



ROCKWELL LAND CORPORATION

**Shelf Registration of a Debt Securities Program
in the aggregate principal amount of up to ₱20,000,000,000.00
to be Offered in One or Several Tranches**

**First Tranche: ₱7,000,000,000.00 Fixed Rate Bonds
with an Oversubscription Option of up to ₱3,000,000,000.00**

**Series A: 5.5666% p.a. 3-year Bonds due 2029
Series B: 5.8595% p.a. 5-year Bonds due 2031**

Offer Price: 100% of Face Value

Intended to be listed and traded on the Philippine Dealing & Exchange Corp.

Joint Issue Managers¹



Joint Lead Underwriters and Bookrunners¹



Selling Agents

Bank of Commerce

BPI Capital Corporation

Land Bank of the Philippines

Trustee¹



The Prospectus is dated 27 February 2026

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

¹ First Metro Investment Corporation is a subsidiary of Metropolitan Bank & Trust Company, and Metropolitan Bank & Trust Company – Trust Banking Group is the trust and investment department of Metropolitan Bank & Trust Company.

ROCKWELL LAND CORPORATION
2ND FLOOR, 8 ROCKWELL, HIDALGO DRIVE
ROCKWELL CENTER, MAKATI CITY 1200, PHILIPPINES
TELEPHONE NUMBER: (02) 7-793-0088

This Prospectus relates to the shelf registration by Rockwell Land Corporation ("**Rockwell Land**", "**ROCK**", the "**Issuer**", or the "**Company**") of its debt securities program in the aggregate principal amount of up to Twenty Billion Pesos (₱20,000,000,000.00) (the "**2026 Debt Securities Program**") to be issued in one or more tranches (each a "**Tranche**"), and the offer of fixed rate bonds in the principal amount of Seven Billion Pesos (₱7,000,000,000.00) (the "**Base Offer**"), with an oversubscription option of up to Three Billion Pesos (₱3,000,000,000.00) (the "**Oversubscription Option**", together with the Base Offer, the "**Offer**", and the bonds in relation thereto, the "**First Tranche Bonds**") as the first tranche of the 2026 Debt Securities Program.

The 2026 Debt Securities Program was authorized by a resolution of the Board of Directors of the Company (the "**Board**") during a meeting held on September 26, 2025, at which a quorum was present and acting throughout. A registration statement covering the 2026 Debt Securities Program was filed by the Company on January 12, 2026.

For succeeding Tranches, the specific terms of the debt securities for each Tranche will be determined by the Company considering the prevailing market conditions and shall be provided in a supplement to be circulated at the time of the offer of the relevant tranche (each an "**Offer Supplement**") along with this Prospectus. The relevant Offer Supplement will contain the final terms for such Tranche and must be read in conjunction with this Prospectus and other Bond Agreements. Full information on the Issuer and such offer of the debt securities is only available through this Prospectus, the relevant Offer Supplement, and the other Bond Agreements.

The First Tranche Bonds will be issued on March 18, 2026 (the "**Issue Date**"), in up to two (2) series at the discretion of the Issuer. The Series A Bonds shall have a term of three (3) years from the Issue Date with fixed interest rate equivalent to 5.5666% p.a. ("**Series A Bonds**"). The Series B Bonds shall have a term of five (5) years from the Issue Date with fixed interest rate equivalent to 5.8595% p.a. ("**Series B Bonds**"). Rockwell Land reserves the right to allocate the First Tranche Bonds to any or all of the Series A Bonds and Series B Bonds based on the bookbuilding process and may opt to allocate the entire First Tranche Bonds in just one (1) series.

Prior to the Maturity Date of the Series B Bonds, the Issuer shall have the right, but not the obligation, granted to the Issuer under the Terms and Conditions, to redeem in whole (and not in part) the outstanding Series B Bonds on any Optional Redemption Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment in the amount of interest as originally computed (the "**Optional Redemption Date**", see "*Description of the Offer*" – "*Optional Redemption*" on page 59 of the Prospectus).

The interest on the First Tranche Bonds will be payable quarterly in arrears on March 18, June 18, September 18, and December 18 of each year, commencing on June 18, 2026 until and including the relevant Maturity Date while such bonds are outstanding, or the subsequent Business Day without adjustment to the amount of interest to be paid, if such Interest Payment Date is not a Business Day. For purposes of clarity, the last Interest Payment Date on the First Tranche Bonds shall fall on the relevant Maturity Dates or March 18, 2029 for the Series A Bonds and March 18, 2031 for the Series B Bonds.

If the Oversubscription Option is partly exercised or not exercised at all during the Offer Period (as defined below), the Bonds under the Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under shelf registration and may be issued in tranches within five (5) years from the date of the effectivity of the registration statement, subject to any extension as may be granted by the SEC (the "**Shelf Period**").

The First Tranche Bonds shall be redeemed at par (or 100% of face value) on the respective Maturity Dates or on March 18, 2029 for the Series A Bonds and March 18, 2031 for the Series B Bonds, unless Rockwell Land exercises its Optional Redemption in accordance with the conditions therefor (see "*Description of the Offer*" – "*Redemption and Purchase*").

Each tranche of the bonds will be rated by Philippine Rating Services Corporation (“**PhilRatings**”). The First Tranche Bonds have been rated PRS Aaa with Stable Outlook on December 22, 2025. The rating is not a recommendation to buy, sell, or hold securities, and is subject to an annual review which may result in the revision, suspension or withdrawal of the rating by the concerned rating agency.

Upon issuance, the First Tranche Bonds shall constitute the direct, unconditional, unsecured and unsubordinated Philippine Peso-denominated obligations of Rockwell Land and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of Rockwell Land, other than (i) obligations preferred by law, (ii) any obligation incurred by the Issuer pursuant to the Trust Indenture or as may be allowed by the Trust Indenture, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of the Issue Date. The First Tranche Bonds shall effectively be subordinated in right of payment to, among others, all of Rockwell Land’s secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines. However, should any bank or Bondholder hereinafter have a preference or priority over the First Tranche Bonds as a result of notarization, then the Issuer shall at the Issuer’s option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the First Tranche Bonds. (see “*Description of the Offer*” – “*Ranking*”).

The First Tranche Bonds shall be offered to the public at face value through the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners named below. The First Tranche Bonds shall be issued in scripless form, with the Philippine Depository & Trust Corporation (“**PDTC**”), as the Registrar of the First Tranche Bonds, maintaining the Electronic Registry of Bondholders. On Issue Date, the First Tranche Bonds shall be listed on the Philippine Dealing & Exchange Corporation (“**PDEX**”) to facilitate secondary trading. The First Tranche Bonds shall be issued in denominations of Fifty Thousand Pesos (₱50,000.00) each, as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter, and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

Rockwell Land intends to list the First Tranche Bonds on a securities exchange licensed with the SEC and has initiated discussions with the PDEX for this purpose. However, there is no assurance that such a listing will actually be achieved either before or after the Issue Date or whether such a listing will materially affect the liquidity of the First Tranche Bonds on the secondary market. Such listing would be subject to the Company’s execution of a listing agreement with PDEX that may require the Company to make certain disclosures, undertakings and payments on an ongoing basis.

Rockwell Land expects to raise gross proceeds of ₱7,000,000,000.00 from the Base Offer, or up to ₱10,000,000,000.00 assuming the Oversubscription Option is fully exercised. The net proceeds from the Base Offer are estimated to be up to ₱6,906,495,345.00, or up to ₱9,872,025,345.00 assuming the Oversubscription Option is fully exercised, after deducting fees, commissions, and expenses relating to the issuance. Proceeds of the Offer shall be used to partially fund capital expenditures for land development and the construction costs of the Issuer’s residential, retail, office and hotel projects, which are discussed further in the section entitled “*Use of Proceeds*” on page 44 of this Prospectus. The Joint Issue Managers shall receive an aggregate fee of up to 0.025% on the final aggregate nominal principal amount of the First Tranche Bonds issued, inclusive of gross receipt taxes applicable to each Joint Issue Manager. The Joint Lead Underwriters and Bookrunners shall receive an aggregate fee of up to 0.35% on the final aggregate nominal principal amount of the First Tranche Bonds issued, inclusive of fees to be ceded to selling agents, if any, and gross receipt taxes applicable to each Joint Lead Underwriter and Bookrunner (see “*Plan of Distribution*” on page 49 of the Prospectus).

On January 12, 2026, Rockwell Land filed the Registration Statement with the SEC, in connection with the offer and sale to the public of the First Tranche Bonds under the 2026 Debt Securities Program, inclusive of the Offer and any amount remaining if the Oversubscription Option is not fully or partially exercised. The SEC is expected to issue an order rendering the Registration Statement effective, and a corresponding permit to offer securities for sale covering the Offer.

After the close of the Offer and within five (5) years following the date on which the 2026 Debt Securities Program is rendered effective, the Company may, at its sole discretion, offer any or all of the remaining balance

of the aggregate principal amount of Bonds covered by the Debt Securities Program, in one or more subsequent tranches under Rule 8.1.2 of the Implementing Rules and Regulations of the Securities Regulation Code of the Philippines (“SRC”).

However, there can be no assurance in respect of: (i) whether Rockwell Land will issue such Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such Bonds; or (iii) the specific terms and conditions of any such issuance. Any decision by Rockwell Land to offer such Bonds will depend on a number of factors at the relevant time, many of which are not within Rockwell Land’s control, including but not limited to: prevailing interest rates, the financing requirements of Rockwell Land’s business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general. Rockwell Land confirms that this Prospectus contains all material information relating to the Company, its subsidiaries and affiliates, which is, in the context of the issue and offering of the First Tranche Bonds, material (including all information required by applicable laws of the Republic of the Philippines), are true, accurate, and correct in every respect. To the best of its knowledge and belief, there is no material misstatement or omission of fact, which would make any statement in this Prospectus misleading in any material respect. Rockwell Land confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants for inclusion into this Prospectus. Rockwell Land, however, has not independently verified any publicly available information, data, or analyses. Neither the delivery of this Prospectus nor any sale made pursuant to the Offering shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners have exercised the diligence required by regulations in ascertaining that all material representations contained in this Prospectus, and any amendment or supplement thereto, are true and correct and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect. Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus.

No dealer, salesman or other person has been authorized by Rockwell Land and the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners to give any information or to make any representation concerning the First Tranche Bonds other than those contained herein, and, if given or made, any such other information or representation should not be relied upon as having been authorized by Rockwell Land or the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners.

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred than profit made as a result of buying and selling securities. An investment in First Tranche Bonds, described in this Prospectus, involves a certain degree of risk. A prospective purchaser of the First Tranche Bonds should carefully consider several risk factors (see “*Risk Factors*” on page 23), such as risks inherent to the Company and the Business and risks pertinent to the Philippines vis-à-vis risks inherent to the First Tranche Bonds, in addition to the other information contained in this Prospectus, in deciding whether to invest in the First Tranche Bonds.

In making an investment decision, investors must rely on their own examination of Rockwell Land and the terms of the Offer, including the material risks involved. The Offer is being made on the basis of this Prospectus only.

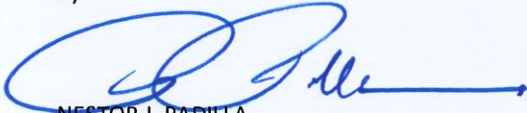
The contents of this Prospectus are not to be considered legal, business, or tax advice. Each prospective purchaser of the First Tranche Bonds receiving a copy of this Prospectus acknowledges that he has not relied on the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners in his investigation on the accuracy of any information found in the Prospectus or in his investment decision. Prospective purchasers should consult their own counsel, accountants, or other advisors as to legal, tax, business, financial and related aspects of the purchase of the First Tranche Bonds, among others. It bears emphasis that investing in the First Tranche Bonds involves certain risks (see discussion on factors to be considered in respect of an investment in the First Tranche Bonds under “*Risk Factors*” on page 23).

Rockwell Land is organized under the laws of the Philippines. Its principal office address is at 2nd Floor, 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City 1200, Philippines, with telephone number (02) 7-793-0088.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED
HEREIN ARE TRUE AND CURRENT.

Rockwell Land Corporation

By:



NESTOR J. PADILLA

Chairman of the Board and Chief Executive Officer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) s.s.

SUBSCRIBED AND SWORN to before me this **FEB 27 2026**, affiant exhibiting to me his Passport
No. P7155127B issued on July 8, 2021 at DFA Manila as competent evidence of his identity.

Doc. No. 508;
Page No. 103;
Book No. I;
Series of 2026.



AINA RAE L. CORTEZ
Appointment No. M-568
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 91405
PTR No. 10766612/Makati City/01-02-2026
IBP No. 536190/Makati/12-23-2025
MCLE No. VIII-0030503/April 28, 2025

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FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by use of statements that include words or phrases such as “believes”, “expects”, “anticipates”, “intends”, “plans”, “foresees”, or other words or phrases of similar import. Similarly, statements that describe Rockwell Land’s objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of Rockwell Land include, among others:

- General economic and business conditions in the Philippines;
- Industry risk in which Rockwell Land’s subsidiaries and affiliates operate;
- Changes in laws and regulations that apply to the segments or industry in which Rockwell Land, its subsidiaries and affiliates operate; and
- Changes in political conditions in the Philippines;

For further discussion of such risks, uncertainties and assumptions, see — “*Risk Factors*”. Prospective purchasers of the First Tranche Bonds are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus, and Rockwell Land undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

The Joint Issue Managers and the Joint Lead Underwriters and Bookrunners do not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

DEFINITION OF TERMS

As used in this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

“2026 Debt Securities Program” or “the Program”	The fixed rate bonds of up to an aggregate amount of up to Twenty Billion Pesos (₱20,000,000,000.00) to be issued in one or several tranches under the Shelf Registration Statement filed by the Issuer with the SEC on January 12, 2026
“Application to Purchase”	The document to be executed by any Person qualified to become a Bondholder
“BIR”	Bureau of Internal Revenue of the Philippines
“Board of Directors”	Board of Directors of Rockwell Land
“Bond Agreements”	The Underwriting Agreement, the Trust Indenture, the Registry and Paying Agency Agreement, and other agreements relevant to the Offer
“Bondholder”	A person whose name appears, at any time, as a holder of the Bonds in the Registry of Bondholders
“Bonds”	Shall mean the unsecured fixed rate Philippine Peso-denominated retail Bonds in the aggregate principal amount of up to Twenty Billion Pesos (₱20,000,000,000.00) to be issued in one or more Tranches under the 2026 Debt Securities Program
“BPO”	Business Process Outsourcing
“BSP”	Bangko Sentral ng Pilipinas
“Business Day”	A day (except Saturdays, Sundays, and public holidays) on which commercial banks in Makati City, Metro Manila, Philippines are open for business transactions and the BSP’s Philippine Payment and Settlement System (“ PhilPaSS ”) and Philippine Clearing House Corporation (“ PCHC ”) (or, in the event of the discontinuance of their respective functions, their respective replacements) have clearing and settlement operations in accordance with BSP issuance.
“By-Laws”	The Company’s By-Laws, as amended
“CBD”	Central Business District
“Civil Code”	New Civil Code of the Philippines
“Common Shares”	Common shares of the Company with a par value of ₱1.00
“Company” or “Issuer” or “Rockwell Land” or “ROCK” or “Rockwell”	Rockwell Land Corporation
“Corporation Code”	Republic Act No. 11232, otherwise known as “The Revised Corporation Code of the Philippines”, as amended

