepo Development Corporation.

69% decrease in Income Tax Payable
Due to lower collections from upon turnover dues for RCDC

13% increase in interest-bearing loans and borrowings
Due to new loan availments

120% increase in Pension liability
Mainly due to remeasurement loss on plan assets for the year 2024.

12% increase in Retained Earnings
Due to net income after tax of P3.7 billion for 2024 offset by dividends amounting to P624.3 million and impact of adoption of significant financing component amounting to P631.6 million.

26% increase in Non-controlling interests
Primarily due to consolidation of Rockwell Nepo Development Corporation.

Review of 2023 versus 2022

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

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

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

Notes:

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

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

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

Notes:

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

Business Segments

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

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

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

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

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

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

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

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

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

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

Costs and Expenses

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

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

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

Share in Net Income of JV and associate recorded at ₱465.7 million, a 24% growth from last year of ₱375.6 million due to higher share in RIDC and RNDC. At 70% share in JV, RBC contributed

₱409.9 million, the share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Provision for Income Tax

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

Project and capital expenditures

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

FINANCIAL CONDITION

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

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

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

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

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

Statement of Comprehensive Income Items – 2023 vs. 2022

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

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

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

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

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

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

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

<u>Balance Sheet items – 2023 vs. 2022</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Review of 2022 versus 2021

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

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

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

Notes:

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

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

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

Notes:

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

Business Segments

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

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

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

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

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

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

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

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

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

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

Costs and Expenses

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

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

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

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

Provision for Income Tax

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

Project and capital expenditures

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

FINANCIAL CONDITION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item 7 FINANCIAL STATEMENTS

The consolidated financial statements as of December 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and the Supplementary Schedules per SRC Rule 68, as amended are hereto attached as Exhibit A and Exhibit B, respectively.

Item 8 CHANGES in and DISAGREEMENTS with ACCOUNTANTS on ACCOUNTING and FINANCIAL DISCLOSURE

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

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

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

<u>Audit and Non-Audit Fees</u>

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

Year ended 31 December	2022	2023	2024
Audit and Audit-related fees (net of VAT) – Parent Company	₱5.5 million	₱6.1 million	₱6.8 million
Audit and Audit-related fees (net of VAT) – Parent Company and Subsidiaries	₱10.5 million	₱11.9 million	₱13.2 million
Non-Audit Services Fees (net of VAT) – Parent Company and subsidiaries			
Other Assurance Services	P-	P-	P-
Tax Services	1.9 million	4.4 million	0.9 million
All Other Services	1.5 million	2.9 million	4.9 million
Total Non-Audit Fees	**₱3.4 million**	**₱7.3 million**	**₱5.8 million**

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

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9 DIRECTORS and EXECUTIVE OFFICERS of the ISSUER

The overall management and supervision of the Company is undertaken by the Board of Directors (BOD). There are 11 members of the Board of Directors. The regular directors were elected during the annual meeting of the stockholders held on May 29, 2024, to serve for a term of one year and until their successors are elected and qualified. The composition of the Company's Board of Directors is as follows:

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

The Company's key executive officers as of December 31, 2024 are as follows:

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

Christine T. Coqueiro	Vice President, Retail Development
Jesse S. Tan	Vice President, Office Development
Angela Marie B. Pagulayan	Vice President, Hotel Development
Alexis Nikolai S. Diesmos	Vice President, Project Development
Vienn C. Tionglico-Guzman	Vice President and Project Director, Rockwell Cebu
Samantha Joyce G. Castillo	Vice President and Chief Marketing Officer
Ma. Fe Carolyn Go-Pinoy	Vice President, Legal and Chief Data Privacy Officer, Assistant Corporate Secretary
Stella May A. Fortu	Vice President, Corporate Planning & Chief Risk Officer
Maria Cristina M. Skrobanek	Vice President, Property Management
Vergel V. Rape	Vice President, Project Development
Karen C. Go	Vice President, Project Development
Paul Vincent R. Chua	Vice President, Business Development
Stephanie Rinna L. Tiu	Vice President and Project Director, Rockwell Angeles
Sherry Rose I. Lorenzo	Vice President, Finance & Accounting and Comptroller
Rowena U. David	Vice President, Finance & Accounting
Anna Maria P. Baldemeca	Vice President, Finance & Accounting
Romeo G. Del Mundo, Jr.	Assistant Vice President and Chief Audit Officer
Enrique I. Quiason	Corporate Secretary

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

Nestor J. Padilla – 70, Filipino

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

Federico R. Lopez - 63, Filipino

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

Benjamin R. Lopez – 55, Filipino

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

Miguel Ernesto L. Lopez - 56, Filipino

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

Roberta L. Feliciano - 61, Filipino

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

Valerie Jane L. Soliven - 56, Filipino

Ms. Soliven has been a Director of Rockwell Land since 2023. She served the Company for 28 years and has been the President and Chief Operating Officer since 2023. Prior to her appointment as President, she was the Chief Revenue Officer and headed Rockwell's Sales and Marketing team for more than 20 years. Before joining Rockwell Land, she worked at the Manila Garden Suites, EDSA Shangri-La Hotel and the Shangri-La Hotel in Singapore. Ms. Soliven, a licensed broker, holds a Bachelor of Science degree in Hotel and Restaurant Administration from the University of the Philippines. She completed a Management Development Program from the Asian Institute of Management in 2006. She also completed the Leadership Excellence through Awareness and Practice Program from INSEAD Singapore.

Francis Giles B. Puno - 60, Filipino

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

Jose Valentin A. Pantangco Jr.- 53, Filipino

Mr. Pantangco has been a Director at Rockwell Land since 2018. He is also currently a Director of First Balfour, Inc., Terraprime, Inc., First Phil. Electric Corp., FPH Land Ventures, Inc., First Batangas Hotel Corp., First Industrial Township, Inc., First Industrial Township Water, Inc., First Phil. Development Corp., First Phil. Industrial Park, Inc., FPIP Property Developers & Management Corp., FPIP Utilities, Inc., First Phil. Realty Corp., Grand Batangas Resort Dev't., Inc. and Legacy Homes, Inc. He also serves as President of First Sumiden Realty, Inc. Prior to joining FPH, he was Managing Director for Consultancy and Business Development of Changi Airports International from 2007 until 2016. From 2004 to 2006 he was Senior Associate at McKinsey and Company. He is a graduate of the Harvard Business School with a Masters in Business Administration degree (2004) and of the Ateneo de Manila University with a Bachelor of Arts degree in Economics (1994).

Oscar J. Hilado – 87, Filipino

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

Monico V. Jacob - 80, Filipino

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

Clark Electric Distribution Corp. He received his Bachelor of Laws degree from the Ateneo de Manila University in 1971.

Emmanuel S. De Dios - 70, Filipino

Mr. Emmanuel S. de Dios was elected as an independent director of Rockwell Land on June 14, 2023. He is an independent director of the Bank of the Philippine Islands and ABS-CBN Holdings Corporation. He was an independent director of ABS-CBN Corporation until 2023. He has been a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012. He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He was a member of the Board of Advisers to the Board of Directors of the Company from 2011 until his election as an Independent Director in 2013. He became chair of the Board of Trustees of Pulse Asia Research, Inc. as of 2016. He received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies at the Universität Konstanz in Germany from 1987 to 1988 and is the author or editor of various books, monographs, articles and reviewers in economics.

Manuel L. Lopez, Jr. **-** 57, Filipino

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

Ellen V. Almodiel - 51, Filipino

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

Davy T. Tan – 51, Filipino

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

Estela Y. Dasmariñas –64, Filipino

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

Christine T. Coqueiro – 45, Filipino

Ms. Coqueiro is currently Vice President for Retail Development. She has been with Rockwell Land Corporation for a total of 17 yearas and in 2014 became the Assistant Vice President of Retail Development. Prior to joining Rockwell Land, she worked with Republic Apparel Retailers, Inc for 2 years, and 5 years with Chempak Enterprises. Ms. Coqueiro holds a Bachelor of Science degree in Business Administration Major in Business Management at De La Salle – College of Saint Benilde and is a member of the International Council of Shopping Centers.

Angela Marie B. Pagulayan – 50, Filipino

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

Jesse S. Tan – 43, Filipino

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

Alexis Nikolai S. Diesmos – 49, Filipino

Mr. Diesmos joined Rockwell Land in February 2006 as a Project Architect. He was also assigned to various residential and mixed-use projects as Construction and Project Manager. In July 2015, he was promoted to Assistant Vice President for Project Development. Prior to joining Rockwell Land, he was Project Architect in Cadiz International, Recio+Casas, Velor Construction and TAC Interiors. He graduated in University of Santo Tomas with a Bachelor's Degree in Architecture and became a licensed Architect in 1999. He also finished a short course in Philippine School of Interior Design major in Interior Design.

Ma. Fe Carolyn Go-Pinoy – 59, Filipino

Atty. Pinoy is currently Vice President for Legal of the Company and has been with Rockwell Land Corporation for a total of 15 years. She was appointed as Assistant Corporate Secretary in September 2022. Atty Pinoy holds a Bachelor of Arts in English from the University of the Philippines. She got her Law Degree from San Beda University and passed the bar in 1995. She joined the Supreme Court under Justice Camilo D. Quiason's office until the latter's retirement in 1995. She then started her career in real estate when she joined Fil-Estate Land, Inc. (now Global Estate Resort, Inc). She was also Arbiter in Housing and Land Use Regulatory Board (now Department of Human Settlement and Urban Development) in 1997.

Vienn C. Tionglico-Guzman – *43, Filipino*

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

***Samantha Joyce G. Castillo** - 36, Filipino*

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

Stella May A. Fortu – 35, Filipino

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

Cristina M. Skrobanek – 72, Filipino

Ms. Skrobanek is currently Vice-President of Operations and heads the Rockwell Property Management team. She joined the company in October 2023. Ms. Skrobanek has experience in property management of mixed-use developments, including commercial complexes, luxury high-rise residential condominiums, and townships in Canada and Indonesia. She played a key role in establishing Lippo Group's first privatized Township in Indonesia and led its Town Management in 1994 until 2016 and later retained as a Consultant until 2020. Her other projects included the start up operations and management of the conglomerate's mixed use development, the 15.5 ha Kemang Village in Jakarta, along with other notable high end residential projects of the Group including the 12 ha The St Moritz Penthouses and Residences. Ms. Skrobanek holds a Bachelor of Arts degree from the University of the Philippines and worked in the Department of Trade and Industry, where her previous position was as Foreign Trade Analyst at the Philippine Trade Commission in Toronto, Canada, prior to joining the private sector.

Vergel V. Rape – 39, Filipino

Mr. Rape joined Rockwell Land in April 2008 as an Architechtural Inspector. In the 16 years, he was also assigned to various projects as construction manager. In July 2023, he was promoted to Vice President for Project Development, leading the Construction Management of Rockwell's provincial projects. Prior to joining Rockwell, he was a Restaurant Designer for KFC Philippines-Design. Mr. Rape graduated from the Mapua Institute of Technology with a degree in Architechture.

Karen Chan-Go – 36, Filipino

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

Paul Vincent R. Chua – 45, Filipino

Mr. Chua joined Rockwell Land in 2023 as its Vice President for Business Development. Before joining Rockwell, he was the Director for Capital Markets and Investment Services at Colliers International and previously served as Vice President for Strategy and Business Development at AboitizLand. He holds a double degree in Economics and Financial Management from De La Salle University and is a licensed real estate broker.

Stephanie Rinna Tiu *– 41, Filipino*

Ms. Tiu joined Rockwell Land in February 2014 as an Assistant Manager for Investor Relations with the Finance and Accounting team. She transferred to the Business Development team six months later, where she worked on acquisitions and deals for Rockwell for the next seven years. In April 2021, she moved to Angeles to become the Development Manager of the Rockwell Nepo development. Prior to joining Rockwell, she was a Senior Associate with Deutsche Knowledge Services. Ms. Tiu holds a Master's Degree of Business Administration from the Krannert School of Management of Purdue University and a Bachelor's Degree in Economics from the Ateneo de Manila University.

Sherry Rose I. Lorenzo – 38, Filipino

Ms. Lorenzo is currently Vice President for Finance & Accounting and was appointed Comptroller in 2022. She has been in the company for 16 years since she joined in December 2007, and was assigned to various Finance & Accounting positions, She was promoted to Vice President in 2024 and also now handles the regional Finance teams of Rockwell. Ms Lorenzo graduated from University of Santo Tomas with a Bachelor's Degree in Accountancy, and is a Certified Public Accountant.

Rowena U. David *– 47, Filipino*

Ms. David is currently a Vice President for Finance and Accounting after her promotion in 2024. She joined as a fresh graduate in October 2001 as a Treasury and Credit and Collection Associate. Since then, she has held various roles in the organization such as Credit and Collection, Treasury Operations, Property Management, Tax Compliance, Human Resource Business Partnering and Client Account Management. Ms. David graduated with a degree of Bachelor of Science in Accountancy at Pamantasan ng Lungsod ng Maynila.

Anna Maria P. Baldemeca – 54, *Filipino*

Ms. Baldemeca is currently a Vice President for Finance and Accounting, overseeing Finance Operations, having re-joined the Company last Feb 2024. She had a 2-year stint with Rockwell Leisure Club in 2004 as the Club's Finance Manager. Outside of the Rockwell Group, she held various Finance positions, including Finance Operations, Financial and Internal Control, Financial Reporting, Performance Management and Balance Sheet Management, in Multinational Financial Institutions. She spent 17 years with Standard Chartered Bank and 14 years with American Express International. She graduated from De La Salle University in 1990 with Liberal Arts and Commerce degrees, majoring in Economics and Accounting. She placed 7th in the 1991 CPA Board Exams.

Romeo G. Del Mundo, Jr. – 49, Filipino

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

Accountant and holds a Bachelor of Science in Commerce, major in Accountancy from the University of Santo Tomas.

Enrique I. Quiason – 64, Filipino

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

Significant Employees

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

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

Item 10 EXECUTIVE COMPENSATION

<u>Compensation of Directors and Executive Officers</u>

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

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

Summary of Compensation Table (Annual Compensation)

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other annual compensation
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (President and Chief Executive Officer)	2022	P77.9 million	P7.0 million	P5.2 million

Soliven, Valerie Jane L. (EVP and Chief Revenue Officer) Tan, Davy T. (SVP, Business/Project Development)				
All other Officers and Directors	2022	P36.3 million	P3.2 million	P10.1 million
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (Chairman and Chief Executive Officer) Soliven, Valerie Jane L. (President and Chief Operating Officer) Tan, Davy T. (EVP, Business/Project Development)	2023	P89.5 million	P7.5 million	P7.3 million
All other Officers and Directors	2023	P34.3 million	P3.1 million	P9.5 million
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (Chairman and Chief Executive Officer) Soliven, Valerie Jane L. (President and Chief Operating Officer) Tan, Davy T. (EVP, Business/Project Development)	2024	P91.3 million	P7.7 million	P1.3 million
All other Officers and Directors	2024	P68.4 million	P5.8 million	P8.9 million
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (Chairman and Chief Executive Officer) Soliven, Valerie Jane L. (President and Chief Operating Officer) Tan, Davy T. (EVP, Business/Project Development)	2025 estimate	P100.4 million	P8.5 million	P1.4 million
All other Officers and Directors	2025 estimate	P75.2 million	P6.4 million	P9.9 million

**In alphabetical order*

Employment Contracts between the Company and Executive Officers

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

Options Outstanding

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

The outstanding options as of 31 December 2024 are as follows:

Name	No. of Shares	Date of Grant	Exercise Price	Market Price at the Date of Grant
CEO + 4 most highly compensated executive officers Almodiel, Ellen V. (EVP, Chief Finance and Compliance Officer) Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Development) Padilla, Nestor J. (Chairman and Chief Executive Officer) Soliven, Valerie Jane L. (President and Chief Revenue Officer) Tan, Davy T. (EVP, Business/Project Development)	31,880,000	Various	P1.46	various
All Other Officers & directors	778,000	Various	P1.46	various
Total	32,658,000			

**In alphabetical order*

Other Arrangements

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
Common Shares	6th Floor Rockwell Business Center Tower 3, Ortigas	First Philippine Holdings Corporation is the beneficial and record owner of	Filipino	5,296,015,375	86.5820%

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
	Avenue, Pasig City 1604	the shares indicated			
Common Shares	PCD Nominee Corporation 37/F Enterprise Tower I, Ayala Ave., cor. Paseo de Roxas, Makati City Stockholder	PCD Nominee Corporation is the record owner but not the beneficial owner which are owned beneficially by the investing public	Filipino	638,357,120	10.43619%
Common Shares	PCD Nominee Corporation 37/F Enterprise Tower I, Ayala Ave., cor. Paseo de Roxas, Makati City Stockholder	PCD Nominee Corporation is the record owner but not the beneficial owner which are owned beneficially by the investing public	Foreign	16,892,045	0.2762%
TOTAL OUTSTANDING COMMON SHARES				6,116,762,198	100.0%
Preferred Shares	6th Floor Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City 1604	First Philippine Holdings Corporation is the beneficial and record owner of the shares indicated	Filipino	2,750,000,000	100.0%
TOTAL OUTSTANDING PREFERRED SHARES				2,750,000,000	100.0%

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

Item 11 SECURITY and OWNERSHIP of CERTAIN BENEFICIAL OWNERS and MANAGEMENT

a) Security Ownership of Certain Record and Beneficial Owners and Management as of 31 December 2024

b) Security Ownership of Management as of 31 December 2024

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

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
Common Shares	Nestor J. Padilla Chairman & CEO	21,150,001 (direct/indirect)	Filipino	0.346%
Common Shares	Federico R. Lopez Vice Chairman	14,923 (direct/indirect)	Filipino	0.000%
Common Shares	Benjamin R. Lopez Director	14,923 (direct)	Filipino	0.000%
Common Shares	Roberta L. Feliciano Director	1,000 (direct)	Filipino	0.000%
Common Shares	Miguel Ernesto L. Lopez Director, Treasurer & Senior Vice President, Office Development	243,694 (direct/indirect)	Filipino	0.004%
Common Shares	Valerie Jane L. Soliven Director, President & Chief Operating Officer	29,000 (direct/indirect)	Filipino	0.000%
Common Shares	Francis Giles B. Puno Director	5,656 (direct)	Filipino	0.000%
Common Shares	Jose Valentin A. Pantangco,Jr. Director	1 (direct)	Filipino	0.000%
Common Shares	Oscar J. Hilado Independent Director	1 (indirect)	Filipino	0.000%
Common Shares	Monico V. Jacob Independent Director	2 (direct)	Filipino	0.000%
Common Shares	Emmanuel S. De Dios Independent Director	1,000 (direct)	Filipino	0.000%
Common Shares	Enrique I. Quiason Corporate Secretary	3,575 (direct)	Filipino	0.000%
N.A.	Ellen V. Almodiel Executive Vice-President, Chief Finance and Compliance Officer	None	Filipino	N.A.
N.A.	Davy T. Tan Executive Vice President, Business Development	None	Filipino	N.A.
Common Shares	Estela Y. Dasmariñas Senior Vice President, Human Resources	1,882 (direct)	Filipino	0.000%
N.A.	Ma. Fe Carolyn Go Pinoy, Vice-President, Legal & Chief Data Privacy Officer, Assistant Corporate Secretary	None	Filipino	N.A.
N.A.	Manuel L. Lopez, Jr. President of Rockwell Leisure Club Inc. & Adviser to the BOD	None	Filipino	N.A.
N.A.	Christine T. Coqueiro Vice President, Retail Development	None	Filipino	N.A.
N.A.	Angela Marie B. Pagulayan	None	Filipino	N.A.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
	Vice President, Hotel & Leisure Development			
N.A.	Jesse S. Tan Vice President, Office Development	None	Filipino	N.A.
Common Shares	Alexis Nikolai S. Diesmos Vice President, Project Development	13,000 (indirect)	Filipino	0.000%
N.A.	Samantha Joyce G. Castillo, Vice-President & Chief Marketing Officer	None	Filipino	N.A.
N.A.	Stella May Arais Fortu, Vice-President, Corporate Planning & Chief Risk Officer	None	Filipino	N.A.
N.A.	Maria Cristina M. Skrobanek, Vice President, Property Management	None	Filipino	N.A.
N.A.	Vergel V. Rape Vice President, Project Development	None	Filipino	N.A.
N.A.	Karen C. Go Vice President, Project Development	None	Filipino	N.A.
N.A.	Paul Vincent R. Chua, Vice President, Business Development	None	Filipino	N.A.
N.A.	Stephanie Rinna L. Tiu, Vice President and Project Director, Rockwell Angeles	None	Filipino	N.A.
N.A.	Sherry Rose I. Lorenzo, Vice President, Finance & Accounting and Comptroller	None	Filipino	N.A.
N.A.	Rowena U. David, Vice President, Finance & Accounting	None	Filipino	N.A.
N.A.	Anna Maria P. Baldemeca, Vice President, Finance & Accounting	None	Filipino	N.A.
N.A.	Romeo G. Del Mundo, Jr. Assistant Vice President, Internal Audit and Chief Audit Officer	None	Filipino	N.A.

Change in Control

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

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

Item 12 CERTAIN RELATIONSHIPS and RELATED TRANSACTIONS

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

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

PART V – CORPORATE GOVERNANCE

Item 13 COMPLIANCE with LEADING PRACTICE on CORPORATE GOVERNANCE

Based on SEC Memorandum Circular No. 15 (series of 2017) dated December 15, 2017, SEC mandated all companies to submit an Integrated Annual Corporate Governance Repot (I-ACGR) by May 31, 2019 in lieu of several reports required in the past years. As of the date of this annual report for the year ending December 31, 2024, Rockwell Land is still in the process of compliance for the I-ACGR.

Rockwell Land has established policies and practices disclosed in the Manual on Corporate Governance uploaded in the company's website and PSE edge. The company is in full compliance since the adoption of the Manual. The company also endeavors to be in full compliance with SEC's Code of Corporate Governance. As of 2024, the company complied with the following:

CODE	Compliant/Non-compliant
Establishing a competent board	compliant
Establishing clear roles and responsibilities of the board	compliant
Establishing board committees	compliant
Fostering Commitment	compliant
Reinforcing board independence	compliant
Assessing board performance	compliant
Strengthening board ethics	compliant
Enhancing company disclosure policies and procedures	compliant
Strengthening external auditor's independence and improving audit quality	compliant
Increasing focus on non-financial and sustainability reporting	compliant

CODE	Compliant/Non-compliant
Promoting a comprehensive and cost-efficient access to relevant information	compliant
Strengthening internal control and risk management systems	compliant
Promoting shareholder/member rights	compliant
Respecting rights of stakeholders and effective redress for violation of stakeholder's rights	compliant
Encouraging employees' participation	compliant
Encouraging sustainability and social responsibility	compliant

PART VI – EXHIBITS AND SCHEDULES

Item 14. EXHIBITS and REPORTS on SEC FORM 17-C

(a) **Exhibits**

The following exhibits are filed as a separate section of this report:

Exhibit "A" - Audited Consolidated Financial Statements for the Years Ended December 31, 2024, 2023 and 2022

Exhibit "B" - Supplementary Schedules as per SRC Rule 68, As Amended

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

(b) **Reports on SEC Form 17-C**

The corporation disclosed the following matters on the dates indicated:

DATE	DESCRIPTION OF THE DISCLOSURE
January 31, 2024	Item 9 At the regular meeting of the Board of Directors (BOD) of the Corporation held today, the BOD approved the PHP5 Billion term loan facility of up to seven years with Metropolitan Bank and Trust Company (MBTC). The proceeds of the loan will be used to fund capital expenditures, land acquisitions and other investments.
February 28, 2024	Item 9 At the regular meeting of the Board of Directors (BOD) of the Corporation held today, the BOD approved the following items: 1. PHP5 Billion term loan facility of up to ten years with Philippine National Bank (PNB). The proceeds of the loan will be used to fund capital expenditures, land acquisitions and other investments. PHP5 Billion term loan facility of up to seven years with Rizal Commercial Banking Corporation (RCBC). The proceeds of the loan will be used to fund capital expenditures, land acquisitions and other investments.
April 3, 2024	Item 9

DATE	DESCRIPTION OF THE DISCLOSURE
	At the regular meeting of the Board of Directors of the Corporation held today, the BOD approved the following: 1. Setting of the Annual Stockholders' Meeting (ASM) a. May 29, 2024 at 10:00am via https://2024asm.e-rockwell.com/ b. Record date: April 23, 2024 c. Agenda 1. Call to Order 2. Proof of Required Notice 3. Determination of Quorum 4. Approval of the Minutes of the June 14, 2023 Stockholders' Meeting 5. Reports of the Chairman & the President 6. Approval/Ratification of the December 31, 2023 Reports and the Audited Financial Statements 7. Ratification of the Acts of the Board and Management 8. Election of Directors 9. Appointment of External Auditors 10. Others Matters 11. Adjournment 2. The Corporation's Consolidated Audited Financial Statements for the year ended December 31, 2023. PHP5 Billion term loan facility of up to ten years with BDO Unibank, Inc. (BDO). The proceeds of the loan will be used to fund capital expenditures, land acquisitions and other investments.
May 29, 2024	**Item 4** **A.** At the Annual Stockholders' Meeting held on May 29,2024, the persons named herein were elected as members of the Board of Directors of Rockwell Land Corporation (the "Corporation") for the ensuing year 2024-2025: Name — Nationality Mr. Nestor J. Padilla — Filipino Mr. Federico R. Lopez — Filipino Mr. Miguel Ernesto L. Lopez — Filipino Mr. Benjamin R. Lopez — Filipino Ms. Roberta L. Feliciano — Filipino Ms. Valerie Jane L. Soliven — Filipino Mr. Francis Giles B. Puno — Filipino Mr. Jose Valentin A. Pantangco, Jr. — Filipino Mr. Oscar J. Hilado* — Filipino Mr. Monico V. Jacob* — Filipino Mr. Emmanuel S. de Dios* — Filipino The following directors were present during the stockholders' meeting: Name — Nationality Mr. Nestor J. Padilla — Filipino Mr. Federico R. Lopez — Filipino Mr. Miguel Ernesto L. Lopez — Filipino Mr. Benjamin R. Lopez — Filipino Ms. Roberta L. Feliciano — Filipino Ms. Valerie Jane L. Soliven — Filipino Mr. Francis Giles B. Puno — Filipino

DATE	DESCRIPTION OF THE DISCLOSURE
	Mr. Jose Valentin A. Pantangco, Jr. Filipino Mr. Oscar J. Hilado* Filipino Mr. Monico V. Jacob* Filipino Mr. Emmanuel S. de Dios* Filipino **Independent Director* B. At the Organizational Meeting of the Board of Directors held on the same day, May 29,2024, the following persons were elected Officers as well as Chairman and Members of the Board Committees of the Corporation: <u>Name</u> — <u>Position</u> Nestor J. Padilla — Chairman of the Board and Chief Executive Officer Federico R. Lopez — Vice Chairman Valerie Jane L. Soliven — President and Chief Operating Officer Miguel Ernesto L. Lopez — Treasurer and Senior Vice President, Office Development Ellen V. Almodiel — Executive Vice President, Chief Finance and Compliance Officer Davy T. Tan — Executive Vice President, Business and Project Development Estela Y. Dasmariñas — Senior Vice President, Human Resources Manuel L. Lopez Jr. — Board Advisor and Vice President, Rockwell Land, and President of Rockwell Leisure Club Inc. Christine T. Coqueiro — Vice President, Retail Development Jesse S. Tan — Vice President, Office Development Samantha Joyce G. Castillo — Vice President and Chief Marketing Officer Ma. Fe Carolyn Go-Pinoy — Vice President, Legal, and Chief Data Privacy Officer and Assistant Corporate Secretary Stella May A. Fortu — Vice President, Corporate Planning and Chief Risk Officer Maria Cristina M. Skrobanek — Vice President, Property Management Angela Marie B. Pagulayan — Vice President, Hotel Development Jovie Jade V. Lim-Dy — Vice President and Project Director, Rockwell South at Carmelray Alexis Nikolai S. Diesmos — Vice President, Project Development Vienn Tionglico-Guzman — Vice President and Project Director, Cebu Karen C. Go — Vice President, Project Development Vergel V. Rape — Vice President, Project Development Paul Vincent R. Chua — Vice President, Business Development Stephanie Rinna L. Tiu — Vice President and Project Director, Rockwell Angeles Sherry Rose I. Lorenzo — Vice President, Finance and Accounting and Comptroller Rowene U. David — Vice President, Finance and Accounting Anna Marie P. Baldemeca — Vice President, Finance and Accounting Romeo G. Del Mundo Jr. — Assistant Vice President and Chief Audit Officer Enrique I. Quiason — Corporate Secretary **Audit Committee:**

DATE	DESCRIPTION OF THE DISCLOSURE
	Monico V. Jacob*- Chairman Oscar J. Hilado*- Member Francis Giles B. Puno- Member **Risk Oversight Committee:** Emmanuel S. de Dios*- Chairman Oscar J. Hilado*- Member Monico V. Jacob*- Member Benjamin R. Lopez - Member Jose Valentin A. Pantangco Jr.- Member **Related Party Transactions Committee:** Oscar J. Hilado*- Chairman Monico V. Jacob*- Member Emmanuel S. de Dios*- Member Federico R. Lopez- Member Miguel Ernesto L. Lopez- Member **Corporate Governance Committee:** Oscar J. Hilado*- Chairman Monico V. Jacob*- Member Emmanuel S. de Dios*- Member Nestor J. Padilla – Member Miguel Ernesto L. Lopez- Member Roberta L. Feliciano - Member **Independent Director* **Item 9** Total number of attendees in person and represented by proxies is 8,866,762,198 (6,116,762,198 common shares and 2,750,000,000 preferred shares) or 90.917% of total voting stock of the Company. A. The following matters were likewise approved at the stockholders' meeting: 1) Approval of the Minutes of the Annual Stockholders' Meeting held on June 14, 2023 2) Approval of the December 31, 2024 Reports and the Audited Financial Statements 3) Ratification of the Acts of the Board of Directors and of Management 4) Appointment of Sycip, Gorres, Velayo & Co. as external auditor of the Corporation
July 25, 2024	Item 9 – Other Events At the regular meeting of the Board of Directors (BOD) of the Corporation held today, the following items were approved: The declaration of cash dividends to shareholders of record as of August 16, 2024 payable on or before September 11, 2024: a) Cash dividend of P0.1018 per share to all common shareholders;

DATE	DESCRIPTION OF THE DISCLOSURE
	b) Cash dividend of P0.0006 per share to all preferred shareholders representing 6% per annum cumulative dividends for the period July 1, 2023 to June 30, 2024
March 27, 2025	**Item No. 9 – Other Events** At the regular meeting of the Board of Directors (BOD) of the Corporation held today, the BOD approved the following: 1. Setting of the Annual Stockholders' Meeting (ASM) a. **May 28, 2025**, at **10:00am** via **https://2025asm.e-rockwell.com** b. Record Date: **April 11, 2025** 2. The Corporation's Consolidated Audited Financial Statements for the year ended December 31, 2024.

ROCKWELL LAND CORPORATION

INDEX TO EXHIBITS
Form 17-A, Item 7

No.		
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	n.a .
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	n.a.
(8)	Voting Trust Agreement	n.a.
(9)	Material Contracts	n.a.
(10)	2024 Consolidated Financial Statements: Rockwell Land Corporation and Subsidiaries (with notarized Statement of Management Responsibility)	Attached as Exhibit A
(13)	Letter re: Change in Certifying Accountant	n.a.
(16)	Report Furnished to Security Holders	n.a.
(18)	Subsidiaries of the Registrant	64
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	n.a.
(20)	Consent of Experts and Independent Counsel	n.a.
(21)	Power of Attorney	n.a.
(29)	Additional Exhibits	n.a.

EXHIBIT 18: SUBSIDIARIES OF THE REGISTRANT

As of December 31, 2024, Rockwell Land Corporation has ten (11) consolidated subsidiaries and associate and joint venture as stated below:

Name of Subsidiary	Percentage of Ownership
Rockwell Leisure Club, Inc.	74.7%
Rockwell Integrated Property Services, Inc.	100%
Primaries Development Corporation	100%
Stonewell Property Development Corporation	100%
Primaries Properties Sales Specialists Inc.	100%
Rockwell Hotels & Leisure Management Corp.	100%
Retailscapes Inc.	100%
Rockwell Primaries South Development Corporation (formerly ATR KimEng Land)*	100%
Rockwell MFA Corporation	80%
Rockwell Carmelray Development Corporation (formerly Carmelray Property Holdings, Inc.)	70%
Rockwell Nepo Development Corporation	65%
Rockwell IPI Development Corporation (formerly 8 PROMOVEO LAND INC.)	49%
Rockwell GMC Development Corporation	60%

**indirect subsidiary*

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the Rockwell Land Corporation by the undersigned, thereunto duly authorized, in the **City of Makati**.

ROCKWELL LAND CORPORATION

By:

NESTOR J. PADILLA
Chairman of the Board and
Chief Executive Officer

ELLEN V. ALMODIEL
Executive Vice President and
Chief Finance and Compliance Officer

SHERRY ROSE I. LORENZO
Vice President, Finance and Accounting
and Comptroller

ENRIQUE I. QUIASON
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 08 2025, affiant exhibiting to me his/her Passport as follows:

Names	Passport	Date of Issue	Place of Issue
Nestor J. Padilla	P7155127B	08 July 2021	DFA MANILA
Ellen V. Almodiel	P2373847B	29 June 2019	DFA NCR EAST
Sherry Rose I. Lorenzo	P9313866B	23 March 2022	DFA NCR EAST
Enrique I. Quiason	P9908505A	12 December 2018	DFA NCR EAST

Doc No. 8
Page No. 3
Book No. V
Series of 2025.
DOCUMENT STAMP ATTACHED

DAVE ADRIAN V. BRUZON
NOTARY PUBLIC
ROLL NO. 78732
MAKATI CITY, PHILIPPINES

DAVE ADRIAN V. BRUZON
Notary Public for and in the City of Makati
Appointment No. M-540 until December 31, 2026
Roll of Attorneys No. 78732
IBP No. 495835 / 01.03.2025 / Quezon City
PTR No. 10470764 / 01.07.2025 / Makati City
8 Rockwell Hidalgo Drive, Makati City
MCLE Compliance No. VIII-0010408

ROCKWELL LAND

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ROCKWELL LAND CORPORATION AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as of December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

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

Signed this APR 04 2025 day of April 2025.

SUBSCRIBED AND SWORN to before me this day APR 04 2025 at Makati City, affiant exhibiting to me his/her Passport as follows:

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

Doc No. 38 ;
Page No. 9 ;
Book No. XLIV ;
Series of 2025.

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

MA. FE CAROLYN GO-PINOY
Notary Public for and in the City of Makati
Appointment No. M-167 until December 31, 2026
Roll of Attorneys No. 39698
IBP Lifetime No. 0147554 / ZAMBASULTA
PTR No. 10470763 / 1.7.2025 / Makati City
8 Rockwell Hidalgo Drive, Makati City
MCLE Compliance No. VII-0008406

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

62893

COMPANY NAME

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

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

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

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

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
45,167	May 29	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Ellen V. Almodiel	ellena@rockwell.com.ph	7-793-0088	N/A

CONTACT PERSON's ADDRESS

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

NOTE 1 *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt*

SGV
Building a better working world

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; and (3) application of the output method as the measure of progress in determining real estate revenue.

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

Effective January 1, 2024, the Group adopted Philippine Interpretations Committee (PIC) Q&A 2018-12-D (as amended by PIC Q&A 2020-04) in assessing if the transaction price includes a significant financing component. The Group applied the modified retrospective approach in its initial adoption.

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

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

Audit Response

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

For the determination of the transaction price, we obtained an understanding of the Group's process in implementing PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04), including the determination of the population of contracts with customers related to real estate sale, the selection of the transition approach and election of available practical expedient. We obtained the financing component calculation of the management which includes an analysis whether the financing component of the Group's contract with customers is significant. We selected sample contracts from sales contract database and traced these selected contracts to the calculation prepared by management. For selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as contract price, cash discount, payment scheme, payment amortization table and percentage of completion schedule. We also recomputed the financing component for each sample selected.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 28 and 29)	**₱3,986,954**	₱4,251,289
Trade and other receivables (Notes 8, 16, 20, 26, 28 and 29)	**1,705,583**	1,127,495
Contract assets (Notes 8, 20 and 28)	**6,661,563**	9,237,501
Real estate inventories (Notes 9, 11 and 12)	**29,084,869**	24,411,338
Advances to contractors (Note 9)	**2,557,165**	2,000,280
Other current assets (Notes 10, 28 and 29)	**4,241,337**	3,838,097
Total Current Assets	**48,237,471**	44,866,000
Noncurrent Assets		
Investment properties (Notes 9, 11 and 16)	**15,797,011**	14,624,071
Property and equipment (Notes 9 and 12)	**2,720,705**	2,648,963
Investments in joint venture and associate (Note 13)	**4,682,718**	5,726,874
Contract assets - net of current portion (Notes 3, 8, 20 and 28)	**9,561,607**	6,110,549
Investment in equity instruments at fair value through other comprehensive income (FVOCI) (Notes 14, 28 and 29)	**62,549**	61,549
Deferred tax assets - net (Note 25)	**61,996**	59,238
Other noncurrent assets (Notes 11, 12, 22, 26, 28 and 29)	**622,890**	499,803
Total Noncurrent Assets	**33,509,476**	29,731,047
	₱81,746,947	₱74,597,047
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 15, 17, 20, 24 and 28)	**₱10,170,160**	₱9,730,914
Current portion of interest-bearing loans and borrowings (Notes 11, 16, 26, 28 and 29)	**4,729,153**	2,812,449
Subscription payable (Note 13)	**197,000**	367,150
Income tax payable	**50,518**	160,414
Total Current Liabilities	**15,146,831**	13,070,927
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Notes 11, 16, 26, 28 and 29)	**24,423,943**	23,031,839
Subscription payable - net of current portion (Note 13)	**2,321,410**	2,355,410
Lease liabilities - net of current portion (Notes 15, 27 and 28)	**679,447**	663,600
Pension liability - net (Note 24)	**186,741**	84,762
Deferred tax liabilities - net (Notes 3 and 25)	**1,210,147**	1,219,343
Deposits and other liabilities (Notes 3, 15, 17, 28 and 29)	**1,966,761**	1,876,456
Total Noncurrent Liabilities	**30,788,449**	29,231,410
Total Liabilities	**45,935,280**	42,302,337

(Forward)

	December 31	
	2024	2023
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Notes 18 and 19)	**₱6,270,882**	₱6,270,882
Additional paid-in capital	**28,350**	28,350
Other comprehensive income (Note 14)	**46,580**	45,580
Other equity adjustments (Note 19)	**540,323**	540,323
Share-based payments (Note 18)	**69,700**	69,700
Cash flow hedge reserve (Note 28)	**(49,799)**	–
Retained earnings (Notes 3 and 19):		
Appropriated	**14,700,000**	14,700,000
Unappropriated	**8,977,221**	6,530,847
	30,583,257	28,185,682
Less cost of treasury shares (Notes 1 and 19)	**185,334**	185,334
Total Equity Attributable to Equity Holders of the Parent Company	**30,397,923**	28,000,348
Non-controlling interests (Notes 3 and 6)	**5,413,744**	4,294,362
Total Equity	**35,811,667**	32,294,710
	₱81,746,947	₱74,597,047

See accompanying Notes to Consolidated Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Revenue from sale of real estate (Note 20)	**₱14,577,799**	₱11,914,442	₱11,382,413
Lease income (Note 11)	**2,469,012**	2,256,045	1,889,427
Interest income (Notes 7, 20 and 21)	**533,509**	2,057,077	1,477,459
Others (Notes 5 and 20)	**2,505,340**	2,283,447	1,758,665
	20,085,660	18,511,011	16,507,964
EXPENSES			
Cost of real estate (Notes 5, 9, 11 and 22)	**9,705,525**	9,434,611	9,268,529
General and administrative expenses (Notes 11, 12, 22, 23 and 24)	**2,594,785**	2,392,675	2,067,051
Selling expenses (Notes 22 and 23)	**1,336,627**	1,223,438	960,372
	13,636,937	13,050,724	12,295,952
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	**6,448,723**	5,460,287	4,212,012
OTHER INCOME (EXPENSES)			
Interest expense (Notes 16, 17, 22, 27 and 28)	**(1,735,529)**	(1,599,014)	(1,213,289)
Share in net income of joint venture and associate (Note 13)	**374,066**	465,711	375,628
Foreign exchange gains (losses) - net (Note 28)	**14,264**	(2,941)	17,979
Excess of fair value of net assets acquired over consideration paid (Note 6)	**134,541**	–	–
Gain on remeasurement of investment in an associate (Notes 6 and 13)	**63,884**	–	–
	(1,148,774)	(1,136,244)	(819,682)
INCOME BEFORE INCOME TAX	**5,299,949**	4,324,043	3,392,330
PROVISION FOR INCOME TAX (Note 25)	**1,187,282**	924,491	798,254
NET INCOME	**4,112,667**	3,399,552	2,594,076
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Net losses on cash flow hedge (Note 28)	**(66,399)**	–	–
Income tax effect	**16,600**	–	–
	(49,799)	–	–
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on employee benefits (Note 24)	**(6,182)**	(131,668)	155,623
Fair value gain on equity instruments designated at FVOCI (Note 14)	**1,000**	25,000	6,361
Income tax effect	**1,545**	36,663	(35,108)
	(3,637)	(70,005)	126,876
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**(53,436)**	(70,005)	126,876
TOTAL COMPREHENSIVE INCOME	**₱4,059,231**	₱3,329,547	₱2,720,952

(Forward)

	Years Ended December 31		
	2024	2023	2022
Net Income Attributable To			
Equity holders of the Parent Company	**₱3,706,931**	₱3,113,226	₱2,301,911
Non-controlling interests	**405,736**	286,326	292,165
	₱4,112,667	₱3,399,552	₱2,594,076
Total Comprehensive Income Attributable To			
Equity holders of the Parent Company	**₱3,653,495**	₱3,043,221	₱2,428,787
Non-controlling interests	**405,736**	286,326	292,165
	₱4,059,231	₱3,329,547	₱2,720,952
Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 30)			
Basic	**₱0.6058**	₱0.5087	₱0.3761
Diluted	**₱0.6057**	₱0.5087	₱0.3761