“Constitution”	The 1987 Constitution of the Philippines
“DAR”	Department of Agrarian Reform of the Philippines
“DENR”	Department of Environment and Natural Resources of the Philippines
“DHSUD”	Department of Human Settlements and Urban Development of the Philippines
“EBITDA”	Earnings Before Interest, Taxes, Depreciation, and Amortization
“ECC”	Environmental Compliance Certificate
“EDC”	Energy Development Corporation
“Electronic Registry of Bondholders”	The electronic record of the issuances, sales and transfers of the Bonds to be maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement
“e-SIP”	e-Securities Issue Portal established and maintained by the Philippine Dealing System Holdings Corp.
“First Gen”	First Gen Corporation
“FPHC”	First Philippine Holdings Corporation
“First Metro”	First Metro Investment Corporation
“First Tranche Bonds”	Series A Bonds and Series B Bonds collectively, comprising the first tranche of the Company’s 2026 Debt Securities Program
“GDP”	Gross Domestic Product
“Government”	Government of the Republic of the Philippines
“Governmental Authority”	The Republic of the Philippines, any of its political subdivisions, or any branch, department, agency or office thereof, or any Person exercising or entitled to exercise executive, legislative, judicial, regulatory or administrative functions thereof
“GRT”	Gross Receipts Tax
“Interest Payment Date”	June 18, 2026, for the first Interest Payment Date and March 18, June 18, September 18, and December 18 of each year for each subsequent Interest Payment Date, for so long as the relevant First Tranche Bonds are outstanding. If the Interest Payment Date is not a Business Day, interest will be paid on the next succeeding Business Day, without adjustment as to the amount of interest to be paid.
“Issue Date”	March 18, 2026 or such date on which the First Tranche Bonds shall be issued by Rockwell Land to the Bondholders
“Joint Issue Managers”	BDO Capital & Investment Corporation First Metro Investment Corporation

“Joint Lead Underwriters and Bookrunners”	BDO Capital & Investment Corporation First Metro Investment Corporation PNB Capital and Investment Corporation RCBC Capital Corporation
“LPZ”	Lopez Holdings Corporation
“Majority Bondholders”	The holder or holders of more than fifty percent (50%) of the principal amount of the First Tranche Bonds outstanding at the relevant time
“Maturity Date”	March 18, 2029 for the Series A Bonds and March 18, 2031 for the Series B Bonds. The Maturity Dates of the First Tranche Bonds, for purposes of the Company effecting repayment of the principal amount thereof, shall be in accordance with Business Day convention. Thus, if a Maturity Date is not a Business Day, the principal repayment, without adjustment as to the amount of interest to be paid, shall be made by the Company on the succeeding Business Day.
“Meralco”	Manila Electric Company
“Offer” or “Offering”	The offer and issuance of the First Tranche Bonds by the Company pursuant to Bond Agreements, which are summarized in the section <i>“Description of the Offer”</i> on page 59
“Offer Period”	Commencing at 9:00 a.m. on March 4, 2026 and ending at 12:00 p.m. on March 10, 2026 or such earlier day or later day as may be mutually agreed upon by the Issuer and the Joint Lead Underwriters and Bookrunners.
“PAS”	Philippine Accounting Standards
“Paying Agent”	Refers to PDTC, appointed under the Registry and Paying Agency Agreement, that will receive the funds from the Company for the payment of the principal, interest, and other amounts due on the First Tranche Bonds and remit the same to the Bondholders, based on the records shown in the Registry of Bondholders
“Payment Date”	The Interest Payment Date and/or the Maturity Date and/or the date of Optional Redemption when interest on and/or the redemption amount of the First Tranche Bonds is due and payable to the relevant Bondholders
“PD 957”	Presidential Decree No. 957, otherwise known as “The Subdivision and Condominium Buyers’ Protective Decree”, as amended
“PD 1529”	Presidential Decree No. 1529, otherwise known as the “Property Registration Decree”
“PDEX”	Philippine Dealing & Exchange Corp.
“PDTC”	Philippine Depository & Trust Corp.
“Person”	Individuals, juridical persons such as corporation, partnership, joint venture, unincorporated association, trust or other juridical entities, or any governmental authority

“Peso” or “Pesos” or “₱”	Philippine Pesos, the lawful and official currency of the Republic of the Philippines
“PFRS”	Philippine Financial Reporting Standards
“PhilRatings”	Philippine Rating Services Corp.
“PNB Capital”	PNB Capital and Investment Corporation
“Power Plant Mall”	A four-level shopping center of 47,000 sq.m. leasable area with three (3) levels of parking located at the heart of Rockwell Center
“Preferred Shares”	Redeemable and reissuable preferred voting shares of the Company with a par value of ₱0.01
“Prospectus”	This Prospectus together with all its annexes, appendices and amendments, if any
“PSE”	The Philippine Stock Exchange, Inc.
“RA 4726”	Republic Act No. 4726, otherwise known as “The Condominium Act”
“RA 6541”	Republic Act No. 6541, otherwise known as “The National Building Code of the Philippines”
“RA 6552”	Republic Act No. 6552, otherwise known as “The Realty Installment Buyer Act”, also known as the “Maceda Law”
“RA 6557”	Republic Act No. 6557, otherwise known as “The Comprehensive Agrarian Reform Law of 1988”, as amended
“RA 7279”	Republic Act No. 7279, otherwise known as “The Urban Development and Housing Act”
“RBC”	Rockwell Business Center
“RCBC Capital”	RCBC Capital Corporation
“Record Date”	Two (2) Business Days prior to the relevant Payment Date, which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal, or any other amount due under the First Tranche Bonds
“Registrar”	Refers to PDTC, appointed pursuant to the Registry and Paying Agency Agreement
“Registry and Paying Agency Agreement”	Registry and Paying Agency Agreement dated February 27, 2026 between the Company and the Paying Agent and the Registrar
“Registry” or “Registry of Bondholders”	Electronic Registry of Bondholders maintained by the Registrar
“RIPSI”	Rockwell Integrated Property Services Inc.
“Rockwell Club”	Rockwell Leisure Club, Inc.

“SEC”	Securities and Exchange Commission of the Philippines
“Selling Agent” or “Selling Agents”	The Joint Lead Underwriters and Bookrunners, Bank of Commerce, BPI Capital Corporation, and Land Bank of the Philippines
“SGV & Co.”	SyCip Gorres Velayo & Co., the Company’s Independent Auditor
“SRC”	Republic Act No. 8799, otherwise known as “The Securities Regulation Code of the Philippines”, including its Implementing Rules and Regulations, as promulgated and amended or supplemented by the SEC from time to time
“Tax Code”	National Internal Revenue Code of the Philippines, as amended, and its implementing rules and regulations as maybe in effect from time to time
“Terms and Conditions”	The terms and conditions of the issuance of the First Tranche Bonds as set forth in the Trust Indenture
“TCT”	Transfer Certificate of Title
“Trust Indenture”	Trust Indenture to be dated February 27, 2026 between the Company and the Trustee
“Trustee”	Metropolitan Bank & Trust Company – Trust Banking Group
“Underwriting Agreement”	The Issue Management and Underwriting Agreement dated February 27, 2026 among the Company, the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners
“U.S.”	The United States of America
“USD” or “US\$” or “\$”	U.S. Dollar, the lawful currency of the United States of America
“VAT”	Value-Added Tax

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information, including the Company's financial statements and the notes relating thereto, appearing elsewhere in this Prospectus. Because it is a summary, it does not contain all the information that a prospective purchaser should consider before investing. Prospective purchasers of the First Tranche Bonds must read the entire Prospectus carefully, including the section on "Risk Factors", and the financial statements and the related notes to those statements annexed to this Prospectus. Capitalized terms not defined in this summary are defined in the section "Definition of Terms".

THE COMPANY

Rockwell Land is a real estate developer known for creating well-curated communities within and beyond Metro Manila. The Company's portfolio spans vertical and horizontal residential developments, as well as commercial projects that integrate retail, office, and leisure components. Rockwell Land continues its strong foothold in the luxury market and continues to broaden its reach to the upscale segment.

Rockwell Land first made its mark in the real estate industry through its flagship project in Makati. In 2013, the Company expanded outside Metro Manila with the launch of 32 Sanson by Rockwell in Cebu City, marking the beginning of its regional growth. Since then, Rockwell Land has strengthened its presence with additional developments in Cebu, Laguna, Batangas, Bacolod, and Pampanga. As of today, the Company holds a land bank of over 600 hectares, providing a solid foundation for sustained growth in the years ahead.

As of September 30, 2025, First Philippine Holdings Corporation owns 86.58% of the Company while 13.07% is owned by the public and 0.35% by individuals. The Company has 6,116,762,198 outstanding common shares and 2,750,000,000 preferred shares. Equity attributable to equity holders of the Company amounted to ₱32.89 Billion. Rockwell Land has a total market capitalization of ₱12.17 Billion based on the closing price of ₱1.99 per common share on the last trading day of the third quarter of 2025.

BUSINESS SEGMENTS

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

The residential development segment involves the development, sales, and property management of all residential units under Rockwell and Primaries brands. This segment currently accounts for 65% of the Company's EBITDA for the nine months ended September 30, 2025. Its portfolio of completed and/or launched projects comprise the following:

- West Block Residential Towers
- The Manansala
- Joya Lofts and Towers
- One Rockwell
- The Grove by Rockwell – Towers A & B
- Edades Tower and Garden Villa
- 205 Santolan by Rockwell
- The Alvendia
- The Grove by Rockwell – Tower C & D
- 53 Benitez
- The Grove by Rockwell – Tower E & F
- 32 Sanson Phase 1 – Raffia & Gmelina
- 32 Sanson Phase 2 – Buri
- Proscenium Phase 1 – Kirov, Sakura, Lincoln, Lorraine
- Stonewell Acacia Homes
- Edades Suites
- 32 Sanson Phase 3 – Solihiya
- Stonewell Mahogany Homes
- The Vantage at Kapitolyo
- The Proscenium Residences
- The Balmori Suites
- Stonewell Royal Palm Homes
- East Bay Residences
- The Arton by Rockwell
- Terreno South
- Aruga Resort and Residences Mactan-Cebu by Rockwell
- Rockwell South at Carmelray
- Nara Residences
- 8 Benitez Suites
- 32 Sanson Phase 4 – Sillion
- The Manansala and The BenCab
- Edades West

- The Samanean at Paradise Farms
- Molinillo at Rockwell Center Lipa
- Rockwell at IPI Center
- Bel-Air at Rockwell Center Bacolod
- Rockwell Center Bacolod Commercial Lots
- Lauan Ridges by Rockwell

The commercial development segment of the Company develops, leases and manages its retail and office developments. As of Q3 2025, the Company has a commercial portfolio of 236,476 sq.m. of leasable space, which comprises of the following:

- Power Plant Mall
- Rockwell Business Center-Ortigas (RBC Ortigas)
- 8 Rockwell
- Rockwell Business Center – Sheridan (RBC Sheridan)
- Santolan Town Plaza
- Arton Strip
- 1 Proscenium
- Aruga by Rockwell
- Proscenium Retail Row

The Company continues to seek new opportunities for its expansion and growth. As of the date of this Prospectus, the Company will launch several projects which are currently still in the developmental and design stages.

HISTORY

The Company was incorporated on August 11, 1975 as First Philippine Realty and Development Corporation. On February 23, 1995, the Company amended its articles of incorporation, changing its name to Rockwell Land Corporation. On September 27, 1996, the SEC approved the increase in capital stock of the Company from ₱1.00 Million to ₱6.00 Billion with three major shareholders subscribing to the increase, namely: Meralco, FPHC and LPZ. During the increase, the Company also amended its articles of incorporation to include the increase in capital stock and the increase in the 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 from ₱6.00 Billion divided into 6,000,000,000 Common Shares with ₱1.00 par value each to ₱9.00 Billion divided into 8,890,000,000 Common Shares with the same par value and 11,000,000,000 Preferred Shares with a ₱0.01 par value each with existing shareholders subscribing to the increase in capital. In August 2009, LPZ sold its share in the Company to FPHC therefore leaving the Company with only two (2) major shareholders, namely Meralco and FPHC.

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 Powerplant Mall; Powerplant Cinemas; and Edades Serviced Apartments".

On February 27, 2012, the Board of Directors 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 FPHC 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 on the Philippine Stock Exchange on May 11, 2012.

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

COMPETITIVE STRENGTHS

The Company believes that it can effectively compete in the industry because of the following strengths:

- Reputation for innovation and world-class property developments
- Solid project delivery track record
- Strategic positioning in key cities backed by solid landbank
- Substantial recurring income
- Strong financial position
- Experienced Management Team
- Potential for Expansion and Growth

A more detailed discussion of the Company's *"Competitive Strengths"* may be found on page 84.

STRATEGIES

The following are the strategies that Rockwell Land employs as it pursues its real property business:

- EXECUTION: Relentlessly pursue exceptional quality through deliberate attention to details
- BRAND: Leverage on the Rockwell brand by going into new markets and uphold our leadership in the luxury segment
- GROWTH: Expand Rockwell Lands's reach through strategic investments in areas where the Company has comparative advantage
- DIVERSIFICATION: Maintain a healthy balance of recurring and non-recurring income sources

A more detailed discussion of the Company's *"Strategies"* may be found on page 86.

SUMMARY FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's unaudited interim condensed consolidated financial statements as at September 30, 2025 and for the nine months ended September 30, 2025 and 2024 and its audited consolidated financial statements as of and for the years ended December 31, 2024, 2023, and 2022. This should be read in conjunction with the unaudited interim condensed consolidated financial statements and audited consolidated financial statements annexed to this Prospectus, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In ₦ thousands	Unaudited For the 9 months ended September 30		Audited For the years ended December 31		
	2025	2024	2024	2023	2022
REVENUES					
Revenue from sale of real estate	10,951,918	9,911,995	14,577,799	11,914,442	11,382,413
Lease income	1,977,668	1,811,189	2,469,012	2,256,045	1,889,427
Interest income	254,470	495,786	533,509	2,057,077	1,477,459
Others	1,811,684	1,799,380	2,505,340	2,283,447	1,758,665
	14,995,740	14,018,350	20,085,660	18,511,011	16,507,964
EXPENSES					
Cost of real estate	6,648,135	6,559,768	9,705,525	9,434,611	9,268,529
General and administrative expenses	1,859,953	1,787,835	2,594,785	2,392,675	2,067,051
Selling expenses	997,109	940,351	1,336,627	1,223,438	960,372
	9,505,197	9,287,954	13,636,937	13,050,724	12,295,952
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	5,490,543	4,730,396	6,448,723	5,460,287	4,212,012
OTHER INCOME (EXPENSES)					
Interest expense	(1,361,179)	(1,257,872)	(1,735,529)	(1,599,014)	(1,213,289)
Share in net income of joint venture and associate	393,430	294,092	374,066	465,711	375,628
Foreign exchange gains (losses) - net	1,979	(2,611)	14,264	(2,941)	17,979
Excess of fair value of net assets acquired over consideration paid	—	134,541	134,541	—	—
Gain on remeasurement of investment in an associate	—	63,884	63,884	—	—
	(965,770)	(767,966)	(1,148,774)	(1,136,244)	(819,682)
INCOME BEFORE INCOME TAX	4,524,773	3,962,430	5,299,949	4,324,043	3,392,330
PROVISION FOR INCOME TAX	1,032,165	872,053	1,187,282	924,491	798,254
NET INCOME	3,492,608	3,090,377	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 gain (loss) on cash flow hedge	87,356	3,571	(66,399)	—	—
Income tax effect	(21,839)	(893)	16,600	—	—
	65,517	2,678	(49,799)	—	—

Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Remeasurement gain (loss) on employee benefits	–	–	(6,182)	(131,668)	155,623
Fair value gain on equity instruments designated at FVOCI	–	–	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)	65,517	2,678	(53,436)	(70,005)	126,876
TOTAL COMPREHENSIVE INCOME	3,558,125	3,093,055	4,059,231	3,329,547	2,720,952
	Unaudited		Audited		
	For the 9 months ended		For the years ended		
	September 30		December 31		
	2025	2024	2024	2023	2022
Net Income Attributable To					
Equity holders of the Parent Company	3,117,400	2,807,155	3,706,931	3,113,226	2,301,911
Non-controlling interests	375,208	283,222	405,736	286,326	292,165
	3,492,608	3,090,377	4,112,667	3,399,552	2,594,076
Total Comprehensive Income Attributable To					
Equity holders of the Parent Company	3,182,917	2,809,833	3,653,495	3,043,221	2,428,787
Non-controlling interests	375,208	283,222	405,736	286,326	292,165
	3,558,125	3,093,055	4,059,231	3,329,547	2,720,952
Earnings Per Share Attributable to Equity Holders of the Parent Company					
Basic	0.5094	0.4587	0.6058	0.5087	0.3761
Diluted	0.5088	0.4586	0.6057	0.5087	0.3761