See accompanying Notes to Consolidated Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company											
	Capital Stock (Notes 18 and 19)	**Additional Paid-in Capital**	**Other Comprehensive Income** (Note 14)	**Other Equity Adjustments** (Note 19)	**Share-based Payments** (Note 18)	**Fair Value of Cash flow Hedge** (Note 28)	**Retained Earnings** (Notes 3 and 19) **Appropriated**	**Unappropriated**	**Treasury Shares** (Notes 1 and 19)	**Total**	**Non-controlling Interests** (Note 6)	**Total Equity**
Balance at December 31, 2023, as previously stated	**₱6,270,882**	**₱28,350**	**₱45,580**	**₱540,323**	**₱69,700**	**₱–**	**₱14,700,000**	**₱6,530,847**	**(₱185,334)**	**₱28,000,348**	**₱4,294,362**	**₱32,294,710**
Effect of adoption of significant financing component accounting (Note 3)	–	–	–	–	–	–	–	**(631,583)**	–	**(631,583)**	**(17,188)**	**(648,771)**
Balance at January 1, 2024, as restated	**6,270,882**	**28,350**	**45,580**	**540,323**	**69,700**		**14,700,000**	**5,899,264**	**(185,334)**	**27,368,765**	**4,277,174**	**31,645,939**
Net income								**3,706,931**		**3,706,931**	**405,736**	**4,112,667**
Other comprehensive income (Notes 14, 24 and 28)	–	–	**1,000**	–	–	**(49,799)**	–	**(4,637)**	–	**(53,436)**	–	**(53,436)**
Total comprehensive income	**6,270,882**	**28,350**	**46,580**	**540,323**	**69,700**	**(49,799)**	**14,700,000**	**3,702,294**	**(185,334)**	**3,653,495**	**405,736**	**4,059,231**
Non-controlling interest arising from step acquisition of an associate (Note 6)	–	–	–	–	–	–	–	–	–	–	**1,317,778**	**1,317,778**
Cash dividends (Note 19)	–	–	–	–	–	–	–	**(624,337)**	–	**(624,337)**	–	**(624,337)**
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	–	**(367,170)**	**(367,170)**
Subsidiary's payment of dividends to non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	–	**(219,774)**	**(219,774)**
Balance at December 31, 2024	**₱6,270,882**	**₱28,350**	**₱46,580**	**₱540,323**	**₱69,700**	**(₱49,799)**	**₱14,700,000**	**₱8,977,221**	**(₱185,334)**	**₱30,397,923**	**₱5,413,744**	**₱35,811,667**

(Forward)

	Equity Attributable to Equity Holders of the Parent Company											
	Capital Stock (Notes 18 and 19)	Additional Paid-in Capital	Other Comprehensive Income (Note 14)	Other Equity Adjustments (Note 19)	Share-based Payments (Note 18)	Fair Value of Cash flow Hedge	Retained Earnings (Note 19) Appropriated	Retained Earnings (Note 19) Unappropriated	Treasury Shares (Notes 1 and 19)	Total	Non-controlling Interests (Note 6)	Total Equity
Balance at December 31, 2022	₱6,270,882	₱28,350	₱20,580	₱540,323	₱69,700		₱11,700,000	₱6,974,257	(₱185,334)	₱25,418,758	₱2,143,849	₱27,562,607
Net income	–	–	–	–	–	–	–	3,113,226	–	3,113,226	286,326	3,399,552
Other comprehensive income (Notes 14 and 24)	–	–	25,000	–	–	–	–	(95,005)	–	(70,005)	–	(70,005)
Total comprehensive income	–	–	25,000	–	–	–	–	3,018,221	–	3,043,221	286,326	3,329,547
Reversal of appropriation (Note 19)	–	–	–	–	–	–	(11,000,000)	11,000,000	–	–	–	–
Appropriation (Note 19)	–	–	–	–	–	–	14,000,000	(14,000,000)	–	–	–	–
Non-controlling interest arising from incorporation of a subsidiary (Note 6)	–	–	–	–	–	–	–	–	–	–	2,728,656	2,728,656
Cash dividends (Note 19)	–	–	–	–	–	–	–	(461,631)	–	(461,631)	–	(461,631)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	–	(585,281)	(585,281)
Subsidiary's payment of dividends to non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	–	(279,188)	(279,188)
Balance at December 31, 2023	₱6,270,882	₱28,350	₱45,580	₱540,323	₱69,700	–	₱14,700,000	₱6,530,847	(₱185,334)	₱28,000,348	₱4,294,362	₱32,294,710

(Forward)

	Equity Attributable to Equity Holders of the Parent Company										
						Retained Earnings (Note 19)					
	Capital Stock (Notes 18 and 19)	Additional Paid-in Capital	Other Comprehensive Income (Note 14)	Other Equity Adjustments (Note 19)	Share-based Payments (Note 18)	Appropriated	Unappropriated	Treasury Shares (Notes 1 and 19)	Total	Non-controlling Interests (Note 6)	Total Equity
Balance at December 31, 2021	₱6,270,882	₱28,350	₱14,219	₱540,323	₱69,700	₱9,700,000	₱6,881,951	(₱185,334)	₱23,320,091	₱2,661,082	₱25,981,173
Net income	–	–	–	–	–	–	2,301,911	–	2,301,911	292,165	2,594,076
Other comprehensive loss (Notes 14 and 24)	–	–	6,361	–	–	–	120,515	–	126,876	–	126,876
Total comprehensive income	–	–	6,361	–	–	–	2,422,426	–	2,428,787	292,165	2,720,952
Reversal of Appropriation (Note 19)	–	–	–	–	–	(9,000,000)	9,000,000	–	–	–	–
Appropriation (Note 19)	–	–	–	–	–	11,000,000	(11,000,000)	–	–	–	–
Cash dividends (Note 19)	–	–	–	–	–	–	(330,120)	–	(330,120)	–	(330,120)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	(534,004)	(534,004)
Subsidiary's payment of dividends to non-controlling interests (Note 6)	–	–	–	–	–	–	–	–	–	(275,394)	(275,394)
Balance at December 31, 2022	₱6,270,882	₱28,350	₱20,580	₱540,323	₱69,700	₱11,700,000	₱6,974,257	(₱185,334)	₱25,418,758	₱2,143,849	₱27,562,607

See accompanying Notes to Consolidated Financial Statements.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱5,299,949**	₱4,324,043	₱3,392,330
Adjustments for:			
Interest income (Notes 7, 8 and 21)	**(533,509)**	(2,057,077)	(1,477,459)
Interest expense (Notes 16, 17, 22, 27 and 28)	**1,735,529**	1,599,014	1,213,289
Depreciation and amortization (Notes 11, 12 and 22)	**863,838**	840,789	755,738
Share in net income of joint venture and associate (Note 13)	**(374,066)**	(465,711)	(375,628)
Pension expense, net of contributions (Note 24)	**95,797**	(118,949)	(6,265)
Provision for disallowance of claim for refund (Note 22)	**–**	17,544	–
Excess on fair value of net assets acquired over consideration paid (Note 6)	**(134,541)**	–	–
Gain on remeasurement of investment in an associate (Notes 6 and 14)	**(63,884)**	–	–
Unrealized foreign exchange loss (gain) - net	**(14,264)**	2,941	(17,979)
Operating income before working capital changes	**6,874,849**	4,142,594	3,484,026
Decrease (increase) in:			
Trade and other receivables	**175,650**	4,838,135	3,490,329
Contract assets	**(1,719,905)**	422,228	(3,199,719)
Real estate inventories	**(3,730,113)**	(4,252,701)	(175,816)
Advances to contractors	**(556,885)**	(185,914)	(97,188)
Other current assets	**48,710**	(356,149)	(759,232)
Increase (decrease) in:			
Trade and other payables	**305,696**	299,458	2,523,135
Deposits and other liabilities	**(317,555)**	(331,818)	359,205
Net cash generated from (used for) operations	**1,080,447**	4,575,833	5,624,740
Income taxes paid	**(1,127,718)**	(1,149,627)	(996,256)
Interest received	**191,256**	216,879	64,215
Net cash provided by (used in) operating activities	**143,985**	3,643,085	4,692,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Investment properties (Note 11)	**(941,023)**	(675,350)	(304,570)
Property and equipment (Note 12)	**(364,494)**	(274,559)	(236,606)
Cash acquired from business combination (Note 6)	**157,584**	–	–
Dividends received (Note 13)	**432,812**	416,045	490,479
Decrease in investment in joint venture (Note 13)	**175,000**	200,865	53,200
Decrease (increase) in other noncurrent assets	**(242,703)**	(189,170)	141,830
Net cash provided by (used in) investing activities	**(782,824)**	(522,169)	144,333
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of loans and borrowings (Note 16)	**6,300,000**	3,500,000	2,828,600
Payments of:			
Interest-bearing loans and borrowings (Note 16)	**(3,043,446)**	(2,746,008)	(4,507,278)
Dividends (Note 19)	**(624,337)**	(461,631)	(330,120)
Lease liabilities (Notes 15 and 27)	**(40,379)**	(38,986)	(37,663)
Debt issue cost (Note 16)	**(58,581)**	(26,250)	(15,803)
Interest paid	**(1,583,978)**	(1,547,094)	(1,162,548)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	**(367,170)**	(585,281)	(534,004)
Subsidiary's payment of dividends to non-controlling interests (Note 6)	**(219,774)**	(279,188)	(275,394)
Payment of subscription payable (Note 6)	**–**	(200,000)	(80,000)
Benefits paid (Note 24)	**–**	–	(7,913)
Net cash provided by (used in) financing activities	**362,335**	(2,384,438)	(4,122,123)

(Forward)

	Years Ended December 31		
	2024	2023	2022
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**₱12,169**	(₱2,941)	₱17,979
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(264,335)**	733,537	732,888
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**4,251,289**	3,517,752	2,784,864
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱3,986,954**	₱4,251,289	₱3,517,752

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Number of Shares, Earnings Per Share Value and Unless Otherwise Specified)

1. Corporate Information

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

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

As at December 31, 2024 and 2023, First Philippine Holdings Corporation (FPHC) owns 86.58% of Rockwell Land and the rest by the public. Lopez, Inc. is the ultimate parent company.

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

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on March 26, 2025.

2. Basis of Preparation and Statement of Compliance

<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 for investment in equity instruments at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency and all values are rounded to the nearest thousands, except when otherwise indicated.

<u>Statement of Compliance</u>
The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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

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

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

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

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

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

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

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

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

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries:

Subsidiaries	Nature of Business	Percentage of Ownership		
		2024	2023	2022
Rockwell Integrated Property Services, Inc.	Service provider	**100.0**	100.0	100.0
Rockwell Primaries Development Corporation (Rockwell Primaries)	Real estate development	**100.0**	100.0	100.0
Stonewell Property Development Corporation	Real estate development	**100.0**	100.0	100.0
Rockwell Performing Arts Theater Corporation	Theater operator	**100.0**	100.0	100.0
Rockwell Hotels & Leisure Management Corp.	Hotel management	**100.0**	100.0	100.0
Retailscapes Inc. (Retailscapes)	Commercial development	**100.0**	100.0	100.0
Rockwell Primaries South Development Corporation (Rockwell Primaries South) (through Rockwell Primaries)	Real estate development	**100.0**	100.0	100.0
Rockwell MFA Corp. (Rock MFA)	Real estate development	**80.0**	80.0	80.0
Rockwell Leisure Club, Inc. (Rockwell Club)	Leisure club	**74.7**	74.7	75.0
Rockwell Carmelray Development Corporation (RCDC, formerly Carmelray Property Holdings, Inc.)	Real estate development	**70.0**	70.0	71.6
Rockwell GMC Development Corporation (RGDC)*	Real estate development	**60.0**	60.0	–
Rockwell Nepo Development Corporation (RNDC)**	Real estate development	**65.0**	38.5	–

**A subsidiary incorporated in 2023*
***Became a subsidiary through step acquisition in January 2024 (see Notes 6 and 13)*

All subsidiaries are incorporated in the Philippines.

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

3. Changes in Accounting Policies and Disclosures

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Adoption of the 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 Philippine 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.

Starting January 1, 2024, the Company adopted the remaining provision of PIC Q&A 2018-12, specifically on the significant financing component. The Company opted to adopt the change using modified retrospective approach effective January 1, 2024 and the impact was recognized in the opening retained earnings. The comparative information is not restated.

The impact of modified retrospective adoption of the above change as at January 1, 2024 follows:

	As previously stated	Adjustments Increase (decrease)	As restated
Contract assets	₱15,348,050	(₱389,577)	₱14,958,473
Investment in joint venture and associate	5,726,874	(51,614)	5,675,260
Contract liabilities	1,820,666	406,634	2,227,300
Deferred tax liabilities - net	1,219,343	(199,053)	1,020,290
Retained earnings - unappropriated	6,530,847	(631,583)	5,899,264
Noncontrolling interests	4,294,362	(17,188)	4,277,174

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

  The amendments clarify:

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

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

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

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

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

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

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

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

- Amendments to PAS 21*, Lack of exchangeability*

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

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

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the ‘settlement date’, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*

    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

  - Amendments to PFRS 9
    - Lessee Derecognition of Lease Liabilities

      The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

    - Transaction Price

      The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

  - Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

    The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

  - Amendments to PAS 7, *Cost Method*

    The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The Group is currently assessing the impact of the adoption of this standard.

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

4. Summary of Material Accounting Policies

Business Combinations

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because the fair values to be assigned to the acquiree's identifiable assets and liabilities can be determined only provisionally, the Group accounts for the combination using provisional values. Adjustments to those provisional values as a result of completing the initial accounting shall be made within twelve (12) months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date. Goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

Financial Instruments

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

a. Financial Assets

   Financial assets are classified in four categories:

   - Financial assets at amortized cost (debt instruments)
   - Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
   - Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
   - Financial assets at FVPL

   The Group has no financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments) and financial assets at FVPL as at December 31, 2024 and 2023.

   - *Financial Assets at Amortized Cost (Debt Instruments).* This category is most relevant to the Group. Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

     The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables, restricted cash and refundable deposits as at December 31, 2024 and 2023.

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

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

     The Group elected to classify irrevocably its quoted and unquoted equity securities under this category as at December 31, 2024 and 2023.

▪ *Impairment of Financial Assets*

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

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

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

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

Simplified Approach. For receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are over 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial Liabilities

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

The Group’s financial liabilities include trade and other payables (excluding statutory payables), lease liabilities, interest-bearing loans and borrowings and subscription payable as at December 31, 2024 and 2023.

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

Derecognition of Financial Instruments
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

Derivative Financial Instruments and Hedging
The Group uses derivative financial instruments such as cross-currency swap to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of cross-currency swap is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as: (1) fair value hedges when hedging the exposure to changes in the fair value of a recognized financial asset or liability or an unrecognized firm commitment (except for foreign-currency risk); or (2) cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized financial asset or liability or a highly probable forecast transaction or the foreign-currency risk in an unrecognized firm commitment; or (3) hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated. When a hedged item is a forecast transaction, the Group assesses whether such transaction is highly probable and prevents an exposure to variations in cash flows that could ultimately affect the profit or loss in the consolidated statement of comprehensive income.

The Group's cash flow hedge which meets the strict criteria for hedge accounting are accounted for as follows: The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income, while any ineffective portion is recognized immediately in profit or loss in the consolidated statement of comprehensive income. Amounts taken to other comprehensive income are transferred to profit or loss in the consolidated statement of comprehensive income when the hedged transaction affects the profit or loss, such as when the hedged financial income or financial expense is recognized. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability. If the forecast transaction is no longer expected to occur, amounts previously recognized as part of other comprehensive income and presented in equity are transferred to profit or loss in the consolidated statement of comprehensive income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment occurs.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts; and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories

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

Cost includes:

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

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

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

Advances to Contractors

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

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

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment property at the date of change in use.

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

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

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

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

Under the equity method, investment in joint venture and associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share in net assets of the joint venture and associate. Goodwill relating to a joint venture or an associate is included in the carrying amount of the investment and is neither nor individually tested for impairment. The consolidated statement of comprehensive income reflects the share on the financial performance of the joint venture and associate. Distributions received from joint venture reduce the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share in any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

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

Property and Equipment

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

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

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

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

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

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that a nonfinancial asset (e.g., investment properties, investment in joint venture and associate and property and equipment) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

Revenue from Contract with Customers
The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent.

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

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

Starting January 1, 2024, in determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

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

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

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

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

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

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

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

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

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

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

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

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

Contract Balances

Trade Receivables. Trade receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

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

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

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

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

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

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

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

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

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

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

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

Leases

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

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

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

Group as a Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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

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

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

Group as a Lessee

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

Lease Liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases and Leases with Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Equity

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

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

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

Treasury Shares

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

Share-based Payment Transactions

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

Equity-settled Transactions. The cost of equity-settled transactions with employees is measured by reference to the fair value of the stock options at the date the option is granted. The fair value is determined using Binomial Pricing Model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than the conditions linked to the price of the shares of the Parent Company ("market conditions"), if applicable.

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

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest at that date. The cost of share-based payment is recognized in the consolidated statement of comprehensive income as part of "Personnel expenses" account under "General and administrative expenses" account.

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

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

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

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

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

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

Defined benefit costs comprise the following:

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

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

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

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

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

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

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

Income Tax

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO and excess of MCIT over RCIT can be utilized. Deferred tax assets and liabilities, however, are not recognized when the deductible and taxable temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial reporting date.

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

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

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT except: where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of VAT included.

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

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

Foreign Currency-Denominated Transactions

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

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. For inventories, capitalization ceases when pre-selling of real estate inventories under construction commences. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

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

Provisions

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

Events after the Reporting Period

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

Basic/Diluted Earnings Per Share

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

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

Segment Reporting

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

5. Significant Accounting Judgments, Estimates and Assumptions

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

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

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

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

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

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

- *Quantitative criteria*

  Installment contracts receivable

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

- *Qualitative criteria*

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

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

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

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

The Group's cash and cash equivalents and accounts receivable are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset falls below an investment grade; and there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

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

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

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

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

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

Revenue from sale of real estate recognized over time amounted to ₱14,577.8 million, ₱11,914.4 million and ₱11,382.4 million in 2024, 2023 and 2022, respectively, while room, cinema and other revenues recognized at a point in time amounted to ₱2,505.3 million, ₱2,283.4 million and ₱1,758.7 million in 2024, 2023 and 2022, respectively (see Note 20).

Significant Financing Component. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

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

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

Total CUSA charges recognized amounted to ₱862.6 million in 2024, ₱772.3 million in 2023 and ₱544.2 million in 2022.

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

Lease income earned from investment properties amounted to ₱2,469.0 million, ₱2,256.0 million and ₱1,889.4 million in 2024, 2023 and 2022, respectively (see Note 11).

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

The rent concessions resulted to reduction in rental income in 2022 amounting to ₱84.9 million (see Note 11).

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

Determination of Control over an Investee Company. Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Parent Company has established that it has the ability to control its subsidiaries by virtue of either 100% or majority interest in the investee companies (see Note 6).

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

Interest in an Associate. The Parent Company owns 40.0% of Rockwell Nepo Development Corporation (RNDC), formerly NepWell Property Management, Inc., as at December 31, 2023. The contractual arrangement relative to the JV Agreement with T.G.N. Realty Corporation does not give two or more of those parties joint control over the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. However, considering the percentage shareholdings of each party to the JVA and the agreement on quorum and voting, multiple combinations of parties could collectively control the arrangement. The Parent Company's management has assessed that it has significant influence in its JVA with T.G.N. Realty Corporation shareholders as the Parent Company has representation in the BOD of RNDC, participation in the policy-making processes and provision of essential technical information as the sole project developer and marketing and sales agent (see Note 13).

Contingencies. The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 27). No provision for contingencies was recognized in 2024, 2023 and 2022.

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

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

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

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

Revenue from sale of real estate recognized over time amounted to ₱14,577.8 million, ₱11,914.4 million and ₱11,382.4 million in 2024, 2023 and 2022, respectively.

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

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

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

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

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

- *PD*

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

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

- *LGD*

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

- *EAD*

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

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

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

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

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

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

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

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

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

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of Forward-looking Information. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECLs.

The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past one year and three months. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

Grouping of Instruments for Losses Measured on Collective Basis. For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. In performing this grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

The Group grouped its installment contracts receivable for collective measurement into (i) individuals and (ii) corporate customers. No impairment losses were recognized for installment contracts receivable, recognized as trade receivables, in 2024, 2023 and 2022.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECLs. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group in accordance with externally available ratings.

The carrying values of cash and cash equivalents, trade and other receivables and contract assets are disclosed in Notes 7, 8, 20 and 28.

Fair Value of Financial Assets, Investment Properties and Financial Liabilities. Entities are required to disclose for each class of financial assets and liabilities and investment properties the fair value of that class of assets and liabilities in a way that permits it to be compared with the corresponding carrying amount in the consolidated statements of financial position, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would affect the disclosures made by management. The fair values of the Group's financial assets, investment properties and financial liabilities are set out in Note 29.

Evaluation of Net Realizable Value of Real Estate Inventories. Real estate inventories are carried at the lower of cost or NRV. The carrying value of real estate inventories are adjusted when the NRV becomes lower than cost due to changes in estimated selling prices less cost to sell.

Real estate inventories, stated at cost, amounted to ₱29,309.4 and ₱24,411.3 million as at December 31, 2024 and 2023, respectively (see Note 9).

Estimating Useful Lives of Investment Properties and Property and Equipment. The useful life of each of the Group's investment properties and property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any items of property and equipment, and investment properties would increase the recorded depreciation expense and decrease investment properties and property and equipment accounts.

There were no changes in the estimated useful lives of investment properties and property and equipment in 2024, 2023 and 2022.

Investment properties, net of accumulated depreciation, (excluding land and investment properties in progress) amounted to ₱11,322.0 million and ₱11,417.7 million as at December 31, 2024 and 2023, respectively (see Note 11).

Property and equipment, net of accumulated depreciation and amortization, (excluding land and construction in progress) amounted to ₱1,917.8 million and ₱1,867.3 million as at December 31, 2024 and 2023, respectively (see Note 12).

Impairment of Nonfinancial Assets. PFRS requires that an impairment review be performed when certain impairment indicators are present. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Determining the recoverable amounts of investment properties, investment in joint venture and associate and property and equipment, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the use of estimates and assumptions that can materially affect the consolidated financial statements. Future events could indicate that investment properties, investment in joint venture and property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations of the Group.

The preparation of estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect its assessment of recoverable values and may lead to future additional impairment charges under PFRS.

Noncurrent assets that are subject to impairment testing when impairment indicators are present are as follows:

	2024	2023
Investment properties (see Note 11)	**₱15,797,011**	₱14,624,071
Property and equipment (see Note 12)	**2,720,705**	2,648,963
Investments in joint venture and associate (see Note 13)	**4,682,718**	5,726,874
Advances to contractors (see Notes 11 and 12)	**62,288**	86,614

The fair value of the investment properties amounted to ₱34.01 billion and ₱32.2 billion as at December 31, 2024 and 2023, respectively (see Note 10).

The Group has considered and assessed that the Group's nonfinancial assets are not impaired. As at December 31, 2024 and 2023, no other impairment indicators were identified for the Group's nonfinancial assets.

No impairment loss was recognized in 2024, 2023 and 2022.

Deferred Tax Assets. Management uses judgment in reviewing the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of such deferred tax assets to be utilized. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets recognized in the consolidated statements of financial position amounted to ₱529.7 million and ₱583.6 million as at December 31, 2024 and 2023, respectively. Deductible temporary difference, NOLCO and MCIT for which no deferred tax assets have been recognized amounted to nil as at December 31, 2024 and 2023. (see Note 25).

Pension Costs and Other Employee Benefits. The determination of the Group's obligation and cost of pension and other employee benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 24 and include, among others, discount rate and expected rate of salary increase. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability and other employee benefits amounted to ₱186.7 million and ₱84.8 million as at December 31, 2024 and 2023, respectively. Since there is no minimum funding requirement, the resulting net asset or net liability recognized in the consolidated statements of financial position was determined as the lower of the surplus of the plan and the present value of the future service cost to the Group (see Note 24).

6. Non-controlling Interests

a. RNDC

On January 15, 2024, the Parent Company subscribed to an additional 1,488,253,578 shares from the unissued portion of the existing authorized capital stock of RNDC, consisting of 16,878,344 common shares and 1,471,375,234 redeemable preferred shares for an aggregate subscription price of ₱1,488.3 million. As partial payment for the subscription, the Parent Company paid ₱190.0 million in cash to RNDC which was paid upon the execution of the agreement.

As a result, the Parent Company's ownership interest in RNDC increased from 38.49% to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, the Parent Company's previously held interest of 38.49% (equivalent post-subscription ownership % of 21.9%) was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱63.9 million.

The fair values and corresponding carrying amounts of the identifiable assets and liabilities of RNDC at acquisition date, based on final purchase price allocation, are as follows (in thousands):

	Final Fair Value	Carrying Value
Cash and cash equivalents	₱157,584	₱157,584
Receivables and contract assets	36,519	36,519
Subscriptions receivable	1,858,904	1,858,904
Real estate inventories	836,407	653,100
Other current assets	451,950	451,950
Investment properties	910,013	685,505
Trade and other payables	(140,691)	(140,691)
Contract liabilities	(250,031)	(250,031)
Deferred tax asset (liabilities) – net	(95,575)	6,379
Net assets	3,765,080	3,459,219
Non-controlling interests (35% of fair value of net assets acquired)	(1,317,778)	
Fair value of previously held interest*	(824,507)	
Excess of fair value of net assets acquired over consideration paid	(134,541)	
Consideration transferred	₱1,488,254	

**Post-subscription equivalent ownership % is 21.9%*

The receivables and contract assets have not been impaired and it is expected that full contractual amounts can be collected.

The net deferred tax liabilities pertain to the net tax effect of the excess of fair value over the carrying amount of real estate inventories and investment properties; and deferred taxes on excess of accounting gross profit over taxable gross profit; and deferred selling expense.

The non-controlling interest was recognized as a proportion of the fair value of the identifiable net assets acquired.

The excess of fair value of net assets acquired over consideration paid was the result of the higher increase in the fair value of RNDC's real estate inventories and investment properties as compared to the consideration transferred by the Parent Company.

The 2024 consolidated revenue and consolidated net income included RNDC's contribution for the entire reporting period as the acquisition had taken place at the beginning of the year.

RNDC's summarized financial information follows:

	2024	2023
Current assets	**₱3,201,455**	₱1,669,679
Noncurrent assets	**1,136,941**	755,440
Current liabilities	**377,463**	203,585
Noncurrent liabilities	**225,373**	133,041
Revenues	**1,439,023**	714,232
Total comprehensive income	**970,251**	304,498

	2024	2023
Cash flows:		
Operating	**(₱506,517)**	(₱153,257)
Financing	**790,000**	200,000

b. RGDC

On March 30, 2023, the Parent Company and General Milling Corporation (GMC) entered into a joint venture agreement to form an entity to jointly develop a property into a mixed-use project with residential and retail components. Pursuant to the agreement, Rockwell GMC Development Corporation (RGDC) was incorporated. The Parent Company will be the sole and exclusive project development manager and sole marketing and sales agent of RGDC, contributing cash with 60% ownership interest in RGDC while GMC contributed land and shall contribute cash for 40% ownership interest in RGDC.

RGDC's summarized financial information follows:

	2024	2023
Current assets	**₱2,821,380**	₱2,763,681
Noncurrent assets	**3,962,856**	4,016,622
Current liabilities	**6,563**	1,660
Revenues	**1,359**	919
Total comprehensive income	**(971)**	(2,067)

	2024	2023
Cash flows:		
Operating	**(₱71,556)**	(₱80,445)
Financing	**50,000**	129,070

c. RCDC

On August 8, 2018, the Parent Company entered into a Joint Venture Agreement with San Ramon Holdings, Inc., CVY Property Holdings, Inc. and various individuals (collectively "Carmelray shareholders") to develop the residential project in Canlubang, Laguna called "Rockwell South at Carmelray". Pursuant to the Agreement, RCDC was designated by the Parent Company and the Carmelray shareholders to handle the development of "Rockwell South at Carmelray" project. As at December 31, 2018, the Parent Company held 14.7% interest in RCDC, equivalent to 450,000 common shares (eventually converted into 44.1 million Class A redeemable preferred shares and 900,000 common shares on May 27, 2019), and was accounted for as an investment in associate (see Note 13).

On November 20, 2019, the Parent Company subscribed to an additional 240.9 million Class A redeemable preferred shares, representing 37.6% of the total issued and outstanding shares of RCDC, for a total purchase price of ₱2,409.0 million, subject to SEC approval of RCDC's increase in authorized capital stock. On December 18, 2019, the SEC approval has been obtained and RCDC became Rockwell Land's subsidiary.

RCDC's summarized financial information follows:

	2024	2023
Current assets	**₱1,715,107**	₱3,342,892
Noncurrent assets	**334,436**	186,655
Current liabilities	**785,888**	812,675
Noncurrent liabilities	**81,378**	347,359
Revenues	**1,095,091**	1,760,580
Total comprehensive income	**341,476**	535,508

	2024	2023
Cash flows:		
Operating	**₱1,166,412**	₱2,948,606
Financing	**(1,551,025)**	(2,665,507)

In 2024, RCDC redeemed voting preferred shares of the Parent Company and non-controlling interest holder amounting to ₱367.1 million and paid dividends to non-controlling interest holder amounting to ₱150.6 million.

In 2023, RCDC redeemed voting preferred shares of the Parent Company and non-controlling interest holder amounting to ₱585.3 million resulting to 70.0% ownership interest by RLC, and paid dividends to non-controlling interest holder amounting to ₱279.2 million.

In 2022, RCDC redeemed voting preferred shares of non-controlling interest holder amounting to ₱534.0 million which resulted to 71.6% ownership interest by RLC, and paid dividends to non-controlling interest holder amounting to ₱275.4 million.

d. Rock MFA

On July 14, 2017, the Parent Company entered into a Joint Venture Agreement with Mitsui Fudosan (Asia) Pte. Ltd. (Mitsui) to develop the residential component of its project in Quezon City called "The Arton by Rockwell". In accordance with the Agreement, Rock MFA was incorporated on August 22, 2017 by the Parent Company and Mitsui through SEAI Metro Manila One, Inc. (MFAP) to handle the development of "The Arton by Rockwell". As at December 31, 2024 and 2023, the Parent Company owns 80% interest in Rock MFA.

RMFA's summarized financial information follows:

	2024	2023
Current assets	**₱3,959,270**	₱4,244,751
Noncurrent assets	**6,478,061**	6,772,105
Current liabilities	**1,830,714**	909,767
Noncurrent liabilities	**1,536,800**	3,206,918
Revenues	**2,557,670**	2,148,168
Total comprehensive income	**532,074**	304,498

	2024	2023
Cash flows:		
Operating	**₱1,106,312**	₱251,700
Financing	**(1,224,842)**	(140,371)

The Group has the following subsidiaries with material NCI. Information on these subsidiaries are as follows:

2024						
Name	**NCI in Subsidiary**	**Total Comprehensive Income (Loss) Allocated to NCI**	**NCI Arising from Acquisition**	**Accumulated NCI**	**Transactions with NCI**	**Dividends declared to NCI during the year**
RNDC	**35%**	**₱124,719**	**₱1,317,778**	**₱1,356,115**	**(₱58,382)**	**(₱28,000)**
RGDC	**40%**	**(0.4)**	**–**	**2,710,977**	**–**	**–**
RCDC	**30%**	**168,379**	**–**	**630,746**	**(367,170)**	**(150,580)**
Rock MFA	**20%**	**106,415**	**–**	**643,828**	**–**	**–**
RLCI	**25%**	**6,612**	**–**	**72,078**	**–**	**–**

2023						
Name	NCI in Subsidiary	Total Comprehensive Income (Loss) Allocated to NCI	NCI Arising from Acquisition	Accumulated NCI	Transactions with NCI	Dividends declared to NCI during the year
RGDC	40%	(₱17,290)	₱2,728,656	₱2,711,366	₱–	₱–
RCDC	30%	235,197	–	980,117	585,281	279,188
Rock MFA	20%	64,931	–	537,413	–	–
RLCI	25%	3,489	–	65,466	–	–

7. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	**₱1,545,948**	₱1,285,495
Short-term investments	**2,441,006**	2,965,794
	₱3,986,954	₱4,251,289

Cash in banks earn interest at the respective bank deposit rates. Short-term investments consist of peso and dollar-denominated placements made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term investment rates.

Interest income earned from cash in banks and short-term investments amounted to ₱131.1 million, ₱216.9 million and ₱22.9 million in 2024, 2023 and 2022 respectively (see Note 21).

8. Trade and Other Receivables and Contract Assets

Trade and other receivables consist of:

	2024	2023
Trade receivables from:		
Sale of real estate (see Note 20)	**₱657,696**	₱294,583
Lease	**650,291**	532,670
Due from related parties (see Note 26)	**12,885**	75,960
Subscriptions receivable (see Note 26)	**374,500**	208,000
Advances to officers and employees (see Note 26)	**18,206**	29,891
Others	**24,775**	11,570
	1,738,353	1,152,674
Less allowance for ECLs	**32,770**	25,179
	₱1,705,583	₱1,127,495

Trade receivables from sale of condominium units, house and lot and residential lots consist of installment contract receivables from real estate customers. Installment contract receivables are collectible in equal monthly installments with terms typically up to five years for high-rise projects and up to three years for horizontal projects. These are noninterest-bearing and are carried at amortized cost.

As of December 31, contract assets consist of:

	2024	2023
Current	**₱6,661,563**	₱9,237,501
Noncurrent	**9,561,607**	6,110,549
	₱16,223,170	₱15,348,050

Contract assets represent excess of recognized revenues from contracts with real estate customers determined based on percentage of completion against amounts billed to customers. In 2024, the movement in contract assets comprises the reclassifications to installment contracts receivables from sale of real estate, and unbilled revenues recognized for the year amounting to ₱13,586.5 million and ₱14,851.1 million, respectively. In 2023, the movement in contract assets comprises of the reclassifications to installment contracts receivables from sale of real estate, and unbilled revenues recognized for the year amounting to ₱12,033.7 million and ₱11,611.5 million, respectively (see Note 20).

Trade receivables from lease represent short-term receivables from the “Power Plant” Mall tenants and from other commercial establishments held for lease within and outside Rockwell Center which are normally collectible within 30 days from billing date.

Advances to officers and employees mainly representing cash advances to be used for operations are noninterest-bearing and will be liquidated within one year.

Other receivables mainly consist of claims from contractors, receivable from various third parties and accrued interest. These are noninterest-bearing and are due and demandable.

The movements in allowance for ECL, determined on a collective basis using ECL model (trade receivables) and specific identification (other receivables), follows:

	2024			2023		
	Trade Receivables from Lease	**Others**	**Total**	Trade Receivables from Lease	Others	Total
Balance at beginning of year	**₱6,650**	**₱18,529**	**₱25,179**	₱9,594	₱16,133	₱25,727
Provision (see Note 22)	**4,013**	**3,577**	**7,591**	–	2,396	2,396
Reversal (see Note 22)	**–**	**–**	**–**	(2,944)	–	(2,944)
Balance at end of year	**₱10,663**	**₱22,106**	**₱32,770**	₱6,650	₱18,529	₱25,179

9. **Real Estate Inventories**

This account consists of:

	2024	2023
Land and development costs	**₱13,715,182**	₱15,260,561
Land held for future development and other developments costs (see Note 26)	**14,293,962**	8,339,691
Condominium units for sale	**1,075,725**	811,086
	₱29,084,869	₱24,411,338

The rollforward analysis of this account follows:

	2024	2023
At January 1	**₱24,411,338**	₱17,981,211
Construction/development costs incurred (see Note 27)	**7,649,791**	8,230,153
Effect of business combination (see Note 6)	**836,407**	–
Cost of real estate sold (shown as part of “Cost of real estate” account in the consolidated statements of comprehensive income)	**(8,271,774)**	(8,061,449)
Land acquired	**4,352,096**	6,604,653
Transfers from investment properties (see Note 11)	**107,011**	117,069
Transfers to property and equipment (see Note 12)	**–**	(460,299)
Balance at end of year	**₱29,084,869**	₱24,411,338

As at December 31, 2024 and 2023, land held for future development and other development costs mainly pertain to land acquisitions in Metro Manila and certain provinces.

As at December 31, 2024 and 2023, condominium units for sale pertains to unsold units of various completed projects.

As at December 31, 2024 and 2023, advances to contractors, shown separately in the consolidated statements of financial position, mainly pertain to advances related to the development of various projects.

The cost of real estate inventories (i.e., land and development costs and condominium units for sale) consists of the costs of land and direct development costs.

Contract fulfillment assets, included under land and development costs, mainly pertain to unamortized portion of the land cost totaling ₱4,456.8 million and ₱4,777.4 million as at December 31, 2024 and 2023, respectively.

Estimated cost to complete various on-going projects expected to be completed until year 2028 amounted to ₱14.4 billion and ₱16.9 billion as at December 31, 2024 and 2023, respectively.

10. Other Current Assets

This account consists of:

	2024	2023
Input VAT	**₱1,321,301**	₱926,979
Creditable withholding tax	**1,475,546**	1,671,088
Prepaid costs (see Note 20)	**1,180,265**	728,050
Refundable deposits	**108,077**	96,045
Supplies	**100,764**	56,647
Restricted cash	**52,219**	155,944
Deposit for land acquisition (see Note 26)	–	158,676
Others	**3,165**	44,668
	₱4,241,337	₱3,838,097

Prepaid costs primarily pertain to costs to obtain a contract which consist of sales commission pertaining to real estate sold capitalized as deferred selling expense (see Note 20).

As at December 31, 2024 and 2023, restricted cash represents escrow account to cover all payments received from the buyers for the sale of real estate with restriction on withdrawal and remittance. The escrow account is required to be maintained until satisfactory compliance with the conditions of the Temporary License to Sell issued by the Department of Human Settlements and Urban Development.

Refundable deposits mainly consist of security deposits in accordance with lease agreement.

11. Investment Properties

The rollforward analysis of this account follows:

	2024				
	Land	**Buildings and Improvements**	**Right-of-use Assets**	**Investment Properties in Progress**	**Total**
At January 1, 2024, net of accumulated depreciation and amortization	**₱2,803,529**	**₱10,969,564**	**₱448,146**	**₱402,832**	**₱14,624,071**
Additions to construction (see Note 27)	**151,901**	**582,344**	**–**	**206,779**	**941,023**
Effect of business combination (see Note 6)	**832,041**	**–**	**–**	**77,972**	**910,013**
Transfers to real estate inventories (see Note 9)	**–**	**(107,011)**	**–**	**–**	**(107,011)**
Depreciation and amortization (see Note 22)	**–**	**(555,818)**	**(15,268)**	**–**	**(571,086)**
At December 31, 2024, net of accumulated depreciation and amortization	**₱3,787,471**	**₱10,889,078**	**₱432,878**	**₱687,583**	**₱15,797,011**
At January 1, 2024:					
Cost	**₱2,803,529**	**₱16,022,489**	**₱524,486**	**₱402,832**	**₱19,753,336**
Accumulated depreciation and amortization	**–**	**(5,052,925)**	**(76,340)**	**–**	**(5,129,265)**
Net carrying amount	**₱2,803,529**	**₱10,969,564**	**₱448,146**	**₱402,832**	**₱14,624,071**
At December 31, 2024:					
Cost	**₱3,787,471**	**₱16,855,714**	**₱524,485**	**₱687,583**	**₱21,855,253**
Accumulated depreciation and amortization	**–**	**(5,966,633)**	**(91,609)**	**–**	**(6,058,242)**
Net carrying amount	**₱3,787,471**	**₱10,889,081**	**₱432,876**	**₱687,583**	**₱15,797,011**

	2023				
	Land	Buildings and Improvements	Right-of-use Assets	Investment Properties in Progress	Total
At January 1, 2023, net of accumulated depreciation and amortization	₱2,803,529	₱10,940,161	₱463,414	₱459,510	₱14,666,614
Additions to construction (see Note 27)	–	474,445	–	200,905	675,350
Transfers to real estate inventories (see Note 9)	–	–	–	(117,069)	(117,069)
Reclassification	–	140,514	–	(140,514)	
Depreciation and amortization (see Note 22)	–	(585,556)	(15,268)	–	(600,824)
At December 31, 2023, net of accumulated depreciation and amortization	₱2,803,529	₱10,969,564	₱448,146	₱402,832	₱14,624,071
At January 1, 2023:					
Cost	₱2,803,529	₱15,415,258	₱524,486	₱459,510	₱19,202,783
Accumulated depreciation and amortization	–	(4,475,097)	(61,072)	–	(4,536,169)
Net carrying amount	₱2,803,529	₱10,940,161	₱463,414	₱459,510	₱14,666,614
At December 31, 2023:					
Cost	₱2,803,529	₱16,022,489	₱524,486	₱402,832	₱19,753,336
Accumulated depreciation and amortization	–	(5,052,925)	(76,340)	–	(5,129,265)
Net carrying amount	₱2,803,529	₱10,969,564	₱448,146	₱402,832	₱14,624,071

Investment properties are carried at cost. Investment properties consist of the "Power Plant" Mall (₱3.8 billion and ₱3.1 billion as at December 31, 2024 and 2023, respectively), other investment properties held for lease within and outside Rockwell Center ₱11.4 billion and ₱11.0 billion as at December 31, 2024 and 2023, respectively) and land held for appreciation (₱539.7 million as at December 31, 2024 and 2023).

Investment properties in progress include costs incurred for the construction of Rockwell Performing Arts Theater. General borrowing costs capitalized as part of investment properties amounted to ₱12.9 million in 2024 (nil in 2023) (see Note 16). Average capitalization rate used for this ongoing project is 4.82% in 2024.

As at December 31, 2024 and 2023, advances to contractors, included under “Other noncurrent assets” account in the consolidated statements of financial position, amounting to ₱62.3 million and ₱80.8 million, respectively, primarily pertain to advances related to the development of Rockwell Performing Arts Theater, One Proscenium projects and Mall Expansion.

Lease income earned from investment properties amounted to ₱2,469.0 million, ₱2,256.0 million, and ₱1,889.4 million in 2024, 2023 and 2022, respectively. Direct operating expenses incurred amounted to ₱862.6 million, ₱526.8 million and ₱433.6 million in 2024, 2023 and 2022, respectively.