For breakdown of revenues per operating segment and type of revenue, please refer to the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” located on page 129 of this Prospectus.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited		Audited	
			For the years ended	
	September 30,	2024	2023	2022
	2025			
ASSETS				
Current Assets				
Cash and cash equivalents	3,953,671	3,986,954	4,251,289	3,517,752
Trade and other receivables	2,361,345	1,705,583	1,127,495	3,917,432
Contract assets	7,776,771	6,661,563	9,237,501	12,024,821
Real estate inventories	28,153,341	29,084,869	24,411,338	17,981,211
Advances to contractors	2,600,788	2,557,165	2,000,280	1,814,366
Other current assets	5,419,619	4,241,337	3,838,097	3,481,948
Total Current Assets	50,265,535	48,237,471	44,866,000	42,737,530

Noncurrent Assets

Investment properties	17,043,941	15,797,011	14,624,071	14,666,614
Property and equipment	4,634,573	2,720,705	2,648,963	2,154,070
Investments in joint venture and associate	4,795,629	4,682,718	5,726,874	5,878,073
Contract assets - net of current portion	10,728,304	9,561,607	6,110,549	3,745,457
Investment in equity instruments at fair value through other comprehensive income (FVOCI)	62,780	62,549	61,549	36,711
Deferred tax assets – net	86,519	61,996	59,238	107,405
Other noncurrent assets	740,969	622,890	499,803	328,015
Total Noncurrent Assets	38,092,715	33,509,476	29,731,047	26,916,345
Total Assets	88,358,250	81,746,947	74,597,047	69,653,875

LIABILITIES AND EQUITY**Current Liabilities**

Trade and other payables	10,294,231	10,170,160	9,730,914	9,500,352
Current portion of interest-bearing loans and borrowings	6,719,422	4,729,153	2,812,449	2,833,346
Subscription payable	197,000	197,000	367,150	1,179,150
Income tax payable	79,481	50,518	160,414	24,997
Total Current Liabilities	17,290,134	15,146,831	13,070,927	13,537,845

Noncurrent Liabilities

Interest-bearing loans and borrowings - net of current portion	27,115,869	24,423,943	23,031,839	22,260,138
Subscription payable - net of current portion	1,045,316	2,321,410	2,355,410	1,743,410
Lease liabilities - net of current portion	690,551	679,447	663,600	649,569
Pension liability - net	217,898	186,741	84,762	72,043
Deferred tax liabilities - net	1,428,254	1,210,147	1,219,343	1,475,856
Deposits and other liabilities	2,016,159	1,966,761	1,876,456	2,352,407
Total Noncurrent Liabilities	32,514,047	30,788,449	29,231,410	28,553,423
Total Liabilities	49,804,181	45,935,280	42,302,337	42,091,268

Equity Attributable to Equity Holders of the Parent Company

Capital stock	6,270,882	6,270,882	6,270,882	6,270,882
Additional paid-in capital	28,350	28,350	28,350	28,350
Other comprehensive income	46,580	46,580	45,580	20,580
Other equity adjustments	540,323	540,323	540,323	540,323
Share-based payments	69,700	69,700	69,700	69,700
Cash flow hedge reserve	15,718	(49,799)	–	–
Retained earnings				
Appropriated	15,000,000	14,700,000	14,700,000	11,700,000
Unappropriated	11,051,618	8,977,221	6,530,847	6,974,257
	33,023,171	30,583,257	28,185,682	25,604,092
Less cost of treasury shares	185,334	185,334	185,334	185,334

Total Equity Attributable to Equity Holders of the Parent Company	32,837,837	30,397,923	28,000,348	25,418,758
Non-controlling interests	5,716,232	5,413,744	4,294,362	2,143,849
Total Equity	38,554,069	35,811,667	32,294,710	27,562,607
Total Liabilities and Equity	88,358,250	81,746,947	74,597,047	69,653,875

Notes:

- (1) Other current assets include creditable withholding tax, prepaid costs, input VAT – net, restricted cash, refundable deposit, supplies and other current assets.
- (2) Other noncurrent assets include advances to contractor, derivative asset, pension asset and other noncurrent assets.
- (3) Deposits and other liabilities include retention payable, contract liabilities, security deposits, condominium and utility deposits and other liabilities.

CONSOLIDATED STATEMENTS OF CASH FLOW

<i>In ₦ thousands</i>	Unaudited For the nine months ended September 30		Audited For the years ended December 31		
	2025	2024	2024	2023	2022
Net cash provided by (used in) operating activities	1,011,861	(280,488)	143,985	3,643,085	4,692,699
Net cash provided by (used in) investing activities	(3,579,277)	(403,322)	(782,824)	(522,169)	144,333
Net cash provided by (used in) financing activities	2,532,154	(137,566)	362,335	(2,384,438)	(4,122,123)
Effect of exchange rate changes on cash and cash equivalents	1,979	(2,612)	12,169	(2,941)	(17,979)
Net increase (decrease) in cash and cash equivalents	(33,283)	(823,988)	(264,335)	733,537	732,888
Cash and cash equivalents, end of year	3,953,671	3,427,301	3,986,954	4,251,289	4,251,289

FINANCIAL RATIOS

<i>As indicated</i>	For the nine months ended September 30		For the years ended December 31		
	2025	2024	2024	2023	2022
ROA (*)	5.5%	5.3%	5.3%	4.7%	3.9%
ROE (*)	12.5%	12.4%	12.1%	11.4%	9.7%

	As of September 30, 2025	2024	2023	2022
Current ratio (x)	2.91	3.18	3.43	3.16
Debt to equity ratio (x)	0.88	0.81	0.80	0.91
Net debt to equity Ratio (x)	0.78	0.70	0.67	0.78
Asset to equity ratio (x)	2.29	2.28	2.31	2.53
Interest coverage ratio (x)	5.07	4.91	4.57	4.42

Notes:

- (1) EPS (Net Income attributable to Parent Company and common shares /number of common shares issued and outstanding)
- (2) ROA (Net Income/Average Total Assets)
- (3) ROE (Net Income/ Average Total Equity)
- (4) Current ratio (Current assets/Current liabilities)

- (5) Debt to equity ratio ($\text{Total interest-bearing debt} / \text{Total Equity}$)
(6) Net debt to equity ratio ($(\text{Total interest-bearing debt} - \text{Cash and cash equivalents}) / \text{Total Equity}$)
(7) Asset to equity ratio ($\text{Total Assets} / \text{Total Equity}$)
(8) Interest coverage ratio ($\text{EBITDA} / \text{Interest Payments}$)
*ROA and ROE are annualized figures

OVERVIEW OF THE 2026 DEBT SECURITIES PROGRAM

The detailed terms and conditions of each succeeding Tranche of the 2026 Debt Securities Program shall be set out in the relevant Offer Supplement to be issued at the relevant time.

Any discussion of Rockwell Land's 2026 Debt Securities Program contained herein does not purport to be a complete listing of all the rights, obligations, or privileges of the debt securities. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors are enjoined to carefully review the Articles of Incorporation, By-Laws, and resolutions of the Board of Directors of the Company, the information contained in this Prospectus, the relevant Offer Supplement, and other agreements relevant to the offer of a particular tranche of the 2026 Debt Securities Program, and to perform their own independent investigation and analysis of the Issuer and the 2026 Debt Securities Program. Prospective investors must make their own appraisal of the Company and the offer, and must make their own independent verification of the information contained herein and the other aforementioned documents and any other investigation they may deem appropriate for the purpose of determining whether to participate in the offer of the 2026 Debt Securities Program. They must not rely solely on any statement or on the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis. Prospective investors are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the debt securities being offered.

Rockwell Land is offering debt securities under its Debt Securities Program in the aggregate principal amount of up to Twenty Billion Pesos (₱20,000,000,000.00) to be issued in tranches within a period of five (5) years from the effective date of the Registration Statement. The following sections outline the description of the 2026 Debt Securities Program.

Issuer	: Rockwell Land Corporation
Issue	: Debt securities constituting the direct, unconditional, unsecured, and unsubordinated obligations of Rockwell Land
Use of Proceeds	: The intended use of proceeds for each Tranche of the 2026 Debt Securities Program being offered shall be set in the relevant Offer Supplement under the "Use of Proceeds" section.
Debt Securities Program	: up to Twenty Billion Pesos (₱20,000,000,000.00)
Availability	: The 2026 Debt Securities Program shall be continuously available until the expiration of the Shelf Period and the Permit to Offer Securities for Sale to be issued by the SEC.
Governing Law	: Philippine Law

SUMMARY OF THE OFFER

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus and in the Trust Indenture.

Issuer	: Rockwell Land Corporation
Issue / Issue Amount	: SEC-registered fixed rate, Philippine Peso-denominated First Tranche Bonds constituting the direct, unconditional, unsecured and unsubordinated obligations of the Issuer in the principal amount of Seven Billion Pesos (₱7,000,000,000.00) (the “Base Offer”) with an oversubscription option of up to Three Billion Pesos (₱3,000,000,000.00) (the “Oversubscription Option”), under the Issuer’s 2026 Debt Securities Program. The Issuer has the discretion to allocate the Issue Amount between the Series A Bonds and Series B Bonds or, depending on prevailing market conditions, to fully allocate the entire Issue Amount to one series, based on bids received from the bookbuilding process of the Joint Lead Underwriters and Bookrunners. In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, the First Tranche Bonds under Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under the Shelf Registration and may be issued in tranches within the Shelf Period. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners with the consent of the Issuer.
Issue Rating	: PRS Aaa with Stable Outlook by Philippine Rating Services Corporation
Use of Proceeds	: The net proceeds of the Offer are intended to be used by the Company to partially fund capital expenditures for land development and the construction costs of the Issuer’s residential, retail, office and hotel projects. Please see the “ <i>Use of Proceeds</i> ” section on page 44 of this Prospectus for details of how the total net proceeds are expected to be applied.
Offer Price	: At par, or 100% of the face value
Manner of Distribution	: The First Tranche Bonds will be distributed to retail and/or qualified institutional investors via public offering.
Form and Denomination	: The First Tranche Bonds shall be issued in scripless form in denominations of Fifty Thousand Pesos (₱50,000.00), each as a minimum and in increments of Ten Thousand Pesos (₱10,000.00) thereafter. Legal title to the First Tranche Bonds shall be shown in the Register of Bondholders to be maintained by the designated Registrar.
Offer Period	: Commencing at 9:00 a.m. on March 4, 2026 and ending at 12:00 p.m. on March 10, 2026 or such earlier day or later day as maybe jointly determined by the Issuer and the Joint Lead Underwriters and Bookrunners.

Withdrawal of the Offer

- : Rockwell Land reserves the right to withdraw the offer and sale of the First Tranche Bonds at any time prior to the execution of the Underwriting Agreement and before the commencement of the Offer Period, in which event Rockwell Land shall make the necessary disclosures to the SEC and the PDEX.

For the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated after the commencement of the Offer Period, solely by reason of (i) the inability of the Company or the Joint Issue Managers, Joint Lead Underwriters and Bookrunners to sell or market the First Tranche Bonds or (ii) the refusal or failure by the Joint Issue Managers, Joint Lead Underwriters and Bookrunners, or any other entity/person to comply with any undertaking or commitment by the Joint Issue Managers, Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any First Tranche Bonds remaining after the Offer Period.

Change in Law or Circumstance

If any provision of the Trust Indenture or any of the related documents is or shall become for any reason, invalid, illegal or unenforceable to the extent that it shall become, for any reason, unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents, such event shall be considered as change in law or circumstance (“**Change in Law**”) in reference to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the First Tranche Bonds.

In the event that the Issuer shall invoke the foregoing as a Change in Law, the Issuer shall provide the Trustee an opinion of legal counsel confirming the foregoing, such legal counsel being reasonably acceptable to the Trustee. Thereupon, the Trustee, upon notice to the Issuer, shall declare the principal amount of the First Tranche Bonds, including all accrued interest and other chargers thereon, if any, to be immediately due and payable, and upon such declaration, the same shall be immediately due and payable without and pre-payment penalty, notwithstanding anything in the Trust Indenture and other related documents to the contrary.

Termination of the Offer

- : Rockwell Land, by notice in writing delivered to each of the Joint Lead Underwriters and Bookrunners, may suspend or terminate the Underwriting Agreement with respect to a Joint Lead Underwriter and Bookrunner in the event that:

- (a) the relevant Joint Lead Underwriter and Bookrunner fails to perform, any of its material undertakings, covenants, and obligations herein; or
- (b) any of the respective material representations and warranties of a Joint Lead Underwriter and Bookrunner in this Agreement is untrue or misleading or has

become untrue or misleading, and such supervening event could not be corrected by the relevant Joint Lead Underwriter and Bookrunner within a curing period as may be agreed upon by Rockwell Land with the relevant Joint Lead Underwriter or Bookrunner or all of them

The Joint Lead Underwriters and Bookrunners may, deciding unanimously, terminate or suspend the Offer by written notice of suspension or terminate the same by an irrevocable written notice of termination to the Issuer if, on or before the Issue Date, any of the following events occurs:

- (a) Rockwell Land fails to perform any of its undertakings, covenants, or obligations under this Agreement or the Trust Indenture, or any representations and warranties made by Rockwell Land in the Agreement or the Trust Indenture, or any information given in the Prospectus is untrue or misleading, or has become untrue or misleading to a material extent, or fails to complete the conditions precedent as set in Section 6.1 of the Underwriting Agreement;
- (b) An order cancelling, suspending, or terminating the offer, sale, distribution, or issuance of the First Tranche Bonds is issued by any Governmental Authority with competent jurisdiction;
- (c) Any change or impending change occurs in any Applicable Law which (x) could materially and adversely affect any of the features, yield, or marketability of the First Tranche Bonds, or the financial position, operations, profitability, or business prospects of Rockwell Land, or the ability of the Joint Lead Underwriters and Bookrunners to perform any of their obligations under this Agreement or any substantive aspect of this Agreement, or (y) increases or may increase the taxes on the fees or increase the costs of the Joint Lead Underwriters and Bookrunners in performing their obligations under this Agreement, and in both (x) and (y), render it inadvisable or impracticable to proceed with the Offer in the manner contemplated by this Agreement or the Registration Statement or the Prospectus;
- (d) Declaration of a war by a sovereign state against the Philippine government or vice versa; occurrence of an invasion, sedition, revolution, military uprising, widespread civil disorder, national calamity or other adverse political or social developments which, in the reasonable determination of the Joint Lead Underwriters and Bookrunners, would have a material adverse effect on the value or marketability of the First Tranche Bonds;
- (e) Rockwell Land is compelled to stop or is about to stop its operations pursuant to an order of a competent Governmental Authority;

- (f) A general banking moratorium is declared in the Philippines;
- (g) Any event occurs which makes it legally impossible for the Joint Lead Underwriters and Bookrunners whose aggregate Underwriting Commitments constitute more than fifty percent (50%), to perform their obligations hereunder due to conditions beyond their control, so long as the Joint Lead Underwriters and Bookrunners are not, independent of such event, in breach of any of its obligations;
- (h) In the reasonable determination of the Joint Lead Underwriters and Bookrunners, after discussions and consultations, in good faith, with Rockwell Land, a material and adverse change or development from the date of this Agreement: (x) in the financial condition, assets, corporate structure or relationships, investments, revenues, operations, or business and profitability prospects of Rockwell Land, which could result in a Material Adverse Effect or (y) in the general commercial bank, loan syndication, financial or capital market conditions, the national or international financial, social, political or economic conditions or currency exchange rates or exchange controls, which in each case is reasonably expected to have a material and adverse effect on, and is likely to prejudice materially the successful distribution of, the First Tranche Bonds in the primary market and/or dealings in the First Tranche Bonds in the secondary market;
- (i) In the sole opinion of the Joint Lead Underwriters and Bookrunners, after discussions and consultations, in good faith, with Rockwell Land, a change, or any development involving a prospective change, occurs or is revealed in the social, political, economic, or fiscal conditions, policies, or relationships of the Philippines, notably any material and adverse development or change in the general commercial bank, bond, loan syndication, financial or capital market conditions, the national financial, political or economic conditions which in each case may materially and adversely affect the Offer and render it inadvisable or impracticable to proceed with the Offer in the manner contemplated by this Agreement or the Registration Statement or the Prospectus;
- (j) Any other event, whether or not similar to any of the above, should occur or be revealed which, in the reasonable determination of the Joint Lead Underwriters and Bookrunners, will materially and adversely affect the circumstances existing when this Agreement was entered into rendering it inadvisable or impracticable to proceed with the Offer in the manner contemplated by this Agreement or the Registration Statement or the Prospectus; provided, that such event is beyond the control of and/or not

attributable to the fault of the Joint Lead Underwriters and Bookrunners;

- (k) Any Government Authority issues an order cancelling, suspending, or terminating the Offer;
- (l) Rockwell Land shall be adjudicated by final order of a competent court as bankrupt or insolvent, or shall be proven to be unable to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class of creditors, or shall declare or threaten to declare a moratorium on its indebtedness or any class of indebtedness; or Rockwell Land shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property; or such receiver, trustee, or similar officer shall be appointed and such appointment shall continue undischarged for a period of thirty (30) days; or Rockwell Land shall institute (by petition, application, or otherwise) or consent to the institution of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against it and shall remain undismissed for a period of thirty (30) days; or any judgment, writ, warrant of attachment or execution, or similar process shall be issued or levied against any material asset of Rockwell Land and such judgment, writ, or similar process shall not be released, vacated, or fully bonded within thirty (30) days after its issue or levy; or any event occurs which, under Applicable Law, has an effect equivalent to any of the foregoing;
- (m) Any other event, similar to any of the above, should occur or be revealed which, in the reasonable determination of the Joint Lead Underwriters and Bookrunners, after discussions and consultations, in good faith, with Rockwell Land, will materially affect the circumstances existing when this Agreement was entered into; provided, that such event is beyond the control of and/or not attributable to the fault of the Joint Lead Underwriters and Bookrunners.

Additionally, a Joint Lead Underwriter and Bookrunner may suspend, cancel or terminate its Underwriting Commitment by giving written notice to Rockwell Land if, on or prior to the Issue Date, performance of or compliance with any of the undertakings, covenants or obligations herein of such Joint Lead Underwriter and Bookrunner becomes impossible due to conditions beyond its control, such as force majeure, natural calamities and disasters, flood, storm, earthquake, wars, riots, insurrections, terrorist acts, epidemic or pandemic (including but not limited to severe acute respiratory syndrome, avian flu, and COVID-19 quarantine restrictions) and/or any other cause beyond the reasonable control of and which cannot be

reasonably foreseen by such Joint Lead Underwriter and Bookrunner.

Issue Date : March 18, 2026 or such date on which the First Tranche Bonds shall be issued by Rockwell Land to the Bondholders

Maturity Date : Series A Bonds: Three (3) years from the Issue Date
Series B Bonds: Five (5) years from the Issue Date

provided that, in the event that the Maturity Date falls on a day that is not a Business Day, the principal repayment shall be made by the Issuer on the next succeeding Business Day, without adjustment to the amount of interest to be paid.

Interest Rate : Series A Bonds: 5.5666% p.a.
Series B Bonds: 5.8595% p.a.

Interest Payment : Interest on the First Tranche Bonds shall be calculated on the basis of a 30/360-day basis, and shall be paid quarterly in arrears commencing on June 18, 2026, for the first Interest Payment Date and on March 18, June 18, September 18, and December 18 of each year for each subsequent Interest Payment Date at which the First Tranche Bonds are outstanding, or the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The last Interest Payment Date on the First Tranche Bonds shall fall on the Maturity Date.

Final Redemption : The First Tranche Bonds shall be redeemed at par, or 100% of face value, on Maturity Date, unless Rockwell Land exercises its Optional Redemption according to the conditions therefor (see *"Description of the Offer"* – *"Redemption and Purchase"* on page 59).

Optional Redemption : Prior to final maturity, Rockwell Land may redeem in whole, but not in part, the outstanding Series B Bonds starting on the third anniversary of Issue Date. Rockwell Land shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the outstanding Series B Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Series B Bonds on the relevant Optional Redemption Date stated in such notice.

The amount payable to the Bondholders in respect of an Optional Redemption exercise shall be calculated, based on the principal amount of the Series B Bonds being redeemed, as the sum of (i) accrued interest computed from the last Interest Payment Date up to the relevant Optional Redemption Date; and (ii) the product of the principal amount of the Series B Bonds being redeemed and the Optional Redemption Price in accordance with the following schedule:

Series A Bonds	
Optional Redemption Date	Optional Redemption Price
Not Applicable	Not Applicable

Series B Bonds	
Optional Redemption Date	Optional Redemption Price
3 rd anniversary of the Issue Date and every interest period date thereafter before the 4 th anniversary of the Issue Date	102%
4 th anniversary of the Issue Date and every interest period date thereafter before the 5 th anniversary of the Issue Date	101%

Redemption for Tax Purposes : If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days' prior written notice) at par, plus accrued interest.

Status of the First Tranche Bonds : The Bonds shall constitute the direct, unconditional, unsecured and unsubordinated, obligations of Rockwell Land and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of Rockwell Land, other than obligations preferred by law.

Joint Issue Managers : BDO Capital & Investment Corporation
First Metro Investment Corporation

Joint Lead Underwriters and Bookrunners : BDO Capital & Investment Corporation
First Metro Investment Corporation
PNB Capital and Investment Corporation
RCBC Capital Corporation

Selling Agents : The Joint Lead Underwriters and Bookrunners, Bank of Commerce, BPI Capital Corporation, and Land Bank of the Philippines

Registrar and Paying Agent : Philippine Depository & Trust Corp.

Trustee : Metropolitan Bank & Trust Company – Trust Banking Group

Listing : The Issuer intends to list the First Tranche Bonds on the Philippine Dealing and Exchange Corporation.

Indicative Timetable	Filing of the Registration Statement with the SEC	January 12, 2026
	Interest Rate Setting Date	February 27, 2026
	Receipt of the SEC Permit to Sell	March 3, 2026
	Public Offer Period	March 4 to 10, 2026
	Issue and Listing Date	March 18, 2026

RISK FACTORS

An investment in the First Tranche Bonds, as described in this Prospectus, involves a certain number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward price movements and may lose part, or all, of its value over time. There is an inherent risk that losses may be incurred rather than profit, as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of any security. The market price of the First Tranche Bonds could decline due to any one of, but not limited to, the risks described herein, and all or part of an investment in the First Tranche Bonds could be lost.

Prior to making any investment decision, prospective investors should carefully consider all of the information in this Prospectus, including the risk factors described below.

This section entitled “Risk Factors” does not purport to be a comprehensive disclosure of all of the risks and other significant aspects of investing in these securities, but is intended to give a general idea to a prospective investor of the scope of risks involved in investing in the First Tranche Bonds. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company’s business, results of operations, financial condition and prospects and on the First Tranche Bonds in the future. Prospective investors may request publicly available information on the First Tranche Bonds and the Company from the SEC. Prospective investors should undertake their own independent research and study on the merits of investing, and subsequently, trading these securities. Prospective investors should seek professional advice if he or she is uncertain of or has not understood any aspect of the Offer or the nature of risks involved in purchasing, holding and trading the First Tranche Bonds. Each potential investor should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the First Tranche Bonds. Rockwell Land and the Joint Lead Underwriters and Bookrunners do not make any warranty or representation on the marketability of an investment in the First Tranche Bonds and the sustainability of the price of the First Tranche Bonds. The risk factors discussed in this section are separated into categories for ease of reference.

RISK FACTORS RELATING TO THE COMPANY AND ITS BUSINESS

Property development is a highly competitive business environment

Rockwell Land is a developer of residential and commercial establishments for the high-end and upper-middle real estate markets in the Philippines. This is a highly competitive segment due to the proliferation of developers in the said market segments. Rockwell Land competes with a significant array of real estate developers and developments to attract potential owners of land and residential units, office and retail tenants, as well as hospitality, leisure, and property management firms. Should Rockwell Land fail to attract buyers for its developments due to increased competition in its segment, its business and results of operations could be adversely affected.

Rockwell Land continues to maintain its focus on pursuing exceptional quality through deliberate attention to detail, leveraging on its brand by going into new markets and upholding its strong foothold in the luxury segment, and expanding its reach through strategic investments in areas where the company has strategic advantage. Rockwell Land also provides its personal service to its residents, tenants and unit owners in order to maintain its competitiveness in the high-end and upper-middle real estate markets in the Philippines.

Company is exposed to risks inherent in the Philippine property market as the Company’s properties are all in the Philippines

Rockwell Land derives its revenue and operating profits from property investment and development operations in the Philippines. Thus, the Company is directly affected by the risks that affect the Philippine property market as a whole. In general, the Philippine property market is determined by the strength of the Philippine economy, the spending capacity of buyers and the availability of other equally priced properties and alternative investments. The property market is also affected by social trends, changing spending

patterns and consumer sentiment in the Philippines, which in turn are likewise influenced by economic, political and social conditions in the Philippines.

Present day economic and political uncertainties in the Philippines may have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company. Significant expenditures are associated with investment in real estate. Because Rockwell Land's properties and investments are all in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally could materially adversely affect its profitability.

Timely development of Rockwell Land's project is dependent on various factors

Rockwell Land's future financial performance may be significantly affected by factors that limit its ability to finance and complete its current and future projects in a timely and cost-effective manner and to market them successfully. Rockwell Land may invest significant time and money in a project which may not be commercially viable. Obtaining governmental approvals and permits may also take substantially more time and resources than anticipated or construction of projects may not be completed on schedule and within budget. In addition, time and the costs involved in completing the development and construction of its projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, Peso depreciation, natural disasters, labor disputes with contractors and subcontractors, accidents, changes in laws or in Government priorities and other unforeseen problems or circumstances. Where land to be used for a project is occupied by tenants and/or informal settlers, Rockwell Land may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect Rockwell Land's margins. This may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect Rockwell Land's results of operations for that year. Further, the failure by Rockwell Land to complete the construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns.

If any of Rockwell Land's projects experience construction or infrastructure failures, design flaws, quality control issues and other factors resulting in significant project delays, this could have a negative effect on Rockwell Land's reputation and make it more difficult to attract new customers to its projects, thus impairing Rockwell Land's ability to reduce its capital investment requirements. Rockwell Land cannot provide any assurance that such events will not occur in a manner that would materially and adversely affect its results of operations or financial condition.

Rockwell Land, through its project management team, has made it a policy to conduct strict monitoring of project milestones in order to timely address any issues during project planning, design, construction up to the handover of the units to the owners.

Rockwell Land may be unable to successfully manage its growth

Rockwell Land intends to continue to pursue an aggressive growth strategy for its real estate business. Rockwell Land's growth strategy may require a reallocation of management resources away from its current daily operations and will also require the Company to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. In the course of implementing its growth strategy, Rockwell Land may experience capital constraints, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on Rockwell Land's reputation and on its business, results of operations or financial condition.

Rockwell Land carefully selects its projects, ensuring that these are aligned with the Company's growth and expansion strategies and that resources are properly identified, quantified and allocated to ensure such projects are successfully completed, on schedule, within budget and based on quality specifications.

Competition for the acquisition of land for new projects may adversely affect Rockwell Land's business

Rockwell Land's growth and development are dependent on its ability to acquire or enter into agreements to buy and develop additional tracts of land suitable for Rockwell Land's planned real estate projects. The Company may encounter difficulty in negotiating with landowners to sell their land to Rockwell Land. The Company may also experience difficulty locating parcels of land of suitable size in locations and at prices acceptable to the Company, particularly parcels of land located in areas surrounding Metro Manila and in other urban areas throughout the Philippines. Should Rockwell Land fail to acquire and/or develop suitable land at acceptable prices and with reasonable returns, or at all, its growth prospects could be limited, and its business and results of operations could be adversely affected.

Rockwell Land carefully selects its projects and limits its acquisitions to land that would be used in the short term and medium term and which are expected to add value to the Company. Rockwell Land also maintains good relationships with brokers and landowners of prospective projects in order to be prioritized in the event of sale and/or to be considered as joint venture partners in future developments.

Substantial sales cancellations involving Rockwell Land's projects could adversely affect the business of Rockwell Land

Rockwell Land's business, financial condition and results of operations could be adversely affected by the material number of cancellations of unit sales in its projects. RA 6552 or the Maceda Law covers the business of Rockwell Land as it applies to all transactions or contracts involving the sale or financing of real estate through installment payments. Under the said law, buyers who have paid at least two (2) years of installments are granted a grace period of one (1) month for every year of paid installments to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five (5) years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two (2) years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without the right of refund.

While Rockwell Land has not experienced a material number of cancellations to which RA 6552 has applied, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy, periods when interest rates are high or similar situations. In the event that Rockwell Land does experience a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers or it may have to incur indebtedness in order to pay such cash refunds. In addition, particularly during an economic slowdown or downturn, there can be no assurance that Rockwell Land would be able to re-sell the same property or re-sell it at an acceptable price. Any of the foregoing events would have a material adverse effect on Rockwell Land's business, financial condition and results of operations. Furthermore, in the event that Rockwell Land experiences a material number of sales cancellations, investors are cautioned that Rockwell Land's historical revenues would have been overstated because such historical revenue would not reflect subsequent customer defaults or sales cancellations.

Rockwell Land is exposed to risks relating to the performance of the economies of the countries where its potential customers are based

A portion of the demand for Rockwell Land's projects is from foreigners and Filipinos residing outside of the Philippines, thus, a downturn in the economic performance of the countries and regions where a significant number of these potential customers are located, such as the U.S. and Singapore, could adversely affect the demand for Rockwell Land's projects, which could have an adverse effect on Rockwell Land's business, financial condition and results of operations.

While the Company continues to market its products to potential clients abroad, 82% percent of its clients are Filipinos based in the country.

Rockwell Land may be affected by the risk posed by an asset price bubble

The Philippine real estate sector is inherently cyclical and susceptible to asset price bubbles. Such bubbles occur when a significant misalignment between supply and demand triggers an artificial surge in property valuations. If supply subsequently exceeds demand, a sharp correction in prices may occur, potentially leading to a market downturn.

The sustained growth of the domestic property market has been supported by strong macroeconomic fundamentals, including a resilient national economy, a favorable interest rate environment, and steady consumption driven by a young demographic and consistent Overseas Filipino (“OF”) remittances. Furthermore, the growth of the Information Technology and Business Process Management (“IT-BPM”) sector remains a key pillar of demand for office and residential spaces. While the BSP has implemented prudential measures and real estate exposure limits to safeguard the financial system, there is no guarantee that the market will remain immune to price volatility.

To mitigate these risks, Rockwell Land has strategically developed a diversified portfolio that balances high-end residential sales with stable recurring income from its retail and office leasing operations. The Company’s Power Plant Mall and its premium office developments (such as the 8 Rockwell and the Rockwell Business Centers) are designed to provide a financial cushion during periods of economic contraction, as premium leasing assets have historically shown greater resilience across economic cycles.

Unlike mass-market developers, Rockwell Land focuses on the luxury and upper-mid segments, where demand is often driven by high-net-worth individuals and long-term investors who are generally less sensitive to short-term credit fluctuations. The Company also continues to expand its Rockwell Center brand into key regional hubs, creating integrated, self-sustaining communities that maintain their value due to their curated nature and high barrier to entry. However, a systemic collapse in property prices or a prolonged economic recession could still lead to reduced demand, lower sales velocities, and a material adverse effect on the Company’s business, financial condition, and results of operations.