The aggregate fair value of the Group’s Power Plant Mall amounted to ₱13.6 billion and ₱12.8 billion as at December 31, 2024 and 2023, respectively. The aggregate fair value of other investment properties held for lease within and outside Rockwell Center and land held for appreciation amounted to ₱21.0 billion and ₱19.3 billion as at December 31, 2024 and 2023, respectively.

The fair value as at December 31, 2024 and 2023 was determined by independent professionally qualified appraiser accredited by the SEC. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable willing seller in an arm’s length transaction at the date of valuation.

The fair value of the mall and investment properties held for lease was arrived at through the use of the “Income Approach,” particularly the “Discounted Cash Flow Analysis” which is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property being valued. In an operating property, periodic cash flow is typically estimated as gross revenue less operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. This is included under Level 3 in the fair value hierarchy (see Note 29).

The fair value of land held for appreciation and land component of assets under construction was arrived at through the use of the “Market Data Approach.” “Market Data Approach” is based on the assumption that no prudent purchaser will buy more than what it will cost him to acquire an equally desirable substitute parcel or site. This approach is primarily based on sales and listings, which are adjusted for time of sale, location, and general characteristics of comparable lots in the neighborhood where the subject lot is situated. This is included under Level 2 in the fair value hierarchy (see Note 29).

The fair value of assets recently completed and undergoing construction was arrived at through the use of the “Cost Approach”. “Cost Approach” is based on the amount required to replace the service capacity of an asset (frequently referred to as current replacement cost). This approach is applied by estimating the amount that currently would be required to construct a substitute software asset of comparable utility. This is included under Level 3 in the fair value hierarchy (see Note 29).

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

12. Property and Equipment

The rollforward analysis of this account follows:

	2024					
	Land	**Buildings and Improvements**	**Office Furniture and Other Equipment**	**Transportation Equipment**	**Construction in Progress**	**Total**
Cost						
At January 1	**₱690,844**	**₱2,742,722**	**₱2,354,934**	**₱375,738**	**₱90,861**	**₱6,255,099**
Additions	**1,567**	**88,658**	**132,093**	**122,532**	**19,644**	**364,494**
Disposals	**–**	**–**	**(20,604)**	**(17,330)**	**–**	**(37,934)**
At December 31	**692,411**	**2,831,380**	**2,466,423**	**480,940**	**110,505**	**6,581,659**
Accumulated Depreciation and Amortization						
At January 1	**–**	**1,360,857**	**1,977,282**	**267,997**	**–**	**3,606,136**
Depreciation and amortization (see Note 22)	**–**	**113,928**	**138,278**	**40,546**	**–**	**292,752**
Disposals	**–**	**–**	**(20,604)**	**(17,330)**	**–**	**(37,934)**
At December 31	**–**	**1,474,785**	**2,094,956**	**291,213**	**–**	**3,860,954**
Net Book Value at December 31	**₱692,412**	**₱1,356,595**	**₱371,466**	**₱189,727**	**₱110,505**	**₱2,720,705**

	2023					
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	Total
Cost						
At January 1	₱683,864	₱2,017,434	₱2,265,896	₱387,424	₱306,850	₱5,661,468
Additions	–	55,980	178,194	40,385	–	274,559
Transfers from real estate inventories (see Note 9)	6,980	453,319	–	–	–	460,299
Reclassification	–	215,989	–	–	(215,989)	–
Disposals	–	–	(89,156)	(52,071)	–	(141,227)
At December 31	690,844	2,742,722	2,354,934	375,738	90,861	6,255,099
Accumulated Depreciation and Amortization						
At January 1	–	1,279,651	1,943,080	284,667	–	3,507,398
Depreciation and amortization (see Note 22)	–	81,206	123,358	35,401	–	239,965
Disposals	–	–	(89,156)	(52,071)	–	(141,227)
At December 31	–	1,360,857	1,977,282	267,997	–	3,606,136
Net Book Value at December 31	₱690,844	₱1,381,865	₱377,652	₱107,741	₱90,861	₱2,648,963

As at December 31, 2024 and 2023, advances to contractors, included under “Other noncurrent assets” account in the consolidated statements of financial position, amounting to ₱1.3 million and ₱5.8 million, respectively, primarily pertain to advances related to the development of “Mactan Hotel”.

13. Investments in Joint Venture and Associate

This account consists of:

	2024	2023
Investment in:		
Joint venture	**₱4,682,718**	₱4,922,842
Associate	**–**	804,032
	₱4,682,718	₱5,726,874

The details and movement in investments in joint venture and associate are as follows:

	2024	2023
Cost:		
Balance at beginning of year	**₱5,311,684**	₱5,512,549
Return of investment	**(175,000)**	(200,865)
Reclassification to investment in subsidiary (see Note 6)	**(756,150)**	–
	4,380,534	5,311,684
Accumulated share in net income:		
Balance at beginning of year, as previously stated	**415,190**	365,524
Effect of adoption of significant financing component accounting (see Note 3)	**(51,614)**	–
Balance at beginning of year, as restated	**363,576**	365,524
Share in net income	**374,066**	465,711
Dividend distribution	**(432,812)**	(416,045)
Remeasurement gain on investment in RNDC	**63,884**	–
Reclassification to investment in subsidiary (see Note 6)	**(66,530)**	–
Balance at end of year	**302,184**	415,190
Carrying value	**₱4,682,718**	₱5,726,874

Investment in Joint Venture

a. RIDC

In December 2021, the Parent Company entered into a Joint Venture Agreement (JVA) with International Pharmaceuticals, Inc. (IPI) to jointly develop parcels of land in Cebu into residential condominiums and commercial, retail and office components (the Project) through Rockwell IPI Development Corporation (RIDC or JV Co), formerly 8 Promoveo Land, Inc. (PLI), and with the view of jointly preserving and continuing IPI's long-standing legacy in the market and the Parent Company's brand of creating communities of unparalleled quality. Under the terms of the JVA, each of the Parent Company and IPI shall at all times hold 50% of the total subscribed shares, except in certain circumstances provided for in the JVA. Pursuant to the JVA, The Parent Company shall subscribe to 3,148,410,000 common and redeemable preferred shares out of the unissued authorized shares of PLI in the following manner:

a. *First Subscription:* On the execution date of the JVA Agreement, the Parent Company shall execute a Subscription Agreement to subscribe to 1,019,205,000 common shares and 1,500,795,000 redeemable preferred shares - Tier 1.

b. *Second Subscription:* Upon SEC approval of the increase in capital stock, the Parent Company shall execute a second Subscription Agreement to subscribe to the additional 628,410,000 redeemable preferred shares - Tier 1 to complete its subscription for the shares comprising its Tier 1 capital contribution.

In December 2021, the Parent Company contributed ₱630.0 million in cash to the JV Co as partial payment for its subscription. On the same period, PLI filed its application with the SEC for the increase in authorized capital stock. The corresponding shares of the Parent Company's first subscription shall be issued out of the said increase in authorized capital stock. Accordingly, the aforementioned partial subscription payment is treated as deposits for stock subscription as at December 31, 2021 presented as part of investments in joint ventures.

The increase in RIDC's authorized capital stock was approved by the SEC in April 2022, with the Parent Company accruing the remaining portion of its subscription amounting to ₱2,518.4 million as of December 31, 2022, which remains unpaid as of December 31, 2024 and 2023. Subscription payment expected to be paid within one year and beyond one year based on the cashflow requirements for the project development are separately presented as subscription payable under current liabilities and noncurrent liabilities in the consolidated statements of financial position.

RIDC's statements of financial position include the following:

	2024	2023
Current assets	**₱2,759,116**	₱2,476,514
Noncurrent assets	**4,054,355**	4,036,569
Current liabilities	**386,142**	67,450
Noncurrent liabilities	**149,218**	156,223
Cash and cash equivalents	**484,570**	596,680
Real estate inventories	**1,793,064**	1,698,108

RIDC's statements of comprehensive income include the following:

	2024	2023
Revenue (including interest income on cash in banks)	**₱67,858**	₱34,412
Costs and expenses	**183,519**	3,084
Provision for (benefit from) deferred income tax	**(34,082)**	3,704
Total comprehensive income (loss)	**(81,579)**	27,624

The carrying value of the Parent Company's investment in RIDC amounted ₱3.1 million as at December 31, 2024 and 2023. Share in net income (loss) of RIDC, recognized as part of "Share in net income (loss) of joint venture and associate", amounted to (₱40.4) million and ₱13.8 million in 2024 and 2023, respectively (nil in 2022).

Below is the reconciliation of the summarized financial information of RIDC to the carrying amount of the Parent Company's investment therein:

	2024	2023
Net assets of RIDC	**₱6,278,111**	₱6,289,410
Interest of the Parent Company in the net assets of RIDC	**49%**	50%
Share in net assets of RIDC	**3,076,274**	₱3,144,705
Effect of change in ownership %	**21,618**	–
Carrying amount of investment in RIDC	**₱3,097,892**	₱3,144,705

As at December 31, 2024 and 2023, RIDC has no commitments and contingencies.

On October 12, 2024, ROCK and IPI executed an agreement amending the schedule of capital contributions and subscriptions, and the capital structure of the Company. IPI subscribed 135,000,000 Redeemable Preferred Shares-Tier 2 out of the unissued portion of the existing authorized capital stock of the Company. On the same date, IPI paid the 33,750,000 of the additional subscription in cash.

b. Unincorporated JV

On March 25, 2008, the Parent Company entered into a 25-year JV Agreement with Meralco to form an unincorporated and registered JV (70% for the Parent Company and 30% for Meralco), referred to as "unincorporated JV." Under the JV Agreement, the parties agreed to pool their allocated areas in the first two towers of the BPO Building (called "Rockwell Business Center" or "RBC"), including the right to use the land, and to operate and manage the combined properties for lease or any similar arrangements to third parties under a common property management and administration. Consequently, the Parent Company's contribution to the unincorporated JV is presented as "Investment in joint venture" account in the consolidated statements of financial position. The unincorporated JV started commercial operations in July 2009.

In accordance with the terms of the JV Agreement, the Parent Company acts as the Property Manager of the unincorporated JV. Management fees recognized by the Parent Company, which is shown as part of "Others" account in the consolidated statements of comprehensive income, amounted to ₱11.2 million, ₱9.9 million and ₱7.5 million in 2024, 2023 and 2022, respectively (see Note 26). The unincorporated JV will be managed and operated in accordance with the terms of the JV Agreement and with the Property Management Plan provided for in the JV Agreement. The principal place of business of the unincorporated JV is at Meralco Compound, Ortigas Center, Pasig City.

On December 6, 2013, Meralco and the Parent Company entered into a Supplemental Agreement to the JV Agreement to include their respective additional rights and obligations, including the development and construction of the third tower of the BPO Building. Under the Supplemental Agreement, Meralco shall contribute the corresponding use of the land where the third BPO Building will be constructed while the Parent Company shall provide the additional funds necessary to cover the construction costs. Construction of the third tower was completed in December 2014.

The joint venture's statements of financial position include the following:

	2024	2023
Current assets	**₱867,195**	₱885,034
Noncurrent assets	**1,925,358**	2,089,612
Current liabilities	**129,767**	197,349
Noncurrent liabilities	**397,828**	237,101
Cash and cash equivalents	**496,109**	511,589
Current financial liabilities (excluding trade and other payables and provisions)	**28,847**	47,579
Noncurrent financial liabilities (excluding trade and other payables and provisions)	**365,778**	341,798

The joint venture's statements of comprehensive income include the following:

	2024	2023	2022
Revenue	**₱1,267,878**	₱1,162,746	₱1,113,797
Cost and expenses	**386,710**	263,228	247,843
Depreciation and amortization expense	**161,048**	212,157	211,461
Interest income	**27,519**	23,225	8,702
Provision for income tax	**127,975**	125,062	116,318
Total comprehensive income/net income	**592,145**	585,524	546,877

The carrying value of the Parent Company's investment in joint venture consists of:

	2024	2023
Cost:		
Balance at beginning of year	**₱1,411,596**	₱1,612,461
Return of investment*	**(175,000)**	(200,865)
	1,236,596	1,411,596
Accumulated share in net income:		
Balance at beginning of year	**366,541**	372,719
Share in net income**	**414,501**	409,867
Dividend distribution	**(432,812)**	(416,045)
Balance at end of year	**348,230**	366,541
Carrying value	**₱1,584,826**	₱1,778,137

**Represents excess cash of the joint venture distributed as return of capital as agreed by the joint venture partners.*
***Shown as part of "Share in net income of joint venture and associate" account in the consolidated statements of comprehensive income.*

In 2020, the Parent Company and Meralco have agreed that effective January 1, 2020, all income sharing distribution in excess of the JV's retained earnings shall be treated as return of capital.

Below is the reconciliation of the summarized financial information of the unincorporated JV to the carrying amount of the Parent Company's investment therein:

	2024	2023
Net assets of the unincorporated JV	**₱2,264,037**	₱2,540,196
Interest of the Parent Company in the net assets of the unincorporated JV	**70%**	70%
Carrying amount of investment in joint venture	**₱1,584,826**	₱1,778,137

As at December 31, 2024 and 2023, the unincorporated JV has no commitments and contingencies.

Investment in an Associate

On August 17, 2020, the Parent Company entered into a Joint Venture Agreement with T.G.N. Realty Corporation to develop parcels of land in Pampanga, through RNDC. The final shareholdings shall be 40%-60% between Rockwell Land and T.G.N. Realty Corporation, respectively.

On November 6, 2020, the Parent Company subscribed to 746,698,125 redeemable preference shares and 9,451,878 common shares of RNDC, equivalent to 40% of RNDC's outstanding capital stock, for a total consideration of ₱756.2 million. As at December 31, 2020, the Parent Company made partial payment of the subscription price amounting to ₱72.0 million and accounted for such investment as an associate. The purchase price allocation resulted to recognition of RNDC's assets and liabilities at fair value, with land as the primary asset, and embedded goodwill amounting to ₱51.0 million.

On December 5, 2023, the SEC certified the valuation of real properties in the amount of ₱129,800,000 be applied as payment for RNDC's additional issuance of 129,800,000 redeemable preferred shares to T.G.N. Realty Corporation at par value of ₱1.00 each from the unissued portion of its authorized capital stock bringing the ownership of the Parent Company in RNDC to 38.5% as of December 31, 2023 from 41.2% as of December 31, 2022.

As at December 31, 2023, the Group's investment in RNDC amounted to ₱804.0 million. Share in net income of RNDC, recognized as part of "Share in net income of joint venture and associate", amounted to ₱42.0 million and ₱10.3 million in 2023 and 2022, respectively. As at December 31, 2023, remaining unpaid subscription of the Parent Company in RNDC amounting to ₱204.2 million is recognized as subscription payable in the 2023 consolidated statement financial position (see Note 13).

As discussed in Note 6, in January 2024, the Parent Company subscribed to 16,878,344 common shares and 1,471,375,234 redeemable preferred shares for an aggregate subscription price of ₱1,488.3 million, bringing the Parent Company's ownership interest in RNDC from 38.49% to 65.00% and the transaction was accounted for as a business combination using the acquisition method. Accordingly, the Parent Company's previously held interest of 38.49% was remeasured at acquisition date resulting in recognition of gain on remeasurement of ₱63.9 million (see Note 6).

14. Investment in Equity Instruments at FVOCI

As at December 31, this account consists of:

	2024	2023
Quoted	**₱59,280**	₱58,280
Unquoted	**3,269**	3,269
	₱62,549	₱61,549

Quoted Equity Shares
This primarily consists of investment in Manila Polo Club shares. Movement in the balance follows:

	2024	2023
Balance at beginning of year	**₱58,280**	₱33,280
Unrealized gain on fair value adjustments	**1,000**	25,000
Balance at end of year	**₱59,280**	₱58,280

Unquoted Equity Shares
Unquoted equity securities consist of investments in Meralco preferred shares which were issued to the Parent Company when Meralco meters were connected and will only be disposed of upon termination of service. These shares have no quoted market price and any fair value gain or loss on these investments is not material to the consolidated financial statements. As at financial reporting date, the Parent Company has no plans of disposing these unquoted equity securities.

15. **Trade and Other Payables**

This account consists of:

	2024	2023
Trade	**₱1,213,039**	₱1,647,268
Accrued expenses:		
Project costs	**3,215,827**	3,573,461
Selling, marketing and promotions	**642,312**	529,379
Employee benefits (see Note 24)	**188,343**	136,754
Interest	**164,606**	134,476
Utilities	**99,436**	82,815
Repairs and maintenance	**72,907**	69,171
Taxes and licenses	**79,064**	62,904
Producers’ share	**49,538**	30,867
Others	**504,303**	195,698
Contract liabilities:		
Excess of collections over recognized receivables (see Notes 17 and 20)	**1,404,239**	601,965
Advance payments from members and customers (see Note 20)	**11,695**	11,695
Deposits from pre-selling of condominium units (see Notes 17 and 20)	**–**	972,366
Current portions of:		
Retention payable (see Note 17)	**1,148,708**	890,273
Security deposits (see Note 17)	**341,838**	354,707
Deferred lease income (see Note 17)	**182,926**	188,355
Lease liabilities (see Note 27)	**25,470**	26,761
Output VAT	**735,982**	147,770
Deferred output VAT	**51,696**	39,887
Due to related parties (see Note 26)	**8,942**	29,224
Derivative liabilities	**24,281**	-
Others	**5,008**	5,118
	₱10,170,160	₱9,730,914

Trade payables and accrued project costs are noninterest-bearing normally settled on a 30-day term.

Accrued taxes mainly consist of transfer fees payable and taxes payable other than income tax.

Accrued expenses are normally settled within 12 months.

Advance payments from members and customers mainly include membership dues received but are not yet due as at reporting period.

Deposits from pre-selling of condominium units represent cash received from buyers of certain projects with pending recognition of revenue. The current portion of these deposits are expected to be applied against receivable from sale of condominium units the following year (see Notes 9 and 20).

Retention payable pertains to the amount withheld by the Group on contractor’s billings to be released after the guarantee period. The retention serves as a security from the contractor should there be defects in the project.

Security deposits pertain to rent of tenants with cancellable lease contracts. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes and are expected to be settled relative with the payment terms provided to customers.

16. Interest-bearing Loans and Borrowings

This account consists of:

	Effective Interest Rate	2024	2023
Current			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	**₱4,636,244**	₱2,836,245
JV Partner loan	Floating 3.64%-7.57%	**116,000**	–
		4,752,244	2,836,245
Less unamortized loan transaction costs		**23,091**	23,796
		₱4,729,153	₱2,812,449
Noncurrent			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	**₱24,326,782**	₱23,123,635
JV Partner loan	Floating 3.64%-7.57%	**207,000**	540,200
		24,533,782	23,663,835
Less unamortized loan transaction costs		**109,839**	91,796
		₱24,423,943	₱23,571,859

Term Loan

PNB. On May 25, 2016, December 19, 2019, September 13, 2021 and April 16, 2024, the Parent Company entered into unsecured credit facilities with PNB each amounting to ₱5.0 billion, for a total of ₱20.0 billion. As at September 13, 2022, ₱3.5 billion of the credit facility with PNB has expired. The Parent Company will pay 70% of the loan amounts quarterly over the term of the loans and the balance upon maturity.

Details of drawdowns are as follows:

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarterly Payments	Amount (in billions)
1	May 2016	10 years	August 2018	32	₱1.0
2	August 2017	7 years	August 2019	20	1.0
3	September 2017	7 years	September 2019	20	1.0
4	October 2017	7 years	October 2019	20	1.0
5	December 2017	7 years	December 2019	20	1.0
6	December 2019	7 years	December 2021	20	1.0
7	January 2020	7 years	April 2022	20	1.0
8	December 2020	7 years	June 2022	20	1.0
9	February 2021	7 years	May 2022	24	2.0
10	October 2021	7 years	January 2024	20	1.0
11	April 2022	7 years	January 2024	22	0.5
12	June 2024	7 years	September 2026	20	1.0
13	December 2024	7 years	December 2026	21	0.5
					₱13.0

MBTC. On June 14, 2016, the Parent Company entered into a credit facility with MBTC amounting to ₱4.0 billion. The Parent Company will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	June 2016	10 years	September 2018	32	1.0
2	June 2016	10 years	September 2018	32	1.0
3	September 2016	7 years	December 2018	20	0.5
4	June 2017	10 years	September 2018	32	1.0
5	October 2017	10 years	September 2018	32	0.5
					₱4.0

On November 18, 2019, the Parent Company entered into an unsecured credit facility with Metropolitan Bank and Trust Company (MBTC) amounting to ₱5.0 billion. The Parent Company will pay 50% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarterly Payments	Amount (in billions)
1	November 2019	7 years	February 2022	20	₱2.0
2	December 2019	7 years	March 2023	20	1.0
3	March 2020	7 years	February 2022	20	1.0
4	August 2020	7 years	November 2022	20	1.0
5	January 2024	7 years	April 2026	20	3.0
					₱8.0

On December 16, 2022, the Parent Company entered into an unsecured credit facility with MBTC amounting to ₱3.0 billion or equivalent in foreign currency denomination. On January 2024, the company drew ₱3.0 billion in USD currency equivalent amounting to $53.2 million, simultaneously entering into cross currency swaps for all future interest and principal payments to fully hedge the foreign currency exposure. (see Note 28).

On June 14, 2016, Retailscapes entered into a credit facility with MBTC amounting to ₱1.0 billion to finance the development of Santolan Town Plaza. Retailscapes will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarterly Payments	Amount (in billions)
1	June 2016	10 years	September 2018	32	₱0.5
2	May 2017	10 years	September 2018	32	0.5
					₱1.0

BDO. On January 20, 2020, the Parent Company entered into an unsecured credit facility with BDO amounting to ₱10.0 billion. The Parent Company will pay 48% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	February 2020	10 years	May 2022	32	₱1.0
2	April 2020	10 years	July 2022	32	1.0
3	July 2020	10 years	October 2022	32	2.0
4	September 2020	10 years	December 2022	32	1.0
5	April 2021	9 years	May 2022	32	1.0
6	June 2021	9 years	May 2022	32	1.0
7	August 2021	9 years	May 2022	32	1.0
8	September 2021	9 years	May 2022	32	1.0
9	October 2021	9 years	May 2022	32	1.0
					₱10.0

On March 4, 2022, the Parent Company entered into an unsecured credit facility with BDO amounting to ₱5.0 billion. The Parent Company will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	Dec 2022	10 years	March 2024	36	₱1.5
2	March 2023	10 years	March 2024	36	3.5
					₱5.0

As at December 31, 2024, the credit facility with BDO has been fully utilized.

JV Partner Loan. On June 5, 2018, Rockwell MFA entered into a shareholder loan agreement with the Parent Company and Mitsui, through SEAI Metro Manila One, Inc., for the purpose of funding "The Arton by Rockwell" project.

The outstanding balance of the JV Partner loan from SEAI Metro Manila One, Inc., net of unamortized loan transaction costs, amounted to ₱313.5 million and ₱539.4 million as of December 31, 2024 and 2023, respectively, while the loan from the Parent Company was eliminated in the consolidated financial statements.

Short-term Loans

In 2024, the Parent Company obtained short-term loans amounted to ₱1,800.0 million from various financial institutions bearing interest rates ranging from 5.60% to 6.00% with terms from three to six months. As at December 31, 2024 and 2023, outstanding short-term loans amounted ₱1,800.0 million and nil, respectively.

Loan Transaction Costs. As at December 31, 2024 and 2023, loan transaction costs consisting of documentary stamp tax and underwriting fees on the corporate notes and bonds were capitalized and presented as a deduction from the related loan balance.

The movement in the balance of the capitalized loan transaction costs are as follows:

	2024	2023
Balance at beginning of year	**₱115,592**	₱112,406
Additions	**58,581**	26,250
Amortization (see Note 22)	**(31,243)**	(23,064)
Balance at end of year	**₱142,930**	₱115,592

Interest expense. Interest expense on interest-bearing loans and borrowings amounted to ₱1,530.5 million, ₱1,479.3 million and ₱1,105.6 million in 2024, 2023 and 2022, respectively (see Note 22). Interest expense capitalized as part of investment properties amounted to ₱11.7 million and nil in 2024 and 2023, respectively (see Note 11).

Principal Repayments. The principal repayments of all loans and borrowings based on existing terms are scheduled as follows:

Year	Amount
2025	₱4,752,244
2026	6,848,671
2027	2,925,504
2028	2,710,166
2029 and onwards	12,049,422
	₱29,286,007

Covenants. The loan contains, among others, covenants regarding incurring additional long-term debt and paying out dividends, to the extent that such will result in a breach of the required debt-to-equity ratio (2:1 max.) and current ratio (1:1 min.). As at December 31, 2024 and 2023, the Group has complied with these covenants (see Note 28).

17. Deposits and Other Liabilities

This account consists of:

	2024	2023
Retention payable - net of current portion of ₱1,148.7 million in 2024 and ₱890.2 million in 2023 (see Note 15)	**₱615,872**	₱786,626
Contract liabilities:		
Excess of collections over recognized receivables - net of current portion of ₱1,404.2 million in 2024 and ₱602.0 million in 2023 (see Notes 15 and 20)	**525,830**	86,217
Deferred lease income - net of current portion of ₱182.9 million in 2024 and ₱188.4 million in 2023 (see Note 15)	**256,368**	224,844
Deposits from pre-selling of condominium units - net of current portion of nil in 2024 and ₱972.4 million in 2023 (see Notes 15 and 20)	**2,675**	160,118
Security deposits - net of current portion of ₱341.8 million in 2024 and ₱354.7 million in 2023 (see Note 15)	**461,167**	391,310
Condominium and utility deposits	**77,520**	187,965
Others (see Notes 15 and 24)	**27,326**	39,376
	₱1,966,759	₱1,876,456

Retention payable is the portion of the amount billed by contractors that is being withheld as security in case the Parent Company incurs costs during the defects and liability period, which is one year after a project's completion. This is subsequently released to the contractors after the said period.

As discussed in Note 4, the Group uses discounted cash flow analysis to measure the fair value of retention payable. The resulting difference between the transaction price and fair value at initial recognition is recognized in the consolidated statements of financial position as a reduction from "Real estate inventories". The retention payable is carried at amortized cost using effective interest method. The amortization of discount on retention payable is expensed as part of the "Interest expense" account in the consolidated statements of comprehensive income (see Note 22).

The following table shows a reconciliation of unamortized discount on retention payable as at year-end.

	2024	2023
Balance at beginning of year	**₱60,001**	₱44,399
Additions	**79,183**	60,339
Amortization (see Note 22)	**(10,410)**	(44,737)
Balance at end of year	**₱128,764**	₱60,001

Security deposits mainly consist of the four months deposits paid by mall tenants at the beginning of the lease term, to be refunded at the end of the contract.

Deferred lease income pertains to two months advance rent included in the initial billing to mall tenants, which shall be applied to the monthly rental at the end of the lease term.

Condominium and utility deposits primarily pertains to customer's security upon purchase of an unit and upfront payments for services such as water and electricity.

18. **Share-based Payment Plans**

The Parent Company has an Employee Stock Option Plan (ESOP) that was approved by the BOD and stockholders on May 2, 2012 and August 3, 2012, respectively. The ESOP is offered to all regular employees of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include. The aggregate number of ESOP shares that may be issued shall not at any time exceed 3% of the issued capital stock or 192,630,881 common shares of the Parent Company on a fully diluted basis and may be issued upon the exercise by the eligible participants of the stock option plans. The maximum numbers of shares a participant is entitled to shall be determined as a multiple of the gross basic monthly salary based on rank and performance for the year preceding the award. The option is exercisable anytime within the Option Term once vested. The ESOP was approved by the SEC on December 6, 2012 and was communicated to the employees on January 3, 2013.

The terms of the ESOP include, among others, a limit as to the number of shares a qualified regular employee of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include may purchase. Options are expected to be granted annually over a period of 5 years. Options granted are vested after one year. All qualified participants are given until 10th year of the grant date to exercise the stock option.

The primary terms of the grants follow:

Grant date	January 3, 2013
Number of options granted	63,918,000
Offer price per share	1.46
Option value per share	1.43

The fair value of equity-settled share options granted is estimated as at the date of grant using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the option grants:

Expected volatility (%)	36.94
Exercise price (₱)	1.46
Spot price (₱)	2.52
Risk-free interest rate (%)	4.19
Term to maturity (years)	10.0
Dividend yield (%)	1.91

The expected volatility reflects the average historical volatility of peer companies based on a lookback period consistent with the term to maturity of the option. This may likewise not necessarily be the actual volatility outcome. The effects of expected early exercise, including the impact of the vesting period and blackout periods, are captured in the binomial model. No other features of the option grants were incorporated into the measurement of the fair value of the options.

On April 25, 2019, the Parent Company's BOD approved the extension of plan expiry date of ESOP shares from December 31, 2022 to December 31, 2025.

There were no share options granted or exercised in 2024, 2023 and 2022.

As at December 31, 2024 and 2023, the outstanding ESOP shares are as follows:

	2024	2023
Number of grants	**63,918,000**	63,918,000
Cancellations	**(13,885,000)**	(13,630,000)
Exercised	**(15,000,000)**	(15,000,000)
Remaining shares	**35,033,000**	35,288,000

As at December 31, 2024 and 2023, total share-based payment transactions, net of applicable tax, amounting to ₱69.7 million are presented as "Share-based payments" account under the equity section of the consolidated statements of financial position.

19. **Equity**

a. Capital Stock

As at December 31, 2024 and 2023, capital stock consists of:

	Number of Shares	Amount
Authorized		
Common - ₱1 par value	8,890,000,000	₱8,890,000
Preferred - ₱0.01 par value	11,000,000,000	110,000
	19,890,000,000	₱9,000,000

	Number of Shares	Amount
Issued		
Common - ₱1 par value	6,243,382,344	₱6,243,382
Preferred - ₱0.01 par value	2,750,000,000	27,500
	8,993,382,344	₱6,270,882

The preferred shares are of equal rank, preference and priority with the common shares and are identical in all respects regardless of series, except as to the issue value which may be specified by the BOD from time to time. It has voting rights and are non-participating in any other or further dividends beyond that specifically on such preferred shares. Each preferred share shall not be convertible to common shares. Other features of the preferred shares shall be at the discretion of the BOD at the time of such issuance. All preferred shares currently outstanding earn 6% cumulative dividend per annum. On January 31, 2012, the Parent Company fully redeemed these preferred shares at par value, including dividends in arrears of 4.1 million. On February 28, 2012, the BOD authorized the reissuance of these preferred shares at a later date. On April 10, 2012, the Parent Company issued to FPHC all preferred shares at par value.

Below is the track record of issuance of the Parent Company's common stock:

Date of SEC Approval	Authorized Capital Stock	New Subscriptions/ Issuances	Issue/ Offer Price
May 2012, listing by way of introduction	8,890,000,000	6,228,382,344	₱1.46
Exercise of ESOP shares (see Note 18)	–	15,000,000	
	8,890,000,000	6,243,382,344	

As of December 31, 2024 and 2023, the Parent Company has total shareholders of 45,167 and 45,456, respectively, on record. For this purpose, public shares held under PCD Nominee are counted as two (one for PCD Nominee - Filipino and another for PCD Nominee - Foreign).

b. Other Equity Adjustments

This account represents the difference between the consideration received from the sale of the proprietary shares and the carrying value of the related interest amounting to ₱540.3 million as at December 31, 2024 and 2023.

c. Treasury Shares

In May 2012, Rockwell Land acquired 126,620,146 common shares from Meralco, representing the foreign shareholders' entitlement from property dividend distribution made by Meralco, at ₱1.4637 per share (see Note 1).

d. Retained Earnings

As at December 31, 2024 and 2023, the unappropriated consolidated retained earnings include undistributed net earnings of subsidiaries amounting to ₱429.1 million and ₱422.6 million, respectively. Such undistributed net earnings are not currently available for dividend distribution unless declared by the BOD of the subsidiaries. Retained earnings are further restricted to the extent of the cost of treasury shares. As at December 31, 2024 and 2023, retained earnings available for dividend declaration amounted to ₱6.1 billion and ₱5.0 billion, respectively.

On December 7, 2023, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱14.0 billion (after reversal of ₱11.0 billion appropriation) out of the total retained earnings as of December 31, 2023 to partially fund capital expenditures of the Parent Company from 2024 to 2025.

On December 7, 2022, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱11.0 billion (after reversal of ₱9.0 billion appropriation) out of the total retained earnings as of December 31, 2022 to partially fund capital expenditures of the Parent Company from 2023 to 2024.

On April 1, 2022, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱9.0 billion (after reversal of ₱9.0 billion appropriation) out of the total retained earnings as of December 31, 2021 to partially fund capital expenditures of the Parent Company from 2022 to 2023.

As at December 31, 2024 and 2023, appropriated retained earnings amounted to ₱14.7 billion.

e. Dividends

On August 16, 2024, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.018 per share to all common shareholders of record as at August 16, 2024 amounting to ₱622.7 million and 6% per annum cumulative cash dividend from July 1, 2023 to June 30, 2024 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on September 11, 2024.

On July 28, 2023, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.0752 per share to all common shareholders of record as at August 23, 2023 amounting to ₱459.9 million and 6% per annum cumulative cash dividend from July 1, 2022 to June 30, 2023 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on September 18, 2023.

On September 30, 2022, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.0537 per share to all common shareholders of record as at October 18, 2022 amounting to ₱328.4 million and 6% per annum cumulative cash dividend from July 1, 2021 to June 30, 2022 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on November 14, 2022.

As at December 31, 2024 and 2023, unpaid cumulative dividends on preferred shares amounted to ₱0.8 million for each year.

20. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types and in geographical locations within the Philippines.

The Group's disaggregation of revenue from contracts with customers by primary geographical market and major products/service lines and the reconciliation of the disaggregated revenue with the Group's two strategic divisions are presented below (excluding interest and lease income):

	2024	
	Residential Development	**Commercial Development**
Primary geographical markets		
National Capital Region	**₱7,406,981**	**₱1,756,114**
Central Luzon	**1,342,833**	**3,878**
Southern Luzon	**1,612,134**	–
Central Visayas	**3,256,009**	–
Western Visayas	**1,705,190**	–
	₱15,323,147	**₱1,759,992**
Major product/service lines		
Sale of high-end residential condominium units	**₱12,856,474**	–
Sale of residential lots	**1,569,323**	–
Sale of affordable housing units	**19,883**	–
Sale of office spaces	–	**132,959**
Room revenue	–	**235,535**
Cinema revenue	–	**194,372**
Others	**877,467**	**1,197,126**
	₱15,323,147	**₱1,759,992**
Timing of revenue recognition		
Transferred over time	**₱14,444,840**	**₱132,959**
Transferred at a point in time	**878,307**	**1,627,033**
	₱15,323,147	**₱1,759,992**

	2023	
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱7,288,498	₱1,739,281
Southern Luzon	2,269,655	–
Central Visayas	1,881,938	–
Western Visayas	1,018,517	–
	₱12,458,608	₱1,739,281
Major product/service lines		
Sale of high-end residential condominium units	₱9,575,433	₱–
Sale of residential lots	2,107,911	–
Sale of affordable housing units	15,732	–
Sale of office spaces	–	215,366
Room revenue	–	225,665
Cinema revenue	–	193,672
Others	759,532	1,104,578
	₱12,458,608	₱1,739,281
Timing of revenue recognition		
Transferred over time	₱11,699,076	₱215,366
Transferred at a point in time	759,532	1,523,915
	₱12,458,608	₱1,739,281

	2022	
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱7,155,032	₱2,297,880
Southern Luzon	1,790,857	–
Central Visayas	1,441,882	–
Western Visayas	455,427	–
	₱10,843,198	₱2,297,880
Major product/service lines		
Sale of high-end residential condominium units	₱8,363,114	₱–
Sale of residential lots	1,886,350	–
Sale of affordable housing units	11,688	–
Sale of office spaces	–	1,121,262
Room revenue	–	184,588
Cinema revenue	–	119,693
Others	582,046	872,337
	₱10,843,198	₱2,297,880
Timing of revenue recognition		
Transferred over time	₱10,261,152	₱1,121,262
Transferred at a point in time	582,046	1,176,618
	₱10,843,198	₱2,297,880

Contract Balances
The table below shows the contract balances arising from revenue from contracts with customers as at December 31.

	2024	2023
Trade receivables* (see Note 8)	**₱657,696**	₱294,583
Contract assets (see Note 8)	**16,223,170**	15,348,050
Deposits from pre-selling of condominium units** (see Notes 15 and 17)	**2,675**	1,132,484
Excess of collections over recognized receivables** (see Note 15 and 17)	**1,930,069**	688,182
Advances payments from members and customers** (see Note 15)	**11,695**	11,695

**Included under "Trade and other receivables" account*
***Included under "Trade and other payables" and "Deposits and other liabilities" accounts*

Trade receivables consist of installment contract receivables from sale of condominium units, house and lot and residential lots. Installment contracts receivables arising from real estate sales are collectible in equal monthly installments with various terms up to a maximum of five years. These are recognized at amortized cost using the effective interest method. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price. The movement in installment contracts receivables is mainly due to billings to customers during the year. Trade receivables arising from room revenue, cinema revenue and other service income are noninterest-bearing and are generally on terms of 30 days.

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as installment contracts receivable. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection. In 2024 and 2023, the movement in contract assets is mainly due to revenue recognized relative to the increase in percentage of completion of certain projects and the collection of outstanding receivables of completed residential condominium units.

No allowance for expected credit losses related to trade receivables from sale of real estate and contract assets was recognized as at December 31, 2024 and 2023.

Contract liabilities consist of deposits from pre-selling of condominium units (i.e., collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition, excess of collections over recognized receivables (i.e., excess of collections over the goods and services transferred by Group based on percentage of completion) and advance payments from members and customers (membership dues received but are not yet due as at reporting period). In 2024 and 2023, the movement in contract liabilities is mainly due to additional deposits received from pre-selling of condominium units in the "Edades West" and "Rockwell South Cluster 5" projects, excess of collections over revenue recognized of certain projects and the collection of outstanding receivables of completed residential condominium units of certain projects.

Revenue recognized from amounts included in contract liabilities at the beginning of 2024 and 2023 amounted to ₱2,227.3 million and ₱2,102.9 million, respectively.

Interest income earned from sale of real estate amounted to ₱358.7 million, ₱1.8 billion and ₱1.4 billion in 2024, 2023 and 2022, respectively (see Note 21). Interest expense on contact balances recognized in 2024 amounted to ₱85.1 million (see Note 22).

Performance Obligations
Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover either the (i) house and lot; (ii) condominium unit and parking lot; and (iii) residential lot, and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 5% or 10% of the contract price spread over a period of one year at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to five (5) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31 follows:

	2024	2023
Within one year	**₱6,434,632**	₱6,275,596
More than one year	**4,139,032**	11,963,100
	₱10,573,664	₱18,238,696

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units and house and lots are expected to be completed within three to four years from start of construction while residential lots are expected to be completed within two years from start of construction.

Room, cinema and other revenues
The performance obligation is satisfied as the related services are rendered.

Costs to Obtain Contract and Contract Fulfillment Assets
The Group pays sales commission to its brokers and sales agents for each contract that they obtain from real estate customers. This sales commission is considered incremental costs of obtaining the contract and has been capitalized in accordance with PFRS 15 since the Group expects that sales commission is recoverable.

As at December 31, 2024 and 2023, sales commission pertaining to real estate sold capitalized as deferred selling expense as part of “Prepaid costs” included under “Other current assets” in the consolidated statements of financial position amounted to ₱434.74 million and ₱529.4 million, respectively (see Note 10). For the year ended December 31, 2024, 2023 and 2022, the amortization related to incremental costs to obtain a contract recorded under “Selling expenses” account in the consolidated statements of comprehensive income amounted to ₱579.6 million, ₱431.3 million and ₱492.0 million, respectively (see Note 22). No impairment loss was recognized in the consolidated statements of comprehensive income for the years ended December 31, 2024, 2023 and 2022 related to the Group’s incremental costs to obtain a contract.

The Group considers land as contract fulfillment asset. Additions to land are disclosed in Note 9 to the consolidated financial statements. No impairment on contract fulfillment assets was recognized for the years ended December 31, 2024, 2023 and 2022.

In preparing the consolidated financial statements, the Group undertook a comprehensive review of its major contracts to identify indicators of impairment of contract fulfilment assets. The Group determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test.

In line with the Group’s accounting policy, as set out in Note 4, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

21. Interest Income

This account consists of:

	2024	2023	2022
Interest income on:			
Contract balances			
(see Notes 3 and 20)	**₱358,735**	₱1,799,962	₱1,413,244
Cash and cash equivalents			
(see Note 7)	**131,071**	216,879	22,856
Penalty charges	**41,412**	34,255	35,492
In-house financing	**2,291**	5,981	5,867
	₱533,509	₱2,057,077	₱1,477,459

22. **Expenses**

Depreciation and Amortization
Depreciation and amortization expense included in the consolidated statements of comprehensive income is as follows:

	2024	2023	2022
Included in:			
Cost of real estate (see Note 11)	**₱571,086**	₱600,824	₱515,867
General and administrative expenses (see Note 12)	**292,752**	239,965	239,871
	₱863,838	₱840,789	₱755,738

General and Administrative Expenses
General and administrative expenses are comprised of:

	2024	2023	2022
Taxes and licenses	**₱566,161**	₱547,540	₱444,405
Personnel (see Notes 23 and 24)	**661,705**	500,156	480,436
Depreciation and amortization (see Note 12)	**292,752**	239,965	239,871
Repairs and maintenance	**175,685**	156,862	112,727
Dues and subscriptions	**107,577**	95,211	89,430
Utilities	**80,418**	99,515	85,152
Entertainment, amusement and recreation	**83,004**	82,130	79,923
Contracted services	**65,583**	78,926	65,548
Marketing and promotions	**72,113**	84,083	77,162
Rental expense	**70,562**	73,737	56,136
Producer’s share	**76,952**	74,468	67,066
Fuel and oil	**62,404**	57,751	55,030
Professional fees	**53,380**	36,638	53,443
Insurance	**40,143**	24,794	21,193
Security services	**25,682**	22,264	19,369
Transportation and travel	**18,958**	17,444	15,442
Office supplies	**11,742**	14,883	10,995
Donation and contributions	**8,379**	21,327	20,125
Provision for (reversal of) ECLs (see Note 8)	**7,591**	(548)	(8,796)
Bank charges	**6,345**	5,030	5,750
Accommodations	–	41,467	9,868
Provision for disallowance of claim for refund	–	17,544	–
Others	**115,240**	101,488	66,776
	₱2,594,785	₱2,392,675	₱2,067,051

The Group recognized provision for disallowance of claim for input VAT refund amounting to ₱17.5 million in 2023 (nil in 2024 and 2022). As at December 31, 2024 and 2023, input VAT being claimed for refund, recognized under “Other noncurrent assets” in the consolidated statement of financial position, amounted to nil (net of allowance) as at December 31, 2024 and 2023.