Rockwell Land’s commercial segment may be adversely affected by the proliferation of online selling portals and e-commerce

The growth of online shopping and e-commerce platforms in the Philippines poses a risk to the commercial rental business of Rockwell Land. The Company relies on consistent foot traffic at its physical locations, such as its flagship store, Power Plant Mall, to generate rental income. The rapid increase of online marketplaces and digital retail platforms introduces the risk of reduced demand for physical spaces, as consumers increasingly shift their purchasing habits toward digital convenience. This shift may result in lower sales for traditional retailers, leading to potential tenant insolvency or increased pressure on the Company to negotiate lower lease rates and concessions. While the Company focuses on high-end, lifestyle-oriented retail experiences that are generally less substitutable by online retail, there is no guarantee that these efforts will fully protect Rockwell Land from the long-term growth of digital competition.

Independent contractors, who may meet Rockwell Land’s quality standards or complete projects on time and within budget, may not be readily available to Rockwell Land

Rockwell Land primarily relies on independent contractors to provide various services, including land clearing and infrastructure development, various construction projects and building and property fit-out works. There can be no assurance that Rockwell Land will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within Rockwell Land’s budget, which could result in costs increases or project delays.

Further, although Rockwell Land’s personnel actively supervises the work of such independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match Rockwell Land’s requirements for quality. Contractors may also experience financial or other difficulties, and shortages or increases in the price of construction materials may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and Rockwell Land may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on Rockwell Land’s business, financial condition and results of operations.

The Company continues to carefully select and expand its network of accredited contractors through the process of prequalification prior to any bidding. The Company likewise strictly monitors the development of each project from the planning, design, construction up to the hand over to unit owners. Furthermore, Rockwell Land requires its contractors to provide a performance bond and surety bond to ensure their satisfactory performance in the projects.

Rockwell Land may be liable for construction defects and other building-related claims

The Civil Code makes property developers such as Rockwell Land liable to ensure the structural integrity of the structures they build for a period of 15 years from the date of the completion of the same. Property developers are also liable for hidden defects in the units they sold when such hidden defects render the unit unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. The law gives the buyer six months from the delivery of the unit to enforce the said warranty.

RA 6541 or the National Building Code further makes Rockwell Land and its officials liable for administrative fines or criminal penalties in case of any violation of its provisions with respect to the design and construction of buildings.

Rockwell Land does not make any assurance that it will not be held liable for damages, the cost of repairs, and/or expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by insurance and not subject to effective indemnification agreements with the contractors of Rockwell Land. Rockwell Land cannot ensure that the contractors it will hire will be able to either correct any such defects or indemnify Rockwell Land for costs incurred by Rockwell Land to correct such defects. A material number of claims arising from structural or construction defects could have a material adverse effect on the reputation, business, financial condition and results of operations of Rockwell Land.

Rockwell Land may suffer losses that are not covered by its insurance

Rockwell Land may be negatively affected due to the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events. Although the Company carries an all-risk insurance policy for all its current and ongoing projects against catastrophic events and business interruption insurance, in amounts and with deductibles that the Company believes are in line with general real estate industry practice, not all risks can be insured against. There are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

Rockwell Land relies on third party brokers to sell its projects

Third party brokers who market and sell Rockwell Land projects also act as brokers for other developers in the same markets Rockwell Land operates. Rockwell Land cannot ensure that these brokers will not favor other developers over the interests of Rockwell Land. Rockwell Land's business, financial condition and results of operations and prospects could be adversely affected by the refusal of these third-party brokers to sell and/or lease for Rockwell Land.

Rockwell Land has its own in-house sales team as well as programs aimed to strengthen and expand its broker network in and outside of the Philippines. Rockwell Land also makes its projects attractive so that brokers will prioritize the Company's projects in marketing and offering to prospective buyers.

Rockwell Land's joint venture partner/s may have interests that differ from Rockwell Land's interests and may take actions that adversely affect Rockwell Land

Joint venture partner(s) of Rockwell Land may have economic or business interests or goals inconsistent with or different from those of Rockwell Land's. Disputes between Rockwell Land and its joint venture partner/s

may arise from joint venture partner('s/s') actions contrary to Rockwell Land's policies, objectives, instructions or requests. It is likewise possible that the joint venture partner may not be able to meet its obligations due to Rockwell Land. The above-mentioned possibilities may have a material adverse effect on Rockwell Land's results of operations and financial conditions.

Rockwell Land carefully chooses its joint venture partners and ensures proper due diligence and contract management to mitigate such risks. The Company also does regular meetings and keeps constant communication between the parties during the duration of the project to ensure that all milestones are met and concerns, if any, are addressed.

Rockwell Land shall, at any given time, consider business combination alternatives

Although Rockwell Land's loan covenants contain certain restrictions on business combinations, Rockwell Land can opt to engage in certain types of business combinations. Business combinations involve financial and operational risks and could result in significant changes to Rockwell Land's operations, management and financial condition.

Investors nonetheless are assured that Rockwell Land takes into consideration its existing debt obligations and concomitant debt covenants in making any major business investments or acquisitions. Any financial commitments under such business combinations are evaluated in terms of the inflow of revenues of such projects and their ability to service their own financial requirements once fully operational.

Rockwell Land is subject to certain debt covenants

Rockwell Land has certain loan agreements which contain covenants that limit its ability to, among other things:

- Incur additional long-term debt to the extent that such additional indebtedness results in a breach of the required debt-to-equity ratio of not more than 2.00:1.00;
- Maintain a minimum current ratio of 1.00:1.00;
- Materially change its nature of business;
- Merge, consolidate, or dispose of substantially all its assets;
- Encumber, mortgage or pledge some of its assets; and
- Pay out dividends in the event debt payments are in arrears and such debt payment will result in the breach of its required current and debt-to-equity ratios.

Complying with these covenants may cause Rockwell Land to take actions that it otherwise would not take or not take actions that it otherwise would take. Rockwell Land's inability and/or failure to comply with these covenants would cause a default, which, if not waived, could result in the debt becoming immediately due and payable. In the likelihood of this event, Rockwell Land may not be able to repay or refinance such debt on terms that are acceptable to Rockwell Land or at all.

The issuance of the First Tranche Bonds will not result in a breach of any of the Company's existing debt covenants or financial ratios, including the requirement to maintain a debt-to-equity ratio of not more than 2.00:1.00 and a minimum current ratio of 1.00:1.00. Rockwell Land continues its strategy of compliance with its debt obligations by adopting the necessary internal controls in financial management and adopting good corporate governance policies.

Rockwell Land's titles or ownership to its properties may be contested by third parties

While the Philippines utilizes the Torrens system of land registration, designed to provide state-guaranteed, indefeasible proof of ownership, practical realities in the country often complicate this protection. Due to administrative backlogs, inadequate record management, or delayed processing at the Registry of Deeds, it is possible for land ownership to be evidenced solely by tax declarations rather than the more definitive Transfer Certificates of Title ("TCT"). Although the Company conducts rigorous due diligence and verification prior to any acquisition, there is no absolute assurance that third parties will not emerge with competing claims, alleging superior rights or possessing documents that challenge the Company's ownership. To

mitigate these risks, the Company has established stringent processes and documentation standards to ensure that land purchase transactions are properly executed and free from irregularities.

Furthermore, the Philippine real estate market is occasionally subject to fraudulent activities, including the fabrication of spurious titles or the forgery of ownership documents. Even regarding land that has been officially registered, risks remain regarding the chain of title. Properties may be subject to fragmented ownership structures (often due to inheritance issues), unregistered conveyances or "breaks" in the chain of ownership, undiscovered encumbrances or liens, and technical irregularities in previous title transfers.

Because title insurance is not standard or readily available in the Philippine market, the Company bears the full risk of these title defects. If a defect in the chain of title is discovered, the Company could lose its rights to the land or the development thereof.

If a significant portion of the Company's land bank or a key project site becomes the subject of successful litigation by a third party, the Company may be forced to surrender the property or pay significant settlements. Such disputes also divert management's attention and resources away from core operations. Any inability to defend its title effectively could result in a material adverse effect on the Company's land bank, financial condition, results of operations, and business reputation.

Rockwell Land operates in a regulated environment

Rockwell Land's development of condominium projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects located on agricultural land must get clearance from DAR so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the expense of Rockwell Land.

PD 957 and Batas Pambansa Blg. 220 are the principal statutes covering the development and sale of condominium projects for residential or commercial purposes. DHSUD is the administrative agency of the government which enforces laws and regulations on:

- Suitability of the site;
- Road access;
- Necessary facilities;
- Open spaces;
- Water supply;
- Sewage disposal system;
- Electricity supply;
- Length and unit sizes; and
- Construction

Completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities are pre-requisites to the approval of the development plans. Prior approval of the relevant Government unit shall also be required for the alterations of the approved plans that affect significant areas of the projects. Projects permits and any license to sell may be suspended, cancelled or revoked by the DHSUD based on its own findings or upon complaint from an interested party. Rockwell Land cannot ensure that it will be able to obtain governmental approvals for its projects or that when given, such approvals will not be revoked.

Rockwell Land is subject to numerous environmental laws and regulations relating to the protection of the environment, human health and human safety. These include laws and regulations governing air emissions, water and wastewater discharges, odor emissions and the management and disposal of, and exposure to, hazardous materials.

Developers of environmentally sensitive projects or other cases at the discretion of the DENR regional office may be required to submit a detailed Environmental Impact Assessment in order to obtain an ECC to certify that the projects will not have an unacceptable environmental impact. Rockwell Land cannot assure its

investors that current or future environmental laws and regulations applicable to Rockwell Land will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. Rockwell Land may be required to pay a fine and incur costs for any violation of an ECC or damage or injury to buyers or any third party due to environmental hazards on land where the projects are located.

While Rockwell Land commits to exert efforts to comply with existing rules, regulations and laws governing their operations, it cannot foresee what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws or regulations will be enforced, administered or interpreted; or the amount of future expenditures that may be required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

Rockwell Land employs several significant employees

Rockwell Land's Board of Directors and management executives are, and continue to be, vital to its successful operations. In the event of their departure, the loss of their intelligence, ability, experience and connections could prove difficult to replace and can cause a decline in the Company's overall performance. If the Company loses the services of any such significant employee and is unable to subsequently fill the resulting vacancy with equally qualified candidates, its business, operations and financial performance may be adversely affected. Please refer to the section entitled "Employees" located on page 117 of this Prospectus.

RISK FACTORS RELATING TO THE PHILIPPINES

Impact of Comprehensive Tax Reform and Regulatory Changes on Rockwell Land's Operations and Profitability

The Company's financial condition, results of operations, and competitive standing are subject to significant risks due to frequent changes in Philippine tax legislation. Specifically, new laws under the Comprehensive Tax Reform Program ("CTRP") introduce uncertainty and potential increases in operating costs. The Real Property Valuation and Assessment Reform Act ("RPVARA") aims to establish a single Schedule of Market Values ("SMV") closer to market prices, which, despite potentially lower transaction taxes proposed by the pending Passive Income and Financial Intermediary Taxation Act ("PIFITA"), is expected to lead to a material increase in real property taxes payable on the Company's land bank and investment properties. Furthermore, the Corporate Recovery and Tax Incentives for Enterprise ("CREATE") Act and the CREATE MORE Act rationalize fiscal incentives, which poses a significant demand risk for the Company's leasing business; specifically, the phased removal of the perpetual 5% tax on Gross Income Earned ("GIE") for Philippine Economic Zone Authority ("PEZA")-registered BPO tenants may increase their tax burden, potentially leading to lease non-renewals or decreased demand for office space.

Similarly, the TRAIN Law reduced the VAT exemption threshold for residential dwellings, increasing the effective selling price of mid-market housing and potentially dampening consumer demand. Complexity surrounding VAT further extends to export-oriented enterprises, where new regulations clarify that VAT zero-rating only applies to goods and services "directly attributable" to the registered activity, creating administrative hurdles and potentially higher costs for the Company's tenants.

The Philippine economy and business environment may be disrupted by political or social instability

The political climate in the Philippines, which has historically been characterized by periods of instability, including public and military protests stemming from alleged misconduct by previous administrations, continues to pose a systemic risk. While the country held general elections in 2022, recent developments indicate ongoing political friction that could impact the business environment. Since the 2022 elections, notable public disagreements have arisen between the current President, Ferdinand Marcos, Jr., and the Vice President, Sara Duterte. Vice President Duterte resigned as Secretary of Education in June 2024, a post she had held following her appointment by President Marcos. Furthermore, in response to several complaints, the Philippine House of Representatives voted to impeach the Vice President. However, this action was ultimately resolved by the judiciary: in a decision promulgated on July 25, 2025, the Supreme Court declared the Articles of Impeachment against Vice President Sara Z. Duterte is unconstitutional. The Court ruled that

the complaint was barred by the Constitution's one-year rule (Article XI, Section 3(5)) and that it violated the right to due process, meaning the Senate could not acquire jurisdiction over the proceedings. The Supreme Court clarified that any subsequent impeachment complaint may only be filed beginning February 6, 2026.

In a separate legal matter concerning the country's past leadership, on March 11, 2025, the Philippine National Police ("PNP") arrested former President Rodrigo Duterte pursuant to an arrest warrant issued by the International Criminal Court ("ICC") related to alleged crimes against humanity in connection with the killings in the "war on drugs." The Philippine Government transferred custody of Duterte to the ICC in The Hague, where he currently awaits trial.

Additionally, during President Marcos's State of the Nation Address on July 28, 2025, allegations were raised regarding a loss of approximately ₱118.00 billion in government funds due to anomalies in flood control projects over the previous three (3) years. This scandal, involving alleged "ghost" projects and substandard work, has implicated a network of contractors, lawmakers, and officials, with the Department of Finance estimating the economy lost over ₱100.00 billion to these "ghost" projects between 2023 and 2025. Since the revelations, the government has named fifteen (15) contractors who have bagged approximately ₱100.00 billion in flood control projects since 2022. In response, in September 2025, the President issued an executive order creating an independent three-member commission to probe the anomalies.

The widespread allegations of corruption have triggered protest rallies in various parts of the Philippines, aiming to denounce the mismanagement of flood control funds. These rallies demonstrate significant public discontent and have heightened social tension across the archipelago. The combination of sustained public protests, coupled with the official investigations into high-profile corruption, contributes to a general perception of political instability and can negatively influence both domestic and foreign investor sentiment regarding the country's economic and governance outlook.

The aforementioned investigations, legal proceedings, and protest actions could create political instability, a slowdown in private and government investment, and diminished consumer sentiment, potentially affecting Gross Domestic Product (GDP) growth. There is no guarantee that future election-related issues or political violence will not occur, and any such event could negatively impact the Philippine economy. Moreover, the current administration may not continue to implement social and economic policies that maintain a favorable and stable macroeconomic and business environment. Any major policy deviation could increase political or social uncertainty and instability, leading to inconsistent or sudden changes in regulations and policies that affect the Company's business operations. An unstable political or social environment in the Philippines could negatively affect the general economic and business conditions and critical sectors. While the Company's management actively discusses these political and regulatory uncertainties in meetings and risk workshops, there is no full assurance that the Company will be able to completely shield itself from the adverse impacts of such systemic risk.

The prospects of Rockwell Land may be influenced by major political and global developments

The ongoing military conflict between Russia and Ukraine, which commenced with Russia's full-scale invasion on February 24, 2022, continues to generate global economic instability. While the Company does not have direct business interests or material exposure to the combatant nations, the protracted nature of the Russo-Ukrainian War has persistent indirect effects that pose a risk to the Philippine economy. As of November 2025, the conflict remains active and intense, with Russian forces maintaining control over a significant portion of Ukrainian territory. The war's main impact on the global economy remains focused on commodity markets, as the conflict has sustained volatility in the prices of oil, natural gas, and grain, contributing to global inflationary pressures and supply chain disruptions. Should these hostilities continue or escalate, the resulting spikes in oil and commodity prices could intensify domestic inflation in the Philippines, affecting consumer purchasing power and increasing the Company's operational and procurement costs in the near to medium term.

Simultaneously, the trade policies of the United States, a major trading partner of the Philippines, present an evolving risk environment. On April 2, 2025, U.S. President Donald Trump announced plans to implement a new reciprocal tariff framework intended to address the country's persistent trade deficit, initially including a 10% baseline tariff on imports from all countries. Following negotiations between the Philippines and the U.S., the Philippines successfully joined the Reciprocal Fair-Trade Framework on November 1, 2025, securing

a reciprocal tariff rate of 19% (reduced from the initial threatened rate). This rate is comparatively low among ASEAN countries, and the Philippines' trade surplus with the U.S. is relatively modest, representing less than \$4 billion and accounting for less than 1% of the country's GDP. Based on third-party research, the 19% tariff rate is projected to reduce the Philippines' GDP growth by a minimal amount, estimated at approximately 0.1% over two years, which is considered manageable and expected to have only a limited effect on the Company's overall growth targets. While the overall economic impact is contained, the current tariff environment may present strategic opportunities for the Company: shifting global trade could enable potential cost savings in Construction and Procurement through the direct sourcing of materials; the heightened tariffs on certain exporting nations may make the Philippines a more attractive manufacturing and supply chain hub for companies seeking preferential access to the U.S. market, potentially increasing demand for the Company's Industrial Real Estate properties; and any potential reshoring of manufacturing activities and the contained impact on GDP growth could lead to an indirect uplift in domestic consumption and housing demand, benefiting the Company's Residential and Leasing businesses. The risk of further escalation in U.S. global trade rhetoric or unexpected changes in the reciprocal tariff rate, particularly on key Philippine export sectors like electronics and semiconductors, could still adversely affect the country's economic outlook and, by extension, the Company's operating environment.

The credit ratings of the Philippines may adversely affect the Company's business

The Philippines continues to maintain an Investment Grade rating from the three major international credit rating agencies, supported by strong economic fundamentals and sound policy management.

Fitch Ratings affirmed the Philippines' Long-Term Foreign-Currency Issuer Default Rating ("IDR") at "BBB" with a Stable Outlook in a series of reviews, including on November 10, 2023, June 7, 2024, and most recently on April 29, 2025. Fitch consistently cited the country's strong medium-term growth potential, ongoing fiscal consolidation efforts leading to a gradual reduction in the government debt-to-GDP ratio, and success in containing inflation, which is viewed as a reflection of the Bangko Sentral ng Pilipinas' credible inflation-targeting framework.

Similarly, Moody's Ratings affirmed the Philippines' sovereign credit rating at "Baa2" with a Stable Outlook on August 23, 2024, with this rating being underpinned by robust macroeconomic fundamentals, progress in economic liberalization reforms, and continued fiscal consolidation efforts; Moody's later confirmed in September 2025 that the economy is on track to maintain strong growth relative to regional peers.

Furthermore, S&P Global Ratings affirmed its "BBB+" long-term and "A-2" short-term sovereign credit ratings on November 28, 2023, based on the country's sustained economic recovery and strong external position. Reflecting improving fiscal and economic performance driven by effective policymaking, S&P subsequently revised its outlook to Positive on November 26, 2024. This change suggests that the Philippines could be poised for a potential rating upgrade over the next 12 to 24 months should it sustain its external strength, healthy growth rates, and fiscal improvements.

While these investment-grade ratings signal low credit risk and affordable access to funding for both the Government and Philippine corporations, there can be no assurance that Fitch, S&P, Moody's, or any other international credit rating agency will not, in the future, downgrade the credit ratings of the Philippines. Such an event would negatively affect the credit profile and cost of funding for Philippine companies, including our Company.

Additionally, there can be no assurance that the Philippines will maintain strong economic fundamentals. Unforeseen global or domestic economic shifts could lead to economic downturns, which may have a material adverse effect on our business and results of operations. To mitigate these risks, the Company shall continue to adopt what it considers conservative financial and operational controls and policies within the context of the prevailing business, economic, and political environments, while taking into consideration the interests of its customers, stakeholders, and creditors.

Territorial disputes involving the Philippines and its neighboring countries may adversely affect its economy and business environment.

Competing and overlapping territorial claims by the Philippines, China, and several Southeast Asian nations (such as Vietnam, Brunei, Malaysia) over certain islands and features in the West Philippine Sea (South China Sea) have for decades been a source of tension and conflicts. China claims historic rights to nearly all of the West Philippine Sea based on its so-called “nine-dash line” and in recent years dramatically expanded its military presence in the sea which has raised tensions in the region among the claimant countries. In 2013, the Philippines became the first claimant country to file a case before the Permanent Court of Arbitration, the international arbitration tribunal based at The Hague, Netherlands to legally challenge claims of China in the West Philippine Sea and to resolve the dispute under the principles of international law as provided for under the United Nations Convention on the Law of the Sea (“**UNCLOS**”). In July 2016, the tribunal rendered a decision stating that “as between the Philippines and China, Mischief Reef and Second Thomas Shoal (in the West Philippine Sea) form part of the exclusive economic zone and continental shelf of the Philippines” and that the “nine-dash line” claim of China is invalid. China rejected the ruling, saying that it did not participate in the proceedings for the reason that the court had no jurisdiction over the case. China was reported to conduct land reclamation activities in the disputed territories, which was completed in 2016. In 2024 and early 2025, tensions escalated further as China increased its maritime patrols and aggressive maneuvers against Philippine vessels near Second Thomas Shoal, Scarborough Shoal, and other disputed areas.

The Philippines has strengthened its alliances with the United States, Japan, and Australia to counterbalance China’s assertiveness, leading to joint military exercises and expanded defense cooperation agreements. While these alliances provide some deterrence, the ongoing territorial disputes pose risks to trade, investment, and regional stability.

There is no guarantee that the territorial dispute between the Philippines and other countries, including China, would end or that any existing tension will not escalate further, as China has repeatedly announced that it will not honor said ruling. In such an event, the Philippine economy may be disrupted and its business and financial standing may be adversely affected.

Economic instability could have a negative effect on the financial results of the Company

The growth and profitability of Rockwell Land, as any business for that matter, is greatly influenced by the economic situation of the Philippines. Any economic instability in the future may have a negative effect on the financial results of Rockwell Land and the level of dividends paid and distributions made by Rockwell Land.

Over the years, the Philippines has experienced periods of slow or negative growth, high inflation, unforeseen devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and significant rise in oil prices. The Asian financial crisis in 1997 resulted in higher interest rates, slower economic growth, and a significant reduction in the country’s credit ratings which ultimately resulted in the depreciation of the Peso.

In order to combat the negative impact of the financial crisis, the government introduced reform measures in the fiscal and banking sectors resulting in improved investor confidence and increased economic activities.

While Rockwell Land shall continue to adopt conservative policies to protect its operations and finances, any deterioration in the economic conditions of the country could affect Rockwell Land’s financial condition and operations.

Natural disasters adversely affecting the business of the Company

The Philippines is geographically situated along the Pacific Ring of Fire and within a major typhoon belt, exposing the country to recurrent and severe natural catastrophes. These events—including typhoons, volcanic eruptions, earthquakes, tsunamis, mudslides, fires, droughts, and floods related to El Niño and La Niña weather events—pose a direct and material risk to the Group's business, financial condition, and results of operations.

The archipelago contains numerous active volcanoes, which periodically experience periods of intense unrest. The Taal Volcano, for instance, entered a period of intense unrest in January 2020, with activity escalating from phreatic (steam-driven) to a magmatic eruption, prompting the Philippine Institute of Volcanology and Seismology ("PHIVOLCS") to raise the alert level to Alert Level 4 and necessitate total evacuation of the Volcano Island and high-risk areas. Although the alert level was eventually lowered, it was subsequently raised to Alert Level 3 in March 2022 when the volcano erupted again, and even with the current classification of Alert Level 1, in September 2023, the volcano spewed above-average sulfur dioxide and volcanic smog, prompting authorities to close schools and urge people to stay indoors. More recently, on December 9, 2024, and in the following days, the Kanlaon Volcano, located on the islands of Negros Occidental and Negros Oriental, experienced increased seismic activity and released volcanic clouds of ash and gas, necessitating the evacuation of approximately 87,000 people from the affected areas. There can be no assurance that the Taal, Kanlaon, or any other active volcano will not increase seismic activity or erupt in the future, and any renewed eruption or significant seismic event may cause damage to the Group's properties and terminals and materially disrupt and adversely affect its business, operations, and financial condition.

Compounding the volcanic risk, the Philippines faces a consistent threat from severe tropical cyclones, which have caused massive destruction and economic disruption. In December 2021, Typhoon Rai (local name: Odette) caused severe damage across the Visayas region, and in October 2022, Typhoon Nalgae (local name: Paeng) led to severe flooding and storm damage that displaced thousands. Furthermore, in July 2025, the country experienced successive weather disturbances, including Severe Tropical Storm Wipha (Crising), Tropical Storm Co-May (Emong), and Tropical Storm Francisco (Dante), which caused widespread destruction, severe flooding, and landslides, prompting several provinces in Luzon to declare a state of calamity. Most recently, the country has been devastated by two consecutive major typhoons in the fourth quarter of 2025: Typhoon Tinio (International name: Kalmaegi) brought torrential rains, destructive winds, and widespread flooding across the Visayas and parts of Mindanao in late October and early November 2025, resulting in over 200 confirmed fatalities, and also highlighting the failure of previously funded flood control projects in the hardest-hit areas. This was closely followed by Super Typhoon Uwan (International name: Fung-wong), which made landfall over northern Luzon on November 9, 2025. Classified as a life-threatening storm, it prompted the preemptive evacuation of over a million people across twelve regions, and its immense radius and high intensity resulted in the suspension of government work and classes, widespread power interruptions, and confirmation of initial fatalities and injuries.

Natural catastrophes will continue to affect the Philippines, potentially damaging property and disrupting tourism and related businesses in ways similar to the typhoons and eruptions noted above. The Group may incur significant losses for such catastrophic events, which could materially and adversely affect its business, financial condition, and results of operations. There is no assurance that the insurance coverage the Group maintains for these risks will adequately compensate it for all damages and economic losses resulting from natural catastrophes, and any material uninsured loss could materially and adversely affect the Group's business, financial condition, and results of operations.

Rockwell Land maintains comprehensive insurance against natural catastrophes to cover its various developments. Please see the sections entitled "*Risk Factors Relating to the Company and its Business*" with respect to insurance risk, "*Insurance Contracts*" and "*Material Agreements*" located on pages 98 and 118 respectively of this Prospectus.

RISK FACTORS RELATING TO THE FIRST TRANCHE BONDS

The Company may be unable to redeem the First Tranche Bonds

At maturity, the Company will be required to redeem all of the First Tranche Bonds. At that point in time, the Company may not have sufficient cash on hand and may not be able to arrange financing to redeem the First Tranche Bonds in time, or on acceptable terms, or at all. The ability to redeem the First Tranche Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered First Tranche Bonds by the Company would constitute an event of default under the First Tranche Bonds, which may also constitute a default under the terms of other indebtedness of the Company.

Rockwell Land has a robust and stable business in the Philippines. It has high collection efficiency, strong recurring cash flows, a healthy debt-equity ratio, and a stable level of liquidity in its statement of financial position. The Company is confident that it can service the interest and redeem the First Tranche Bonds at maturity and/or seek refinancing facilities.

Liquidity Risk

The Philippine debt securities markets, particularly the market for corporate debt securities, are substantially smaller, less liquid and more concentrated than other securities markets. The Company cannot guarantee whether an active trading market for the First Tranche Bonds will develop or if the liquidity of First Tranche Bonds will be sustained throughout its life. Even if the First Tranche Bonds are listed on the PDEX, trading in securities such as the First Tranche Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt securities among other factors. There is no assurance that the First Tranche Bonds may be easily disposed of at prices and volumes at instances best deemed appropriate by their holders.

Pricing Risk

The market price of the First Tranche Bonds will be subject to market and interest rate fluctuations, which may result in the investment being appreciated or reduced in value. If market interest rates decrease relative to the Interest Rate of the First Tranche Bonds, the price of the First Tranche Bonds, when sold in the secondary market, may increase. Conversely, if market interest rates increase relative to the Interest Rate of the First Tranche Bonds, the price of the First Tranche Bonds, when sold in the secondary market, may decrease. Thus, a Bondholder could face possible losses if he decides to sell in the secondary market.

Retention of Ratings Risk

There is no assurance that the rating of the First Tranche Bonds will be retained throughout the life of the First Tranche Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

The Bonds are subject to Cross-Default Risks

The First Tranche Bonds contains a cross-default provision that links the Issuer's performance under these First Tranche Bonds to its compliance with other credit obligations. Under this provision, an Event of Default may be declared if the Issuer and/or any of its material subsidiaries fails to pay any installment of principal or interest, or otherwise breaches any term, condition, or stipulation of any agreement, contract, or document with lenders or third parties. This risk extends to any obligation where the Issuer acts as a guarantor or surety, whether such agreements were executed prior to or after the Issue Date.

If the effect of such a breach or failure to pay causes those third-party obligations to become due prior to their stated maturity, the Bonds may likewise be declared due and demandable. A cross-default scenario could lead to a situation where the Issuer is required to settle multiple significant debt obligations simultaneously. There can be no assurance that the Issuer or its material subsidiaries would possess sufficient liquid assets to satisfy these accelerated payments in full, or that waivers or remedies would be available on commercially acceptable terms. Any such acceleration would have a material adverse effect on the Issuer's financial condition, liquidity, and its ultimate ability to fulfill its payment obligations to Bondholders.

Bonds have no Preference under Article 2244(14) of the Civil Code

No other loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the First Tranche Bonds as accorded to public instruments under Article 2244(14) of the Civil Code, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority. However, should any bank or Bondholder hereinafter have a preference or priority over the First Tranche Bonds as a result of notarization, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the First Tranche Bonds.

Holders of the First Tranche Bonds may be unable to reinvest the proceeds of their securities following redemption by the Issuer.

The Issuer may have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Series B Bonds of the First Tranche Bonds prior to the relevant maturity date. Prior to the Maturity Date of the Series B Bonds, the Issuer has the option, but not the obligation, to redeem in whole (and not in part) the outstanding Series B Bonds on the relevant Optional Redemption Dates (see “*Description of the Offer – Optional Redemption*” on page 59 of this Prospectus). In the event that the Company exercises this call option, the Series B Bonds of the First Tranche Bonds will be redeemed and the Company will pay the amounts to which holders would be entitled. The date on which the Issuer elects to redeem the Series B Bonds may not accord with the preference of individual holders of the securities. This may be disadvantageous to them in light of market conditions or their individual circumstances. Following such redemption and payment, there can be no assurance that investors in the redeemed First Tranche Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time. No assurance can be given of adequate mitigation of such risk.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the First Tranche Bonds. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the First Tranche Bonds and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the First Tranche Bonds under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the First Tranche Bonds in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a Bondholder may vary depending upon such Bondholder's particular situation, and certain Bondholders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.

PROSPECTIVE PURCHASERS OF THE FIRST TRANCHE BONDS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A BOND, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a non-Philippine corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.

TAXATION OF INTEREST

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax, while alien individuals and foreign corporations are subject to Philippine income tax on Philippine-sourced income only. Interest income derived by Philippine citizens and resident foreign individuals from the First Tranche Bonds is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, interest on the First Tranche Bonds received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a 20% withholding tax while that received by non-resident foreign individuals not engaged in trade or business is taxed at the rate of 25%. Interest income received by domestic corporations and resident foreign corporations is subject to a final withholding tax ("FWT") at the rate of 20%. Interest income received by non-resident foreign corporations is subject to a 25% FWT. The tax withheld constitutes a final settlement of Philippine income tax liability with respect to such interest.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a preferential reduced tax rate of 15% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest, who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

The BIR has prescribed certain procedures for the availment of tax treaty relief. Assuming the payments to be made by the Issuer are subject to withholding tax, a non-Philippine holder may avail of the lower withholding tax rates allowed under an applicable tax treaty with the Philippines by submitting to the Issuer the following: (a) duly accomplished BIR Form No. 0901 indicating the basis for the preferential tax treaty rate; (b) Tax Residency Certificate for the relevant period duly issued by the tax authority of the residence of

the non-Philippine holder; (c) original consularized or apostilled Special Power of Attorney (“SPA”) of the signing officer; or SPA issued by the non-Philippine holder to his/her authorized representative, which shall expressly state the authority to sign the BIR Form No. 0901; and (d) the relevant tax treaty provision relied upon by the non-Philippine holder in availing of the lower withholding tax rates; and (e) such other documents as may be required by the BIR including the supporting documents required under RMO No. 14-2021.