Selling expenses
Selling expenses are comprised of:

	2024	2023	2022
Marketing and promotions	**₱499,141**	₱556,651	₱254,878
Commissions and amortization of prepaid costs (see Notes 4 and 9)	**579,651**	431,260	491,997
Personnel (see Notes 23 and 24)	**135,092**	120,654	103,303
Entertainment, amusement and recreation	**37,358**	37,629	28,443
Contracted services	**27,720**	18,404	14,181
Utilities	**8,091**	6,342	4,927
Usufruct	**522**	1,004	997
Others	**49,052**	51,493	61,647
	₱1,336,627	₱1,223,438	₱960,372

Interest Expense
Interest expense is comprised of:

	2024	2023	2022
Interest expense on interest-bearing loans and borrowings (see Notes 16 and 28)	**₱1,553,848**	₱1,479,293	₱1,105,554
Interest expense on contract balances (see Notes 3 and 20)	**85,093**	–	–
Interest expense on lease liabilities (see Note 27)	**54,935**	51,920	50,741
Amortization of:			
Loan transaction costs (see Note 16)	**31,243**	23,064	40,876
Discount on retention payable (see Note 17)	**10,410**	44,737	16,118
	₱1,735,529	₱1,599,014	₱1,213,289

23. Personnel Expenses

Personnel expenses included in general and administrative expenses and selling expenses are comprised of:

	2024	2023	2022
Salaries and wages and other employee benefits (see Notes 22 and 24)	**₱700,238**	₱565,441	₱508,004
Pension costs (see Notes 22 and 24)	**96,559**	55,369	75,735
	₱796,797	₱620,810	₱583,739

24. **Pension Costs and Other Employee Benefits**

a. Pension Costs

The Group has a funded, noncontributory defined benefit pension plan covering all qualified and permanent employees.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Group's retirement plan meets the minimum retirement benefit specified under Republic Act 7541.

The following tables summarize the components of the net pension costs recognized in the consolidated statements of comprehensive income and the fund status and amounts recognized in the consolidated statements of financial position for the plan:

<u>Net Pension Costs</u>

	2024	2023	2022
Current service cost	**₱91,360**	₱53,072	₱63,770
Net interest cost	**5,199**	2,297	11,965
Net pension cost	**₱96,559**	₱55,369	₱75,735

<u>Net Pension Liability</u>

	2024	2023
Present value of benefit obligation	**₱928,309**	₱801,806
Fair value of plan assets	**(741,568)**	(717,044)
Net pension liability	**₱186,741**	₱84,762

The changes in the present value of benefit obligation are as follows:

	2024	2023
Defined benefit obligation at beginning of year	**₱801,806**	₱577,479
Current service cost	**91,360**	53,072
Interest cost	**47,581**	40,423
Actuarial loss (gain) in other comprehensive income/loss due to:		
Experience adjustments	**(6,365)**	27,057
Change in assumptions	**7,273**	108,800
Benefits paid	**(13,346)**	(5,025)
Defined benefit obligation at end of year	**₱928,309**	₱801,806

The changes in the fair values of plan assets of the Group are as follows:

	2024	2023
Fair values of plan assets at beginning of year	**₱717,044**	₱505,436
Interest income included in net interest cost	**42,382**	38,126
Actual contributions	**–**	174,318
Gain (loss) on plan assets in other comprehensive income/loss	**(5,274)**	4,189
Benefits paid	**(12,584)**	(5,025)
Fair values of plan assets at end of year	**₱741,568**	₱717,044

The Group is expected to contribute ₱55.3 million to its pension plan in 2025.

The major categories of plan assets as percentage of the fair value of total plan assets are as follows:

	2024	2023
Investments in:		
Government securities	**47.12%**	66.32%
Loans and debt instruments	**3.15%**	2.66%
Other securities	**49.73%**	31.02%
	100.00%	100.00%

The principal assumptions used as of January 1 in determining pension cost obligation for the Group's plans are as follows:

	2024	2023
Discount rate	**6.07-6.09%**	7.23-7.34%
Future salary rate increases	**10.00%**	10.00%

As of December 31, 2024, discount rate and future salary rate increases are 6.07%-6.09% and 10.00%, respectively.

The plan assets of the Group are maintained by the trustee banks, BDO Unibank, Inc. (BDO) and MBTC.

As at December 31, the carrying values of the plan approximate their fair values:

	2024	2023
Cash in banks:		
MBTC	**₱6,879**	₱18,080
BDO	**77**	89
Receivables - net of payables:		
MBTC	**1,381**	4,131
BDO	**3,071**	1,475
Investments held for trading:		
MBTC	**458,889**	440,074
BDO	**271,271**	253,195
	₱741,568	₱717,044

Cash in banks are composed of current account, savings deposits and special savings deposits.

Receivables - net of payables are composed of loans receivables, interest receivables and accrued trust fees.

Investments held for trading are investments in government securities, corporate bonds and stocks.

i. Government securities' maturities range from 1 to 20 years with interest rates ranging from 3.00% to 10.125%.
ii. The Corporate bonds are certificates of indebtedness issued by top and usually listed corporations exhibiting sound financial performance and enjoying good credit from reputable/accredited agencies. Maturity dates range from 1 to 5 years with interest rates ranging from 4.41% to 7.06%.
iii. Investment in stocks represents equity securities of companies listed in the PSE.

The Retirement Plan has investment in shares of stock of the Parent Company amounting to ₱59.3 million and ₱58.0 million as at December 31, 2024 and 2023, respectively.

The Group's retirement fund is exposed to a short-term risk since 42% of it is in equities. On the long term, should there be any major corrections in the local equities market, the correction should have a positive impact of the fund since historically the equities market have always out-performed the fixed income market in the long term.

There are no outstanding balances arising from transactions between the Retirement Plan and the Group as at December 31, 2024 and 2023. Except as stated above, there were no other transactions entered into during the year by the Retirement Plan relating to the Group.

In 2024 and 2023, the sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2024		2023	
	Increase (Decrease) in Basis Points	**Increase (Decrease) in Defined Benefit Obligation**	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation
Discount rate	**+100**	**(₱103,250)**	+100	(₱92,785)
	-100	**124,204**	-100	111,905
Future salary increases	**+100**	**122,909**	+100	110,596
	-100	**(104,523)**	-100	(93,791)

The Group does not currently employ any asset-liability matching.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

Year	**2024**	2023
Less than 1 year	**₱75,440**	₱55,812
More than 1 year to 5 years	**285,477**	89,411
More than 5 years to 10 years	**391,214**	445,838
More than 10 years to 15 years	**555,543**	483,751
More than 15 years to 20 years	**1,022,878**	954,050
More than 20 years	**5,325,055**	4,950,193

b. Other Employee Benefits

Other employee benefits consist of accumulated employee vacation and sick leave benefit amounting to ₱10.7 million, ₱7.0 million and ₱5.1 million in 2024, 2023 and 2022, respectively (see Note 22).

The present value of the defined benefit obligation of other employee benefits amounted to ₱141.9 million and ₱126.3 million as at December 31, 2024 and 2023, respectively (see Notes 15 and 17).

25. **Income Taxes**

The components of provision for income tax for the years ended December 31 follow:

	2024	2023	2022
Current	**₱1,017,822**	₱1,285,044	₱996,256
Deferred	**169,460**	(360,553)	(198,002)
	₱1,187,282	₱924,491	₱798,254

The provision for income current tax represents RCIT / MCIT of the Parent Company and certain subsidiaries.

For income tax purposes on sale of real estate, full revenue recognition is applied when greater than 25% of the selling price has been collected in the year of sale, otherwise, the installment method is applied.

The components of the Group's net deferred tax assets and liabilities shown in the consolidated statements of financial position are as follows:

	2024	2023
Net deferred tax assets:		
Accrued/deferred selling expense	**₱45,660**	₱–
Unutilized NOLCO	**28,959**	46,313
Lease liabilities	**40,336**	159,386
Deferred lease income	**8,613**	5,749
Unutilized excess MCIT	**7,352**	–
Unamortized past service cost	**2,460**	–
Unrealized foreign exchange loss and others	**1,499**	–
Other employee benefits	**1,360**	–
Unfunded pension cost	**1,150**	–
Allowance for ECLs and others	**501**	–
Excess taxable gross profit over accounting gross profit	**(43,793)**	–
Right-of-use asset	**(32,101)**	(152,210)
	₱61,996	₱59,238

(Forward)

	2024	2023
Net deferred tax liabilities:		
Excess of accounting gross profit over taxable gross profit	**(₱1,291,694)**	(₱1,416,158)
Excess of fair value over carrying value of asset acquired in a business combination	**(165,096)**	(96,160)
Right-of-use asset	**(76,118)**	(79,132)
Capitalized interest	**(34,466)**	–
Accrued/deferred selling expense	**(31,313)**	6,886
Derivative asset	**(3,298)**	–
Allowance for ECLs and others	**3,211**	(5)
Unutilized NOLCO	**4,755**	15,073
Unrealized foreign exchange loss and others	**6,625**	8,156
Unutilized excess MCIT	**7,121**	–
Share-based payment	**27,148**	31,886
Other employee benefits	**35,473**	30,967
Unamortized past service cost	**40,241**	43,633
Unfunded pension cost	**41,249**	19,936
Deferred lease income	**90,567**	83,118
Lease liabilities	**135,447**	132,457
	(₱1,210,147)	(₱1,219,343)

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As at December 31, 2024, NOLCO of certain subsidiaries can be carried forward and claimed as deduction against regular taxable income as follows:

Year Incurred	Expiry Date	Amount
2020	2025	₱13,194
2021	2026	75,946
2022	2025	79,792
2023	2026	63,867
2024	2027	175,022
		₱407,721

The reconciliation of the statutory income tax rate to effective income tax rate as shown in the consolidated statements of comprehensive income is summarized as follows:

	2024	2023	2022
Statutory income tax rate	**25%**	25.0%	25.0%
Additions to (deductions from) income tax resulting from:			
Share in net income of joint venture and associate	**(1.8%)**	(2.7%)	(2.3%)
Nontaxable income and others	**(0.8%)**	(0.9%)	(0.7%)
Effective income tax rate	**22.4%**	21.4%	22.0%

Revenue Memorandum Circular (RMC) No. 35-2012
On August 3, 2012, RMC No. 35-2012 was issued to clarify the taxability of clubs organized and operated exclusively for pleasure, creation and non-profit purposes.

In accordance with this RMC, Rockwell Club pays output VAT under protest starting August 3, 2012 and income tax effective January 1, 2013.

On August 13, 2019, the Supreme Court declared that membership fees, assessment dues and fees of similar nature collected by recreational clubs, which are organized and operated exclusively for pleasure, recreation and other nonprofit purposes, are not necessarily subject to income tax as well VAT. Accordingly, Rockwell Club ceased paying output VAT and income tax from its membership dues prospectively starting from August 2019.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act
On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

International Tax Reform - Pillar Two Model Rules
The Organisation for Economic Co-operation and Development (OECD) published the Global Anti-Base Erosion (GloBE) Model Rules which include a 15% minimum tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR 750 million or more for 2 out of the 4 immediately preceding fiscal years.

The Group adopts the amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception from recognizing or disclosing information about deferred tax assets and liabilities related to Pillar Two such that there is no impact to the 2024 consolidated financial statements of the Group. The Group applied the temporary exception at 31 December 2024.The Group is part of an MNE Group that is in-scope for Pillar Two. The Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates and are effective for the Group's financial year beginning 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes based on the status of Pillar Two legislation in the jurisdiction in which the Group operates.

The Group does not expect an exposure to Pillar Two income taxes, considering that none of the jurisdictions in which it operates have implemented a Domestic Minimum Top-up Tax Rule and none of the immediate parent entities in the Group have implemented the Income Inclusion Rule. As such, the potential exposure, if any, is currently not known or reasonably estimable for the Group. The Group continues to follow Pillar Two legislative developments to evaluate the potential future impact on the Group's consolidated financial statements.

26. **Related Party Transactions**

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The following table summarizes these significant transactions with related parties:

Related Parties	Relationship	Nature of Transaction	Period	Transaction Amount	Amounts Owed from (to) Related Parties	Terms	Conditions
ABS-CBN Group	Under common control	Land acquisitions (see Note 9)	**2024**	**₱771,415**	**(₱8,942)**	Payable in tranches based on the agreement; noninterest-bearing	Unsecured
			2023	₱733,487	(₱25,472)		
			2022	₱786,186	(₱107,159)		
	Under common control	Deposit for land acquisition (see Note 10)	**2024**	–	–	Payable in tranches based on the agreement; noninterest-bearing	Unsecured, no impairment
			2023	158,676	158,676		
			2022	–	–		
Rockwell - Meralco BPO	Joint venture	Advances	**2024**	**2445**	**4,707**	On demand; non-interest-bearing	Unsecured, no impairment
			2023	1,844	3,429		
			2022	(2,329)	1,585		
		Management fee (see Note 13)	**2024**	**11,196**	**1,754**	On demand; non-interest-bearing	Unsecured, no impairment
			2023	9,872	651		
			2022	7,527	3,388		
SEAI Metro Manila One, Inc.	Non-controlling shareholder	Loan payable (see Note 16): Principal	**2024**	**217,200**	**(323,000)**	Payable on December 31, 2022; interest-bearing	Unsecured
			2023	–	(540,200)		
			2022	128,600	(540,200)		
		Interest	**2024**	**27,768**	**–**		
			2023	128,600	–		
			2022	23,740	–		
RNDC	Non-controlling shareholder	Subscriptions receivable (see Note 8)	**2024**	**–**	**166,500**	On demand; non-interest-bearing	Unsecured; no impairment
			2023	–	166,500		
			2022	–	166,500		
		Project Management Fee	2023	28,588	2,809	On demand; non-interest-bearing	Unsecured; no impairment
			2022	3,131	276		
		Marketing Fee	2023	85,870	15,598	On demand; non-interest-bearing	Unsecured; no impairment
			2022	44,908	3,326		
		Sales Commission	2023	50,597	4,220	On demand; non-interest-bearing	Unsecured; no impairment
			2022	56,017	3,797		
		Construction Management Fee	2023	110,447	1,139	On demand; non-interest-bearing	Unsecured; no impairment
			2022	10,018	967		
		Reimbursement	2023	(6,794)	(3,752)	On demand; non-interest-bearing	Unsecured; no impairment
			2022	30,758	1,821		
RIDC	Joint Venture	Reimbursement	**2024**	**99,432**	**8,872**	On demand; non-interest-bearing	Unsecured; no impairment
			2023	25,717	4,650		
			2022	30,367	30,367		
		Management Fee	**2024**	**8,254**	**(2,447)**		
			2023	(91,834)	43,464	On demand; non-interest-bearing	Unsecured; no impairment
			2022	–	–		
GMC	Non-controlling shareholder	Subscriptions receivable (see Note 8)	**2024**	**–**	**208,000**	On demand; non-interest-bearing	Unsecured; no impairment
			2023	208,000	208,000		
Advances to officers and employees		Advances (see Note 8)	**2024**	**(11,685)**	**18,206**	30-day; noninterest-bearing	Unsecured; no impairment
			2023	**(17,056)**	**29,891**		
			2022	–	46,947		
Due from related parties (see Note 8)			**2024**		**₱12,885**		
			2023		**₱75,960**		
Deposit for land acquisition (see Note 10)			**2024**		**₱–**		
			2023		**₱158,676**		
Due to related parties (see Note 15)			**2024**		**(₱8,942)**		
			2023		**(₱29,224)**		
Loan payable (see Note 16)			**2024**		**(₱323,000)**		
			2023		**(₱540,200)**		
Subscriptions receivable (see Note 8)			**2024**		**₱374,500**		
			2023		**₱208,000**		
Advances to officers and employees (see Note 8)			**2024**		**₱18,206**		
			2023		**₱29,891**		

Other transactions with related parties pertain to the Project Development and JV Agreement with Meralco (see Note 13).

Terms and Conditions of Transactions with Related Parties
Purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand/in tranches. There have been no guarantees provided for or received for any related party receivables or payables. For the years ended December 31, 2024, 2023 and 2022, the Group has not made any provision for expected credit losses relating to amounts owed by related parties. This assessment is undertaken at each financial year through examination of the financial position of the related party and the market in which the related party operates.

Compensation of Key Management Personnel of the Group

	2024	2023	2022
Short-term employee benefits	**₱173,327**	₱134,496	₱124,478
Post-employment pension and other benefits (Note 24)	**59,810**	39,451	49,253
Total compensation attributable to key management personnel	**₱233,137**	₱173,947	₱173,731

27. Commitments and Contingencies

Lease Commitments
The Group has entered into agreements for the lease of land to be used for various commercial projects. These noncancelable leases have remaining terms of twenty-one years and are automatically renewable for additional ten to twenty five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The Group also has certain leases of machinery and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

Below are the amounts recognized in the consolidated statements of comprehensive income:

	2024	2023	2022
Depreciation expense of right-of-use assets included in investment properties (see Notes 11 and 22)	**₱15,268**	₱15,268	₱15,268
Interest expense on lease liabilities (see Note 22)	**54,935**	51,920	50,741
Expenses relating to short-term leases and low-value assets (included under “General and administrative expenses” account) (see Note 22)	**70,560**	73,737	56,136
	₱140,763	₱140,925	₱122,145

The rollforward analysis of lease liabilities follows:

	2024	2023
At January 1	**₱690,361**	₱677,427
Interest expense (see Note 22)	**54,935**	51,920
Payments	**(40,379)**	(38,986)
As at December 31	**704,917**	690,361
Less current portion (see Note 15)	**25,470**	26,761
Noncurrent portion	**₱679,447**	₱663,600

Future minimum undiscounted lease payments are as follows:

Year	**2024**	2023
Within one year	**₱42,398**	₱40,379
Year 2	**43,375**	42,398
Year 3	**45,544**	43,375
Year 4	**47,236**	45,544
Year 5 and beyond	**1,807,298**	1,867,947
	₱1,985,850	₱2,039,643

Capital Commitments
The Group entered into contracts covering land acquisitions, construction works related to various projects with related parties and different contractors and suppliers. As at December 31, 2024 and 2023, the contract sum awarded amounted to ₱17.4 billion and ₱16.7 billion, respectively, inclusive of all pertinent local and national taxes, overhead and cost of labor and materials and all cost necessary for the proper execution of works. Land acquisitions are consummated following the terms of the contracts. As at December 31, 2024 and 2023, ₱15.8 billion and ₱13.7 billion, respectively, has been incurred.

Contingencies
The Group is contingently liable for lawsuits or claims filed by third parties, which are either pending decision by the courts or under negotiations, the outcomes of which are not presently determinable. It is the opinion of management and its outside legal counsel that it is possible, but not probable that the lawsuits and claims will be settled. Accordingly, no provision for any liability has been made in the consolidated financial statements.

28. FFinancial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, investment in equity instruments at FVOCI, and interest-bearing loans and borrowings. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, refundable deposits, trade and other payables, installment payable, retention payable and security deposits which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Cash Flow Interest Rate Risk
Cash flow interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's interest-bearing loans and borrowings.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at December 31, 2024 and 2023, approximately 90% of the Group's borrowings are at a fixed rate of interest.

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

	2024				
	Within 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Fixed Rate					
Interest-bearing loans and borrowings	**₱3,879,578**	**₱4,321,804**	**₱2,458,837**	**₱11,126,272**	**₱21,786,491**
Floating Rate					
Interest-bearing loans and borrowings	**872,667**	**2,526,867**	**466,667**	**3,633,333**	**7,499,533**
Short-term investments	**2,441,006**	**-**	**-**	**-**	**2,441,006**

	2023				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
Fixed Rate					
Interest-bearing loans and borrowings	₱2,255,445	₱2,371,545	₱4,820,261	₱10,930,029	₱20,377,280
Floating Rate					
Interest-bearing loans and borrowings	580,800	580,800	1,761,000	2,660,000	5,582,600
Short-term investments	2,965,794	–	–	–	2,965,794

Interest on financial instruments is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

	2024 Effect on income before income tax increase (decrease)	
Change in basis points	+100 basis points	-100 basis points
Floating rate borrowings	**(62,496)**	**62,496**

	2023 Effect on income before income tax increase (decrease)	
Change in basis points	+100 basis points	-100 basis points
Floating rate borrowings	(49,281)	49,281

Credit Risk
Credit risk is the risk that a counterparty will meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily from trade receivables and loans) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Default or delinquency on the part of buyers of condominium units are being monitored on an ongoing basis to enable the Group to determine the appropriate action, usually cancelling the sale and holding the units open for sale. Lease receivables are closely monitored based on aging of the accounts. Accounts determined to be uncollectible are recommended for write off. With regard to the other financial assets of the Group, these are also monitored regularly with the result that the Group's exposure to bad debts is not significant.

Trade receivables from sale of condominium units are secured with pre-completed condominium units. The legal title and ownership of these units will only be transferred to the customers upon full payment of the contract price. For other receivables, since the Group trades only with recognized third parties, there is no requirement for collateral.

The table below summarizes the maximum exposure to credit risk of each class of financial assets.

	2024		
	Gross Maximum Exposure	**Net Exposure**	**Financial Effect of Collateral or Credit Enhancement**
Cash and cash equivalents*	**₱3,983,915**	**₱3,898,543**	**₱85,372**
Trade receivables from:			
Sale of real estate	**525,584**	–	**525,584**
Lease	**650,291**	–	**650,291**
Due from related parties	**12,885**	**12,885**	–
Advances to officers and employees	**18,206**	**18,206**	–
Other receivables	**156,887**	**156,887**	–
Refundable deposits**	**108,007**	**108,007**	–
Restricted cash**	**52,219**	**51,219**	**1,000**
	₱5,507,994	**₱4,245,747**	**₱1,262,247**

	2023		
	Gross Maximum Exposure	Net Exposure	Financial Effect of Collateral or Credit Enhancement
Cash and cash equivalents*	₱4,247,612	₱4,177,330	₱70,282
Trade receivables from:			
Sale of real estate	294,583	–	294,583
Lease	532,670	–	532,670
Due from related parties	75,960	75,960	–
Advances to officers and employees	29,891	29,891	–
Other receivables	11,570	11,570	–
Refundable deposits**	96,045	96,045	–
Restricted cash**	155,944	154,944	1,000
	₱5,444,275	₱4,545,740	₱898,535

**Excluding cash on hand amounting to ₱3,039 and 3,677 as at December 31, 2024 and 2023, respectively.*
***Presented as part of "Other current assets" account in the consolidated statements of financial position.*

There are no significant concentrations of credit risk because the Group trades with various third parties.

The tables below show the credit quality by class of financial asset based on the Group's credit rating system.

	2024		
	A Rating	**B Rating**	**Total**
Cash and cash equivalents	**₱3,986,954**	**₱-**	**₱3,986,954**
Trade receivables from:			
Sale of real estate	**525,584**	–	**525,584**
Lease	**589,379**	**60,912**	**650,291**
Due from related parties	**12,885**	–	**12,885**
Advances to officers and employees	**18,206**	–	**18,206**
Other receivables	**156,887**	–	**156,887**
Refundable deposits	**108,007**	–	**108,007**
Restricted cash	**52,219**	–	**52,219**
	₱5,450,121	**₱60,912**	**₱5,511,033**

	2023		
	A Rating	B Rating	Total
Cash and cash equivalents	₱4,251,289	₱–	₱4,251,289
Trade receivables from:			
Sale of real estate	294,583	–	294,583
Lease	461,726	70,944	532,670
Due from related parties	75,960	–	75,960
Advances to officers and employees	29,891	–	29,891
Other receivables	11,570	–	11,570
Refundable deposits	96,045	–	96,045
Restricted cash	155,944		155,944
	₱5,377,008	₱70,944	₱5,447,952

For trade receivables from sale of real estate, customers who have no history of delayed payment are classified as having a credit rating of "A" while customers who have history of delayed payment but is currently updated are given a credit rating of "B".

Trade receivables from lease are classified as having a credit rating of "A" when tenants pay within the discount period and "B" when tenants pay on or before due date.

As at December 31, 2024 and 2023, the analyses of the age of financial assets are as follows:

	2024						
	Current	**Less than 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**More than 90 Days**	**Impaired Financial Assets**	**Total**
Cash and cash equivalents	**₱3,986,954**	**₱-**	**₱-**	**₱-**	**₱-**	**₱-**	**₱3,986,954**
Trade receivables from:							
Sale of real estate	**404,939**	**22,745**	**14,857**	**4,578**	**78,465**	**-**	**525,584**
Lease	**589,379**	**31,518**	**11,446**	**6,088**	**11,860**	**-**	**650,291**
Due from related parties	**12,885**	**-**	**-**	**-**	**-**	**-**	**12,885**
Advances to officers and employees	**18,206**	**-**	**-**	**-**	**-**	**-**	**18,206**
Other receivables	**156,887**	**-**	**-**	**-**	**-**	**-**	**156,887**
Refundable deposits	**108,007**	**-**	**-**	**-**	**-**	**-**	**108,007**
Restricted cash	**52,219**	**-**	**-**	**-**	**-**	**-**	**52,219**
	₱5,329,476	**₱54,263**	**₱26,303**	**₱10,666**	**₱90,325**	**₱-**	**₱5,511,033**

	2023						
	Current	Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	Impaired Financial Assets	Total
Cash and cash equivalents	₱4,251,289	₱–	₱–	₱–	₱–	₱–	₱4,251,289
Trade receivables from:							
Sale of real estate	245,145	4,170	1,700	1,522	42,046	–	294,583
Lease	461,726	45,004	9,212	4,870	11,858	–	532,670
Due from related parties	75,960	–	–	–	–	–	75,960
Advances to officers and employees	29,891	–	–	–	–	–	29,891
Other receivables	11,570	–	–	–	–	–	11,570
Refundable deposits	96,045	–	–	–	–	–	96,045
Restricted cash	155,944	–	–	–	–	–	155,944
	₱5,327,570	₱49,174	₱10,912	₱6,392	₱53,904	₱–	₱5,447,952

Financial assets are considered past due when collections are not received on due date.

Past due accounts which pertain to trade receivables from sale of real estate are recoverable since the legal title and ownership of the real estate will only be transferred to the customers upon full payment of the contract price. In case of cancellation, the real estate becomes available for sale. The fair value of the real estate amounted to ₱53.6 billion and ₱56.4 billion as at December 31, 2024 and 2023, respectively.

Past due accounts pertaining to lease are recoverable because security deposits and advance rent paid by the tenants are sufficient to cover the balance in case of default or delinquency of tenants.

The changes in the gross carrying amount of receivables and unbilled revenue from sale of real estate in 2024 and 2023 did not materially affect the allowance for ECLs.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets in 2024 and 2023:

	2024		
	Trade receivables from sale of real estate and lease		
	High-end	**Affordable**	**Lease**
ECL rate	0.0%	0.0%	**1.6%**
Estimated total gross carrying amount at default	**₱15,885,441**	**₱863,313**	**₱650,291**

	2023		
	Trade receivables from sale of real estate and lease		
	High-end	Affordable	Lease
ECL rate	0.0%	0.0%	1.3%
Estimated total gross carrying amount at default	₱14,943,859	₱698,774	₱532,670

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. As at December 31, 2024 and 2023, 16% and 11% of the Group's debt will mature in less than one year as at December 31, 2024 and 2023, respectively.

The liquidity risk of the Group arises from their financial liabilities. The tables below summarized the maturity profile of the Group's financial liabilities at December 31, 2024 and 2023 based on contractual undiscounted payments.

	2024				
	On Demand	**Due Within 3 Months**	**Due Between 3 and 12 Months**	**Due After 12 Months**	**Total**
Trade and other payables*	**₱–**	**₱6,382,420**	**₱-**	**₱-**	**₱6,382,420**
Interest-bearing loans and borrowings					
Principal	–	**2,009,061**	**2,743,184**	**24,454,189**	**29,206,434**
Interest**	–	**427,620**	**1,189,095**	**4,597,507**	**6,214,223**
Lease liabilities	–	**10,149**	**32,249**	**1,943,452**	**1,985,850**
Retention payable***	–	–	**1,148,708**	**548,590**	**1,697,298**
Security deposits***	–	**44,446**	**307,909**	**391,577**	**743,931**
	₱–	**₱8,873,835**	**₱5,421,146**	**₱391,577**	**₱46,240,785**

	2023				
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due After 12 Months	Total
Trade and other payables*	₱–	₱6,697,185	₱–	₱–	₱6,697,185
Interest-bearing loans and borrowings					
Principal	–	709,061	2,127,184	23,123,635	25,959,880
Interest**	–	311,701	906,499	3,941,122	5,159,322
Lease liabilities	–	9,665	30,714	1,999,264	2,039,643
Retention payable***	–	–	890,273	786,626	1,676,899
Security deposits***	–	54,865	299,842	391,310	746,017
	₱–	₱7,782,477	₱4,240,894	₱28,906,293	₱40,929,664

**Excluding the current portion of retention payable and security deposits, lease liability, deposits from pre-selling of condominium units and excess of collections over recognized receivables and other statutory payables.*
***Future interest payments.*
****Presented as part of "Trade and other payables" and "Deposits and other liabilities" accounts in the consolidated statements of financial position.*

Maturity Profile of Financial Assets and Contract Assets Held for Liquidity Purposes

The table below shows the maturity profile of the Group's financial assets and contract assets based on contractual undiscounted cash flows as at December 31:

	2024					
	On Demand	**Within 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**Over 90 Days**	**Total**
Cash and cash equivalents	**₱1,545,948**	**₱2,441,006**	**₱-**	**₱-**	**₱-**	**₱3,986,954**
Trade receivables from:						
Sale of real estate	**404,939**	**22,745**	**14,837**	**4,578**	**77,067**	**524,166**
Lease	**589,379**	**31,518**	**11,466**	**6,088**	**11,840**	**650,291**
Contract assets		**19,844**	**12,395**	**4,112**	**16,295,288**	**16,331,639**
Investment in equity instruments at FVOCI					**62,067**	**62,067**
	₱2,540,267	**₱2,515,113**	**₱38,698**	**₱14,778**	**₱16,446,262**	**₱21,555,117**

	2023					
	On Demand	Within 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Cash and cash equivalents	₱1,285,495	₱2,965,794	₱–	₱–	₱–	₱4,251,289
Trade receivables from:						
Sale of real estate	245,145	4,170	1,700	1,522	42,046	294,583
Lease	461,726	45,004	9,212	4,870	11,858	532,670
Contract assets	–	₱2,729	1,194	598	15,343,529	15,348,050
Investment in equity instruments at FVOCI	–	–	–	–	61,549	61,549
	₱1,992,366	₱3,017,697	₱12,106	₱6,990	₱15,458,982	₱20,488,141

Derivative Financial Instruments
The Group's derivative financial instrument is accounted for as cash flow hedge. Cash flow hedge refers to transactions that hedge the Group's exposure to variability in cash flows attributable to a particular risk associated with a recognized financial asset or liability and exposures arising from forecast transactions. Changes in the fair value of these instruments representing effective hedges are recognized as "Cash flow hedge reserve" in other comprehensive income until the hedged item is recognized in earnings.

In January 2024, the Parent Company has drawn ₱3.0 billion in USD currency equivalent amounting to $53.2 million, simultaneously entering into cross currency swap for all future interest and principal payments to fully hedge the foreign currency exposure. The gains and losses on such contract were recognized in profit or loss upon occurrence of the USD loan principal and interest payments hedged. Transaction gain or loss pertains to the difference between interest expense on the Group's USD loan as against the actual interest settlement of the cross currency swap.

The Group did not have derivatives designated as cash flow hedges in 2023 and 2022.

As of December 31, 2024, the Group's derivative liability classified as current portion presented under "Trade and Other Payables amounted to ₱24.3 million (see Note 15) and derivative asset classified as noncurrent portion presented as part of "Other noncurrent assets" in the consolidated statements of financial position amounted to ₱37.5 million.

Transaction loss in 2024 included in "interest expense on interest-bearing loans and borrowings" amounted to ₱23.4 million (see Note 22).

The Group's cash flow hedge reserve in 2024 follows:

	Amount
Beginning balance, before tax	₱–
Movements in cash flow hedge reserve:	
Net unrealized gain from mark-to-market of derivative asset designated as hedging instruments in the cash flow hedge	13,193
Net gain on cash flow hedge reclassified to "Foreign exchange gains/losses" in profit or loss	(79,592)
Ending balance, before tax	(66,399)
Deferred tax effect	16,600
	(₱49,799)

Capital Management Policy
The primary objective of the Group's capital management is to maximize shareholder value by maintaining a healthy balance between debt and equity (capital) financing in support of its business requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Group monitors its capital adequacy using the net debt-to-equity ratio, which is interest-bearing loans and borrowings less cash and cash equivalents divided by equity. The Group's policy is to limit the net debt-to-equity ratio to 1.0x.

The Group is required to maintain debt-to-equity ratio as set forth in the Fixed Rate Corporate Notes Facility Agreement and Bonds. The Agreement provides for a higher debt to equity ratio than the internal limit set by the Group (see Note 16).

	2024	2023
Interest-bearing loans and borrowings	**₱29,153,096**	₱25,959,880
Less cash and cash equivalents	**3,986,954**	4,251,289
Net debt	**25,166,142**	21,708,591
Equity	**35,811,667**	32,294,710
Net debt-to-equity ratio	**0.70**	0.67

29. **Fair Value Measurement**

Set out below is a comparison by class of carrying values and fair values of the Group's assets and liabilities for which fair values are determined for measurement and/or disclosure as at December 31, 2024 and 2023.

			2024		
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Investment properties	**₱15,797,011**	**₱34,012,000**	**₱–**	**₱2,156,400**	**₱31,855,600**
Due from related parties	**12,885**	**12,885**	**–**	**–**	**12,885**
Investment in equity instruments at FVOCI	**62,549**	**62,549**	**59,280**	**–**	**3,269**
	15,872,445	**34,087,434**	**59,280**	**2,156,400**	**31,871,754**
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	**29,153,096**	**28,616,032**	**–**	**–**	**28,616,032**
Subscription payable	**2,518,410**	**2,343,289**	**–**	**–**	**2,343,289**
Retention payable (including noncurrent portion)	**1,764,580**	**1,635,817**	**–**	**–**	**1,635,817**
Security deposits (including noncurrent portion)	**821,316**	**780,029**	**–**	**–**	**780,029**
	₱34,257,403	**₱33,375,167**	**₱**	**₱**	**₱33,375,167**

			2023		
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment properties	₱14,624,071	₱32,164,213	₱–	₱2,074,206	₱30,090,007
Due from related parties	75,960	75,232	–	–	₱75,232
Investment in equity instruments at FVOCI	61,549	61,549	58,280	–	3,269
	14,761,580	32,300,994	58,280	2,074,206	30,168,508
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	25,844,288	24,429,077	–	–	24,429,077
Retention payable (including noncurrent portion)	2,722,560	2,408,407	–	–	2,408,407
Security deposits (including noncurrent portion)	1,676,899	1,616,898	–	–	1,616,898
Subscription payable	746,017	712,031	–	–	712,031
	₱30,989,764	₱29,166,413	₱–	₱–	₱29,166,413

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

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

Investments in Equity Securities. The fair values of quoted equity securities were determined by reference to published two-way quotes of brokers as at financial reporting date. Unquoted equity securities for which no other reliable basis for fair value measurement is available were valued at cost as the difference between the carrying value and fair value of these unquoted equity securities is not material to the consolidated financial statements.

Due from Related Parties. The fair value was calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rate of 5.17% and 3.82% as at December 31, 2024 and 2023, respectively.

Interest-bearing Loans and Borrowings. The fair values of fixed rate loans were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging 5.71% to 6.09% as at December 31, 2024 and 5.12% to 6.12% as at December 31, 2023.

Retention Payable and Security Deposits. The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging 5.71% to 6.09% as at December 31, 2024 and 5.12% to 6.12% as at December 31, 2023.

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. Basic/Diluted Earnings Per Share Computation

	2024	2023	2022
	(In Thousands, Except Numbers of Shares and Per Share Data)		
Net income attributable to equity holders of the Parent Company	**₱3,706,931**	₱3,113,226	₱2,301,911
Dividends on preferred shares	**(1,650)**	(1,650)	(1,650)
Net income attributable to common shares (a)	**3,705,281**	3,111,576	2,300,261
Common shares at beginning of year	**6,116,762,198**	6,116,762,198	6,116,762,198
Weighted average number of common shares - basic (b)	**6,116,762,198**	6,116,762,198	6,116,762,198
Dilutive potential common shares under the ESOP	**934,213**	–	–
Weighted average number of common shares - diluted (c)	**6,117,696,411**	6,116,762,198	6,116,762,198
Per share amounts:			
Basic (a/b)	**₱0.6058**	₱0.5087	₱0.3761
Diluted (a/c)	**₱0.6057**	₱0.5087	₱0.3761

In 2024, the Parent Company considered the effect of stock options outstanding since these are dilutive. In 2023 and 2022, the diluted EPS did not consider the effect of stock options outstanding since these were anti-dilutive.

31. Segment Information

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

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

The Group manages its operations under the following business segments:

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

- *Commercial Development* is engaged in the sale, leasing and other related operations in the course of the management of commercial buildings or spaces used for retail and office leasing, including cinema, hotel and resort operations.

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

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

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

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

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

Business Segments

The following tables present information regarding the Group's residential development and commercial development business segments:

	2024		
	Residential Development	**Commercial Development**	**Total**
Revenue	**₱15,861,712**	**₱4,223,948**	**₱20,085,660**
Costs and expenses	**(11,059,603)**	**(1,710,197)**	**(12,769,800)**
Share in net income of joint venture and associate	**(40,435)**	**414,501**	**374,066**
Other income - net	**(65,377)**	**49**	**(65,328)**
EBITDA	**4,696,296**	**2,928,301**	**7,624,598**
Depreciation and amortization			**(867,137)**
Excess of fair value of net assets acquired over consideration paid			**134,541**
Gain on remeasurement of investment in an associate			**63,884**
Net gain on cash flow hedge reclassified to profit or loss			**79,592**
Interest expense			**(1,735,529)**
Provision for income tax			**(1,187,282)**
Consolidated net income			**₱4,112,667**

(Forward)

	2024		
	Residential Development	**Commercial Development**	**Total**
Assets and Liabilities			
Segment assets	**₱56,394,999**	**₱2,089,518**	**₱58,484,517**
Investment properties	**1,401,287**	**14,395,724**	**15,797,011**
Investment in joint venture and associate	**3,097,892**	**1,584,826**	**4,682,718**
Deferred tax assets - net	**16,546**	**45,450**	**61,996**
Property and equipment	**1,736,968**	**983,737**	**2,720,705**
Total assets	**₱62,647,692**	**19,099,255**	**81,746,947**
Segment liabilities	**₱33,440,687**	**11,284,446**	**44,725,133**
Deferred tax liabilities – net	**1,210,147**	**–**	**1,210,147**
Total liabilities	**₱34,650,834**	**₱11,284,446**	**₱45,935,280**

	2023		
	Residential Development	Commercial Development	Total
Revenue	₱14,434,134	₱4,076,877	₱18,511,011
Costs and expenses	(10,610,538)	(1,599,397)	(12,209,935)
Share in net income of joint venture and associate	55,844	409,867	465,711
Other income – net	(2,914)	(27)	(2,941)
EBITDA	3,876,526	2,887,320	6,763,846
Depreciation and amortization			(840,789)
Interest expense			(1,599,014)
Provision for income tax			(924,491)
Consolidated net income			₱3,399,552
Assets and Liabilities			
Segment assets	₱50,816,482	₱721,420	₱51,537,902
Investment properties	1,127,710	13,496,361	14,624,071
Investment in joint venture and associate	3,948,737	1,778,137	5,726,874
Deferred tax assets – net	14,352	44,886	59,238
Property and equipment	1,715,617	933,346	2,648,963
Total assets	₱57,622,898	₱16,974,150	₱74,597,048
Segment liabilities	₱32,375,768	₱8,707,226	₱41,082,994
Deferred tax liabilities – net	1,219,343	–	1,219,343
Total liabilities	₱33,595,111	₱8,707,226	₱42,302,337

	2022		
	Residential Development	Commercial Development	Total
Revenue	₱12,216,708	₱4,291,256	₱16,507,964
Costs and expenses	(9,741,448)	(1,798,766)	(11,540,214)
Share in net income of joint venture and associate	(7,195)	382,823	375,628
Other income – net	18,443	(464)	17,979
EBITDA	2,486,508	2,874,849	5,361,357
Depreciation and amortization			(755,738)
Interest expense			(1,213,289)
Provision for income tax			(798,254)
Consolidated net income			₱2,594,076

32. Supplemental Disclosure of Cash Flow Information

a. The changes in the Group's liabilities arising from financing activities are as follows:

	January 1, 2024	**Cash Flows**	**Reclassification from Noncurrent to Current**	**Interest Expense/ Discount Amortization**	**Foreign exchange range impact**	**December 31, 2024**
Current portion of interest-bearing loans and borrowings	**₱2,812,449**	**(₱3,043,446)**	**₱4,960,150**	**₱–**		**₱4,729,153**
Interest-bearing loans and borrowings - net of current portion	**23,031,839**	**6,241,419**	**(4,960,150)**	**31,243**	**79,592**	**24,423,943**
Lease liabilities	**690,361**	**(40,379)**	**–**	**54,935**		**704,917**
	₱26,534,649	**₱3,157,594**	**₱–**	**₱86,178**	**₱79,592**	**₱29,858,013**

	January 1, 2023	Cash Flows	Reclassification from Noncurrent to Current	Interest Expense/ Discount Amortization	December 31, 2023
Current portion of interest-bearing loans and borrowings	₱2,833,346	(₱2,833,346)	₱2,812,449	₱–	₱2,812,449
Interest-bearing loans and borrowings - net of current portion	22,260,138	3,561,088	(2,812,449)	23,062	23,031,839
Lease liabilities	677,427	(38,986)	–	51,920	690,361
	₱25,770,911	₱688,756	₱–	₱74,982	₱26,534,649

	January 1, 2022	Cash Flows	Reclassification from Noncurrent to Current	Interest Expense/ Discount Amortization	December 31, 2022
Current portion of interest-bearing loans and borrowings	₱4,347,235	(₱4,347,235)	₱2,833,346	₱–	₱2,833,346
Interest-bearing loans and borrowings - net of current portion	22,440,730	2,611,878	(2,833,346)	40,876	22,260,138
Lease liabilities	664,349	(37,663)	–	50,741	677,427
	₱27,452,314	(₱1,773,020)	₱–	₱91,617	₱25,770,911

b. In 2024, the Group's material non-cash investing activities include the Parent Company's step acquisition of RNDC, with unpaid subscription of ₱822.4 million. In 2023, the Group's material non-cash investing activities include the subsidiary's issuance of shares to non-controlling interest amounting to ₱2,728.7 million (see Note 6). In 2022, the Group's material non-cash investing activities include the investment in a joint venture and an associate with unpaid subscription amounting to ₱2,518.4 million (see Note 13).

33. Events After the Reporting Period

On January 25, 2025, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱15.0 billion (after reversal of ₱14.0 billion appropriation) out of the total retained earnings as of December 31, 2024 to partially fund capital expenditures of the Parent Company from 2025 to 2026.

ROCKWELL LAND CORPORATION

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 26, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
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PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE A – FINANCIAL ASSETS
December 31, 2024

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds or Notes	Amount shown in the Statement of Financial Position	Income Received or Accrued

Schedule of Financial Assets not applicable to the Group as the Group does not have financial assets at fair value through profit or loss as at December 31, 2024

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
December 31, 2024

Name and Designation of Debtor	Beginning balance	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
AR Officers & Directors	₱151,094,830	₱139,694,260	(₱71,979,646)	₱–	₱57,109,395	₱167,477,538	₱224,586,932
Employees	113,286,042	148,146,167	(49,626,910)	–	65,379,349	66,452,201	131,831,549
TOTAL	**₱264,380,872**	**₱287,840,427**	**(₱67,251,925)**	**₱–**	**₱122,488,743**	**₱233,929,739**	**₱356,418,482**

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
December 31, 2024

Receivable to Name of Subsidiary / Counterparty	Beginning balance	Additions	Amounts Collected	Current	Non-Current	Ending balance
Rockwell Leisure Club Inc., subsidiary	₱12,144,368	₱12,144,368	(₱23,042,582)	₱17,421,785	₱–	₱17,421,785
Rockwell Integrated Property Services, Inc.	20,291,722	157,677,449	(107,096,719)	70,872,452	–	70,872,452
Rockwell Primaries Development Corporation	1,585,251,479	1,125,721,717	(179,308,256)	93,095,190	2,438,670,100	2,531,664,940
Rockwell Primaries South Development Corporation	762,001,805	623,814,206	(46,404,874)	65,012,137	1,274,399,000	1,339,411,137
Stonewell Property Development Corporation	4,693,539	11,246,819	(11,307,270)	4,633,088	–	4,633,088
Rockwell Performing Arts Theater Corporation	2,168,444	132,504	–	2,300,948	–	2,300,948
Rockwell Hotels & Leisure Management Corp.	44,896,242	58,796,490	(62,319,246)	41,373,405	–	41,373,405
Retailscapes, Inc.	793,394,419	24,848,855	(19,657)	-	818,223,617	818,223,617
Rockwell MFA Corp.	2,214,709,272	402,553,668	(1,273,852,983)	515,409,957	828,000,000	1,343,409,957
Rockwell Carmelray Development Corp.	23,713,783	166,260,884	(159,398,875)	30,575,792	–	30,575,792
Rockwell GMC Development Corp.	1,659,600	(169,459)	(1,659,600)	(169,459)	–	(169,459)
Rockwell Nepo Development Corp.	–	188,438,645	(179,473,924)	8,964,721		8,964,721

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE D – LONG TERM DEBT
As of December 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Current Portion of Long-Term Debt	Long-Term Debt (net of Current Portion)	Average Interest Rate	No. Of Periodic Installments	Maturity Date
Philippine Peso, 10-year fixed rate notes due 2026	2,500,000,000	225,921,290	806,481,936	5.79% 5.94% 6.03%	6 6 6	5/31/2026 6/29/2026 6/17/2026
Philippine Peso, 7-year fixed rate notes due 2026	3,000,000,000	357,768,421	1,568,926,316	5.55% 5.56%	8	11/22/2026 12/23/2026
Philippine Peso, 7-year floating rate notes due 2026	3,000,000,000	315,600,000	1,737,600,000	7.03%	7	11/23/2026 11/23/2026 11/23/2026
Philippine Peso, 10-year floating rate notes due 2026	1,000,000,000	90,400,000	322,600,000	6.94%	6	6/17/2026
Philippine Peso, 7-year fixed rate notes due 2027	2,000,000,000	274,641,148	970,095,694	5.92% 5.26%	8 12	1/20/2027 12/7/2027
Philippine Peso, 7-year fixed rate notes due 2028	3,000,000,000	390,846,682	1,792,219,680	5.26% 5.36%	13 15	2/10/2028 10/8/2028
Philippine Peso, 7-year floating rate notes due 2029	500,000,000	66,666,667	366,666,666	6.44%	17	4/6/2029
Philippine Peso, 10-year fixed rate notes due 2030	7,000,000,000	436,800,000	5,362,000,000	5.00% 5.04% 3.44% 3.75% 4.61% 4.31%	21	2/22/2030
Philippine Peso, 10-year fixed rate notes due 2030	3,000,000,000	187,200,000	2,298,000,000	4.37% 4.52% 5.30%	21	2/22/2030 2/22/2030 2/22/2030
Philippine Peso, 10-year floating rate notes due 2032	5,000,000,000	400,000,000	4,200,000,000	6.14% 6.14%	32	12/14/2032
Philippine Peso, 10-year fixed rate notes due 2026	1,000,000,000	90,400,000	322,600,000	5.69% 6.24%	6	6/17/2026
US Dollar, 7-year fixed rate notes due 2031 (Peso Equivalent)	3,079,591,837	-	3,079,591,837	5.79%	25	1/31/2031
Philippine Peso, 7-year fixed rate notes due 2031	1,500,000,000	-	1,500,000,000	7.55% 6.88%	26 28	6/24/2031 12/17/2031
Philippine Peso, 1-year fixed rate notes due 2025	1,800,000,000	1,800,000,000	-	5.80% 6.00% 5.60% 5.65%	1	2/26/2025 3/10/2025 3/12/2025
Philippine Peso, 4-year fixed rate notes due 2025	116,000,000	116,000,000	-	7.44%	1	12/31/2025

Philippine Peso, 4-year fixed rate notes due 2027	357,200,000	-	140,000,000	7.41% 7.41% 3.57%	1	12/31/2027
Philippine Peso, 5-year fixed rate notes due 2027	67,000,000	-	67,000,000	7.57% 7.66%	1	12/31/2027

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
December 31, 2024

Name of Related Party	Beginning balance	Ending balance
N/A	N/A	N/A

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
December 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed & Outstanding	Amount owed by Person for which Statement is filed	Nature of Guarantee
N/A	N/A	N/A	N/A	N/A

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE G – CAPITAL STOCK
December 31, 2024

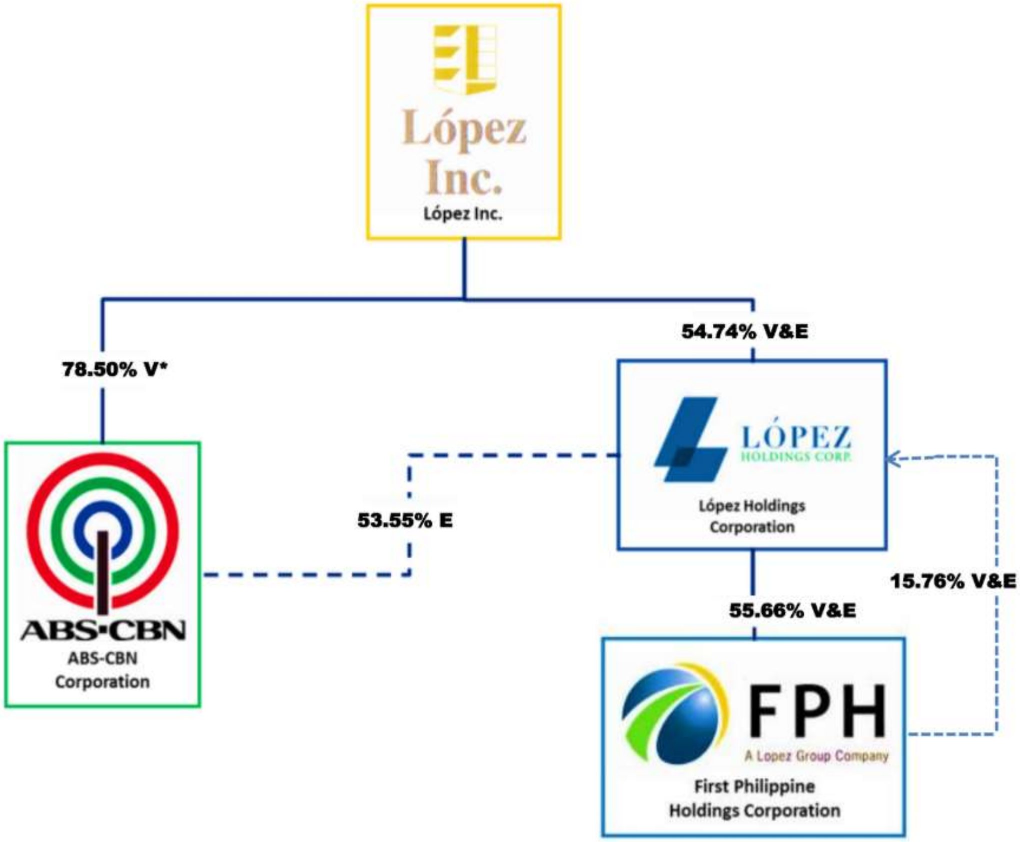
				Number of Shares Held By		
Title of Issue	**Number of Shares Authorized**	**Number of Shares Issued and Outstanding**	**Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights**	**Related Parties**	**Directors, Officers and Employees**	**Others**
Common Shares	8,890,000,000	6,116,762,198(a)	44,489,000	5,296,015,375	21,478,659	799,268,165
Preferred Shares	11,000,000,000	2,750,000,000	–	2,750,000,000	–	–

(a) *Net of treasury shares of 126,620,146*

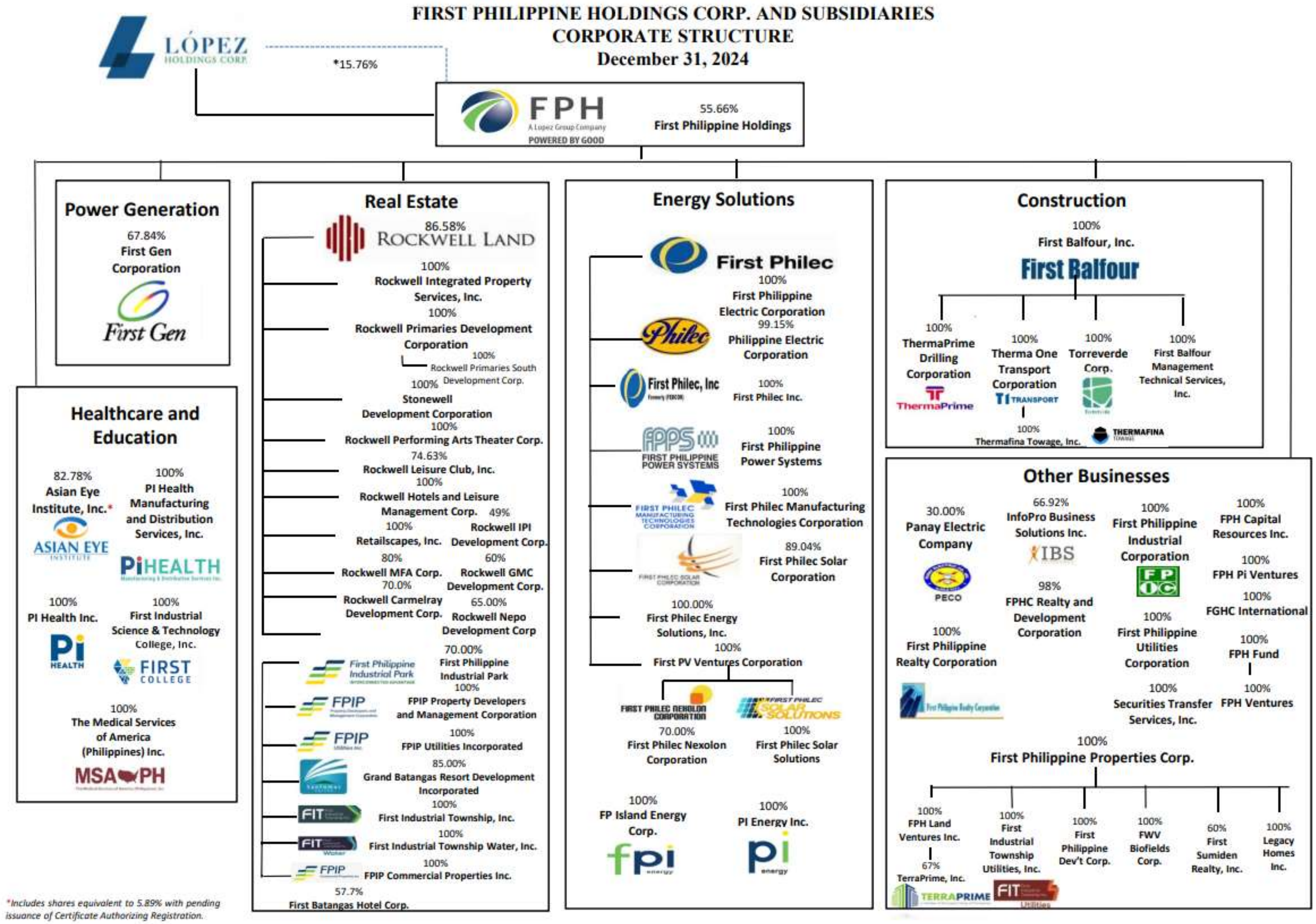
ROCKWELL LAND CORPORATION AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2024
Amount in thousands

		Amount
Unappropriated retained earnings, beginning		₱4,998,611
Add: Category A: Items that are directly credited to unappropriated retained earnings	–	
Less: Category B: Items that are directly debited to unappropriated retained earnings	–	
Cash dividends declared during the reporting period	624,337	
Effect of restatement: Adoption of significant financing component accounting	523,123	1,147,460
Unappropriated retained earnings, as adjusted		**3,851,151**
Add: Net income for the current year		2,936,363
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	–	
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	–	
Add. Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting (net of tax):	–	
Sub-total		–
Adjusted Net Income		**2,936,363**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	–	
Add: Category E: Adjustments related to relief granted by the SEC and BSP	–	
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution:		
Net movement in deferred tax asset not considered in the reconciling items under the previous categories	(719,477)	
Net movement in deferred tax assets and deferred tax liabilities related to same transaction (set up of right of use asset and lease liability)	(5,832)	
Sub-total		**(725,309)**
Total retained earnings, end of the reporting period available for dividend		**₱6,062,206**

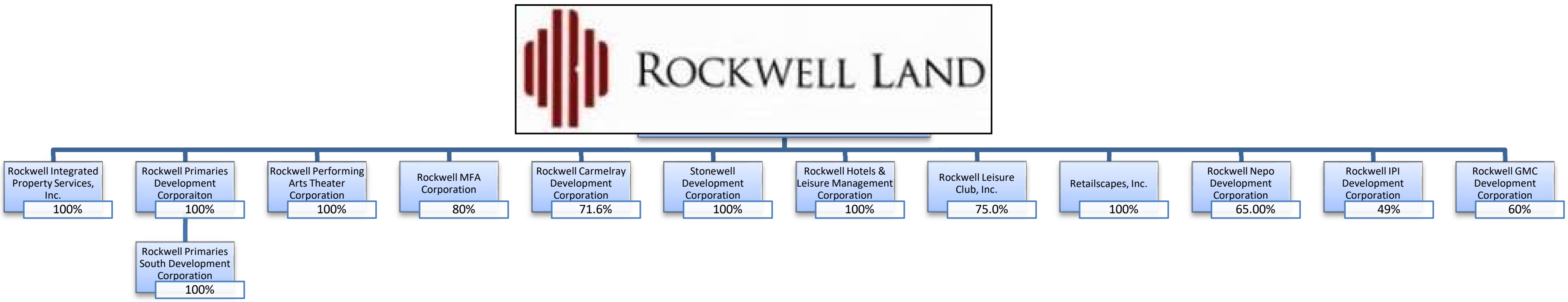
ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP(A)
December 31, 2024



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (B)
December 31, 2024



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (C)
December 31, 2024



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
Schedule of Financial Soundness Indicators
December 31, 2024

KPI	2024	2023	2022
EBITDA (₱)	₱7.6 billion	₱6.8 billion	₱5.4 billion
Current Ratio (x)	3.18	3.43	3.16
Net DE Ratio (x)	0.70	0.67	0.78
Asset to Equity Ratio (x)	2.28	2.31	2.53
Interest coverage ratio (x)	4.39	4.57	4.42
ROA	5.26%	4.71%	3.86%
ROE	12.08%	11.36%	9.69%
EPS (₱)	0.61	0.51	0.38

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

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-related Information
December 31, 2024

Year ended 31 December	**2022**	**2023**	**2024**
Audit and Audit-related fees (net of VAT) – Parent Company	₱5.5 million	₱6.1 million	₱6.8 million
Audit and Audit-related fees (net of VAT) – Parent Company and Subsidiaries	₱10.5 million	₱11.9 million	₱13.2 million
Non-Audit Services Fees (net of VAT) – Parent Company and subsidiaries			
Other Assurance Services	P-	P-	P-
Tax Services	1.9 million	4.4 million	0.9 million
All Other Services	1.5 million	2.9 million	4.9 million
Total Non-Audit Fees	₱3.4 million	₱7.3 million	₱5.8 million

ROCKWELL LAND

Report of the Audit Committee
(For the year ended December 31, 2024)

The Audit Committee's roles and responsibilities are defined in the Corporate Governance Manual of Rockwell Land Corporation and the Audit Committee Charter. We assist the Board of Directors in fulfilling its oversight responsibility to the shareholders relating to: a) Integrity of financial statements and the financial reporting process; b) Appointment, re- appointment, remuneration, qualifications, independence and performance of independent auditor; c) Effectiveness of internal control system; d) Review of the sufficiency and effectiveness of the risk management process; and e) Oversight on Internal Audit function. We confirm that:

1) An Independent Director chairs the Audit Committee. Two (2) out of the three (3) members of the Audit Committee are independent directors;
2) We had five (5) Committee meetings during the year, four (4) regular and one (1) special committee meeting, which were held virtually and face-to-face;
3) We have reviewed and approved the 2024 Internal Audit Plan, including its scope, resources and the subsequent changes thereto;
4) We have reviewed and discussed the reports of the Internal Auditors, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal controls and compliance issues;
5) We have discussed and approved the overall scope and audit plan of SGV & Co. for the audit of 2024 Financial Statements. We have also discussed the results of their audits and their assessment of Rockwell Land's internal control and the overall quality of the financial reporting process;
6) We have reviewed and discussed the quarterly unaudited financial statements and year-end audited financial statements of Rockwell Land with the Management and SGV & Co.;
   These activities were performed in the following context:
   - The management has the primary responsibility for the financial statements and the financial reporting process; and
   - That SGV & Co. is responsible for expressing an opinion on the conformity of Rockwell Land's consolidated financial statements with the Philippine Financial Reporting Standards.
7) For the year ended December 31, 2024, Rockwell Land has engaged its independent auditor, SGV & Co. to do other audit-related and non-audit services aside from the conduct of year-end financial audit. Such engagements were presented to and reviewed by the Audit Committee and concluded that the nature and scope are not incompatible with their role as independent auditor and the related fees are not significant to impair their independence;
8) We have reviewed the report on regulatory compliance and ensured that appropriate timely actions are taken and requirements are complied with;
9) We have reviewed and approved the Management Representation letter for the year ended December 31, 2024 before submission to our external auditor.

Based on the reviews and discussions undertaken, and subject to the limitations on our roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Annual Report for the year ended December 31, 2024 for filing with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). We are also recommending to the Board of Directors the re-appointment of SGV & Co., as Rockwell Land Corporation's independent auditor for 2025 based on the review of its performance and qualifications.

March 25, 2025

MONICO V. JACOB Chairman	OSCAR J. HILADO Member	FRANCIS GILES B. PUNO Member

Annex A: 2024 Rockwell Land Corporation Sustainability Report

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I. CONTEXTUAL INFORMATION

Company Details	
Name of Organization	Rockwell Land Corporation
Location of Headquarters	2F, 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City
Location of Operations	Makati City, Pasig City, San Juan City, Mandaluyong City, Quezon City, Muntinlupa City, Cebu City, Lapu-Lapu City, Lipa City, Sto. Tomas City, Calamba City, Bacolod City, Angeles City, City of San Jose del Monte
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	1. Retailscapes, Inc. 2. Rockwell Business Center Ortigas (unincorporated JV with Meralco) 3. Rockwell Carmelray Development Corporation 4. Rockwell Hotels and Leisure Management Corporation 5. Rockwell Integrated Property Services, Inc. 6. Rockwell Leisure Club, Inc. 7. Rockwell MFA Corporation 8. Rockwell Nepo Development Corporation 9. Rockwell Performing Arts Theater Corporation 10. Rockwell Primaries Development Corporation 11. Rockwell Primaries South Development Corporation 12. Stonewell Property Development Corporation 13. Rockwell GMC Development Corporation 14. Rockwell IPI Development Corporation
Business Model, including Primary Activities, Brands, Products, and Services	Rockwell Land Corporation ("Rockwell" or the "Company") is incorporated in the Philippines and is primarily engaged in residential development, retail and office leasing, as well as hotel management. Projects: I. Residential Development ● Rizal Tower ● Amorsolo Square ● Hidalgo Place ● Luna Gardens ● Manansala ● Joya Lofts and Towers ● One Rockwell ● The Grove ● Edades Tower and Garden Villas ● 205 Santolan ● The Alvendia ● 53 Benitez ● The Vantage at Kapitolyo ● Edades Suites ● 32 Sanson* ● Stonewell* ● Proscenium at Rockwell ● East Bay Residences* ● The Arton by Rockwell* ● Aruga Mactan Resort and Residences*

	● Terreno South* ● Nara Residences* ● Rockwell South at Carmelray* ● 8 Benitez Suites* ● The Balmori Suites* ● The Manansala at Rockwell Nepo* ● Edades West* ● The BenCab at Rockwell Nepo* ● Bel-Air at Rockwell Center Bacolod* ● Rockwell Center Bacolod - Commercial Lots* ● Lincoln at IPI Center* ● The Samanean at Paradise Farms* ● Molinillo at Rockwell Center Lipa* II. Retail a. Power Plant Mall b. The Santolan Town Plaza** c. The Grove Retail Row d. Arton Strip e. East Bay Retail Row f. The Proscenium Retail Row III. Office a. 8 Rockwell b. Rockwell Business Center Ortigas c. Rockwell Business Center Sheridan d. 1 Proscenium e. 1 Rockwell at IPI Center* IV. Hotel and Leisure a. Aruga Apartments V. Rockwell Performing Arts Theater* (*) On-going/ newly-opened projects (**) Retail & Office
Reporting Period	January – December 2024
Highest Ranking Person responsible for this report	Chief Compliance Officer

II. MATERIALITY PROCESS

Rockwell has a diversified set of stakeholders, including clients, investors, employees, business partners, the government, and communities within the projects' vicinity. To assess the sustainability of operations, the Company identified indicators that are focused on the following: a) the interest of the stakeholders, b) compliance with government regulations, c) critical financial parameters, and d) continuous improvement of services rendered to clients. The parameters were validated by stakeholders through the Sustainability Technical Working Group.

This report is guided by the standards of a) Global Reporting Initiative (GRI), b) Sustainability Accounting and Standards Board (SASB), and c) UN Guiding Principles on Business and Human Rights (UNGP).

Based on the above materiality process, our assessment of core sustainability issues covers the following areas:

Economic: Direct Economic Value Generated and Distributed, Procurement Practices, and Anti-Corruption

Environmental: Materials Used by the Organization, Energy Consumption and Reduction, Air Emissions, Water Consumption and Effluents, and Solid and Hazardous Waste

Social: Employee Hiring and Benefits, Training and Development, Diversity and Equal Opportunity, Occupational Health and Safety, Labor Laws and Human Rights, Supply Chain Management, Relationship with Communities, Customer Satisfaction, Data Security

III. ECONOMIC

Management Approach:

The Company's management is responsible for strategic planning, which involves a) regular spotting of opportunities and risks, b) periodic identification of the Company's short-term, mid-term and long-term goals, c) consistent monitoring of results against targets, and d) continuous development and refinement of strategies, resource allocation, and action plans.

To execute its strategies, the Company conducts these activities:

Prior to property acquisition and project launch, the Company conducts feasibility studies and due diligence. These include, but are not limited to: a) studying real estate supply and demand within the vicinity of the target property as well as relevant market trends, b) identifying the best business model for the subject property, and c) designing each project with structural integrity and incorporating features which are aligned with the identified needs and/or wants of the core market.

The Company also ensures that it has a) employees who can effectively manage projects from conceptualization to operations b) a reliable pool of local and foreign consultants, suppliers and contractors who have met predetermined standards of quality c) in-house leasing, property management and support teams to provide services to various Rockwell communities, and d) systems for efficient processes and proper controls.

Risks are addressed through the Company's Risk Management Policy that covers a) market, b) regulatory, c) project execution, and d) financial risks. The Company likewise conducts strict monitoring of key risk items and establishes trigger parameters with corresponding action plans. These efforts strengthen Rockwell's business continuity programs, allowing it to maximize growth opportunities while maintaining financial soundness.

A. Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (PHP Millions)
Direct Economic Value Generated (Revenue)	20,086
Direct Economic Value Distributed:	
a. Operating Costs	10,737
b. Employee Wages & Benefits	1,459
c. Payments to Provider of Capitals	1,736
d. Payments of Dividends to Stockholders	624
e. Payments to Government	1,584
f. Community Investments	8

Climate-related risks and opportunities[1]

Rockwell ensures that its properties are climate-resilient. This is aligned with the sustainability policy and commitment of its parent company – to reduce carbon emissions in view of protecting the environment, society, and businesses. Furthermore, the Company requires its consultants and contractors to assess, design, and build properties that can withstand adverse impacts of climate-related risks.

The following climate-related risks are considered in the design, construction, and management of projects: a) typhoons and corresponding adverse effects such as flooding, wind surges, and storm surges, b) drought or water scarcity, c) rising sea levels, and d) extremely high temperatures during the summer season, among others.

The design team conducts due diligence which includes a) conducting historical benchmarking of the vicinity, b) validating findings through the help of commissioned third-party consultants, c) incorporating recommendations on risk mitigation measures, and d) ensuring that design is compliant with the national and local building codes.

During the construction phase, short-term weather forecasts are incorporated into the project schedule. With regard to property management, simulation drills are conducted periodically. The property management team also ensures that all facilities are properly maintained and are conformant to regulatory requirements. Emergency response protocols are consistently reviewed and kept up-to-date and will be strictly implemented, if needed.

B. Procurement Practices

Management Approach:

Rockwell purchases the majority of its resources from local suppliers, which in turn help domestic businesses and create local employment opportunities. The Company is also able to reduce the time and cost of developing projects by sourcing locally.

Risks within the supply chain include geopolitical challenges that can lead to disruptions and increased material costs. To mitigate these risks, Rockwell maintains proactive engagement with suppliers, consistently seeking alternative and backup options to ensure continuity of operations.

Proportion of spending on local suppliers

Disclosure	Percentage
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	99%

[1] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

C. Anti-Corruption

Management Approach:

As a subsidiary of the Lopez Group of Companies, Rockwell adheres to The Lopez Values which are embodied across the conglomerate. The company also strictly implements its corporate governance policies, which led to the absence of corruption incidents as shown below.

Incidents of Corruption

Disclosure	Incident Count
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0

IV. ENVIRONMENT

Management Approach:

Rockwell adheres to the laws and regulations concerning the environment, and cooperates with related regulatory agencies. It also ensures that its business operations, programs, and initiatives are aligned with protecting the environment.

In doing business, the Company engages in environmental-related processes such as a) designing and constructing properties that are environmentally sound and compliant with the regulatory requirements of the national and local building codes, b) identifying climate-related risks and corresponding mitigating measures, and c) exploring best practices and new technologies in project design, construction and property management.

Rockwell also has an Environmental Safety and Health Management System which imposes protocols and safety drills to mitigate climate-related risks to its employees, suppliers, and the communities served. The system is also aligned with the mandates of its parent company and relevant government agencies such as the Department of Environmental and Natural Resources, Local Government Units, Bureau of Fire Protection, and Metro Manila Development Authority, among others.

Moreover, the Company assigns Pollution Control and Safety Officers to ensure that all projects remain compliant with environmental laws, standards, permit conditions, and other regulatory requirements.

Overall, the disclosures covered in this report include the environmental impact of the Company's operations, as well as the efforts and initiatives related to environmental sustainability.

A. Resource Management

Management Approach:

Rockwell has a system in place to ensure the efficient procurement and use of supplies and resources. The Company is also open to utilizing supplies made from renewable resources subject to quality requirements, costs, availability, and accessibility.

Energy consumption within the organization

Segment	Electricity (in GJ)		Fuel (in GJ)	
	Renewable	Non-renewable	Diesel	Gas
Residential	78,880	6,404	613	
Office	28,465		928	
Retail	25,237		1,084	
Admin			3,888	1,306
Total	**132,582**	**6,404**	**6,512**	**1,306**
Electricity Consumption (GWH)	38.35	2.13		

Energy consumption reduction efforts

Rockwell is committed to reducing its energy consumption through the implementation of energy-efficient initiatives, including the use of variable frequency drives (VFDs), variable refrigerant flow (VRF) systems, and LED lighting fixtures. The company is also actively transitioning to renewable energy sources where feasible. As of 2024, 21 Rockwell properties are powered by renewable energy, accounting for 95% of the company's total electricity consumption. Rockwell has reached significant milestones in green building certification, achieving 100% Green Building status for its office portfolio. This includes three LEED-certified developments: 8 Rockwell (LEED Gold), Rockwell Business Center – Sheridan (LEED Silver), and the newest addition, 1 Proscenium (LEED Silver). In addition, Santolan Town Plaza Office has been awarded the EDGE Advanced certification, while Rockwell Business Center – Ortigas has received an EDGE Certificate in 2024.

Materials used by the organization

Disclosure	Quantity (in Millions kg)
Materials used by weight or volume	
Renewable	N/A
Non-renewable	33.5
Cement	27.1
Rebars	6.4
Percentage of recycled input materials used to manufacture the organization’s primary products and services	N/A

B. Environmental Impact Management

Air Emissions

Management Approach:

All properties that are developed and managed by Rockwell are compliant with the regulatory standards on air emissions mandated by the Department of Environmental and Natural Resources. The Company appoints Pollution Control Officers in all properties to ensure that all regulatory standards are met and are strictly implemented.

Greenhouse Gasses (GHG)

Segment	Scope 1 (in Tonnes CO2e)	Scope 2 (in Tonnes CO2e)
Residential	45	1,146
Office	69	0
Retail	80	373
Admin	385	0
Total	**579**	**1,519**

Notes:
Scope 1 pertains to direct emissions (fuel consumption); Scope 2 pertains to indirect emissions (electricity consumption)
Scope 2 emissions significantly decreased in 2024, driven by the transition of residential properties from 63% to 95% renewable energy sourcing

C. Water Management

Management Approach:

Rockwell ensures that the wastewater management system in its various completed projects are compliant with the regulatory standards set by the DENR under Republic Act 9275 (Clean Water Act). All projects have sewerage treatment facilities that remove water contaminants prior to discharge in compliance with the parameters set by DAO 2016-08 (Water Quality and Water Effluent Standards). Rockwell consistently monitors and aligns with regulatory agencies as they issue new parameters.

In the event of water shortage, the property management team's crisis response protocols include regulating the water gate valves, reducing water pressure, and consistent monitoring of water supply. Additionally, Rockwell recycles water for irrigation of green spaces.

Segment	Water Withdrawal (in m³)	Water Utilized (in m³)	Water Recycled and Reused (in m³)	Effluent: Water Discharge (in m³)
Residential	578,563	322,043	14,988	241,532
Office	121,633	54,247	26,701	40,685
Retail	131,441	75,109	0	56,332
Total	**831,637**	**451,399**	**41,689**	**338,549**

D. Solid and Hazardous Wastes

Management Approach:

Rockwell practices waste segregation across all its properties. Moreover, the Company only works with DENR-accredited hauling service providers for both its solid and hazardous wastes.

Segment	Solid Waste	Hazardous Waste
	Recyclables and Composted (in tonnes)	Generated and Transported (in tonnes)
Residential	5,055	-
Office	398	9
Retail	1,830	105
Total	**7,283**	**114**

Note: A significant decrease in solid waste was recorded in 2024 due to the restatement of retail waste figures. This adjustment corrects the discrepancy between the waste volume reported by the hauler and internal measurements. The revised total for 2023 solid waste should be 1,990 tonnes for retail.

E. Environmental Compliance

Management Approach:

Management ensures that it complies with all environmental regulatory requirements and procedures in developing its properties.

Non-Compliance with Environmental Laws and Regulations

Disclosure	Amount (PHP)
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	N/A
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	N/A
No. of cases resolved through dispute resolution mechanism	N/A

V. SOCIAL

A. Employee Management

<u>Management Approach:</u>

Rockwell's compensation program is designed to improve employee productivity, motivation and engagement. The Company has also established policies and procedures for the administration of these benefits. Regular surveys and reviews of current practices are conducted to ensure effectiveness of the said programs.

Employee Hiring and Benefits

Employee data

Disclosure	Quantity
Total number of employees	1,188
Number of female employees	586
Number of male employees	602
Attrition rate	15%
Ratio of lowest paid employee against minimum wage	N/A

**Total number of employees includes individual workers, whether on a full-time or part-time basis*

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	20%	17%
PhilHealth	Y	7%	4%
Pag-IBIG	Y	8%	8%
Parental leaves	Y	4%	2%
Vacation leaves	Y	81%	75%
Sick leaves	Y	66%	60%
Medical benefits (aside from PhilHealth)	Y	61%	52%
Housing assistance (aside from Pag-IBIG)	N	0%	0%
Retirement fund (aside from SSS)	Y	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	Y	65%	44%
Flexible-working hours	N	0%	0%

Employee Training and Development

Management Approach:

The Company provides employees with training and development programs to boost productivity and efficiency. On average, each employee has received around 20 hours of training during the year.

Disclosure Value (in hrs)	2024
Total training hours provided to employees	57,064
Female employees	27,619
Male employees	29,445
Average training hours provided to employees	48 per employee
Female employees	47 per employee
Male employees	49 per employee

Diversity and Equal Opportunity

Management Approach:

Rockwell recognizes the talents of its employees, regardless of race, gender, and social status. In order to address risks on discrimination and harassment, the Company strictly implements its Code of Discipline and Whistleblower Policy. Lastly, Rockwell adheres to its parent company's policies on Gender Equality and Diversity.

Disclosure	2024
% of female workers in the workforce	49%
% of male workers in the workforce	51%
Number of employees from indigenous communities and/or vulnerable sector*	N/A

Vulnerable sectors include elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, and the poor or the base of the pyramid (BOP; Class D and E).

B. Workplace Conditions, Labor Standards, and Human Rights

Management Approach:

In order to protect and preserve the employees' health and well-being, the Company has an Occupational Safety and Health (OSH) Management System that is aligned with the Philippine Environmental Impact System. This also safeguards employees against practices that are contrary to Department of Labor and Employment and Department of Health regulations. Major efforts under the OSH system include annual safety drills across all properties managed, and various wellness programs to promote a healthy and sound work environment.

Occupational Health and Safety

Disclosure	Quantity
Safe man-hours	2,477,472 man-hours
No. of work-related injuries	-
No. of work-related fatalities	-
No. of work-related ill-health	-
No. of safety drills	-

Labor Laws and Human Rights

Management Approach:

Rockwell has a Code of Discipline in place with supplementary developmental programs. The Company also adheres to its parent company's policies on Human Rights, Gender Equality and Diversity, and all regulatory requirements of the Labor Code.

Disclosure	Quantity
No. of legal actions or employee grievances involving forced or child labor	0

C. Supply Chain Management

Management Approach:

The Company complies with the requirements of government regulatory agencies when acquiring accreditation and licenses to operate its businesses. Aside from its adherence to the policies of its parent company, Rockwell also considers the sustainability topics below to address supply-chain related regulatory, labor and anti-graft violation risks:

- Global Compact principles on procurement;
- Sustainability risk mapping to assess the hot spots of the supply chain; and
- Accreditation criteria for suppliers/service providers.

Disclosure	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	**N**	
Forced labor	**N**	
Child labor	**N**	
Human rights	**N**	
Bribery and corruption	**N**	

D. Relationship with Community

Significant Impacts on Local Communities

Stakeholder Groups	Stakeholder Concerns/ Interests	Modes of Stakeholder Engagement	Frequency of Engagements
Communities	Safety of the immediate neighborhood surrounding the Rockwell property	Meetings with public officials and regulatory body representatives of the immediate communities where Rockwell's properties are situated	As often as needed
Government (National and Local) and Regulatory Agencies	Government clearances and other regulatory requirements for Rockwell to legally operate		As often as needed to secure the permits, clearances and license to develop
Clients & Tenants	Company's products and services	Omnichannel approach including traditional and digital platforms	Constant engagement with clients and tenants
Employees	Performance metrics, compensation and benefits, occupational health and safety	One-on-One Meetings, Huddles, General Assemblies	Constant engagement with employees
Parent Company and The Company's Board of Directors	Company's financial performance and sustainability of the business	Board meetings and strategic discussions	Monthly, and as often as needed
Shareholders		Stockholders' meetings, one-on-one meetings	Annual, and as often as needed
Suppliers, Contractors, Consultants, and Other Business Partners	Description and expectation on output delivery Safety of contractors' employees	1-on-1, weekly, monthly meetings with representatives of these parties	Regularly throughout the duration of the project

E. Customer Management

Management Approach:

Rockwell has strong and experienced Sales, Leasing, and Marketing teams under the supervision of the Chief Revenue Officer, who are responsible in mitigating the following risks: a) loss of clientele, b) negative feedback from stakeholders, and c) negative press.

The Company also maintains constant communication with clients to ensure concerns are addressed and suggestions are considered when crafting future strategies related to customer-focused client experience.

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	VG	N

Health and Safety

Management Approach:

The health and safety of Rockwell clients is seriously considered. All properties are designed in accordance with the requirements of the National Building Code, and the Company allots open spaces in all developments. Building equipment is upgraded on a timely basis to improve the quality of life of residents, mall patrons, office tenants, and hotel guests.

Disclosure	Quantity
No. of substantiated complaints on product or service health and safety*	0
No. of complaints addressed	0

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Marketing and labeling

Management Approach:

Rockwell adheres to the Department of Human Settlements and Urban Development (DHSUD) advertisement guidelines. The Company has centralized marketing and legal teams that oversee communications, collaterals as well as copyrights, logos, and brand names.

Disclosure	Quantity
No. of substantiated complaints on marketing and labeling*	0
No. of complaints addressed	0

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Customer privacy

Management Approach:

The Company adheres to the Data Privacy Act which protects the information of all stakeholders. There is also a dedicated Information Security Team that implements safety measures and protocols to prevent risks of breach and leakage of customer information.

Disclosure	Quantity
No. of substantiated complaints on customer privacy	0
No. of complaints addressed	0
No. of customers, users and account holders whose information is used for secondary purposes	0

F. Data Security

Management Approach:

The Company has a dedicated Information and Technology Team which strictly enforces cybersecurity initiatives. This is to mitigate data security threats and system infiltration attempts that pose risks to the Company's operations. Security is done through a combination of cybersecurity practices/policies and tools. Policies and practices are done through, but not limited to, access controls, vulnerability assessments, regular patching, and audits. The group uses tools such as firewalls, anti-virus software, encryption tools, anti-DDoS equipment, among others, to protect the corporate network and data.

Disclosure	Quantity
No. of data breaches, including leaks, theft, and losses of data	1

Upon identification of the breach, the user's credentials were promptly updated to mitigate further risk. The organization immediately isolated the affected computers to prevent any malicious activity and initiated comprehensive threat hunting procedures. A refresher training session was also conducted to reinforce awareness on identifying phishing emails and other social engineering threats. There was no financial impact nor compromise of sensitive organizational data.

VI. UN SUSTAINABLE DEVELOPMENT GOALS

Rockwell Land Corporation focuses on contributing to the following UN Sustainable Development Goals:

(7) Affordable and Clean Energy

(9) Industry Innovation and Infrastructure

(13) Climate Action

ROCKWELL LAND

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ROCKWELL LAND CORPORATION** is responsible for the preparation and fair presentation of the parent financial statements including the schedules attached therein, as of December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

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

APR 08 2025

Signed this ___day of April 2025.

APR 08 2025

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

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

Doc No. 46 ;
Page No. 11 ;
Book No. XLIX ;
Series of 2025.

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

MA. FE CAROLYN GO-PINOY
Notary Public for and in the City of Makati
Appointment No. M-167 until December 31, 2026
Roll of Attorneys No. 39698
IBP Lifetime No. 0147554 / ZAMBASULTA
PTR No. 10470763 / 1.7.2025 / Makati City
8 Rockwell Hidalgo Drive, Makati City
MCLE Compliance No. VII-0008406

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

6	2	8	9	3

COMPANY NAME

ROCKWELL LAND CORPORATION

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
AAPFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
IR@rockwell.com.ph	02-7793-0088	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
45,167	Third Monday of May	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	02-7793-0088	N/A

CONTACT PERSON's ADDRESS

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

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SGV
Building a better working world

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the parent company financial statements of Rockwell Land Corporation (the Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 34 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Rockwell Land Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.