TAX-EXEMPT STATUS

Bondholders who are exempt from or are not subject to final withholding tax on interest income or entitled to be taxed at a preferential rate may claim such exemption or avail of such preferential rate by submitting the necessary documents.

In compliance with the BIR’s prescribed procedures for availment of such exemption or preferential rate, said Bondholder shall submit the following requirements to the Joint Lead Underwriters and Bookrunners (together with their completed Application to Purchase) who shall then forward the same to the Registrar:

1. Proof of Tax Exemption or Entitlement to Preferential Tax Rates

- i. For (a) tax-exempt corporations and associations under Section 30 of the Tax Code (except non-stock, non-profit educational institutions under Section 30(H) of the Tax Code); and (b) cooperatives duly registered with the Cooperative Development Authority – certified true copy of a valid, current, and subsisting tax exemption certificate, ruling, or opinion issued by the BIR. For this purpose, a tax exemption certificate or ruling shall be deemed “valid, current, and subsisting” if it has not been more than three (3) years since the date of issuance thereof, and has not been revoked, amended, or modified;
- ii. For Tax-Exempt Personal Equity Retirement Account established pursuant to PERA Act of 2008 – certified true copy of the Bondholder’s current, valid, and subsisting Certificate of Accreditation as PERA Administrator (BIR Form No. 2336);
- iii. For all other tax-exempt entities (including, but not limited to, (a) non-stock, non-profit educational institutions; (b) GOCC; (c) foreign governments, financing institutions owned, controlled or enjoying refinancing from foreign governments, and international or regional financial institutions established by foreign governments; (d) non-stock savings and loans associations; and (e) BIR-approved pension fund and retirement plan) – certified true copy of a tax exemption certificate, ruling, or opinion issued by the BIR expressly stating that their income is exempt from income tax and, consequently, withholding tax; and
- iv. For entities claiming tax treaty relief – original or certified true copies of the following documents:

General requirements:

- a. Duly accomplished BIR Form No. 0901-I indicating the basis for the application of the preferential tax treaty rate on the income of the Bondholder;
- b. Original Tax Residency Certificate (“TRC”) duly issued by the tax authority of the foreign country in which the Bondholder is a resident;
- c. Original and duly notarized SPA issued by the Bondholder to the Issuer, expressly stating the Issuer’s authority to sign the Application Form for Treaty Purposes (BIR Form No. 0901-I) and to file a request for confirmation with the BIR on behalf of the Bondholder;

Additional requirements for legal persons and arrangements, and individuals:

- a. Authenticated copy of the Bondholder's Articles/Memorandum of Incorporation/Association, Trust Indenture, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language;
- b. For legal persons and arrangements – original Certificate of Non-Registration or certified true copy of License to Do Business in the Philippines duly issued by the SEC to the Bondholder;
- c. For individuals – original Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry (“DTI”) to the Bondholder;

Additional requirements for entities:

- a. Certified true copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the Bondholder;
- b. List of owners/beneficiaries of the Bondholder;
- c. Proof of ownership of the Bondholder; and
- d. TRC duly issued by the concerned foreign tax authority to the owners or beneficiaries of the Bondholder.

Persons claiming tax treaty relief shall likewise provide a copy of the relevant provision of the tax treaty showing the basis of such claim for tax exemption or preferential tax rate, if required by the Registrar.

All documents executed in a foreign country must either be authenticated by the Philippine Embassy stationed therein or apostilled if the said foreign country is a signatory to the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents (HCCH 1961 Apostille Convention) in order to be acceptable to the Issuer.

In addition, for subsequent interests due and subject to the requirements of new or amendatory regulations, the Bondholder shall submit to the Joint Lead Underwriters and Bookrunners an updated Application Form, a new TRC (if the validity period of the previously submitted TRC has already lapsed), and other relevant documents no later than the last day of the first month of the year when such subsequent interest payment/s shall fall due.

2. A duly notarized declaration (in the prescribed form) warranting that the Bondholder's tax-exemption certificate or ruling has not been revoked or cancelled and that there are no material changes in character, purpose, or method of operation of the Bondholder which are inconsistent with the basis of its income tax exemption, or warranting the Bondholder's entitlement to preferential treaty rates, and undertaking to immediately notify the Issuer, the Registrar, and the Paying Agent of any suspension or revocation of its tax exemption or treaty privileges and agreeing to indemnify and hold the Issuer, the Registrar, and the Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding or reduced withholding of the required tax; and
3. Such other documentary requirements as may be reasonably required by the Issuer, the Joint Lead Underwriters and Bookrunners, or the Registrar and Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities.

Failure to submit any of the documents provided under (1), (2), and (3) above, as may be applicable, will result in the application of the normal income tax rate provided under the Tax Code.

The foregoing notwithstanding, the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

The foregoing requirements shall be submitted, (i) in respect of an initial issuance of First Tranche Bonds, to the Joint Lead Underwriters and Bookrunners who shall then forward the same with the Application to Purchase to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, to the Registrar within three (3) days from settlement date.

If the tax treaty rate was applied by the Issuer based on the representations and supporting documents provided by the Bondholder, the Bondholder (either directly or through its duly authorized representatives) shall file, on behalf of the Issuer, with the ITAD a Request for Confirmation (“**RFC**”) of the use of the tax treaty rate no later than the last day of the fourth month following the close of the relevant taxable year after the payment of the withholding tax with supporting documents specified in RMO No. 14-2021 and in relation to RMC Nos. 77-2021 and 20-2022 and its allied BIR issuances, as may be amended from time to time. In relation thereto, the Issuer requires that copies of the BIR-stamped “Received” RFC (with complete accompanying documents) be provided by the Bondholder to the Issuer within sixty (60) days from the payment of the interest income to the Bondholder (either directly or through its duly authorized representatives), and without need of prior request or demand from the Issuer. The Bondholder shall submit to the Issuer the original of the Certificate of Entitlement to Treaty Benefit issued by the BIR within ten (10) days from the Bondholder’s receipt of the Certificate of Entitlement to Treaty Benefit. The Bondholder shall ensure compliance with the requisites under the Certificate of Entitlement to Treaty Benefit for entitlement to the tax treaty benefits.

If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the RFC will be denied and the BIR will require the Issuer to pay the deficiency taxes with penalties. In such case, the Bondholder, as the ultimate income earner, shall either advance to the Issuer or reimburse the Issuer, at the option of the Issuer, the total amount of deficiency taxes and penalties imposed by the BIR, as well as all other reasonable and necessary fees that may be incurred by the Issuer as a result of the denial of the BIR application.

In case the Issuer used the regular tax rate under the Tax Code, the non-resident foreign Bondholder who intends to obtain a confirmation of entitlement to treaty benefits may file a Tax Treaty Relief Application (“**TTRA**”) with ITAD after it has received the interest income with supporting documents specified in RMO No. 14-2021 in relation to RMC No. 77-2021. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient’s entitlement to treaty benefits, and the Bondholder may apply for a refund of excess withholding tax with the BIR within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the Bondholder may be filed simultaneously with the tax treaty relief application.

For claims of tax exemption, RMC No. 8-2014 mandates withholding agents/income payors to require from individuals and entities claiming tax exemption a copy of a valid, current, and subsisting tax exemption certificate or ruling before payment of the related income. The tax exemption certificate or ruling must explicitly recognize the tax exemption, as well as the corresponding exemption from imposition of withholding tax. Failure on the part of the taxpayer to present the said tax exemption certificate or ruling shall subject him to the payment of the appropriate withholding taxes due on the transaction.

Bondholders may transfer their First Tranche Bonds at any time, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax exempt entities trading with non-tax-exempt entities shall be treated as non-tax-exempt entities for the interest period within which such transfer occurred. Transfers taking place in the Registry of Bondholders after the First Tranche Bonds are listed on PDEX shall be allowed between non-tax-exempt and tax-exempt entities without restriction and observing the tax exemption of tax-exempt

entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Section entitled *"Payment of Additional Amounts; Taxation,"* within three (3) days of such transfer.

VALUE-ADDED TAX

Gross sales arising from the sale of the First Tranche Bonds in the Philippines by Philippine-registered dealers in securities and lending investors shall be subject to a 12% value-added tax.

"Dealer in securities" means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

GROSS RECEIPTS TAX

Bank and non-bank financial intermediaries performing quasi-banking are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less	5%
Maturity period is more than five years	1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

Maturity period is five (5) years or less:	5%
Maturity period is more than five (5) years:	1%

In case the maturity period referred above is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the First Tranche Bonds shall be taxed at 7%.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the First Tranche Bonds, at the rate of 75% for each 1% of the offer price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the

Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by Rockwell Land for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of the First Tranche Bonds or trading the First Tranche Bonds in a secondary market or through an exchange, provided that such sale or disposition does not constitute a renewal or extension of maturity of the First Tranche Bonds or carried with it a renewal or issuance of new instruments in the name of the transferee to replace the old ones. However, if the transfer constitutes a renewal or extension of the maturity of the First Tranche Bonds, documentary stamp tax is payable anew.

TAXATION ON SALE OR OTHER DISPOSITION OF THE BONDS

Income Tax

The Bondholder will recognize gain or loss upon the sale or other disposition (including a redemption at maturity) of the First Tranche Bonds in an amount equal to the difference between the amount realized from such disposition and such Bondholder's basis in the First Tranche Bonds. Such gain or loss is likely to be deemed a capital gain or loss assuming that the Bondholder has held the First Tranche Bonds as capital assets.

Under the Tax Code, any gain realized from the sale, exchange or retirement of securities, debentures and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such securities, debentures or other certificates of indebtedness) shall not be subject to income tax.

In the case of an individual taxpayer, only 50% of the capital gain or loss is recognized upon the sale or exchange of a capital asset if it has been held for more than 12 months.

If the First Tranche Bonds are considered ordinary assets, gains from the sale or disposition of such First Tranche Bonds will be included in the computation of taxable income, which, after being reduced by the applicable deductions, is subject to the following graduated tax rates for Philippine citizens (whether residents or non-residents), or resident alien individuals or non-resident aliens engaged in trade or business in the Philippines (selling or disposing of such First Tranche Bonds) effective January 2, 2023 and onwards:

Not over ₱250,000.00	0%
Over ₱250,000.00 but not over ₱400,000.00	15% of the excess over ₱250,000.00
Over ₱400,000.00 but not over ₱800,000.00	₱22,500.00 + 20% of the excess over ₱400,000.00
Over ₱800,000.00 but not over ₱2,000,000.00	₱102,500.00 + 25% of the excess over ₱800,000.00
Over ₱2,000,000.00 but not over ₱8,000,000.00	₱402,500.00 + 30% of the excess over ₱2,000,000.00
Over ₱8,000,000.00	₱2,202,500.00 + 35% of the excess over ₱8,000,000.00

For non-resident alien not engaged in trade or business, the gain from the sale of First Tranche Bonds within the Philippines shall be subject to the 25% final withholding tax.

If the First Tranche Bonds are considered as capital assets of individual Bondholders, gains from the sale or disposition of such First Tranche Bonds shall be subject to the same rates of income tax as if the Bonds were held as ordinary assets, except that if the gain is realized by an individual who held the Bonds for a period of more than twelve (12) months prior to the sale, only 50% of gain will be recognized and included in the computation of taxable income. On the other hand, if the First Tranche Bonds were held by an individual for a period of twelve (12) months or less, 100% of gain is included in the computation of the taxable income.

Gains derived by domestic corporations in general and resident foreign corporations on the sale or other disposition of the First Tranche Bonds, if such sale or disposition is made within the Philippines, are included in the computation of taxable income and are subject to a 25% regular corporate income tax, provided that

domestic corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000.00 (excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed) ("**Micro, Small, and Medium Enterprises**"), shall be taxed at 20% or minimum corporate income tax ("**MCIT**") at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023 and (ii) 2% thereafter.

Gross income derived by non-resident foreign corporations on the sale or other disposition of the First Tranche Bonds shall form part of their gross income and is subject to a 25% income tax unless a preferential rate is allowed under a tax treaty, subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized by non-residents on the sale of the First Tranche Bonds may be exempt from Philippine income tax under an applicable tax treaty or if they are sold outside the Philippines.

Additionally, under R.A. No. 12066, otherwise known as the CREATE MORE Act, domestic corporations and resident foreign corporations that are registered business enterprises under the enhanced deductions scheme provided in the Philippine Tax Code shall be taxed at a corporate income rate equivalent to twenty percent (20%) of their taxable income derived from registered projects or activities during the taxable year.

Estate and Donor's Tax

The transfer by a deceased person, whether a Philippine resident or non-Philippine resident, to his heirs of the First Tranche Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at the rate of 6%.

First Tranche Bonds gratuitously transferred by a Philippine resident, or, where the First Tranche Bonds have a Philippine situs, by a deceased non-resident alien holder through donation, shall form part of the gross gift of the Bondholder for the calendar year, which shall be subject to donor's tax of 6% computed on the basis of the total gifts in excess of ₱250,000.00 exempt gift made during the calendar year.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and the donor's tax, in respect of the First Tranche Bonds, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the First Tranche Bonds are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the First Tranche Bonds exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes unless it can be proven that the transfer of property is made in the ordinary course of business (i.e., a transaction which is bona fide, at arm's length, and free from any donative intent), in which case, it will be considered as made for an adequate and full consideration in money.

USE OF PROCEEDS

Rockwell Land expects that the net proceeds of the First Tranche Bonds shall amount to approximately ₱6,906,495,345.00 for an issue size of Seven Billion Pesos (₱7,000,000,000.00), or assuming full exercise of the Oversubscription Option, ₱9,872,025,345.00 for an issue size of up to Ten Billion Pesos (₱10,000,000,000.00), in each case after deducting fees, commissions and expenses.

Net proceeds from the Offering are estimated to be at least as follows:

Particulars	Total (₱)
Estimated Gross Proceeds from Base Offer	7,000,000,000.00
Less: Total Estimated Expenses	
Issue Management Fee ^(A)	1,750,000.00
Underwriting and Selling Fees ^(B)	24,500,000.00
Documentary Stamp Taxes	52,500,000.00
PDEX Listing and Processing Fees	224,000.00
SEC Registration Fee and Legal Research Fee	3,093,155.00
Credit Rating Fee	1,680,000.00
Other Expenses ^(C)	9,757,500.00
Estimated Net Proceeds	6,906,495,345.00

Particulars	Total (₱)
Estimated Gross Proceeds assuming the full exercise of the Oversubscription Option	10,000,000,000.00
Less: Total Estimated Expenses	
Issue Management Fee ^(A)	2,500,000.00
Underwriting and Selling Fees ^(B)	35,000,000.00
Documentary Stamp Taxes	75,000,000.00
PDEX Listing and Processing Fees	224,000.00
SEC Registration Fee and Legal Research Fee	3,093,155.00
Credit Rating Fee	2,400,000.00
Other Expenses ^(C)	9,757,500.00
Estimated Net Proceeds	9,872,025,345.00

^(A) 0.025% of the Gross Proceeds shall be paid to the Joint Issue Managers, inclusive of gross receipt taxes applicable to each Joint Issue Manager.

^(B) 0.35% of the Gross Proceeds for underwriting and selling fees shall be paid to the Joint Lead Underwriters and Bookrunners, inclusive of fees to be ceded to Selling Agents, if any, and gross receipt taxes applicable to each Joint Lead Underwriter and Bookrunner.

^(C) "Other Expenses" shall refer to the expenses with the creation of this Prospectus, legal fees of the Issuer's legal counsel, fees of the Auditor, Trustee, Registrar and Paying Agent, and miscellaneous related expenses such as printing, out-of-pocket expenses for the Offer.