Loubelle V. Mendoza

Loubelle V. Mendoza
Partner
CPA Certificate No. 115161
Tax Identification No. 301-422-247
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027
PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025

ROCKWELL LAND CORPORATION

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 28 and 29)	**₱2,084,369**	₱2,080,948
Trade and other receivables (Notes 7, 20, 26, 28 and 29)	**2,495,021**	2,037,640
Contract assets (Notes 7, 20 and 28)	**3,972,998**	7,152,589
Real estate inventories (Notes 8, 11 and 12)	**20,484,789**	17,215,388
Advances to contractors (Note 8)	**1,504,273**	1,353,464
Other current assets (Notes 9, 20, 28 and 29)	**2,416,198**	2,474,883
Total Current Assets	**32,957,648**	32,314,912
Noncurrent Assets		
Investment properties (Notes 8, 11 and 16)	**12,938,034**	12,707,624
Property and equipment (Notes 8 and 12)	**2,429,822**	2,366,599
Investments in joint venture and associate (Note 13)	**4,773,935**	5,705,085
Contract assets - net of current portion (Notes 7, 20 and 28)	**6,025,530**	2,513,429
Investments in subsidiaries (Note 14)	**9,153,187**	7,766,269
Loans receivable from subsidiaries (Notes 26, 28 and 29)	**5,005,069**	4,426,184
Investment in equity instruments at FVOCI (Notes 10, 28 and 29)	**59,280**	58,280
Other noncurrent assets (Notes 11, 12 and 28)	**185,267**	59,793
Total Noncurrent Assets	**40,570,124**	35,603,263
	₱73,527,772	₱67,918,175
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 15, 17, 20, 24, 26, 28 and 29)	**₱7,519,715**	₱8,014,595
Current portion of interest-bearing loans and borrowings (Notes 11, 16, 28 and 29)	**4,526,687**	2,725,983
Subscription payable (Notes 13 and 14)	**309,000**	367,150
Total Current Liabilities	**12,355,402**	11,107,728
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Notes 11, 16, 28 and 29)	**23,904,282**	22,079,587
Subscription payable - net of current portion (Notes 13 and 14)	**6,504,798**	5,878,394
Lease liability - net of current portion (Notes 15, 27, and 28)	**521,935**	510,665
Pension liability - net (Note 23)	**172,524**	72,640
Deferred tax liabilities - net (Note 24)	**533,763**	704,242
Deposits and other liabilities (Notes 17, 23 and 28)	**1,463,621**	1,227,357
Total Noncurrent Liabilities	**33,100,923**	30,472,885
Total Liabilities	**45,456,325**	41,580,613

(Forward)

	December 31	
	2024	2023
Equity		
Capital stock (Notes 18 and 19)	**₱6,270,882**	₱6,270,882
Additional paid-in capital	**28,350**	28,350
Share-based payments (Note 18)	**69,700**	69,700
Other comprehensive income (Note 10)	**46,718**	45,718
Cash flow hedge reserve (Note 28)	**(49,799)**	-
Retained earnings (Note 19):		
Appropriated	**14,000,000**	14,000,000
Unappropriated	**7,890,930**	6,108,246
	28,256,781	26,522,896
Less cost of treasury shares (Notes 1 and 19)	**185,334**	185,334
Total Equity	**28,071,447**	26,337,562
	₱73,527,772	₱67,918,175

See accompanying Notes to Parent Company Financial Statements.

ROCKWELL LAND CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Years Ended December 31	
	2024	2023
REVENUE		
Revenue from sale of real estate (Note 20)	**₱9,027,407**	₱7,979,162
Lease income (Note 11)	**2,307,614**	2,101,058
Interest income (Notes 6, 20 and 21)	**622,032**	1,740,781
Others (Notes 13, 14, 20 and 26)	**3,156,590**	2,946,133
	15,113,642	14,767,134
EXPENSES		
Cost of real estate (Notes 8, 11 and 22)	**6,449,010**	6,506,614
General and administrative expenses (Notes 11, 22, 23 and 25)	**2,021,757**	1,801,938
Selling expenses (Notes 22 and 25)	**1,264,299**	1,083,570
	9,735,066	9,392,122
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	**5,378,576**	5,375,012
OTHER INCOME (EXPENSES)		
Interest expense (Notes 16, 17, 22 and 27)	**(1,698,633)**	(1,495,688)
Foreign exchange gain (loss) - net (Note 28)	**7,088**	(2,254)
	(1,691,545)	(1,497,942)
INCOME BEFORE INCOME TAX	**3,687,031**	3,877,070
PROVISION FOR INCOME TAX (Note 24)	**750,667**	777,150
NET INCOME	**2,936,364**	3,099,920
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Net losses on cash flow hedge (Note 28)	**(66,399)**	–
Income tax effect	**16,600**	–
	(49,799)	–
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:		
Remeasurement loss on employee benefits (Note 23)	**(8,297)**	(126,674)
Net gain on equity instruments designated at FVOCI (Note 10)	**1000**	25,000
Income tax effect	**2,074**	31,668
	(55,022)	(70,006)
TOTAL COMPREHENSIVE INCOME	**₱2,881,342**	₱3,029,914
Earnings Per Share Attributable to Equity Holders (Note 30)		
Basic	**₱0.4801**	₱0.5065
Diluted	**0.4800**	0.5065

See accompanying Notes to Parent Company Financial Statements.

ROCKWELL LAND CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Thousands)

	Capital Stock (Notes 18 and 19)	Additional Paid-in Capital	Share-based Payments (Note 18)	Other Comprehensive Income (Note 10)	Fair Value of Cash Flow Hedge	Appropriated	Unappropriated	Treasury Shares (Notes 1 and 19)	Total
Balance at December 31, 2023, as previously stated	**₱6,270,882**	**₱28,350**	**₱69,700**	**₱45,718**	**₱–**	**₱14,000,000**	**₱6,108,246**	**(₱185,334)**	**₱26,337,562**
Effect of adoption of significant financing component accounting (Note 3)	**–**	**–**	**–**	**–**	**–**	**–**	**(523,123)**	**–**	**(523,122)**
Balance at January 1, 2024, as restated	**6,270,882**	**28,350**	**69,700**	**45,718**	**–**	**14,000,000**	**5,585,123**	**(185,334)**	**25,814,440**
Net income							**2,936,364**		**2,936,436**
Other comprehensive income (Notes 10 and 23)	**–**	**–**	**–**	**1,000**	**(49,799)**	**–**	**(6,223)**	**–**	**(55,022)**
Total comprehensive income	**6,270,882**	**28,350**	**69,700**	**46,718**	**(49,799)**	**14,000,000**	**2,930,141**	**(185,334)**	**2,881,342**
Reversal of appropriation									
Appropriation									
Cash dividends (Note 19)							**(624,337)**		**(624,337)**
Balance at December 31, 2024	**₱6,270,882**	**₱28,350**	**₱69,700**	**₱46,718**	**(₱49,799)**	**₱14,000,000**	**₱7,890,930**	**(₱185,334)**	**₱28,071,447**
Balance at December 31, 2022	₱6,270,882	₱28,350	₱69,700	₱20,718	₱–	₱11,000,000	₱6,564,963	(₱185,334)	₱23,769,279
Net income	–	–	–	–	–	–	3,099,920	–	3,099,920
Other comprehensive income (Notes 10 and 23)	–	–	–	25,000	–	–	(95,006)	–	(70,006)
Total comprehensive income	–	–	–	25,000	–	–	3,004,914	–	3,029,914
Reversal of appropriation	–	–	–	–	–	(11,000,000)	11,000,000	–	–
Appropriation	–	–	–	–	–	14,000,000	(14,000,000)	–	–
Cash dividends (Note 19)	–	–	–	–	–	–	(461,631)	–	(461,631)
Balance at December 31, 2023	₱6,270,882	₱28,350	₱69,700	₱45,718	₱–	₱14,000,000	₱6,108,246	(₱185,334)	₱26,337,562

See accompanying Notes to Parent Company Financial Statements.

ROCKWELL LAND CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,687,031**	₱3,877,070
Adjustments for:		
Interest income (Notes 6, 7, 20 and 26)	**(622,032)**	(1,740,781)
Interest expense (Notes 16, 17, 22 and 27)	**1,698,633**	1,495,688
Depreciation and amortization (Notes 11, 12 and 22)	**763,333**	737,650
Dividend income (Notes 13 and 14)	**(632,513))**	(693,854)
Pension expense, net of contributions (Note 23)	**91,588**	(122,271)
Provision for disallowance of claim for refund (Note 22)	**–**	17,544
Unrealized foreign exchange loss (gain) - net (Note 28)	**(7,088)**	2,254
Operating income before working capital changes	**4,978,952**	3,573,300
Decrease (increase) in		
Trade and other receivables	**150,213**	4,150,712
Contract assets	**(560,233)**	(3,260,337)
Real estate inventories	**(3,162,390)**	(3,978,181)
Advances to contractors	**(150,809)**	(409,511)
Other current assets	**58,685**	(247,742)
Increase (decrease) in:		
Trade and other payables	**(549,323)**	1,524,460
Deposits and other liabilities	**(214,652)**	(599,858)
Net cash generated from operations	**550,443**	752,843
Income taxes paid	**(640,544)**	(686,445)
Interest received	**191,256**	143,929
Net cash provided by (used in) operating activities	**101,155**	210,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of shares (Note 14)	**856,729**	1,573,378
Dividends received (Notes 13 and 14)	**634,534**	693,854
Acquisitions of:		
Investment properties (Note 11)	**(842,607)**	(654,103)
Property and equipment (Note 12)	**(327,697)**	(237,310)
Acquisition of investment in subsidiaries (Note 14)	**(190,000)**	(570,000)
Additions to:		
Loans receivable from subsidiaries (Note 26)	**(578,885)**	298,000
Other noncurrent assets	**(244,091)**	123,483
Decrease in investments in joint venture and associate (Note 13)	**175,000**	200,865
Net cash provided by investing activities	**(519,038)**	1,428,167

(Forward)

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of loans and borrowings (Note 16)	**₱6,300,000**	₱3,500,000
Payments of:		
Bank loans (Note 16)	**(2,745,846)**	(2,655,611)
Interest (Notes 16 and 22)	**(1,529,531)**	(1,455,858)
Dividends (Note 19)	**(624,337)**	(461,631)
Subscription payable (Note 13)	**(920,000)**	(200,000)
Lease liability (Note 27)	**(29,233)**	(27,841)
Net debt issue costs (Note 16)	**(33,744)**	(26,250)
Net cash provided by (used in) financing activities	**417,309**	(1,327,190)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**3,995**	(2,254)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**3,421**	309,050
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,080,948**	1,771,898
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱2,084,369**	₱2,080,948

See accompanying Notes to Parent Company Financial Statements.

1. Corporate Information

Rockwell Land Corporation (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 became a public company in 2012 following the declaration of 51% ownership by Manila Electric Company (Meralco) As at December 31, 2024 and 2023, First Philippine Holdings Corporation (FPHC) owns 86.58% of Rockwell Land and the rest by the public. Lopez, Inc. is the ultimate parent company.

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

The accompanying parent company financial statements were approved and authorized for issue by the Board of Directors (BOD) on March 26, 2025.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation
The accompanying parent company financial statements have been prepared on a historical cost basis, except for investment in equity instruments at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The parent company financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency, and all values are rounded to the nearest thousands, except when otherwise indicated.

The Company also prepares and issues consolidated company financial statements for the same period as the parent company financial statements in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. These consolidated company financial statements may be obtained at the Company's registered office address.

Statement of Compliance
The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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

3. Changes in Accounting Policies and Disclosures

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adopted of new standards effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective

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

- Adoption of the 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 Philippine 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.

  Starting January 1, 2024, the Company adopted the remaining provision of PIC Q&A 2018-12, specifically on the significant financing component. The Company opted to adopt the changes using modified retrospective approach effective January 1, 2024 and the impact was recognized in the opening retained earnings. The comparative information is not restated.

  The impact of modified retrospective adoption of the above change as at January 1, 2024 follows:

	As previously stated	Adjustments Increase (decrease)	As restated
Contract assets	₱9,666,018	(₱429,203)	₱9,236,815
Contract liabilities	1,424,153	268,292	1,692,445
Deferred tax liabilities - net	704,242	(174,374)	529,868
Retained earnings - unappropriated	6,108,246	(523,123)	5,585,123

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

  The amendments clarify:

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

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

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

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

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

Standards, Amendments and Interpretations Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Parent Company's financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- *Amendments to PAS 21, Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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*

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4. **Summary of Material Accounting Policies**

Financial Instruments

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

a. Financial Assets

Financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

The Company has no financial assets at financial assets at FVOCI with recycling of cumulative gains and losses, and financial assets at FVPL as at December 31, 2024 and 2023.

- *Financial Assets at Amortized Cost (Debt Instruments).* This category is most relevant to the Company. Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the parent company statements of comprehensive income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, trade receivables from sale of real estate and lease, other receivables, restricted cash and refundable deposits as at December 31, 2024 and 2023.

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

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

  The Company elected to classify irrevocably its quoted and unquoted equity securities under this category as at December 31, 2024 and 2023.

- *Impairment of Financial Assets*

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

The Company recognizes expected credit losses (ECL) for the following financial assets that are not measured at FVTPL:
- debt instruments that are measured at amortized cost;
- loan commitments; and
- financial guarantee contracts.

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

Simplified Approach. The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECLs, is applied to installment contracts receivable and accounts receivable. The Company has established a provision matrix for accounts receivable and a vintage analysis for installment contracts receivable that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are over 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial Liabilities Financial liabilities are classified at initial recognition as financial liabilities at FVPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company has no financial liabilities at FVPL and derivatives designated as hedging instruments. The Company's financial liabilities include trade and other payables (excluding statutory payables), subscription payable, lease liability, interest-bearing loans and borrowings, retention payable and security deposits as at December 31, 2024 and 2023. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the parent company statements of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition of Financial Instruments
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:
- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

Derivative Financial Instruments and Hedging
The Company uses derivative financial instruments such as cross-currency swap to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of cross-currency swap is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as: (1) fair value hedges when hedging the exposure to changes in the fair value of a recognized financial asset or liability or an unrecognized firm commitment (except for foreign-currency risk); or (2) cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized financial asset or liability or a highly probable forecast transaction or the foreign-currency risk in an unrecognized firm commitment; or (3) hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument’s effectiveness in offsetting exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated. When a hedged item is a forecast transaction, the Company assesses whether such transaction is highly probable and prevents an exposure to variations in cash flows that could ultimately affect the profit or loss in the consolidated statement of comprehensive income.

The Company's cash flow hedge which meets the strict criteria for hedge accounting are accounted for as follows: The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income, while any ineffective portion is recognized immediately in profit or loss in the consolidated statement of comprehensive income. Amounts taken to other comprehensive income are transferred to profit or loss in the consolidated statement of comprehensive income when the hedged transaction affects the profit or loss, such as when the hedged financial income or financial expense is recognized. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability. If the forecast transaction is no longer expected to occur, amounts previously recognized as part of other comprehensive income and presented in equity are transferred to profit or loss in the consolidated statement of comprehensive income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment occurs.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the parent company statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts; and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Real Estate Inventories

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

Cost includes:

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

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

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

Advances to Contractors

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

Investment Properties

Investment properties represent land, building, structures and improvements of the mall (the "Power Plant"), 8 Rockwell, other structures held for lease within and outside Rockwell Center, and land held for appreciation. These are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties, except land, are stated at cost, less accumulated depreciation and amortization and impairment value, if any. Land is carried at cost (initial purchase price and other costs directly attributable in bringing such assets to its working condition) less any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of investment properties, except for land. Investment properties are estimated to have a useful life of 3 to 35 years.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. These transfers are recorded using the carrying amount of the investment property at the date of change in use.

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

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

Investments in Joint Venture and Associate

Investment in a joint venture and associate is accounted for at cost less any impairment in value from the date of acquisition. The Company determines whether it is necessary to recognize an impairment loss.

The Company has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement (the "JV Agreement") requires unanimous agreement for financial and operating decisions among the venturers.

The associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the Company.

The Company recognizes income from the investments only up to the extent that the Company receives distributions from accumulated profits of the joint venture and associate arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

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

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

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

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

Construction in progress pertains to serviced apartments under construction and is stated at cost which includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and become available for operational use. Upon completion, it will be depreciated over a period of 15 to 35 years.

Investments in Subsidiaries
Investments in subsidiaries are carried at cost. A subsidiary is an entity in which the Company has control. Control is achieved when the 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.

The Company recognizes income from investments in subsidiaries only to the extent that the Company receives distribution from accumulated profits from the subsidiaries arising after the date of acquisition.

Impairment of Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that a nonfinancial asset (e.g., investment properties, investment in joint venture and property and equipment) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

Revenue from Contract with Customers
The Company primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5 to the parent company financial statements. *Real estate sales.* The Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date. In determining the transaction price, the Company considers whether the selling price of the real estate property includes significant financing component. In measuring the progress of its performance obligation over time, the Company uses output method. The Company recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date/ milestones reached/ time elapsed. This is based on the monthly project accomplishment report prepared by the project inspector as approved by the project manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself. Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contract receivables, under "Trade and other receivables" account, is included in the "Contract assets" account in the asset section of the parent company statement of financial position. Any excess of collections over the total of recognized installment contract receivables is included in the contract liabilities under "Trade and other payables" account in the liabilities section if the parent company statement of financial position. *Room Revenue (presented under Other Revenue).* Room revenue is recognized when services are performed. Deposits received from customers in advance on rooms or other services are recorded as liabilities until services are provided to the customers. *Common use service area (CUSA) charges.* The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

The Company assessed itself as principal for CUSA, air-conditioning charges and electricity and water usage. Accordingly, the Company 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 parent company statements of comprehensive income. Total CUSA adjustments recognized amounted to ₱762.8 million in 2024 and ₱668.2 million in 2023. *Cinema, Mall and Other Revenues (presented under Other Revenue).* Revenue is recognized when services are rendered. *Interest Income.* Revenue is recognized using the effective interest, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Unearned discount is recognized as income over the terms of the related financial assets at amortized cost (i.e., loans and receivables) using the effective interest method and is shown as deduction to the related financial assets.

Cost of real estate sales. The Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories. In addition, the Company recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered. *Contract Balances Trade Receivables.* Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). *Contract Assets.* A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. *Contract Liabilities.* A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. The contract liabilities also include payments received by the Company from the customers for which revenue recognition has not yet commenced.

Costs to Obtain Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Company expects to recover them. The Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the parent company statement of comprehensive income. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

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

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

Amortization, De-recognition and Impairment of Contract Fulfillment Assets and Capitalized Costs to Obtain a Contract

The Company amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included under cost of sales.

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

At each reporting date, the Company determines whether there is an indication that contract fulfillment asset or cost to obtain a contract maybe impaired. If such indication exists, the Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Company uses the same principles as does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test. Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, there judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

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

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

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

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

As a Lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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

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

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

As a Lessee

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

Lease Liabilities. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases and Leases with Low-value Assets. The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Equity

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

Retained earnings represent the Company's accumulated earnings, net of dividends declared.

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

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

Equity-settled Transactions. The cost of equity-settled transactions with employees is measured by reference to the fair value of the stock options at the date the option is granted. The fair value is determined using Binomial Pricing Model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than the conditions linked to the price of the shares of the Company ("market conditions"), if applicable. The cost of equity-settled transactions is recognized in profit or loss with a corresponding increase in "Share-based payments" account in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest at that date. The cost of share-based payment is recognized in the parent company statement of comprehensive income as part of "Personnel expenses" account under "General and administrative expenses" account.

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

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

When an equity-settled award is cancelled with payment, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 30).Pension Costs and Other Employee Benefits The Company has a funded, noncontributory defined benefit pension plan covering all regular and permanent employees. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. D*efined Benefit Plans*. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Defined benefit costs comprise the following:

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

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

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

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

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

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

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

Income Tax

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO and excess of MCIT over RCIT can be utilized. Deferred tax assets and liabilities, however, are not recognized when the deductible and taxable temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial reporting date.

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

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

Value-added Tax (VAT)
Revenues, expenses and assets are recognized net of the amount of VAT except: where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of VAT included.

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

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

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

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets (included in “Property and equipment” and “Investment properties” accounts in the parent company statement of financial position). All other borrowing costs are expensed in the

period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

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

Provisions

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

Contingencies

Contingent liabilities are not recognized in the parent company financial statements. They are disclosed in the notes to parent company financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but are disclosed in notes to the parent company financial statements when an inflow of economic benefits is probable.

Events after the Reporting Period

Post-year-end events that provide additional information about the Company's financial position at the financial reporting date (adjusting events) are reflected in the parent company financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to the parent company financial statements when material.

Basic/Diluted Earnings Per Share

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

Segment Reporting

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

5. **Significant Accounting Judgments, Estimates and Assumptions**

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

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

Determination of Business Models. The Company determines its business model at the level that best reflects how it manages groupings of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

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

Definition of Default and Credit-impaired Financial Assets. The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:
- *Quantitative criteria*
  - Installment contracts receivable
    - For individual customers – upon issuance of Final Notice of Cancellation ("FNOC") when monthly payments are 120 days past due
    - For corporate customers – when monthly payments are 30 days past due, and upon issuance of FNOC.

- *Qualitative criteria*
  The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:
  a. The customer is experiencing financial difficulty or is insolvent
  b. The customer is in breach of financial covenant(s)
  c. An active market for that financial assets has disappeared because of financial difficulties
  d. Concessions have been granted by the Company, for economic or contractual reasons relating to the customer's financial difficulty
  e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

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

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

The Company's cash and cash equivalents and accounts receivable are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

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

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

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

Revenue Recognition Method and Timing of Revenue Recognition. The Company concluded that revenue for real estate sales is to be recognized over time because (a) the Company's performance does not create an asset with an alternative use and; (b) the Company has an enforceable right to payment for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is The Company has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Company's performance in transferring control of real estate development to the customers. The Company concluded that rooms, cinema and other revenues are to be recognized at a point in time because the Company has a right to payment for the service once the customer obtains the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset in exchange. Revenue from sale of real estate recognized over time amounted to ₱9,027.4 million and ₱7,979.2 million in 2024 and 2023, respectively. Revenue from room, cinema and other revenues recognized at a point in time amounted to ₱3,156.6 million and ₱2,946.1 million in 2024 and 2023, respectively (see Note 20).

Significant Financing Component. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less

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

Common use service area (CUSA) charges – Principal versus Agent Assessment. The Company assessed itself as principal for CUSA, air-conditioning charges and electricity and water usage being charged to its tenants. Accordingly, the Company presented the revenue from recoveries and its related costs on a gross basis as part of "Others" under revenue and "Cost of real estate", respectively, in the consolidated statements of comprehensive income. Total CUSA charges recognized amounted to ₱762.8 million in 2024 and ₱668.2 million in 2023.

Operating Lease Commitments (As a Lessor). The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, which are leased out under operating lease arrangements. Lease income earned from investment properties amounted to ₱2,307.6 million and ₱2,101.1 million in 2024 and 2023, respectively (see Note 11).

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

Determination of Control over an Investee Company. Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Parent Company has established that it has the ability to control its subsidiaries by virtue of either 100% or majority interest in the investee companies (see Note 14).

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

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

Contingencies. The Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Company currently does not believe these proceedings will have a material effect on the financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 27). No provision for contingencies was recognized in 2024 and 2023.

Estimates and Assumptions

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

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

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

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

Revenue from sale of real estate recognized over time amounted to ₱9,027.4 million and ₱7,979.2 million in 2024 and 2023, respectively (see Note 20).

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

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

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

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

- *Probability of default*

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

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

- *Loss given default*

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

- *Exposure at default*

  EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. For example, for a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur. The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or the customer's borrowing rates.

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

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

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

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

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

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

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

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of Forward-looking Information. The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past one year and three months. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Company has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

Grouping of Instruments for Losses Measured on Collective Basis. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Company are homogenous. In performing this Companying, there must be sufficient information for the Company to be statistically credible. Where sufficient information is not available internally, the Company has considered benchmarking internal/external supplementary data to use for modelling purposes.

The Company grouped its installment contracts receivable for collective measurement into (i) individuals and (ii) corporate customers. No impairment losses were recognized for installment contract receivable, recognized as trade receivables in 2024 and 2023.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Company's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Company in accordance with externally available ratings.

The carrying values of cash and cash equivalents, trade and other receivables and contract assets are disclosed in Notes 6, 7, 20 and 28.

Fair Value of Financial Assets, Investment Properties and Financial Liabilities. Entities are required to disclose for each class of financial assets and liabilities and investment properties the fair value of that class of assets and liabilities in a way that permits it to be compared with the corresponding carrying amount in the parent company statement of financial position, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would affect the disclosures made by management. The fair values of the Company's financial assets and liabilities are set out in Note 29.

Evaluation of Net Realizable Value of Real Estate Inventories. Real estate inventories are carried at the lower of cost or NRV. The carrying value of real estate inventories for sale are adjusted when the NRV becomes lower than cost due to changes in estimated selling prices less cost to sell.

The COVID-19 pandemic did not have a significant impact on the Company's inventory valuation. Although the Company suspended its operations during the implementation of community quarantine, it has resumed its operations after the lifting of the restrictions.

Real estate inventories (condominium units for sale), stated at cost, amounted to ₱20,486.8 million and ₱17,215.4 million as at December 31, 2024 and 2023, respectively (see Note 8).

Estimating Useful Lives of Investment Properties and Property and Equipment. The useful life of each of the Company's investment properties and property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any items of property and equipment, and investment properties would increase the recorded depreciation expense and decrease investment properties and property and equipment accounts. There were no changes in the estimated useful lives of investment properties and property and equipment in 2024 and 2023. Investment properties, net of accumulated depreciation, (excluding land and investment properties in progress) amounted to ₱9,687.6 million and ₱9,594.4 million as at December 31, 2024 and 2023, respectively (see Note 10).

Property and equipment, net of accumulated depreciation and amortization, (excluding land and construction in progress) amounted to ₱1,627.0 million and ₱1,584.9 million as at December 31, 2024 and 2023, respectively (see Note 12).

Impairment of Nonfinancial Assets. PFRS requires that an impairment review be performed when certain impairment indicators are present. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

Determining the recoverable amounts of investment properties, property and equipment, and investments in joint venture and associate, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the use of estimates and assumptions that can materially affect the parent company financial statements. Future events could indicate that investment properties, investment in joint venture and property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations of the Company.

The preparation of estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect its assessment of recoverable values and may lead to future additional impairment charges under PFRS.

Noncurrent assets that are subject to impairment testing when impairment indicators are present are as follows:

	2024	2023
Investment properties (see Note 10)	**₱12,938,035**	₱12,707,624
Property and equipment (see Note 11)	**2,429,822**	2,366,599
Investments in joint venture and associate (see Note 12)	**4,773,935**	5,705,085
Investment in subsidiaries (see Note 14)	**9,153,187**	7,766,269
Advances to contractors (see Notes 11 and 12)	**34,199**	59,793

The fair value of the investment properties amounted to ₱32.11 billion and ₱30.2 billion as at December 31, 2024 and 2023, respectively (see Note 11).

The Company has considered the impact of the COVID-19 pandemic and assessed that the Company's nonfinancial assets are not impaired. As at December 31, 2024 and 2023, no impairment indicators were identified for the Company's nonfinancial assets.

No impairment loss was recognized in 2024 and 2023.

Deferred Tax Assets. Management uses judgment in reviewing the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of such deferred tax assets to be utilized. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

Recognized deferred tax assets amounted to ₱1,069.9 million and ₱347.6 million as at December 31, 2024 and 2023, respectively (see Note 24).

Pension Costs and Other Employee Benefits. The determination of the Company's obligation and cost of pension and other employee benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 23 and include, among others, discount rate and expected rate of salary increase. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability and other employee benefits amounted to ₱172.5 million and ₱72.6 million as at December 31, 2024 and 2023, respectively. Since there is no minimum funding requirement, the resulting net asset or net liability recognized in the parent company statements of financial position was determined as the lower of the surplus of the plan and the present value of the future service cost to the Company (see Note 23).

6. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	**₱987,887**	₱703,001
Short-term investments	**1,096,482**	1,377,947
	₱2,084,369	₱2,080,948

Cash in banks earn interest at the respective bank deposit rates. Short-term investments consist of peso and dollar-denominated placements made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term investment rates.

Interest income earned from cash in banks and short-term investments amounted to ₱54.6 million and ₱143.9 million in 2024 and 2023, respectively (see Note 21).

7. Trade and Other Receivables and Contract Assets

Trade and other receivables consist of:

	2024	2023
Trade receivables from:		
Sale of real estate (see Note 20)	**₱438,324**	₱252,279
Lease	**635,523**	520,719
Due from related parties (see Note 26)	**1,217,201**	1,103,437
Advances to officers and employees (see Note 26)	**14,885**	20,608
Others	**198,751**	148,433
	2,504,684	2,045,476
Less allowance for ECLs	**9,663**	7,836
	₱2,495,021	₱2,037,640

Trade receivables from sale of condominium units, house and lot and residential lots consist of installment contract receivables from real estate customers. Installment contract receivables are collectible in equal monthly installments with terms typically up to five years for high-rise projects and up to three years for horizontal projects. These are noninterest-bearing and are carried at amortized cost.

As of December 31, contract assets consist of:

	2024	2023
Current	**₱3,972,999**	₱7,152,589
Noncurrent	**6,025,530**	2,513,429
	₱9,998,529	₱9,666,018

Contract assets represent excess of recognized revenues from contracts with real estate customers determined based on percentage of completion against amounts billed to customers. As at December 31, 2024, the movement in contract assets comprises of the reclassifications to installment contracts receivables from sale of real estate and unbilled revenues recognized for the year amounting to ₱4,293.1 million and ₱7,553.4 million, respectively. As at December 31, 2023, the movement in contract assets comprises of the reclassifications to installment contracts receivables from sale of real estate and unbilled revenues recognized for the year amounting to ₱4,293.1 million and ₱7,553.4 million, respectively (see Note 20).

Movements in unearned interest on trade receivables from sale of real estate and contract assets are as follows:

	2024	2023
Trade receivables/contract assets at nominal amount	**₱13,497,008**	₱12,999,749
Less unearned interest:		
Balance at beginning of year	**3,081,452**	1,050,258
Unearned interest	**225,538**	3,361,826
Amortization (see Note 21)	**(200,194)**	(1,330,632)
Balance at end of year	**3,106,797**	3,081,452
Trade receivables/contract assets at discounted amount	**₱10,390,212**	₱9,918,297

Trade receivables from lease represent short-term receivables from the "Power Plant" Mall tenants and from other commercial establishments on properties held for lease within and outside Rockwell Center which are normally collectible within 30 days from billing date.

Advances to officers and employees mainly representing cash advances to be used for operations are noninterest-bearing and will be liquidated within one year.

Terms and conditions relating to related party receivables are disclosed in Note 26.

Other receivables mainly consist of claims from contractors, receivable from various third parties and accrued interest. These are noninterest-bearing and are due and demandable.

The movements in the allowance for ECLs, determined on a collective basis using ECL model (trade receivables) and specific identification (other receivables), follows:

	2024			2023		
	Trade Receivables from Lease	**Others**	**Total**	Trade Receivables from Lease	Others	Total
Balance at beginning of year	**₱6,405**	**₱1,431**	**₱7,836**	₱9,562	₱1,431	₱10,993
Reversal (see Note 22)	**1,827**	**–**	**1,827**	(3,157)	–	(3,157)
Balance at end of year	**₱8,232**	**₱1,431**	**₱9,663**	₱6,405	₱1,431	₱7,836

8. Real Estate Inventories

This account consists of:

	2024	2023
Land and development costs	**₱9,576,474**	₱8,316,982
Land held for future development and other developments costs (see Note 26)	**10,388,470**	8,329,691
Condominium units for sale	**519,845**	568,715
	₱20,484,789	₱17,215,388

The rollforward analysis of this account follows:

	2024	2023
At January 1	**₱17,215,388**	₱13,580,437
Construction/development costs incurred	**5,371,379**	6,036,422
Cost of real estate sold (shown as part of "Cost of real estate" account in the parent company statements of comprehensive income)	**(5,180,994)**	(5,309,403)
Land acquired	**2,972,005**	3,251,162
Transfers to property and equipment (see Note 12)	–	(460,299)
Transfers from investment properties (see Note 11)	**107,011**	117,069
Balance at end of year	**₱20,484,789**	₱17,215,388

As at December 31, 2024 and 2023, land held for future development and other development costs mainly pertain to land acquisitions in Metro Manila and certain provinces.

As at December 31, 2024 and 2023, condominium units for sale pertains to unsold units of various completed projects.

As at December 31, 2024 and 2023, advances to contractors, shown separately in the parent company statements of financial position, mainly pertain to advances related to the development of various projects.

The cost of real estate inventories (i.e., land and development costs and condominium units for sale) consists of the costs of land and direct development costs.

Contract fulfillment assets, included under land and development costs, mainly pertain to unamortized portion of the land cost totaling ₱3,270.9 million and ₱4,038.6 million as at December 31, 2024 and 2023, respectively.

Estimated cost to complete of various on-going projects expected to be completed until year 2028 amounted to ₱10.2 billion and ₱12.6 billion as at December 31, 2024 and 2023, respectively.

9. Other Current Assets

This account consists of:

	2024	2023
Creditable withholding tax	**₱1,025,139**	₱1,337,805
Input VAT	**339,799**	210,430
Prepaid costs (see Notes 17 and 20)	**831,461**	606,698
Refundable deposits	**77,813**	70,781
Supplies	**89,158**	47,251
Restricted cash	**52,189**	42,602
Deposit for land acquisition (see Note 16)	–	158,676
Others	**639**	640
	₱2,416,198	₱2,474,883

Prepaid costs primarily pertain to costs to obtain a contract which consist of sales commission pertaining to real estate sold capitalized as deferred selling expense (see Note 20).

Refundable deposits mainly consist of security deposits in accordance with lease agreement.

As at December 31, 2024 and 2023, restricted cash represents escrow account to cover all payments received from the buyers for the sale of real estate with restriction on withdrawal and remittance. The escrow account is required to be maintained until satisfactory compliance with the conditions of the Temporary License to Sell issued by the Department of Human Settlements and Urban Development.

10. Investment in Equity Instruments at FVOCI

As at December 31, this account consists of:

	2024	2023
Investment in equity instruments at FVOCI:		
Quoted	**₱56,000**	₱55,000
Unquoted	**3,280**	3,280
	₱59,280	₱58,280

Quoted Club Shares
This consists of investment in Manila Polo Club shares. Movement in the balance follows:

	2024	2023
Balance at beginning of year	**₱55,000**	₱30,000
Unrealized gain on fair value adjustments	**1,000**	25,000
Balance at end of year	**₱56,000**	₱55,000

Unquoted Equity Shares
Unquoted equity securities consist of investments in Meralco preferred shares which were issued to the Company when Meralco meters were connected and will only be disposed of upon termination of service. These shares have no quoted market price and any fair value gain or loss on these investments is not material to the parent company financial statements. As at financial reporting date, the Company has no plans of disposing these unquoted equity securities.

11. Investment Properties

The rollforward analysis of this account follows:

	2024				
	Land	**Buildings and Improvements**	**Right-of-use Asset**	**Investment Properties in Progress**	**Total**
At January 1, 2024, net of accumulated depreciation and amortization	**₱2,710,351**	**₱9,277,911**	**₱316,530**	**₱402,832**	**₱12,707,624**
Additions to construction cost	**–**	**705,303**	**–**	**137,303**	**842,607**
Transfers to real estate inventories (see Note 8)	**–**	**(107,011)**	–	**–**	**(107,011)**
Depreciation and amortization (see Note 22)	**–**	**(493,126)**	**(12,059)**	**–**	**(505,185)**
Net carrying amount	**₱2,710,351**	**₱9,383,077**	**₱304,471**	**₱540,135**	**₱12,938,034**

(Forward)

	2024				
	Land	**Buildings and Improvements**	**Right-of-use Asset**	**Investment Properties in Progress**	**Total**
At January 1, 2024:					
Cost	**₱2,710,351**	**₱13,882,504**	**₱376,820**	**₱402,832**	**₱17,372,507**
Accumulated depreciation and amortization	**–**	**(4,604,593)**	**(60,290)**	**–**	**(4,664,883)**
Net carrying amount	**₱2,710,351**	**₱9,277,911**	**₱316,530**	**₱402,832**	**₱12,707,624**
At December 31, 2024:					
Cost	**₱2,710,351**	**₱14,742,922**	**₱376,820**	**₱540,135**	**₱18,370,228**
Accumulated depreciation and amortization	**–**	**(5,359,845)**	**(72,349)**	**–**	**(5,432,194)**
Net carrying amount	**₱2,710,351**	**₱9,383,077**	**₱304,471**	**₱540,135**	**₱12,938,034**

	2023				
	Land	Buildings and Improvements	Right-of-use Asset	Investment Properties in Progress	Total
At January 1, 2023, net of accumulated depreciation and amortization	₱2,710,351	₱9,201,194	₱328,588	₱459,510	₱12,699,643
Additions to construction cost	–	453,198	–	200,905	654,103
Transfers to real estate inventories (see Note 8)	–	–	–	(117,069)	(117,069)
Reclassifications	–	140,514	–	(140,514)	–
Depreciation and amortization (see Note 22)	–	(516,995)	(12,058)	–	(529,053)
Net carrying amount	₱2,710,351	₱9,277,911	₱316,530	₱402,832	₱12,707,624
At January 1, 2023:					
Cost	₱2,710,351	₱13,288,792	₱376,820	₱459,510	₱16,835,473
Accumulated depreciation and amortization	–	(4,087,598)	(48,232)	–	(4,135,830)
Net carrying amount	₱2,710,351	₱9,201,194	₱328,588	₱459,510	₱12,699,643
At December 31, 2023:					
Cost	₱2,710,351	₱13,882,504	₱376,820	₱402,832	₱17,372,507
Accumulated depreciation and amortization	–	(4,604,593)	(60,290)	–	(4,664,883)
Net carrying amount	₱2,710,351	₱9,277,911	₱316,530	₱402,832	₱12,707,624

Investment properties are valued at cost. Investment properties consist of the “Power Plant” Mall (₱3.8 billion and ₱3.1 billion as at December 31, 2024 and 2023, respectively), other investment properties held for lease within and outside Rockwell Center (₱8.6 billion as at December 31, 2024 and ₱9.1 billion as at December 31, 2023) and land held for appreciation (₱539.7 million as at December 31, 2024 and 2023).

Investment properties in progress include costs incurred for the construction of Rockwell Performing Arts Theater. General borrowing costs capitalized as part of investment properties amounted to ₱12.9 million in 2024 (nil in 2023) (see Note 16). Average capitalization rate used for this ongoing project is 4.82% in 2022.

As at December 31, 2024 and 2023, advances to contractors, included under “Other noncurrent assets” account in the Company’s statements of financial position, amounting to ₱32.9 million and ₱53.9 million, respectively, primarily pertain to advances related to the development of Rockwell Performing Arts Theater, One Proscenium projects and Mall Expansion.

Lease income earned from investment properties amounted to ₱2,307.6 million and ₱2,101.1 million in 2024 and 2023 respectively. Direct operating expenses incurred amounted to ₱762.8 million and ₱467.7 million in 2024 and 2023 respectively.

The aggregate fair value of the Company's Power Plant Mall and Mall Expansion amounted to ₱13.6 billion and ₱12.8 billion as at December 31, 2024 and, 2023, respectively. The aggregate fair value of other investment properties held for lease within and outside Rockwell Center and land held for appreciation amounted to ₱18.5 billion and ₱17.4 billion as at December 31, 2024 and 2023, respectively.

The fair value as at December 31, 2024 and 2023 was determined by independent professionally qualified appraiser accredited by the SEC. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.

The fair value of the mall and investment properties held for lease was arrived at through the use of the "Income Approach," particularly the "Discounted Cash Flow Analysis" which is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property being valued. In an operating property, periodic cash flow is typically estimated as gross revenue less operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. This is included under Level 3 in the fair value hierarchy (see Note 29).The fair value of land held for appreciation and land component of assets under construction was arrived at through the use of the "Market Data Approach". "Market Data Approach" is based on the assumption that no prudent purchaser will buy more than what it will cost him to acquire an equally desirable substitute parcel or site. This approach is primarily based on sales and listings, which are adjusted for time of sale, location, and general characteristics of comparable lots in the neighborhood where the subject lot is situated. This is included under Level 2 in the fair value hierarchy (see Note 29).

The fair value of assets recently completed and undergoing construction was arrived at through the use of the "Cost Approach". "Cost Approach" is based on the amount required to replace the service capacity of an asset (frequently referred to as current replacement cost). This approach is applied by estimating the amount that currently would be required to construct a substitute software asset of comparable utility. This is included under Level 3 in the fair value hierarchy (see Note 29).
The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

12. Property and Equipment

The rollforward analysis of this account follows:

	2024					
	Land	**Buildings and Improvements**	**Office Furniture and Other Equipment**	**Transportation Equipment**	**Construction in Progress**	**Total**
Cost						
At January 1	**₱690,844**	**₱2,020,481**	**₱2,080,608**	**₱408,650**	**₱90,861**	**₱5,291,444**
Additions	**1,568**	**89,947**	**154,772**	**61,766**	**19,644**	**327,697**
Disposal	**–**	**–**	**(20,594)**	**(17,330)**	**–**	**(37,924)**
At December 31	**692,412**	**2,110,428**	**2,214,786**	**453,086**	**110,505**	**5,581,217**
Accumulated Depreciation and Amortization						
At January 1	**–**	**910,842**	**1,747,569**	**266,434**	**–**	**2,924,845**
Depreciation and amortization (see Note 22)	**–**	**92,452**	**125,150**	**40,546**	**–**	**258,148**
Disposal	**–**	**–**	**(20,594)**	**(11,004)**	**–**	**(31,598)**
At December 31	**–**	**1,003,294**	**1,852,125**	**295,976**	**–**	**3,151,395**
Net Book Value at December 31	**₱692,412**	**₱1,107,134**	**₱362,661**	**₱157,110**	**₱110,505**	**₱2,429,822**

	2023					
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	Total
Cost						
At January 1	₱683,864	₱1,567,162	₱2,023,876	₱348,478	₱75,157	₱4,698,537
Additions	–	–	146,204	75,402	15,704	237,310
Transfers from real estate inventories (see Note 8)	6,980	453,319	–	–	–	460,299
Disposal	–	–	(89,472)	(15,230)	–	(104,702)
At December 31	690,844	2,020,481	2,080,608	408,650	90,861	5,291,444
Accumulated Depreciation and Amortization						
At January 1	–	845,821	1,728,353	246,776	–	2,820,950
Depreciation and amortization (see Note 22)	–	65,021	108,688	34,888	–	208,597
Disposal	–	–	(89,472)	(15,230)	–	(104,702)
At December 31	–	910,842	1,747,569	266,434	–	2,924,845
Net Book Value at December 31	₱690,844	₱1,109,639	₱333,039	₱142,216	₱90,861	₱2,366,599

As at December 31, 2024 and 2023, advances to contractors, included under “Other noncurrent assets” account in the parent company statements of financial position, amounting to ₱1.3 million and ₱5.8 million, respectively, primarily pertain to advances related to the development of “Mactan Hotel”.

13. Investments in Joint Venture and Associate

This account consists of:

	2024	2023
Investment in:		
Joint venture	**₱4,773,935**	₱4,948,935
Associate	**–**	756,150
	₱4,773,935	₱5,705,085

Investment in Joint Venture

a. RIDC

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 (the Project) through Rockwell IPI Development Corporation (RIDC), formerly 8 Promoveo Land, Inc., 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. Under the terms of the JVA, each of the Company and IPI shall at all times hold 50% of the total subscribed shares, except in certain circumstances provided for in the JVA. Pursuant to the JVA, the Company shall subscribe to 3,148,410,000 common and redeemable preferred shares out of the unissued authorized shares of PLI in the following manner:

a. *First Subscription*: On the execution date of the JVA Agreement, the Company shall execute a Subscription Agreement to subscribe to 1,019,205,000 common shares and 1,500,795,000 redeemable preferred shares – Tier 1.
b. *Second Subscription*: Upon SEC approval of the increase in capital stock, the Company shall execute a second Subscription Agreement to subscribe to the additional 628,410,000 redeemable preferred shares – Tier 1 to complete its subscription for the shares comprising its Tier 1 capital contribution.

In December 2021, the Company contributed ₱630.0 million in cash to the JV Co. as partial payment for the Company's subscription. On the same period, PLI filed its application with the SEC for the increase in authorized capital stock. The corresponding shares of the Company's first subscription shall be issued out of the said increase in authorized capital stock. Accordingly, the aforementioned partial subscription payment is treated as deposits for stock subscription as at December 31, 2021 presented as part of investments in joint venture.

The increase in RIDC's authorized capital stock was approved by the SEC in April 2022, with the Company accruing the remaining portion of its subscription amounting to ₱2,518.4 million as of December 31, 2022. Out of the accrued subscription, ₱775.0 million will be paid in 2023 while the remaining will be paid beyond 1 year based on the terms of the JVA.

The carrying value of the Company's investment in RIDC amounted ₱3,537.3 million as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, RIDC has no commitments and contingencies.

b. RBC

On March 25, 2008, the Company entered into a 25-year JV Agreement with Meralco to form an unincorporated and registered JV (70% for the Company and 30% for Meralco), referred to as "unincorporated JV". Under the JV Agreement, the parties agreed to pool their allocated areas in the first two towers of the BPO Building, including the right to use the land, and to operate and manage the combined properties for lease or any similar arrangements to third parties under a common property management and administration. Consequently, the Company's contribution to the unincorporated JV is presented as "Investment in joint venture" account in the Company's statements of financial position. The unincorporated JV started commercial operations in July 2009.

In accordance with the terms of the JV Agreement, the Company acts as the Property Manager of the unincorporated JV. Management fees recognized by the Company, which is shown as part of "Others" account in the Company's statements of comprehensive income, amounted to ₱9.9 million and ₱7.5 million in 2023 and 2022, respectively (see Note 26). The unincorporated JV will be managed and operated in accordance with the terms of the JV Agreement and with the Property Management Plan provided for in the JV Agreement. The principal place of business of the unincorporated JV is at Meralco Compound, Ortigas Center, Pasig City.

On November 25, 2009, Meralco and the Company agreed to revise the sharing of earnings before depreciation and amortization to 80% for the Company and 20% for Meralco until 2014 or until certain operational indicators are reached, whichever comes first. Sharing of depreciation and amortization is proportionate to their contribution.

On December 6, 2013, Meralco and the Company entered into a Supplemental Agreement to the JV Agreement to include their respective additional rights and obligations, including the development and construction of the third tower of the BPO Building. Under the Supplemental Agreement, Meralco shall contribute the corresponding use of the land where the third tower will be constructed while the Company shall provide the additional funds necessary to cover the construction costs. Construction of the third tower was completed in December 2014.

In 2020, the Company and Meralco have agreed that effective January 1, 2020, all income sharing distribution in excess of the JV's retained earnings shall be treated as return of capital.

The carrying value of the Company's investment in joint venture consists of:

	2024	2023
Balance at beginning of year	**₱1,411,596**	₱1,612,461
Return of investment	**(175,000)**	(200,865)
	₱1,236,596	₱1,411,596

In 2024 and 2023, the Company received dividend income from its unincorporated JV amounting to ₱432.8 million and ₱416.0 million, respectively, presented as part of "Others" in the Company's statements of comprehensive income.

As at December 31, 2024 and 2023, the unincorporated JV has no commitments and contingencies.

14. Investments in Subsidiaries

The subsidiaries of the Company are all incorporated in the Philippines.

The detailed carrying values of the Company's investments in subsidiaries as at December 31 are as follows:

	2024	2023
Rockwell GMC Development Corporation (RGDC)	**₱4,092,984**	₱4,092,984
Rockwell Nepo Development Corporation (RNDC)*	**2,244,403**	–
Rockwell MFA Corp. (RMFA)	**1,120,000**	1,120,000
Retailscapes Inc.	**500,000**	500,000

(Forward)

	2024	2023
Rockwell Primaries Development Corporation (RPDC)	**₱500,000**	₱500,000
Rockwell Carmelray Development Corporation (RCDC)	**428,893**	1,285,622
Rockwell Leisure Club, Inc. (RLCI)	**227,844**	228,600
Rockwell Integrated Property Services, Inc. (RIPSI)	**19,063**	19,063
Stonewell Property Development Corporation (SPDC)	**12,500**	12,500
Rockwell Hotels & Leisure Management Corp. (RHLMC)	**5,000**	5,000
Rockwell Performing Arts Theater Corporation (RPATC)	**2,500**	2,500
	₱9,153,187	₱7,766,269

**Became a subsidiary through step acquisition in January 2025*

RNDC

On August 17, 2020, the Parent Company entered into a Joint Venture Agreement with T.G.N. Realty Corporation to develop parcels of land in Pampanga, through RNDC. The final shareholdings shall be 40%-60% between Rockwell Land and T.G.N. Realty Corporation, respectively.

On November 6, 2020, the Parent Company subscribed to 746,698,125 redeemable preference shares and 9,451,878 common shares of RNDC, equivalent to 40% of RNDC's outstanding capital stock, for a total consideration of ₱756.2 million. As at December 31, 2020, the Parent Company made partial payment of the subscription price amounting to ₱72.0 million and accounted for such investment as an associate. The purchase price allocation resulted to recognition of RNDC's assets and liabilities at fair value, with land as the primary asset, and embedded goodwill amounting to ₱51.0 million.

On January 15, 2024, the Parent Company subscribed to an additional 1,488,253,578 shares from the unissued portion of the existing authorized capital stock of RNDC, consisting of 16,878,344 common shares and 1,471,375,234 redeemable preferred shares for an aggregate subscription price of ₱1,488.3 million. As a result, the Parent Company's ownership interest in RNDC increased from 38.49% to 65.00%. As partial payment for the subscription, the Parent Company paid ₱190.0 million in cash to RNDC which was paid upon the execution of the agreement.

RGDC

On March 30, 2023, the company entered into a joint venture agreement with General Milling Corporation (GMC) to jointly develop a property into a mixed-use project with residential and retail components. Pursuant to the agreement, Rockwell GMC Development Corporation (RGDC) was incorporated. The Company will be the sole and exclusive project development manager and sole marketing and sales agent of RGDC, contributing cash while GMC contributed land and shall contribute cash.

On June 24, 2023, the Company made a subscription to 11,999,997 common shares at ₱1 par value per share or ₱12.0 million; 3,720,984,000 redeemable preferred shares – A at ₱1 par value per share or ₱3,721.0 million; and 360,000,000 redeemable preferred shares – C at ₱1 par value per share or ₱360.0 million.

As at December 31, 2024, the Company owns 60.00% interest of RGDC. As of December 31, 2024, subscription payable to RGDC amounted to ₱3,473.0 million.

RCDC
Pursuant to the Joint Venture Agreement discussed in Note 13, RCDC was designated by the Company and the Carmelray shareholders to handle the development of "Rockwell South at Carmelray".

As at December 31, 2018, the Company had a 14.7% interest in RCDC, equivalent to 450,000 common shares (eventually converted into 44.1 million Class A redeemable preferred shares and 900,000 common shares on May 27, 2019), and was accounted for as an investment in associate (see Note 13).

On November 20, 2019, the Company subscribed to an additional 240.9 million Class A redeemable preferred shares representing 37.6% of the total issued and outstanding shares of RCDC for a total purchase price of ₱2,409.0 million which was already fully paid as at December 31, 2024. Subscription payable to RCDC amounted to nil as at December 31, 2024 and 2023.

On April 14, 2023, the Parent Company had redeemed 46.4 million Class A redeemable preferred shares and 10.983 million Class B redeemable preferred shares at the redemption price of ₱10 per share amounting to ₱464.0 million and ₱109.8 million, respectively. The Company owns 70% interest of RCDC as at December 31, 2024 and 2023.

The Company recognized dividend income from RCDC amounting to ₱149.7 million in 2024 and ₱230.9 million in 2023.

RMFA
On July 14, 2017, 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, RMFA was incorporated on August 22, 2017 by the Company and Mitsui through SEAI Metro Manila One, Inc. (MFAP) to handle the development of the Project. The primary purpose of RMFA is to acquire, purchase, lease, hold, sell, or otherwise deal in land and real estate or any interest or right therein as well as real or personal property of every kind and description for itself or for others. The Company owns 80% interest of RMFA as at December 31, 2024 and 2023.

RPDC
On September 7, 2012, the Company incorporated RPDC to acquire, purchase, lease, hold, sell, or otherwise deal in land and real estate or any interest or right therein as well as real or personal property of every kind and description for itself or for others. RPDC is a wholly owned subsidiary of the Company as at December 31, 2024 and 2023.

Retailscapes Inc.
On November 10, 2014, the Company incorporated Retailscapes Inc. to engage in real estate development, sale or lease of real estate and other property, and management of commercial units. Retailscapes Inc. is a wholly owned subsidiary of the Company as at December 31, 2024 and 2023. In 2018, the Company made additional equity infusion amounting to ₱166.0 million in Retailscapes Inc.

RLCI
On March 26, 1999, RLCI was incorporated in the Philippines and was registered with the Philippine SEC primarily to own, maintain, manage and carry on sports, social and recreational club on a nonprofit basis at the Rockwell Center for amusement, social, entertainment, recreational and athletic activities of the RLCI members. The Company owns 74.7% and 74.7% interest of RLCI as at December 31, 2024 and 2023, respectively.

RIPSI
On February 19, 1999, the Company incorporated RIPSI to establish, own, manage, operate and carry on the business of maintaining and cleaning buildings and other facilities. RIPSI is a wholly owned subsidiary of the Company as at December 31, 2024 and 2023.

SPDC
On September 17, 2012, the Company incorporated SPDC to acquire, purchase, lease, hold, sell, or otherwise deal in land and real estate or any interest or right therein as well as real or personal property of every kind and description for itself or for others. SPDC is a wholly owned subsidiary of the Company as at December 31, 2024 and 2023.

RHLMC
On June 20, 2013, the Company incorporated RHLMC to manage and engage in the general business of a hotel, resort, club, recreational center, apartment and other allied businesses. RHLMC is a wholly owned subsidiary of the Company as at December 31, 2024 and 2023.

RPATC
On November 29, 2012, the Company incorporated RPATC, formerly Primaries Properties Sales Specialist Inc. (PPSSI). RPATC's primary purpose was changed from engaging in the business of selling or marketing real estate products, including but not limited to land, buildings, condominium units, town houses, apartments, house and lot packages and all other forms of real estate products to engaging in the business of constructing, establishing, operating and maintaining theaters and performance, concerts, operas, music and other forms of entertainment. RPATC is a wholly owned subsidiary of the Company as at December 31, 2024 and 2023.

15. Trade and Other Payables

This account consists of:

	2024	2023
Trade	**₱1,069,728**	₱1,171,317
Accrued expenses:		
Project costs	**2,113,696**	3,167,655
Selling, marketing and promotions	**566,244**	507,686
Employee benefits (see Note 23)	**170,537**	78,382
Utilities	**82,434**	74,601
Taxes and licenses	**38,163**	59,871
Repairs and maintenance	**51,853**	45,923
Producers' share	**49,209**	30,867
Outside services	–	33,436
Professional fees	–	12,435
Others (see Notes 17)	**441,985**	142,341

(Forward)

	2024	2023
Contract liabilities:		
Deposits from pre-selling of condominium units (see Notes 7, 17 and 20)	**₱–**	₱787,844
Excess of collections over recognized receivables (see Notes 17 and 20)	**973,040**	437,707
Advance payments from members and customers (see Note 17 and 20)	**11,695**	11,695
Current portions of:		
Retention payable (see Note 17)	**715,453**	694,358
Security deposits (see Note 17)	**341,204**	341,334
Deferred lease income (see Note 17)	**169,648**	176,329
Interest	**163,649**	133,308
Lease liability (see Note 27)	**19,164**	19,367
Due to related parties (see Notes 13 and 26)	**16,617**	55,845
Deferred output VAT	**41,382**	19,342
Derivative Liabilities	**24,281**	–
Output VAT	**459,734**	12,952
	₱7,519,715	₱8,014,595

Trade payables and accrued project costs are noninterest-bearing normally settled on a 30-day term.

Accrued taxes mainly consist of transfer fees payable and taxes payable other than income tax.

Accrued expenses are normally settled within 12 months.

Deposits from pre-selling of condominium units represent cash received from buyers of certain projects with pending recognition of revenue. The current portion of these deposits are expected to be applied against receivable from sale of condominium units the following year (see Note 20).

Retention payable pertains to the amount withheld by the Company on contractor's billings to be released after the guarantee period. The retention serves as a security from the contractor should there be defects in the project.

Security deposits pertains to rent of tenants with cancellable lease contracts. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes and are expected to be settled relative with the payment terms provided to customers.

16. Interest-bearing Loans and Borrowings

This account consists of:

	Effective Interest Rate	2024	2023
Current			
Term loan	Fixed 3.43%-6.24% Floating 6.14%-7.57%	₱4,545,844	₱2,747,246
Less unamortized loan transaction costs		**19,157**	21,263
		₱4,526,687	₱2,725,983

	Effective Interest Rate	**2024**	2023
Noncurrent			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	₱24,004,182	₱22,169,033
Less unamortized loan transaction costs		**99,900**	89,446
		₱23,904,282	₱22,079,587

Term Loan

PNB. On May 25, 2016, December 19, 2019 and September 13, 2021, the Company entered into unsecured credit facilities with PNB each amounting to ₱5.0 billion, for a total of ₱15.0 billion. As at September 13, 2022, ₱3.5 billion of the credit facility with PNB has expired. The Company will pay 70% of the loan amounts quarterly over the term of the loans and the balance upon maturity.

Details of drawdowns are as follows:

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarterly Payments	Amount (in billions)
1	May 2016	10 years	August 2018	32	₱1.0
2	August 2017	7 years	August 2019	20	1.0
3	September 2017	7 years	September 2019	20	1.0
4	October 2017	7 years	October 2019	20	1.0
5	December 2017	7 years	December 2019	20	1.0
6	December 2019	7 years	December 2021	20	1.0
7	January 2020	7 years	April 2022	20	1.0
8	December 2020	7 years	March 2023	20	1.0
9	February 2021	7 years	May 2022	24	2.0
10	October 2021	7 years	January 2024	20	1.0
11	April 2022	7 years	January 2024	24	0.5
12	June 2024	7 years	September 2026	20	1.0
13	December 2024	7 years	December 2026	21	0.5
					₱13.0

MBTC. On June 14, 2016, the Company entered into a credit facility with MBTC amounting to ₱4.0 billion. The Company will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	June 2016	7 years	September 2018	20	₱1.0
2	June 2016	10 years	September 2018	32	1.0
3	September 2016	7 years	December 2018	20	0.5
4	June 2017	10 years	September 2018	32	1.0
5	October 2017	10 years	September 2018	32	0.5
					₱4.0

On November 18, 2019, the Company entered into an unsecured credit facility with Metropolitan Bank and Trust Company (MBTC) amounting to ₱5.0 billion. The Company will pay 50% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	November 2019	7 years	February 2022	20	₱2.0
2	December 2019	7 years	February 2022	20	1.0
3	March 2020	7 years	June 2022	20	1.0
4	August 2020	7 years	November 2022	20	1.0
					₱5.0

As at December 31, 2020, the credit facility with MBTC has been fully utilized.

On December 16, 2022, the Company entered into an unsecured credit facility with MBTC amounting to ₱3.0 billion. There were no drawdowns made in the facility as at December 31, 2022.

BDO. On January 20, 2020, the Company entered into an unsecured credit facility with BDO amounting to ₱10.0 billion. The Company will pay 48% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Schedule of drawdowns are shown below.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	February 2020	10 years	May 2022	32	₱1.0
2	April 2020	10 years	July 2022	32	1.0
3	July 2020	10 years	October 2022	32	2.0
4	September 2020	10 years	December 2022	32	1.0
5	April 2021	9 years	May 2022	32	1.0
6	June 2021	9 years	May 2022	32	1.0
7	August 2021	9 years	May 2022	32	1.0
8	September 2021	9 years	May 2022	32	1.0
9	October 2021	9 years	May 2022	32	1.0
					₱10.0

As at December 31, 2021, the credit facility with BDO has been fully utilized.

On March 4, 2022, the Company entered into an unsecured credit facility with BDO amounting to ₱5.0 billion. The Company will pay 70% of the loan amount quarterly over the term of the loan and the balance upon maturity.

Drawdown	Drawdown Date	Maturity	Start of Principal Payment	No. of Quarter Payments	Amount (in billions)
1	Dec 2022	10 years	March 2024	36	₱1.5
2	March 2023	10 years	March 2024	36	3.5
					₱5.0

As at December 31, 2024, the credit facility with BDO has been fully utilized.

The outstanding balance of the term loans, net of unamortized loan transaction costs, amounted to ₱24,805.6 million and ₱24,805.6 million as of December 31, 2024 and 2023, respectively.

Short-term Loans
In 2024, the Parent Company obtained short-term loans from various financial institutions bearing interest rates ranging from 5.60% to 6.00% with terms from three to six months. As at December 31, 2024 and 2023, outstanding short-term loans amounted ₱1,800.0 million and nil, respectively.

Loan Transaction Costs. As at December 31, 2024 and 2023, loan transaction costs consisting of documentary stamp tax and underwriting fees on the term loans and bonds were capitalized and presented as a deduction from the related loan balance.

The movements in the balance of the capitalized loan transaction costs are as follows:

	2024	2023
Balance at beginning of year	**₱110,709**	₱109,218
Additions	**33,744**	26,250
Amortization (see Note 22)	**(25,397)**	(24,759)
Balance at end of year	**₱119,056**	₱110,709

Interest expense. Interest expense on interest-bearing loans and borrowings amounted to ₱1,536.2 million and ₱1,407.5 million in 2024 and 2023, respectively (see Note 22). Interest expense capitalized as part of investment properties amounted to 12,937.2 and nil in 2024 and 2023, respectively (see Note 11).

Principal Repayments. The principal repayments of all loans and borrowings based on existing terms are scheduled as follows:

Year	Amount
2025	₱4,545,844
2026	6,526,071
2027	2,718,504
2028	2,642,729
2028 and onwards	12,116,877
	₱28,550,025

Covenants. The loan contains, among others, covenants regarding incurring additional long-term debt and paying out dividends, to the extent that such will result in a breach of the required debt-to-equity ratio (2:1 max.) and current ratio (1:1 min.). As at December 31, 2024 and 2023, the Company has complied with these covenants (see Note 28).

17. **Deposits and Other Liabilities**

This account consists of:

	2024	2023
Contract liabilities:		
Retention payable - net of current portion of ₱715.5 million in 2024 and ₱694.3 million in 2023 (see Note 15)	**₱400,015**	₱370,626
Deferred lease income - net of current portion of ₱169.7 million in 2024 and ₱176.3 million in 2023 (see Note 15)	**222,489**	192,692
Excess of collections over recognized receivables - net of current portion of ₱973.0 million in 2024 and ₱437.7 million in 2023 (see Notes 15 and 20)	**393,641**	55,109
Deposits from pre-selling of condominium units - net of current portion of ₱0 nil in 2024 and ₱787.8 million in 2023 (see Notes 15 and 20)	**–**	143,493
Security deposits - net of current portion of ₱341.2 million in 2024 and ₱341.3 million in 2023 (see Note 15)	**391,227**	297,325
Condominium and utility deposits	**56,153**	150,233
Others (see Notes 15 and 24)	**96**	17,879
	₱1,463,621	₱1,227,357

Retention payable is the portion of the amount billed by contractors that is being withheld as security in case the Company incurs costs during the defects and liability period, which is one year after a project's completion. This is subsequently released to the contractors after the said period.

As discussed in Note 4, the Company uses discounted cash flow analysis to measure the fair value of retention payable. The resulting difference between the transaction price and fair value at initial recognition is recognized in the parent company statements of financial position as a reduction from the "Real estate inventories" account. The retention payable is carried at amortized cost using effective interest method. The amortization of discount on retention payable is expensed as part of the "Interest expense" account in the parent company statements of comprehensive income (see Note 22).

The following table shows a reconciliation of unamortized discount on retention payable as at year-end.

	2024	2023
Balance at beginning of year	**₱34,702**	₱27,076
Additions	**55,366**	31,271
Amortization (see Note 22)	**(13,238)**	(23,645)
Balance at end of year	**₱76,830**	₱34,702

Security deposits mainly consist of the four months deposits paid by mall tenants at the beginning of the lease term, to be refunded at the end of the contract.

Deferred lease income pertains to two months advance rent included in the initial billing to mall tenants, which shall be applied to the monthly rental at the end of the lease term.

Condominium and utility deposits primarily pertains to customer's security upon purchase of a unit and upfront payments for services such as water and electricity.

18. Share-based Payment Plans

The Parent Company has an Employee Stock Option Plan (ESOP) that was approved by the BOD and stockholders on May 2, 2012 and August 3, 2012, respectively. The ESOP is offered to all regular employees of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include. The aggregate number of ESOP shares that may be issued shall not at any time exceed 3% of the issued capital stock or 192,630,881 common shares of the Parent Company on a fully diluted basis and may be issued upon the exercise by the eligible participants of the stock option plans. The maximum numbers of shares a participant is entitled to shall be determined as a multiple of the gross basic monthly salary based on rank and performance for the year preceding the award. The option is exercisable anytime within the Option Term once vested. The ESOP was approved by the SEC on December 6, 2012 and was communicated to the employees on January 3, 2013.

The terms of the ESOP include, among others, a limit as to the number of shares a qualified regular employee of the Parent Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include may purchase. Options are expected to be granted annually over a period of 5 years. Options granted are vested after one year. All qualified participants are given until 10th year of the grant date to exercise the stock option.

The primary terms of the grants follow:

Grant date	January 3, 2013
Number of options granted:	63,918,000
Offer price per share	1.46
Option value per share	1.43

The fair value of equity-settled share options granted is estimated as at the date of grant using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the option grants:

Expected volatility (%)	36.94
Exercise price (₱)	1.46
Spot price (₱):	2.52
Risk-free interest rate (%)	4.19
Term to maturity (years)	10.0
Dividend yield (%)	1.91

The expected volatility reflects the average historical volatility of peer companies based on a lookback period consistent with the term to maturity of the option. This may likewise not necessarily be the actual volatility outcome. The effects of expected early exercise, including the impact of the vesting period and blackout periods, are captured in the binomial model. No other features of the option grants were incorporated into the measurement of the fair value of the options.

On April 25, 2019, the Company's BOD approved the extension of plan expiry date of ESOP shares from December 31, 2022 to December 31, 2025.tThere were no share options granted or exercised in 2024, 2023 and 2022.

As at December 31, 2024 and 2023, the outstanding ESOP shares are as follows:

	2024	2023
Number of grants	**₱63,918,000**	₱63,918,000
Cancellations	**(13,885,000)**	(13,630,000)
Exercised	**(15,000,000)**	(15,000,000)
Remaining shares	**₱35,033,000**	₱35,288,000

As at December 31, 2024 and 2023, total share-based payment transactions, net of applicable tax, amounting to ₱69.7 million are presented as "Share-based payments" account under the equity section of the consolidated statements of financial position.

19. **Equity**

a. Capital Stock

As at December 31, 2024 and 2023, capital stock consists of:

	Number of Shares	Amount
Authorized:		
Common - ₱1 par value	8,890,000,000	₱8,890,000
Preferred - ₱0.01 par value	11,000,000,000	110,000
	19,890,000,000	₱9,000,000

	Number of Shares	Amount
Issued:		
Common - ₱1 par value	6,243,382,344	₱6,243,382
Preferred - ₱0.01 par value	2,750,000,000	27,500
	8,993,382,344	₱6,270,882

The preferred shares are of equal rank, preference and priority with the common shares and are identical in all respects regardless of series, except as to the issue value which may be specified by the BOD from time to time. It has voting rights and are non-participating in any other or further dividends beyond that specifically on such preferred shares. Each preferred share shall not be convertible to common shares. Other features of the preferred shares shall be at the discretion of the BOD at the time of such issuance. All preferred shares currently outstanding earn 6% cumulative dividend per annum. On January 31, 2012, the Company fully redeemed these preferred shares at par value, including dividends in arrears of ₱4.1 million. On February 28, 2012, the BOD authorized the reissuance of these preferred shares at a later date. On April 10, 2012, the Company issued to FPHC all preferred shares at par value.

Below is the track record of issuance of the Company's common stock:

Date of SEC Approval	Authorized Capital Stock	New Subscriptions/ Issuances	Issue/ Offer Price
May 2012, listing by way of introduction	8,890,000,000	6,228,382,344	₱1.46
Exercise of ESOP shares (see Note 18)	–	15,000,000	
	8,890,000,000	6,243,382,344	

As at December 31, 2024, and 2023, the Company has total shareholders of 45,456 and 45,456, respectively, on record. For this purpose, public shares held under PCD Nominee are counted as two (one for PCD Nominee - Filipino and another for PCD Nominee - Foreign).

b. Treasury Shares

In May 2012, the Company acquired 126,620,146 common shares from Meralco, representing the foreign shareholders' entitlement from property dividend distribution made by Meralco, at ₱1.4637 per share (see Note 1).

c. Retained Earnings

On February 3, 2020, the Company's BOD approved the appropriation of retained earnings amounting to ₱9.0 billion (after reversal of ₱7.0 billion appropriation) out of the total retained earnings as of December 31, 2019 to partially fund capital expenditure of the Company from 2020 to 2021. Retained earnings are further restricted to the extent of the cost of treasury shares.

On April 1, 2022, the Company's BOD approved the release from appropriation, retained earnings of ₱9.0 billion set aside for capital expenditure. On the same date, the Company's BOD approved the appropriation of retained earnings of ₱9.0 billion out of the total retained earnings as of December 31, 2021 for capital expenditures covering the period from 2022 to 2023.

On December 7, 2022, the Company's BOD approved the appropriation of retained earnings amounting to ₱11.0 billion (after reversal of ₱9.0 billion appropriation) out of the total retained earnings as of December 31, 2022, to partially fund capital expenditures of the Company from 2023 to 2024.

As at December 31, 2024 and 2023, retained earnings available for dividend declaration amounted to ₱6.1 billion and ₱6.1 billion, respectively.

d. Dividends

On August 16, 2024, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.018 per share to all common shareholders of record as at August 16, 2024 amounting to ₱624.3 million and 6% per annum cumulative cash dividend from July 1, 2023 to June 30, 2024 to all preferred shareholders amounting to ₱1.70 million. Payments of cash dividends for common shares were made on September 11, 2024.

On July 28, 2023, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.0752 per share to all common shareholders of record as at August 23, 2023 amounting to ₱459.98 million and 6% per annum cumulative cash dividend from July 1, 2022 to

June 30, 2023 to all preferred shareholders amounting to ₱1.70 million. Payments of cash dividends for common shares were made on September 18, 2023.

On September 30, 2022, the Company's BOD approved the declaration of a regular cash dividend of ₱0.0537 per share to all common shareholders of record as at October 18, 2022 amounting to ₱328.42 million and 6% per annum cumulative cash dividend from July 1, 2021 to June 30, 2022 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on November 14, 2022.

As at December 31, 2024 and 2023, unpaid cumulative dividends on preferred shares amounted to ₱0.8 million for each year.

20. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Company derives revenue from the transfer of goods and services over time and at a point in time, in different product types and in geographical locations within the Philippines. The Company's disaggregation of revenue from contracts with customers by primary geographical market and major products/service lines and the reconciliation of the disaggregated revenue with the Company's three strategic divisions are presented below (excluding interest and lease income):

	2024	
	Residential Development	**Commercial Development**
Primary geographical markets		
National Capital Region	**₱5,027,369**	**₱1,409,063**
Southern Luzon	**589,089**	**–**
Central Visayas	**3,256,009**	**–**
Western Visayas	**1,705,191**	**–**
Central Luzon	**193,398**	**3,878**
	₱10,771,056	**₱1,412,941**

	2024	
	Residential Development	**Commercial Development**
Major product/service lines		
Sale of high-end residential condominium units	**₱8,306,166**	**₱–**
Sale of residential lots	**569,207**	**–**
Sale of affordable housing units	**19,883**	**–**
Sale of office spaces	**–**	**132,959**
Cinema revenue	**–**	**194,425**
Others	**1,875,800**	
	₱10,771,056	**₱1,412,941**
Timing of revenue recognition		
Transferred over time	**₱8,894,448**	**₱132,959**
Transferred at a point in time	**1,876,608**	**1,279,982**
	₱10,771,056	**₱1,412,941**

	2023	
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱6,017,732	₱1,392,581
Southern Luzon	614,528	–
Central Visayas	1,881,938	–
Western Visayas	1,018,516	–
	₱9,532,714	₱1,392,581

	2023	
	Residential Development	Commercial Development
Major product/service lines		
Sale of high-end residential condominium units	₱7,153,070	₱–
Sale of residential lots	594,994	–
Sale of affordable housing units	19,534	–
Sale of office spaces	–	215,366
Cinema revenue	–	187,135
Others	1,765,116	990,080
	₱9,532,714	₱1,392,581
Timing of revenue recognition		
Transferred over time	₱7,767,598	₱215,366
Transferred at a point in time	1,765,116	1,177,215
	₱9,532,714	₱1,392,581

Contract Balances

The table below shows the contract balances arising from revenue from contracts with customers as at December 31.

	2024	2023
Trade receivables*(see Note 7)	**₱438,324**	₱252,279
Contract assets (see Note 7)	**9,998,529**	9,666,018
Excess of collections over recognized receivables**(see Notes 15 and 17)	**1,366,681**	492,816
Deposits from pre-selling of condominium units**(see Notes 15 and 17)	**–**	931,337

**Included under "Trade and other receivables" account*
***Included under "Trade and other payables" and "Deposits and other liabilities" accounts*

Trade receivables consist of installment contract receivables from sale of condominium units, house and lot and residential lots. Installment contracts receivables arising from real estate sales are collectible in equal monthly installments with various terms up to a maximum of five years. These are recognized at amortized cost using the effective interest method. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price. The movement in installment contracts receivables is mainly due to billings to customers during the year. Trade receivables arising from room revenue, cinema revenue and other service income are noninterest-bearing and are generally on terms of 30 days.

Contract assets represent the right to consideration that was already delivered by the Company in excess of the amount recognized as installment contracts receivable. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection. In 2024 and 2023, the movement in contract asset is mainly due to revenue recognized relative to the increase in percentage of completion of certain projects and the collection of outstanding receivables of completed residential condominium units.

No allowance for impairment related to trade receivables from sale of real estate and contract assets was recognized as at December 31, 2024 and 2023.

Contract liabilities consist of deposits from pre-selling of condominium units (i.e., collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over recognized receivables (i.e., excess of collections over the good and services transferred by Company based on percentage of completion). In 2024 and 2023, the movement in contract liabilities is mainly due to additional deposits received from pre-selling of condominium units in the "Edades West" project, excess of collections over revenue recognized of certain projects and the collection of outstanding receivables of completed residential condominium units of certain projects.

Revenue recognized from amounts included in contract liabilities at the beginning of 2024 and 2023 amounted to ₱1,692.4 million and ₱1,756.4 million, respectively.

Interest income earned from sale of real estate amounted to ₱260.3 million and ₱1,330.6 million in 2024 and 2023, respectively (see Note 21). Unamortized unearned interest on these receivables amounted to ₱3,106.8 million and ₱3,081.5 million as at December 31, 2024 and 2023, respectively.

Performance Obligations
Information about the Company's performance obligations are summarized below:

Real estate sales
The Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover either the (i) house and lot; and (ii) condominium unit and parking lot, and the Company concluded that there is one performance obligation in each of these contracts. The Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction. Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a period of one year at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to five (5) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability. After the delivery of the completed real estate unit, the Company provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Company as a quality assurance warranty and not treated as a separate performance obligation. The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31 follows:

	2024	2023
Within one year	**₱3,468,996**	₱3,468,996
More than one year	**10,648,307**	10,648,307
	₱14,117,303	₱14,117,303

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Company's real estate projects. The Company's condominium units and house and lots are expected to be completed within three to four years from start of construction.

Room, cinema and other revenues
The performance obligation is satisfied as the related services are rendered.

<u>Costs to Obtain Contract and Contract Fulfillment Assets</u>
The Company pays sales commission to its brokers and sales agents for each contract that they obtain from real estate customers. This sales commission is considered incremental costs of obtaining the contract and has been capitalized in accordance with PFRS 15 since the Company expects that sales commission is recoverable.

As at December 31, 2024 and 2023, sales commission pertaining to real estate sold capitalized as deferred selling expense as part of "Prepaid costs" included under "Other current assets" in the parent company statements of financial position amounted to ₱390.5 million and ₱529.4 million, respectively (see Note 9). For the years ended December 31, 2024 and 2023, the amortization related to incremental costs to obtain a contract recorded as part of "Commissions and amortization of prepaid costs" account under "Selling expenses" in the parent company statements of comprehensive income amounted to ₱554.3 million and ₱410.0 million, respectively (see Note 22). No impairment loss was recognized in the parent company statements of comprehensive income for the years ended December 31, 2024 and 2023 related to the Company's incremental costs to obtain a contract.

The Company considers land as contract fulfillment asset. Additions to land is disclosed in Note 8 to the parent company financial statements. No impairment on contract fulfillment asset was recognized for the years ended December 31, 2024 and 2023.

In preparing the parent company financial statements, the Company undertook a comprehensive review of its major contracts to identify indicators of impairment of contract fulfilment assets. The Company determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount. In preparing the parent company financial statements, the Company undertook a comprehensive review of its major contracts to identify indicators of impairment of contract fulfilment assets. The Company determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Company used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test. In line with the Company's accounting policy, as set out in Note 4, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

21. Interest Income

This account consists of:

	2024	2023
Interest income from:		
Contract balances (see Note 7)	**₱260,283**	₱1,330,632
Notes receivable from related parties (see Note 26)	**285,964**	237,185
Cash and cash equivalents (see Note 6)	**54,581**	143,929
Penalty charges	**19,446**	23,138
In-house financing	**1,758**	5,897
	₱622,032	₱1,740,781

22. Expenses

Depreciation and amortization

Depreciation and amortization expense included in the parent company statements of comprehensive income is as follows:

	2024	2023
Included in:		
Cost of real estate (see Note 11)	**₱505,185**	₱529,053
General and administrative expenses (see Note 12)	**258,148**	208,597
	₱763,333	₱737,650

General and Administrative Expenses

General and administrative expenses are comprised of:

	2024	2023
Personnel (see Notes 23 and 24)	**₱587,532**	₱435,844
Taxes and licenses	**369,840**	304,539
Depreciation and amortization (see Note 12)	**258,148**	208,597
Repairs and maintenance	**61,066**	142,152
Entertainment, amusement and recreation	**76,910**	76,104
Dues and subscriptions	**81,712**	72,404
Producers' Share	**70,748**	71,945
Marketing and promotions	**54,631**	69,326
Utilities	**42,363**	64,129
Fuel and oil	**62,384**	57,331
Contracted services	**55,989**	45,982
Professional fees	**31,885**	22,752
Accommodations	–	21,470
Donation and contributions	**8,379**	21,117
Security services	**24,027**	20,808
Insurance	**33,171**	20,524

(Forward)

	2024	2023
Provision for disallowance of claim for refund	–	17,544
Transportation and travel	**₱18,579**	₱17,259
Office supplies	**9,548**	13,240
Rental expense	**7,941**	12,385
Bank charges	**5,429**	4,045
Reversal of ECLs (Note 7)	**1,827**	(3,157)
Others	**159,648**	85,598
	₱2,021,757	₱1,801,938

The Company recognized provision for disallowance of claim for input VAT refund amounting to ₱17.5 million in 2023 (₱17.5 million in 2022). As at December 31, 2022, input VAT being claimed for refund, recognized under "Other noncurrent assets" in the parent company statement of financial position, amounted to ₱17.5 million (nil as at December 31, 2023).

Selling Expenses
Selling expenses are comprised of:

	2024	2023
Marketing and promotions	**₱489,675**	₱468,589
Commissions and amortization of prepaid costs (see Notes 4, 9 and 20)	**554,317**	410,021
Personnel (see Notes 23 and 25)	**112,232**	99,431
Entertainment, amusement and representation	**35,259**	36,978
Contracted services	**24,756**	17,777
Utilities	**6,327**	5,717
Usufruct	**522**	1,004
Others	**41,211**	44,053
	₱1,264,299	₱1,083,570

Interest Expense
Interest expense is comprised of:

	2024	2023
Interest expense on loans (see Notes 16 and 28)	**₱1,559,692**	₱1,407,454
Interest expense on contract balances (see Note 20)	**59,802**	-
Interest expense on lease liability (see Note 27)	**40,504**	39,830
Amortization of:		
Loan transaction costs (see Note 16)	**25,397**	24,759
Discount on retention payable (see Note 17)	**13,238**	23,645
	₱1,698,633	₱1,495,688

23. Pension Costs and Other Employee Benefits

a. Pension Costs

The Company has a funded, noncontributory defined benefit pension plan covering all qualified and permanent employees.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Company's retirement plan meets the minimum retirement benefit specified under Republic Act 7541. The following tables summarize the components of the net pension costs recognized in the parent company statements of comprehensive income and the fund status and amounts recognized in the parent company statements of financial position for the plan:

Net Pension Costs

	2024	2023
Current service cost	**₱87,121**	₱50,007
Net interest cost	**4,467**	2,040
Net pension cost	**₱91,588**	₱52,047

Net Pension Liability

	2024	2023
Present value of benefit obligation	**₱892,560**	₱768,766
Fair value of plan assets	**(720,036)**	(696,126)
Pension liability	**₱172,524**	₱72,640

The changes in the present value of benefit obligation are as follows:

	2024	2023
Defined benefit obligation at beginning of year	**₱768,766**	₱553,490
Current service cost	**87,120**	50,007
Interest cost	**45,602**	38,704
Actuarial loss (gain) in other comprehensive income/loss due to:		
Experience adjustments	**(2,975)**	28,332
Changes in financial assumptions	**6,631**	103,257
Benefits paid	**(12,584)**	(5,024)
Defined benefit obligation at end of year	**₱892,560**	₱768,766

The changes in the fair values of plan assets of the Company are as follows:

	2024	2023
Fair values of plan assets at beginning of year	**₱696,126**	₱485,253
Interest income included in net interest cost	**41,135**	36,664
Actual contributions		174,318
Gain (loss) on return on plan assets in other comprehensive income/loss	**(4,641)**	4,915
Benefits paid	**(12,584)**	(5,024)
Fair values of plan assets at end of year	**₱720,036**	₱696,126

The Company expects to contribute 55.3 million to its pension plan in 2025.

The major categories of plan assets as percentage of the fair value of total plan assets are as follows:

	2024	2023
Investments in:		
Government securities	**47.08%**	11.44%
Loans and debt instruments	**1.69%**	36.43%
Other securities	**51.23%**	52.13%
	100.00%	100.00%

The principal assumptions used as of January 1 in determining pension cost obligation for the Company's plans are as follows:

	2024	2023
Discount rate	**6.08%**	7.23-7.34%
Future salary rate increases	**10.00%**	10.00%

As of December 31, 2024, discount rate and future salary rate increases are 6.08% and 10.00%, respectively.

The plan assets of the Company are maintained by the trustee banks, BDO Unibank, Inc. (BDO) and MBTC.

As at December 31, 2024 and 2023, the carrying values of the plan approximate their fair values:

	2024	2023
Cash in banks		
MBTC	**₱6,825**	₱17,756
BDO	**77**	89
Receivables - net of payables		
MBTC	**1,402**	4,024
BDO	**3,071**	1,475
Investments held for trading		
MBTC	**437,390**	419,587
BDO	**271,271**	253,195
	₱720,036	₱696,126

Cash in banks are composed of current account, savings deposits and special savings deposits.

Receivables - net of payables are composed of loans receivables, interest receivables and accrued trust fees.

Investments held for trading are investments in government securities, corporate bonds and stocks.

i. Government securities' maturities range from 1 to 20 years with interest rates ranging from 3.00% to 10.125%.

ii. The Corporate bonds are certificates of indebtedness issued by top and usually listed corporations exhibiting sound financial performance and enjoying good credit from reputable/accredited agencies. Maturity dates range from 1 to 5 years with interest rates ranging from 4.41% to 7.06%.

iii. Investment in stocks represents equity securities of companies listed in the PSE.

The Retirement Plan has investment in shares of stock of the Company amounting to ₱59.0 million and ₱58.0 million as at December 31, 2024 and 2023, respectively.

The Company's retirement fund is exposed to a short term risk since 42% of it is in equities. On the long term, should there be any major corrections in the local equities market, the correction should have a positive impact of the fund since historically the equities market have always out-performed the fixed income market in the long term.

There are no outstanding balances arising from transactions between the Retirement Plan and the Company as at December 31, 2024 and 2023. Except as stated above, there were no other transactions entered into during the year by the Retirement Plan relating to the Company.

In 2024 and 2023, the sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2024		2023	
	Increase (Decrease) in Basis Points	**Increase (Decrease) in Defined Benefit Obligation**	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation
Discount rate	**+100**	**(₱97,974)**	+100	(₱88,042)
	-100	**117,592**	-100	105,975
Future salary increases	**+100**	**116,451**	+100	104,797
	-100	**(99,248)**	-100	(89,043)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

Year	**2024**	2023
Less than 1 year	**₱74,850**	₱54,535
More than 1 year to 5 years	**279,987**	86,146
More than 5 years to 10 years	**377,479**	430,075
More than 10 years to 15 years	**535,259**	464,325
More than 15 years to 20 years	**1,001,665**	945,274
More than 20 years	**4,716,078**	4,335,249

a. Other Employee Benefits

Other employee benefits consist of accumulated employee vacation and sick leave benefit amounting to ₱ 9.5 million and ₱6.0 million in 2024 and 2023, respectively (see Note 22).

The present value of the defined benefit obligation of other employee benefits amounted to ₱141.9 million and ₱120.8 million as at December 31, 2024 and 2023, respectively (see Note 15)

24. **Income Taxes**

The components of provision for income tax for the years ended December 31 follow:

	2024	2023
Current	**₱640,544**	₱686,445
Deferred	**110,123**	90,705
	₱750,667	₱777,150

The provision for current income tax represents the regular corporate income tax.

For income tax purposes on sale of real estate, full revenue recognition is applied when greater than 25% of the selling price has been collected in the year of sale, otherwise, the installment method is applied.

The components of the Company's net deferred tax liabilities shown in the Company's statements of financial position are as follows:

	2024	2023
Deferred tax liabilities:		
Excess of accounting gross profit over taxable gross profit	**₱1,514,927**	₱960,111
Right-of-use asset	**76,118**	79,132
Deferred selling expense	**-**	11,731
Unrealized foreign exchange gain and others	**12,588**	843
	1,603,633	1,051,817
Deferred tax assets:		
Capitalized Interest	**633,906**	–
Lease liability	**135,275**	132,457
Deferred lease income	**90,567**	83,118
Accrued selling expense	**45,270**	-
Unfunded pension cost	**43,131**	18,160
Unamortized past service cost	**40,241**	47,159
Other employee benefits	**35,073**	29,801
Share-based payment expense	**27,391**	31,886
Change in FV of derivatives	**16,600**	–
Allowance for doubtful accounts and others	**2,416**	4,994
	1,069,870	347,575
	₱533,763	₱704,242

The reconciliation of the statutory income tax rate to effective income tax rate as shown in the parent company statements of comprehensive income is summarized as follows:

	2024	2023
Statutory income tax rate	**25.00%**	25.00%
Addition to (deduction from) income tax resulting from:		
Nondeductible expenses	**0.23%**	(5.43%)
Nontaxable income and others	**(4.87%)**	0.49%
Effective income tax rate	**20.36%**	20.04%

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

International Tax Reform – Pillar Two Model Rules

The Organisation for Economic Co-operation and Development (OECD) published the Global Anti-Base Erosion (GloBE) Model Rules which include a 15% minimum tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR 750 million or more for 2 out of the 4 immediately preceding fiscal years.

The Company adopts the amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception from recognizing or disclosing information about deferred tax assets and liabilities related to Pillar Two such that there is no impact to the 2024 parent company financial statements. The Company applied the temporary exception at 31 December 2024. The Company is part of an MNE Group that is in-scope for Pillar Two. The Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Company operates and are effective for the Company's financial year beginning 1 January 2024. The Company has performed an assessment of the Company's potential exposure to Pillar Two income taxes based on the status of Pillar Two legislation in the jurisdiction in which the Company operates.

The Company does not expect an exposure to Pillar Two income taxes, considering that none of the jurisdictions in which it operates have implemented a Domestic Minimum Top-up Tax Rule and none of the immediate parent entities in the Company have implemented the Income Inclusion Rule. As such, the potential exposure, if any, is currently not known or reasonably estimable for the Company. The Company continues to follow Pillar Two legislative developments to evaluate the potential future impact on the Group's consolidated financial statements.

25. Personnel Expenses

Personnel expenses included in general and administrative expenses and selling expenses are comprised of:

	2024	2023
Salaries and wages and other employee benefits (see Notes 22 and 23)	**₱608,176**	₱483,228
Pension costs (see Notes 22 and 23)	**91,588**	52,047
	₱699,764	₱535,275

26. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The following table summarizes these significant transactions with related parties for the years ended December 31, 2024 and 2023:

Related Parties	Relationship	Nature of Transaction	Period	Transaction Amount	Amounts Owed from (to) Related Parties (see Notes 7 and 15)	Terms	Conditions
ABS-CBN Group	Under common control	Land acquisitions (see Note 8)	**2024**	**₱771,415**	**(₱8,942)**	Payable in tranches based on the agreement; noninterest-bearing	Unsecured
			2023	₱733,487	(₱25,472)		
		Deposit for land acquisition (see Note 10)	**2024**	–	–	Payable in tranches based on the agreement; noninterest-bearing	Unsecured; no impairment
			2023	158,676	158,676		
Rockwell-Meralco BPO	Joint venture	Advances	**2024**	**2,445**	**4,659**	On demand; non interest bearing	Unsecured; no impairment
			2023	1,844	3,429		
		Management fees	**2024**	**11,196**	**1,754**	On demand; noninterest-bearing	Unsecured; no impairment
			2023	9,872	651		
RHLMC	Subsidiary	Advances	**2024**	**1,356**	**10,408**	On demand; non interest bearing	Unsecured; no impairment
			2023	5,922	34,016		
		Management fees income	**2024**	**3,490**	**1,972**	On demand; non-interest bearing	Unsecured
			2023	3,771	745		
		Revenue collected by the Company	**2024**	**53,951**	**28,994**	On demand; non-interest bearing	Unsecured; no impairment
			2023	57,095	10,135		
Rockwell Club	Subsidiary	Management fees	**2024**	**11,860**	**3,246**	On demand; non-interest-bearing	Unsecured; no impairment
			2023	11,493	693		
		Billing for use of recreational facilities	**2024**			On demand; non-interest-bearing	Unsecured; no impairment
			2023	–	–		
		Payroll, allocated expenses and other charges	**2024**	**16,460**	**14,176**	On demand; non-interest bearing	Unsecured; no impairment
			2023	15,272	11,451		
		Space lease used for recreational activities	**2024**	–	–	Payable monthly for 15 years	Unsecured; no impairment
			2023	–	–		
RIPSI	Subsidiary	Management fees	**2024**	**49,258**	**15,715**	On demand; non-interest-bearing	Unsecured; no impairment
			2023	45,602	3,374		
		Payroll, allocated expenses and other charges	**2024**	**108,419**	**55,157**	On demand; non-interest-bearing	Unsecured; no impairment
			2023	97,445	16,918		
		Pre-operating fee expenses	**2024**	–	–	15 days; non-Interest-bearing	Unsecured
			2023	29,826	(14,177)		
		Salaries expense	**2024**	–	–	15 days; non-interest-bearing	Unsecured
			2023	687	(826)		
		Incidental Charges	**2024**	–		15 days; non-interest-bearing	Unsecured
			2023	–	(354)		
		Dividend Receivable	**2024**	–	–	On demand; non-interest-bearing	Unsecured; no impairment
			2023	30,100	–		

(Forward)

Related Parties	Relationship	Nature of Transaction	Period	Transaction Amount	Amounts Owed from (to) Related Parties (see Notes 7 and 15)	Terms	Conditions
SPDC	Subsidiary	Advances	**2024**	**(₱681)**	**(₱3,463)**	On demand; non-	Unsecured; no
			2023	(2,710)	4,144	interest-bearing	Impairment
		Management fees	**2024**	**11,247**	**1,170**	On demand; non-	Unsecured; no
			2023	7,087	(550)	interest-bearing	impairment
RPDC	Subsidiary	Advances	**2024**	**51,572**	**117,737**	On demand; non	Unsecured; no
			2023	77,137	63,151	interest-bearing	impairment
		Loan receivable	**2024**	**2,484,670**	**3,713,069**	3 - 4 years;	Unsecured
		- Principal	2023	(298,000)	2,265,384	interest-bearing	
		Loan receivable	**2024**	**174,891**	**35,187**	3 - 4 years;	Unsecured
		- Interest	2023	124,888	14,704	interest-bearing	
		Management fees income	**2024**	**50,275**	**5,084**	On demand; non-	Unsecured; no
			2023	51,093	4,508	interest-bearing	impairment
		Rent income	**2024**	**–**	**–**	On demand; non-	Unsecured; no
			2023	–	–	interest-bearing	impairment
RPATC	Subsidiary	Advances	**2024**	**133**	**2,301**	On demand; non-	Unsecured; no
			2023	127	2,168	interest-bearing	impairment
Retailscapes, Inc.	Subsidiary	Advances	**2024**	**12,580**	**767,091**	Beyond one year;	Unsecured
			2023	(19,822)	758,849	non-interest-bearing	
		Management fees	**2024**	**12,269**	**51,133**	On demand; non-	Unsecured; no
			2023	15,039	34,546	interest-bearing	impairment
RMFA	Subsidiary	Loan receivable	**2024**	**868,800**	**1,292,000**	Payable from December 31, 2022 to	Unsecured
		- Principal	2023	–	2,160,800	December 31, 2025	
		Loan receivable	**2024**	**111,073**	–	Payable from December 31, 2024 to	Unsecured
		- Interest	2023	112,297	–	December 31, 2025	
		Marketing	**2024**	**62,790**	**24,958**	On demand; non-	Unsecured
			2023	60,167	30,175	interest-bearing	
		Sales commission	**2024**	**92,938**	**6,904**	On demand; non-	Unsecured
			2023	78,650	10,951	interest-bearing	
		Development fee	**2024**	**121,096**	**17,999**	On demand; non-	Unsecured
			2023	106,116	11,866	interest-bearing	
		Advances	**2024**	**14,657**	**1,549**	On demand; non-	Unsecured
			2023	8,230	917	interest-bearing	
RCDC	Subsidiary	Advances	**2024**	**17,066**	**3,251**	Beyond one year;	Unsecured
			2023	15,152	(10,714)	non-interest-bearing	
		Management fees	**2024**	**149,195**	**27,325**	On demand; non-	Unsecured; no
			2023	255,234	13,000	interest-bearing	Impairment
RNDC	Subsidiary	Project Management Fee	**2024**	**49,683**	**(960)**	On demand; non-interest-bearing	Unsecured
			2023	28,588	2,809	non-interest-bearing	
		Marketing Fee	**2024**	**74,383**	**5,537**	On demand; non-interest-bearing	Unsecured
			2023	85,870	15,598		
		Sales Commission	**2024**	**59,286**	**3,436**	On demand; non-interest-bearing	Unsecured
			2023	50,297	4,220		
		Construction Management Fee	**2024**	**23,325**	**1,587**	On demand; non-interest-bearing	Unsecured
			2023	110,447	1,139		

(Forward)

Related Parties	Relationship	Nature of Transaction	Period	Transaction Amount	Amounts Owed from (to) Related Parties (see Notes 7 and 15)	Terms	Conditions
		Reimbursement	**2024**	**(₱18,238)**	**(₱635)**	On demand; non-interest-bearing	Unsecured
			2023	(6,794)	(3,752)		
RIDC	Joint venture	Management Fee	**2024**	**8,254**	**(2,447)**	On demand; non-interest-bearing	Unsecured; no Impairment
			2023	91,834	43,464		
		Reimbursement	**2024**	**99,432**	**8,872**	On demand; non-interest-bearing	Unsecured; no Impairment
			2023	(25,717)	4,650		
RGDC	Joint venture	Reimbursement	**2024**	**(169)**	**(169)**	On demand; non-interest-bearing	Unsecured; no Impairment
			2023	1,660	1,660		
Southbend Security and Investigative Services	Affiliate	Security Services	**2024**	**–**	**–**	On demand; non-interest-bearing	Unsecured; no Impairment
			2023	–	–		
Advances to officers and employees (see Note 7)		Advances	**2024**	**–**	**–**	30-day; noninterest-Bearing	Unsecured; no Impairment
			2023	(22,330)	20,608		
Due from related parties (see Note 7)			**2024**		**₱1,217,201**		
			2023		₱1,103,437		
Loan receivable from subsidiaries			**2024**		**₱5,005,069**		
			2023		₱4,426,184		
Deposit for land acquisitions (see Note 9)			**2024**		–		
			2023		₱158,676		
Due to related parties (see Note 15)			**2024**		**(₱16,617)**		
			2023		(₱55,845)		
Advances to officers and employees (see Note 7)			**2024**		**₱14,885**		
			2023		₱20,608		

Other transactions with related parties pertain to the Project Development and JV Agreement with Meralco (see Note 13).

Terms and Conditions of Transactions with Related Parties

Purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand. There have been no guarantees provided for or received for any related party receivables or payables. For the years ended December 31, 2024 and 2023, the Company has not made any provision for ECLs relating to amounts owed by related parties. This assessment is undertaken at each financial year through examination of the financial position of the related party and the market in which the related party operates.

Compensation of Key Management Personnel of the Company

	2024	2023
Short-term employee benefits	**₱173,327**	₱134,496
Post-employment pension and other benefits (see Note 23)	**59,811**	39,451
Total compensation attributable to key management personnel	**₱233,138**	₱173,947

27. **Commitments and Contingencies**

Lease Commitments
The Company has entered into agreements for the lease of land to be used for various commercial projects. The noncancelable lease has a remaining term of twenty-one years and is automatically renewable for additional ten years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The following are the amounts recognized company's statement of comprehensive income:

	2024	2023
Depreciation expense of right-of-use asset included in investment properties (see Notes 11 and 22)	**₱12,058**	₱12,058
Interest expense on lease liability (see Note 22)	**40,504**	39,830
	₱52,562	₱51,888

The rollforward analysis of lease liability follows:

	2024	2023
At January 1	**₱530,031**	₱518,042
Interest expense (see Note 22)	**40,504**	39,830
Payments	**(29,436)**	(27,841)
As at December 31	**541,099**	530,031
Less current portion (see Note 15)	**19,164**	19,367
Noncurrent portion	**₱521,935**	₱510,665

Future minimum undiscounted lease payments are as follows:

Year	**2024**	2023
Within one year	**₱30,694**	₱29,233
Year 2	**32,229**	30,694
Year 3	**33,841**	32,229
Year 4	**35,533**	33,841
Year 5 and beyond	**1,285,887**	1,326,028
	₱1,418,184	₱1,452,025

Capital Commitments
The Company entered into contracts covering land acquisitions, construction works related to various projects with related parties and different contractors and suppliers. As at December 31, 2024 and 2023, the contract sum awarded amounted to ₱11.9 billion and ₱9.3 billion, respectively, inclusive of all pertinent local and national taxes, overhead and cost of labor and materials and all cost necessary for the proper execution of works. Land acquisitions are consummated following the terms of the contracts. As at December 31, 2024 and 2023, ₱11,034 million and ₱11,927.1 million, respectively, has been incurred.

Contingencies
The Company is contingently liable for lawsuits or claims filed by third parties, which are either pending decision by the courts or under negotiations, the outcomes of which are not presently determinable. It is the opinion of management and its outside legal counsel that it is possible, but not probable that the lawsuits and claims will be settled. Accordingly, no provision for any liability has been made in the parent company financial statements.

28. **Financial Risk Management Objectives and Policies**

The Company's principal financial instruments comprise of cash and cash equivalents investment in equity instruments at FVOCI, and interest-bearing loans and borrowings. The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as trade and other receivables, refundable deposits, trade and other payables, installment payable, retention payable and security deposits which arise directly from its operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of the changes in market interest rates. The Company's exposure to the risk for changes in market interest rates relates primarily to the Company's interest-bearing loans and borrowings.

The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at December 31, 2024 approximately 74% of the Company's borrowings are at a fixed rate of interest.

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

	2024				
	Within 1 Year	**1–2 Years**	**2–3 Years**	**More than 3 Years**	**Total**
Fixed Rate					
Interest-bearing loans and borrowings	**₱3,673,178**	**₱3,999,204**	**₱2,251,837**	**₱11,126,273**	**₱21,050,492**
Floating Rate					
Interest-bearing loans and borrowings	**872,667**	**2,526,867**	**466,667**	**3,633,333**	**7,499,534**
Short-term investments	**1,096,482**				**1,096,482**

	2023				
	Within 1 Year	1–2 Years	2–3 Years	More than 3 Years	Total
Fixed Rate					
Interest-bearing loans and borrowings	₱2,165,045	₱2,165,145	₱4,430,661	₱10,572,828	₱19,333,679
Floating Rate					
Interest-bearing loans and borrowings	580,800	580,800	1,761,000	2,660,000	5,582,600
Short-term investments	1,377,947	–	–	–	1,377,947

Interest on financial instruments is fixed until the maturity of the instrument. The other financial instruments of the Company that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

	2024 Effect on Income Before Income Tax Increase (Decrease)	
Change in basis points	**+100 basis points**	**-100 basis points**
Floating rate borrowings	**(62,496)**	**62,496**

	2023 Effect on Income Before Income Tax Increase (Decrease)	
Change in basis points	+100 basis points	-100 basis points
Floating rate borrowings	(39,153)	39,153

Credit Risk
Credit risk is the risk that a counterparty will meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risks from its operating activities (primarily from trade receivables and loans) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Default or delinquency on the part of buyers of condominium units are being monitored on an ongoing basis to enable the Company to determine the appropriate action, usually cancelling the sale and holding the units open for sale. Lease receivables are closely monitored based on aging of the accounts. Accounts determined to be uncollectible are recommended for write off. With regard to the other financial assets of the Company, these are also monitored regularly with the result that the Company's exposure to bad debts is not significant.

Trade receivables from sale of condominium units are secured with pre-completed condominium units. The legal title and ownership of these units will only be transferred to the customers upon full payment of the contract price. For other receivables, since the Company trades only with recognized third parties, there is no requirement for collateral.

The table below summarizes the maximum exposure to credit risk of each class of financial assets.

	2024		
	Gross Maximum Exposure	**Net Exposure**	**Financial Effect of Collateral or Credit Enhancement**
Cash and cash equivalents*	**₱2,082,366**	**₱2,050,388**	**₱31,978**
Trade receivables from:			
Sale of real estate	**438,324**	–	**438,324**
Lease	**635,523**	–	**635,523**
Due from related parties	**1,289,905**	–	**1,289,905**
Advances to officers and employees	**14,885**	**14,885**	–
Other receivables	**198,751**	**198,751**	–
Refundable deposits**	**77,813**	**77,813**	–
Restricted cash**	**52,189**	**51,189**	**1,000**
	₱4,707,389	**₱2,310,659**	**₱2,396,730**

	2023		
	Gross Maximum Exposure	Net Exposure	Financial Effect of Collateral or Credit Enhancement
Cash and cash equivalents*	₱2,077,960	₱2,044,827	₱33,133
Trade receivables from:			
Sale of real estate	252,279	–	252,279
Lease	520,719	–	520,719
Due from related parties	1,103,437	–	1,103,437
Advances to officers and employees	20,608	20,608	–
Other receivables	148,433	148,433	–
Refundable deposits**	70,781	70,781	–
Restricted cash**	42,602	41,602	1,000
	₱4,236,819	₱2,326,251	₱1,910,568

****Excluding cash on hand amounting to 2,988 and 2,988 as at December 31, 2024 and 2023, respectively.*
***Presented as part of "Other current assets" account in the parent company statements of financial position.*

There are no significant concentrations of credit risk because the Company trades with various third parties.

The tables below show the credit quality by class of financial asset based on the Company's credit rating system.

	2024		
	A Rating	**B Rating**	**Total**
Cash and cash equivalents	**₱2,084,369**	**₱–**	**₱2,084,369**
Trade receivables from:			
Sale of real estate	**438,324**	–	**438,324**
Lease	**585,773**	**49,750**	**635,523**
Due from related parties	**1,217,201**	–	**1,217,201**
Advances to officers and employees	**14,885**	–	**14,885**
Other receivables	**198,751**	–	**198,751**
Refundable deposits	**77,742**	–	**77,742**
Restricted cash	**52,189**	–	**52,189**
	₱4,669,234	**₱49,750**	**₱4,718,984**

	2023		
	A Rating	B Rating	Total
Cash and cash equivalents	₱2,080,948	₱–	₱2,080,948
Trade receivables from:			
Sale of condominium units	252,279	–	252,279
Lease	449,775	70,944	520,719
Due from related parties	1,103,437	–	1,103,437
Advances to officers and employees	20,608	–	20,608
Other receivables	148,433	–	148,433
Refundable deposits	70,781	–	70,781
Restricted cash	42,602	–	42,602
	₱4,168,863	₱70,944	₱4,239,807

For trade receivables from sale of real estate, customers who have no history of delayed payment are classified as having a credit rating of "A" while customers who have history of delayed payment but is currently updated are given a credit rating of "B".

Trade receivables from lease are classified as having a credit rating of "A" when tenants pay within the discount period and "B" when tenants pay on or before due date.

As at December 31, 2024 and 2023, the analyses of the age of financial assets are as follows:

	2024						
	Current	**Less than 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**More than 90 Days**	**Impaired Financial Assets**	**Total**
Cash and cash equivalents	**₱2,084,369**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,084,369**
Trade receivables from:							
Sale of real estate	**333,730**	**18,959**	**8,071**	**4,212**	**73,352**	–	**438,324**
Lease	**585,773**	**29,626**	**10,306**	**2,052**	**7,766**	–	**635,523**
Due from related parties	**1,217,201**	–	–	–	–	–	**1,217,201**
Advances to officers and employees	**14,885**	–	–	–	–	–	**14,885**
Other receivables	**198,751**	–	–	–	–	–	**198,751**
Refundable deposits	**77,813**	–	–	–	–	–	**77,813**
Restricted cash	**52,189**	–	–	–	–	–	**52,189**
	₱4,564,711	**₱48,585**	**₱18,377**	**₱6,264**	**₱81,118**	**₱–**	**₱4,719,055**

	2023						
	Current	Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	Impaired Financial Assets	Total
Cash and cash equivalents	₱2,080,948	₱–	₱–	₱–	₱–	₱–	₱2,080,948
Trade receivables from:							
Sale of real estate	213,816	3,346	1,065	978	33,074	–	252,279
Lease	449,775	45,004	9,212	4,870	11,858	–	520,719
Due from related parties	1,103,437	–	–	–	–	–	1,103,437
Advances to officers and employees	20,608	–	–	–	–	–	20,608
Other receivables	148,433	–	–	–	–	–	148,433
Refundable deposits	70,781	–	–	–	–	–	70,781
Restricted cash	42,602	–	–	–	–	–	42,602
	₱4,130,400	₱48,350	₱10,277	₱5,848	₱44,932	₱–	₱4,239,807

Financial assets are considered past due when collections are not received on due date.

Past due accounts which pertain to trade receivables from sale of real estate are recoverable since the legal title and ownership of the real estate will only be transferred to the customers upon full payment of the contract price. In case of cancellation, the real estate becomes available for sale. The fair value of the real estate amounted to ₱38.1 billion and ₱38.1 billion as at December 31, 2024 and 2023, respectively.

Past due accounts pertaining to lease are recoverable because security deposits and advance rent paid by the tenants are sufficient to cover the balance in case of default or delinquency of tenants.

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a vintage analysis in 2024 and 2023:

	2024		
	Trade receivables from sale of real estate and lease		
	High-end	**Affordable**	**Lease**
ECL rate	**0.0%**	**0.0%**	**1.3%**
Estimated total gross carrying amount at default	**₱9,573,540**	**₱863,313**	**₱635,523**

	2023		
	Trade receivables from sale of real estate and lease		
	High-end	Affordable	Lease
ECL rate	0.0%	0.0%	1.2%
Estimated total gross carrying amount at default	₱9,219,522	₱698,774	₱520,719

<u>Liquidity Risk</u>
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. As at December 31, 2024 and 2023, % and 11% of the Company's debt will mature in less than one year, respectively.

The liquidity risk of the Company arises from their financial liabilities. The tables below summarized the maturity profile of the Company's financial liabilities at December 31, 2024 and 2023 based on contractual undiscounted payments.

	2024			
	Due Within 3 Months	**Due Between 3 and 12 Months**	**Due After 12 Months**	**Total**
Trade and other payables*	**₱4,945,457**	**₱–**	**₱–**	**₱4,945,457**
Interest-bearing loans and borrowings				
Principal	**1,986,461**	**2,559,384**	**23,924,589**	**28,470,434**
Interest**	**421,462**	**1,153,782**	**4,564,871**	**6,140,115**
Lease liability	**7,222**	**35,315**	**1,397,960**	**1,440,497**
Retention payable***	–	**715,453**	**400,015**	**1,115,469**
Security deposits***	**44,446**	**296,758**	**391,577**	**732,780**
	₱7,405,048	**₱4,760,692**	**₱30,679,013**	**₱42,844,753**

	2023			
	Due Within 3 Months	Due Between 3 and 12 Months	Due After 12 Months	Total
Trade and other payables*	₱5,701,691	₱–	₱–	₱5,701,691
Interest-bearing loans and borrowings				
Principal	686,461	2,059,384	22,170,434	24,916,279
Interest**	304,110	853,501	3,813,316	4,970,927
Lease liability	6,878	22,354	1,422,793	1,452,025
Retention payable***	–	694,358	370,626	1,064,984
Security deposits***	54,411	286,923	297,325	638,659
	₱6,753,551	₱3,916,520	₱28,074,494	₱38,744,565

**Excluding the current portion of retention payable and security deposits, lease liability, deposits from pre-selling of condominium units and excess of collections over recognized receivables and other statutory payables.*
***Future interest payments*
****Presented as part of "Trade and other payables" and "Deposits and other liabilities" accounts in the parent company statements of financial position.*

<u>Maturity Profile of Financial Assets and Contract Assets Held for Liquidity Purposes</u>

The table below shows the maturity profile of the Company's financial assets and contract asset based on contractual undiscounted cash flows as at December 31:

	2024					
	On Demand	**Within 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**Over 90 Days**	**Total**
Cash and cash equivalents	**₱987,887**	**₱1,096,482**	**₱–**	**₱–**	**₱–**	**₱2,084,369**
Trade receivables from:						
Sale of real estate	**333,730**	**18,959**	**8,071**	**4,212**	**73,352**	**438,324**
Lease	**585,773**	**29,626**	**10,306**	**2,052**	**7,766**	**635,523**
Contract assets	–	**17,982**	**7,706**	**3,904**	**9,968,937**	**9,998,529**
Investment in equity instruments at FVOCI	–	–	–	–	**59,280**	**59,280**
	₱1,907,390	**₱1,163,049**	**₱26,083**	**₱10,168**	**₱10,109,335**	**₱13,216,025**

	2023					
	On Demand	Within 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Cash and cash equivalents	₱725,832	₱1,355,116	₱–	₱–	₱–	₱2,080,948
Trade receivables from:						
Sale of real estate	213,816	3,346	1,065	978	33,074	252,279
Lease	449,775	45,004	9,212	4,870	11,858	520,719
Contract assets	–	3,553	1,829	1,142	9,659,494	9,666,018
Investment in equity instruments at FVOCI	–	–	–	–	58,280	58,280
	₱1,389,423	₱1,407,019	₱12,106	₱6,990	₱9,762,706	₱12,578,244

Derivative Financial Instruments

The Company's derivative financial instrument is accounted for as cash flow hedge. Cash flow hedge refers to transactions that hedge the Company's exposure to variability in cash flows attributable to a particular risk associated with a recognized financial asset or liability and exposures arising from forecast transactions. Changes in the fair value of these instruments representing effective hedges are recognized as "Cash flow hedge reserve" in other comprehensive income until the hedged item is recognized in earnings.

In January 2024, the Company has drawn ₱3.0 billion in USD currency equivalent amounting to $53.2 million, simultaneously entering into cross currency swaps for all future interest and principal payments to fully hedge the foreign currency exposure. The gains and losses on such contract were recognized in profit or loss upon occurrence of the USD loan principal and interest payments hedged. Transaction gain or loss pertains to the difference between interest expense on the Group's USD loan as against the actual interest settlement of the cross currency swap.

The Company did not have derivatives designated as cash flow hedges in 2023 and 2022.

As of December 31, 2024, the Company's derivative liability classified as current portion presented under "Trade and Other Payables amounted to ₱24.3 million (see Note 15) and derivative asset classified as noncurrent portion presented as part of "Other noncurrent assets" in the statements of financial position amounted to ₱37.5 million.

Transaction loss in 2024 included in "interest expense on interest-bearing loans and borrowings" amounted to ₱23.4 million (see Note 22).

The Group's cash flow hedge reserve in 2024 follows:

	Amount
Beginning balance, before tax	₱–
Movements in cumulative translation adjustments:	
Net unrealized gain from mark-to-market of derivative asset designated as hedging instruments in the cash flow hedge	13,193
Net loss on cash flow hedge reclassified to "Foreign exchange gains/losses" in profit or loss	(79,592)
Ending balance, before tax	(66,399)
Deferred tax effect	16,600
	(₱49,799)

Capital Management Policy

The primary objective of the Company's capital management is to maximize shareholder value by maintaining a healthy balance between debt and equity (capital) financing in support of its business requirements.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2018.

The Company monitors its capital adequacy using the net debt-to-equity ratio, which is interest-bearing loans and borrowings less cash and cash equivalents divided by equity. The Company's policy is to limit the net debt-to-equity ratio to 1.0x.

The Company is required to maintain debt-to-equity ratio as set forth in the Fixed Rate Corporate Notes Facility Agreement and Bonds. The Agreement provides for a higher debt to equity ratio than the internal limit set by the Company (see Note 16).

	2024	2023
Interest-bearing loans and borrowings	**₱28,430,969**	₱24,805,570
Less cash and cash equivalents	**2,084,369**	2,080,948
Net debt	**26,346,600**	22,724,622
Equity	**28,067,272**	26,337,562
Net debt-to-equity ratio	**0.94**	0.86

29. **Fair Value Measurement**

Set out below is a comparison by class of carrying values and fair values of the Company's assets and liabilities for which fair values are determined for measurement and/or disclosure as at December 31, 2024 and 2023.

			2024		
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Investment properties	**₱12,938,034**	**₱32,107,600**	**₱–**	**₱2,156,400**	**₱29,951,200**
Due from related parties	**5,058**	**5,058**	**–**	**–**	**5,058**
Investment in equity instruments at FVOCI	**59,280**	**59,280**	**56,000**	**–**	**3,280**
	₱13,002,373	**₱32,171,938**	**₱56,000**	**₱2,156,400**	**₱29,959,538**
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	**₱28,430,969**	**₱27,956,632**	**₱–**	**₱–**	**₱27,956,632**
Subscription payable	**6,813,798**	**5,539,345**	**–**	**–**	**5,539,345**
Retention payable (including noncurrent portion)	**1,115,469**	**1,038,639**	**–**	**–**	**1,038,639**
Security deposits (including noncurrent portion)	**733,008**	**691,720**	**–**	**–**	**691,720**
	₱37,093,243	**₱35,226,337**	**₱–**	**₱–**	**₱35,226,337**

			2023		
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment properties	₱12,707,624	₱30,231,713	₱–	₱2,074,206	₱28,157,507
Due from related parties	1,103,437	1,092,866	–	–	1,092,866
Investment in equity instruments at FVOCI	58,280	58,280	55,000	–	3,280
	₱13,869,341	₱31,382,859	₱55,000	₱2,074,206	₱29,253,653
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	₱24,805,570	₱23,659,898	₱–	₱–	₱23,659,898
Subscription payable	6,245,544	2,408,407	–	–	2,408,407
Retention payable (including noncurrent portion)	1,064,984	1,030,282	–	–	1,030,282
Security deposits (including noncurrent portion)	638,659	604,673	–	–	604,673
	₱32,754,757	₱27,703,260	₱–	₱–	₱27,703,260

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

Cash and Cash Equivalents, Trade Receivables from Sale of Real Estate, Trade Receivables from Lease, Due from Related Parties, 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.

Investment in Equity Securities. The fair values of quoted equity securities were determined by reference to published two-way quotes of brokers as at financial reporting date. The difference between the carrying value and the fair value of unquoted equity securities is not material to the parent company financial statements.

Interest-bearing Loans and Borrowings. The fair values of fixed rate loans were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 5.71% to 6.09% as at December 31, 2024 and 5.12% to 6.12% as at December 31, 2023.

Retention Payable and Security Deposits. The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 5.71% to 6.09% as at December 31, 2024 and 5.12% to 6.12% as at December 31, 2023.

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. Basic/Diluted Earnings Per Share Computation

	2024	2023
	(In Thousands, Except Numbers of Shares and Per Share Data)	
Net income	**₱2,936,364**	₱3,099,920
Dividends on preferred shares	**(1,650)**	(1,650)
Net income attributable to common shares (a)	**2,934,714**	3,098,270
Common shares at beginning of year	**6,116,762,198**	6,116,762,198
Weighted average number of common shares - basic (b)	**6,116,762,198**	6,116,762,198
Dilutive potential common shares under the ESOP	**934,213**	–
Weighted average number of common shares - diluted (c)	**6,117,696,411**	6,116,762,198
Per share amounts:		
Basic (a/b)	**₱0.4801**	₱0.5065
Diluted (a/c)	**₱0.4800**	₱0.5065

In 2024, the Company considers the effect of stock options outstanding since these are dilutive. In 2023, the diluted EPS did not consider the effect of stock options outstanding since these were anti-dilutive.

31. Segment Information

PFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker. For management purposes, the Company'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 Company 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 Company. *Commercial Development* is engaged in the sale, leasing and other related operations in the course of the management of commercial buildings or spaces used for retail and office leasing, including cinema, hotel and resort operations. The Company 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 net income in the parent company financial statements. *EBITDA* is measured as net income excluding depreciation and amortization, interest expense and provision for income tax. *EBITDA* is a non-GAAP measure. The Company 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 parent company financial statements.

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

Business Segments

The following tables present information regarding the Company's residential development and commercial development and hotel business segments:

	2024		
	Residential Development	**Commercial Development**	**Total**
Revenue	**₱11,398,252**	**₱3,715,390**	**₱15,113,642**
Costs and expenses	**(7,462,033)**	**(1,394,975)**	**(9,037,008)**
Other income – net	**(72,553)**	**49**	**(72,504)**
EBITDA	**3,683,666**	**2,320,464**	**6,004,130**
Depreciation and amortization			**(765,408)**
Transaction gain (loss) on derivative			**(23,374)**
Net gain on cash flow hedge reclassified to profit or loss			**79,592**
Interest expense			**(1,698,633)**
Provision for income tax			**(750,667)**
Net income			**2,936,363**
Assets and Liabilities			
Segment assets	**51,508,385**	**1,877,595**	**53,385,980**
Investment properties	**1,202,683**	**11,735,352**	**12,938,035**
Investment in joint venture and associate	**3,148,410**	**1,625,525**	**4,773,935**
Property and equipment	**1,455,579**	**974,243**	**2,429,822**
Total assets	**57,315,057**	**16,212,715**	**73,527,772**
Segment liabilities	**36,155,259**	**8,767,303**	**44,922,562**
Deferred tax liabilities – net	**533,763**	–	**533,763**
Total liabilities	**₱36,689,022**	**₱8,767,303**	**₱45,456,325**

	2023		
	Residential Development	Commercial Development	Total
Revenue	₱11,171,727	₱3,595,407	₱14,767,134
Costs and expenses	(7,367,280)	(1,287,192)	(8,654,472)
Other income – net	(2,227)	(27)	(2,254)
EBITDA	3,802,220	2,308,188	6,110,408
Depreciation and amortization			(737,650)
Interest expense			(1,495,688)
Benefit from income tax			(777,150)
Net income			₱3,099,920
Assets and Liabilities			
Segment assets	45,983,581	1,155,286	47,138,867
Investment properties	1,127,710	11,579,914	12,707,624
Investment in joint venture and associate	3,904,560	1,800,525	5,705,085
Property and equipment	1,441,810	924,789	2,366,599
Total assets	52,457,661	15,460,514	67,918,175
Segment liabilities	33,289,255	7,587,116	40,876,371
Deferred tax liabilities – net	704,242	–	704,242
Total liabilities	₱33,993,497	₱7,587,116	₱41,580,613

32. Supplemental Disclosure of Cash Flow Information

The changes in the Company's liabilities arising from financing activities are as follows:

	January 1, 2024	**Cash flows**	**Reclassification from noncurrent to current**	**Interest Expense/ Discount Amortization**	**Other Noncash Movement**	**December 31, 2024**
Current portion of interest-bearing loans and borrowings	**₱2,725,983**	**(₱2,745,846)**	**₱4,546,550**	**₱–**	**₱–**	**₱4,526,687**
Interest-bearing loans and borrowings - net of current portion	**22,079,587**	**6,266,256**	**(4,546,550)**	**25,397**	**79,592**	**23,904,282**
Interest payable	**133,308**	**(1,529,531)**		**1,559,692**		**163,469**
Lease liability	**530,031**	**(29,436)**		**40,504**	**–**	**541,099**
Subscription payable	**6,245,544**	**(920,000)**	**–**	**–**	**1,298,254**	**6,813,798**
	₱31,714,453	**₱1,041,443**	**₱–**	**₱1,625,593**	**₱1,377,846**	**₱35,949,335**

	January 1, 2023	Cash flows	Reclassification from noncurrent to current	Interest Expense/ Discount Amortization	Other Noncash Movement	December 31, 2023
Current portion of interest-bearing loans and borrowings	₱2,632,946	(₱2,632,946)	₱2,725,983	₱–	₱–	₱2,725,983
Interest-bearing loans and borrowings - net of current portion	21,329,726	3,451,085	(2,725,983)	24,759	–	22,079,587
Interest payable	105,110	(1,455,858)	–	1,407,454	–	56,706
Lease liability	518,042	(27,841)	–	39,830	–	530,031
Subscription payable	2,922,560	(200,000)	–	–	3,522,984	6,245,544
	₱27,508,384	(865,559)	₱–	₱1,472,043	₱3,522,984	₱31,637,852

In 2024, the Company's material non-cash investing activities include the investment in subsidiaries with unpaid subscription amounting to ₱4,295 million (See Note 14). In 2024, the Company's material non-cash investing activities include the investment in joint venture with unpaid subscription amounting to ₱2,518.0 million (see Note 13).

33. Events After Reporting Period

On January 25, 2025, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱15.0 billion (after reversal of ₱14.0 billion appropriation) out of the total retained earnings as of December 31, 2024 to partially fund capital expenditures of the Parent Company from 2025 to 2026.

34. Supplementary Information Required under Revenue Regulations (RR) 15-2010

On December 28, 2010, RR 15-2010 became effective and amended certain provisions of RR 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of parent company financial statements and income tax returns. Section 2 of RR 21-2002 was further amended to include in the notes to financial statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS. Below is the additional information required by RR 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Amounts are rounded to the nearest thousands.

Output Value Added Tax (VAT) Declared During the Year

	Receipts	Output VAT Due
Taxable sales		
Sale of goods (presented as "Sale of condominium units")	₱7,809,413	₱937,130
Other revenues	2,487,359	298,483
Leasing income	1,636,485	196,378
Exempt/zero-rated sales/receipts	₱379,152	

The Company's sales of services are based on actual collections received, prior to the effectivity of the Ease of Paying Taxes (EOPT) Act, hence, may not be the same as amounts accrued in the parent company statements of income.

The Company has exempt/zero-rated sales/receipts pursuant to the provisions of Sections 108(B) and 109 of the Tax Code and the Supreme Court Decision G.R. No. 183505, promulgated on February 26, 2010.

Input VAT Claimed
The amount of input VAT claimed are broken down as follows:

a. Balance at beginning of year	₱74,372
b. Current year's domestic purchases/payments:	
i) Goods for resale/manufacture or further processing	–
ii) Goods other than for resale or manufacture	312,471
iii) Capital goods subject to amortization	2,495
iv) Capital goods not subject to amortization	–
v) Services	661,122
vi) Importation	8,247

(Forward)

c. Input VAT deferred for the succeeding periods	₱–
d. Input VAT allocated to exempt sales	–
e. Applied against output VAT	(1,580,542)
f. Output VAT on uncollected receivables	11,970
g. Payments made	536,167
Balance at the end of year	₱26,302

Landed Cost of Imports and Amount of Customs Duties and Tariff Fees Paid or Accrued

Landed cost	₱68,725
Customs duties and VAT	10,428

Customs duties include input VAT of ₱8.24 million which is presented under "Goods other than for resale or manufacture" in the table of input VAT claimed.

Documentary Stamp Tax
The company paid ₱26.25million of documentary stamp tax on new loan instruments for the year 2024, recorded as reduction in loan balance.

Other Taxes and Licenses

Real estate taxes	₱132,466
Business taxes	144,121
Amusement and cultural taxes	–
Fringe benefit taxes	10,326
Documentary stamp tax	23,703
Annual registration	–
Others	59,980
	370,597
Taxes and licenses capitalized as part of real estate inventories:	
License and permits	1,920
Real estate tax	122,211
	124,131
	₱494,727

The 26.25 million documentary stamp tax paid on loans are recorded as a reduction in the loan balance while the 13.65 million amusement and cultural taxes are booked as cinema direct cost.

Withholding Taxes
The amount of withholding taxes paid/accrued for the year amounted to:

Expanded withholding taxes	₱209,410
Tax on compensation and benefits	82,394
Final withholding taxes	23,838
	₱315,642

Tax Assessments and Cases
The Company has no outstanding tax assessment by the BIR nor pending tax cases or litigation in any courts or bodies outside of the BIR as at December 31, 2024.