Particulars	Total (₱)
Other Expenses	
Legal Counsel of the Issuer	2,100,000.00
Auditor Fees	6,750,000.00
Trustee Fees	220,000.00
Registry and Paying Agency Fees	187,500.00
Miscellaneous Expenses	500,000.00
Total Other Expenses	9,757,500.00

The Offer Price shall be at par, which is equal to the face value of the Series A Bonds and Series B Bonds. Rockwell Land expects that the net proceeds from the issuance shall amount to approximately ₱6,906,495,345.00 for the Base Offer and approximately ₱9,872,025,345.00 from a full exercise of the Oversubscription Option. In each case, net proceeds come after deducting fees, commissions, and expenses.

In addition to these one-time costs, the Company expects to also incur annual expenses related to the First Tranche Bonds as follows:

1. The Issuer shall pay an annual maintenance fee of ₱336,000.00 charged by PDEX for the continued listing in the exchange.
2. The Issuer shall pay an annual retainer fee to the Trustee amounting to ₱170,000.00 per annum.
3. The Issuer shall incur Paying Agency fees amounting to ₱200,000.00 payable each Interest Payment Date. The Registrar will charge based on the face value of the First Tranche Bonds and the number of Bondholders.
4. The Issuer shall incur annual monitoring fees of ₱560,000.00 for its credit rating with PhilRatings. It should be noted, however, that this fee is paid in relation to all of the First Tranche Bonds that the Company has or will issue.

TIMING AND USE OF PROCEEDS

The ₱6.91 billion net proceeds to be raised via the Base Offer and the possible additional ₱2.97 billion from the Oversubscription Offer will be used to partially fund Rockwell Land's capital expenditure requirements for 2026, shown in the table below, which are primarily for land development and construction costs of existing projects across various business segments. For the complete list of the ongoing projects, please refer to page 80 of this Prospectus.

Projects under Rockwell Land's residential segment that will record substantial construction progress in 2026 include Cabo San Diego in Lian, Batangas, Edades West, Rockwell Center Bacolod and the condominium developments in Rockwell at Nepo Center, Aruga Mactan, and Rockwell at IPI Center, among others. On the other hand, proceeds allocated for the Company's commercial segment will be for Power Plant Mall Angeles, Rockwell Center Bacolod and Aruga Mactan Hotel.

The net proceeds will be applied toward capital expenditure, allocated as follows:

USE OF PROCEEDS (Amounts in ₱ Billions)	Estimated Remaining Cost to Complete (2026 onwards; net of VAT)	Estimated Year of Completion	Net Proceeds from Base Offer			Net Proceeds assuming the full exercise of the Oversubscription Option		
			1st Half 2026	2nd Half 2026	Full Year 2026	1st Half 2026	2nd Half 2026	Full Year 2026
Residential								
Horizontal Developments (Cabo San Diego, Rockwell South at Carmelray, Molinillo at Rockwell Center Lipa, Lauan Ridges by Rockwell, The Samanean at Paradise Farms)	5.57	2029	0.82	0.72	1.54	1.18	1.03	2.21
Edades West	5.34	2028	0.42	0.31	0.73	0.59	0.43	1.02
Rockwell at Nepo Center	1.86	2029	0.44	0.23	0.67	0.63	0.33	0.96
Aruga Mactan Resort & Residences	3.29	2030	0.19	0.41	0.60	0.28	0.59	0.87
Rockwell at IPI Center	1.01	2029	0.40	0.14	0.54	0.56	0.20	0.76
Rockwell Center Bacolod	0.91	2028	0.34	0.18	0.52	0.49	0.26	0.75
Total Proceeds for Residential			2.61	1.99	4.60	3.73	2.84	6.57

Retail, Office and Hotel								
Power Plant Mall Angeles	2.14	2027	0.57	0.58	1.15	0.82	0.83	1.65
Rockwell Center Bacolod	5.39	2030	0.26	0.44	0.70	0.37	0.63	1.00
Aruga Mactan Resort & Residences - Hotel	5.90	2030	0.23	0.23	0.46	0.32	0.33	0.65
Total Proceeds for Retail, Office and Hotel			1.06	1.25	2.31	1.51	1.79	3.30
Total Proceeds for All Segments			3.67	3.24	6.91	5.24	4.63	9.87

**The figures set out in the table above are based on prevailing construction cost estimates.*

The balance of the estimated remaining cost to complete these projects, after applying the net proceeds from the Offer, will be funded through the recurring income of Rockwell Land's commercial businesses, collections from already sold residential units, and available credit facilities with its relationship banks.

In the event that the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, in case the Company is not able to raise the full amount of the Offer, the Company shall use internally generated funds and/or available bank lines to the extent the proceeds of the Offer are insufficient to fund the aforementioned use of proceeds.

In the event that the actual proceeds are less than the projected proceeds, the Issuer intends to prioritize the use of the net proceeds for the Retail Leasing projects and the Residential projects, subject to prevailing circumstances.

No amount of proceeds shall be used to reimburse any officer, director, employee, or stockholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

Except for the underwriting fees and expenses related to the Bonds, no amount of the proceeds will be utilized to pay any outstanding financial obligations to the Joint Lead Underwriters and Bookrunners. Please see section on "Plan of Distribution" on page 49.

The foregoing discussion represents the best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event there is any change in the Company's current plans, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds at the discretion of the Company's management. In the event of any material deviation, reallocation or adjustment in the planned use of proceeds, the Company shall inform the SEC and issue all appropriate disclosures within thirty (30) days prior to its implementation. Any material or substantial adjustment to the use of proceeds, as indicated above, shall be approved by the Board and shall be publicly disclosed through the SEC, PSE, and PDEX.

CAPITALIZATION

As of September 30, 2025, the authorized capital stock of the Issuer was ₱9.0 billion divided into 8.89 billion common shares each with ₱1.00 par value per share and 11.0 billion preferred shares with ₱0.01 par value per share and its issued capital stock was ₱6.25 billion consisting of 6,243,382,344 Common Shares (of which ₱6,116,762,198 are outstanding) and 2,750,000,000 Preferred Shares.

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as of September 30, 2025 and as adjusted to give effect to the issue of the Bonds. This table should be read in conjunction with the Issuer's unaudited consolidated financial statements as of September 30, 2025 and notes thereto, included elsewhere in this Offer Supplement.

in ₱ thousands	As of Sept 2025	Adjusted ¹ to assume ₱7.00 Billion Issue Size (Unaudited)	Adjusted to assume ₱10.00 Billion Issue Size (Unaudited)
Liabilities			
Total Current Liabilities	17,290,134.00	17,290,134.00	17,290,134.00
Total Noncurrent Liabilities	32,514,047.00	39,420,542.00	42,386,072.00
Total Liabilities	49,804,181.00	56,804,181.00	59,804,181.00
Equity			
Capital Stock	6,270,882.00	6,270,882.00	6,270,882.00
Additional Paid-In Capital	28,350.00	28,350.00	28,350.00
Other comprehensive income	46,580.00	46,580.00	46,580.00
Other equity adjustments	540,323.00	540,323.00	540,323.00
Share-based payments	69,700.00	69,700.00	69,700.00
Cash flow hedge reserve	15,718.00	15,718.00	15,718.00
Retained earnings			
Appropriated	15,000,000.00	15,000,000.00	15,000,000.00
Unappropriated	11,051,618.00	11,051,618.00	11,051,618.00
	33,023,171.00	33,023,171.00	33,023,171.00
Less cost of treasury shares	185,334.00	185,334.00	185,334.00
Total Equity Attributable to Equity Holders of the Parent	32,837,837.00	32,837,837.00	32,837,837.00
Non-controlling Interests	5,716,232.00	5,716,232.00	5,716,232.00
Total Equity	38,554,069.00	38,554,069.00	38,554,069.00
Total Capitalization²	88,358,250.00	95,358,250.00	98,358,250.00

¹ Adjusted amount as of September 30, 2025 includes gross proceeds of the principal amount of the Bonds offered hereunder, net of expenses related to the proceeds, accounted for as contra-liability of the long-term debt account and subsequently amortized as expense during the term of the debt.

² Total capitalization is the sum of Total Liabilities and Total Equity.

DETERMINATION OF OFFER PRICE

The First Tranche Bonds shall be issued at par, or 100% of the face value.

The interest rate per annum of the Series A Bonds was computed based on sum of (a) the simple average of the three (3)-year PHP BVAL Reference Rate (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines (“**BAP**”) or the Bangko Sentral ng Pilipinas (“**BSP**”), as published on the website of the Philippine Dealing System (“**PDS**”) Group page or, if unavailable, the PDEX (or such successor page) of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date, and (b) the spread determined via a bookbuilding process.

The interest rate per annum of the Series B Bonds was computed based on the simple average of the five (5)-year PHP BVAL Reference Rate (or if the applicable BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or BSP, as published on the website of the Philippine Dealing System Group page (or such successor page) of Bloomberg (or such successor electronic service provider) at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) consecutive Banking Days immediately preceding and ending on the Interest Rate Setting Date, plus the spread determined via a bookbuilding process.

PLAN OF DISTRIBUTION

THE OFFER

The Bonds are offered by the Company as the first tranche under the Company's Twenty Billion Pesos (₱20,000,000,000.00) 2026 Debt Securities Program. The Company shall issue the First Tranche Bonds to institutional and retail investors in the Philippines through a public offer to be conducted through the Joint Lead Underwriters and Bookrunners. The Offer does not include an international offering.

Pursuant to the Registration Statement and the corresponding Certificate of Permit to Offer Securities for Sale to be issued by the SEC, the First Tranche Bonds will consist of the offer of a principal amount of Seven Billion Pesos (₱7,000,000,000.00) with an Oversubscription Option of up to Three Billion Pesos (₱3,000,000,000.00). In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, the First Tranche Bonds under Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under shelf registration and may be issued in tranches within the Shelf Period. The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer.

The Issuer has the discretion to allocate the First Tranche Bonds between the Series A Bonds and Series B Bonds, or depending on prevailing market conditions, to fully allocate the First Tranche Bonds in just one series, based on the bookbuilding process conducted by the Joint Lead Underwriters and Bookrunners.

SHELF REGISTRATION OF SECURITIES NOT COVERED BY THE OFFER

Following the close of the Offer and assuming the full exercise of the Oversubscription Option, Rockwell Land will have issued a total of Ten Billion Pesos (₱10,000,000,000.00) in aggregate principal amount of First Tranche Bonds under its 2026 Debt Securities Program, with Ten Billion Pesos (₱10,000,000,000.00) remaining unissued. After the close of the Offer and within the Shelf Period, Rockwell Land may, at its sole discretion, offer any or all of such remaining balance of the aggregate principal amount of the First Tranche Bonds in subsequent tranches, including any amount remaining if the Oversubscription Option is partly exercised or not exercised at all. Any such subsequent offering requires the submission by Rockwell Land of the relevant updates and amendments to the Registration Statement and the issuance of the corresponding permit to offer securities for sale by the SEC. As a listed company, Rockwell Land regularly disseminates such updates and information in its disclosures to the SEC, PDEX, and PSE.

However, there can be no assurance in respect of: (i) whether Rockwell Land will issue such First Tranche Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such First Tranche Bonds; or (iii) the specific terms and conditions of such issuance. Any decision by Rockwell Land to offer such debt securities will depend on a number of factors at the relevant time, many of which are not within Rockwell Land's control, including but not limited to: prevailing interest rates, the financing requirements of Rockwell Land's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

OBLIGATIONS OF THE JOINT ISSUE MANAGERS

BDO Capital & Investment Corporation and First Metro Investment Corporation have agreed to act as the Joint Issue Managers for the Offer. In their capacity as Joint Issue Managers, they shall perform the following services: (i) provide guidance on the structure, timing, organization, and terms of the Offer (including time of launch, size of issue, pricing and maturity); (ii) assist and coordinate with all relevant parties with the preparation of the required documentation; and (iii) work with the Company and its legal counsel to obtain the relevant regulatory approvals.

THE UNDERWRITERS OF THE OFFER

BDO Capital, First Metro, PNB Capital and Investment Corporation, and RCBC Capital Corporation pursuant to an Underwriting Agreement with Rockwell Land executed on February 27, 2026, have agreed to act as the Joint Lead Underwriters and Bookrunners for the Offer and as such, have committed to: (i) distribute and sell

the First Tranche Bonds at the Offer Price, and (ii) underwrite ₱7,000,000,000.00 on a firm basis, and in either case, subject to the satisfaction of certain conditions and in consideration of certain fees and expenses.

BDO Capital and First Metro are the Joint Issue Managers for this transaction. The Joint Issue Managers will receive a fee of up to 2.5 basis points (0.025%) on the aggregate nominal principal amount of the First Tranche Bonds issued, inclusive of gross receipt taxes applicable to each Joint Issue Manager.

The Joint Lead Underwriters and Bookrunners will receive a fee of up to 35 basis points (0.35%) on the aggregate nominal principal amount of the First Tranche Bonds issued, inclusive of fees to be ceded to Selling Agents, if any, and gross receipt taxes applicable to each Joint Lead Underwriter and Bookrunner. There will be no discounts or other commissions paid or to be paid, directly or indirectly, to the Joint Lead Underwriters and Bookrunners.

The amounts of the commitments of each Joint Lead Underwriter and Bookrunner are as follows:

Joint Lead Underwriters and Bookrunners	Commitment
BDO Capital & Investment Corporation	₱2,100,000,000.00
First Metro Investment Corporation	2,100,000,000.00
PNB Capital and Investment Corporation	1,400,000,000.00
RCBC Capital Corporation	1,400,000,000.00
Total	₱7,000,000,000.00

Final allocation of the Oversubscription Option among the Joint Issue Managers and Joint Lead Underwriters and Bookrunners will be determined at the end of the Offer Period based on actual demand.

The Oversubscription Option is exercisable by the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer, and will be deemed fully underwritten to the extent exercised. Depending on the actual or expected demand for the First Tranche Bonds during the Offer Period, the Oversubscription Option shall be distributed and allocated to investors at the discretion of the Joint Lead Underwriters and Bookrunners. Consistent with the customary practice, upon the exercise of the Oversubscription Option, the portion exercised will be underwritten by the relevant Joint Lead Underwriters and Bookrunners that have clients with excess demand.

The underwriting fee of each underwriter is in proportion to its underwriting commitment. There is no arrangement for the Underwriter to return to Rockwell Land any unsold First Tranche Bonds. The Underwriting Agreement may be terminated in certain circumstances prior to the issuance and payment of the net proceeds of the First Tranche Bonds being made to Rockwell Land. In case the Underwriting Agreement is terminated, the Company shall notify the SEC of the termination and its subsequent course of action.

The Joint Lead Underwriters and Bookrunners are duly licensed by the SEC to engage in underwriting or distribution of the First Tranche Bonds. The Joint Lead Underwriters and Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business for Rockwell Land or other members of the Lopez Group of which Rockwell Land forms a part.

None of the Joint Lead Underwriters and Bookrunners has any relation to Rockwell Land in terms of ownership and has any right to designate or nominate member(s) of the Board of Directors of Rockwell Land.

BDO Capital & Investment Corporation

BDO Capital is a leading investment bank in the Philippines and was incorporated in the Philippines on September 8, 1998 as a wholly owned subsidiary of BDO Unibank, Inc. It presently operates as a full-service investment house with the following functions, among others: securities underwriting and trading, loan syndication, financial advisory, and private placement of debt and equity. As of December 31, 2024, it had ₱5.44 billion in assets and ₱5.08 billion in capital.

First Metro Investment Corporation

First Metro is a leading investment bank in the Philippines with sixty-two years of service in the development of the country's capital markets. It is 99.3% owned by Metropolitan Bank & Trust Company and is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro is licensed by the Securities & Exchange Commission to engage in underwriting and distribution of securities to the public. First Metro offers a wide range of services, from debt and equity underwriting to loan syndication, acquisition and project finance, and financial advisory. First Metro brings proven expertise in deal origination, structuring, and execution. As of 31 December 2024, its total assets stood at ₱16.30 billion, while total equity amounted to ₱15.70 billion

PNB Capital and Investment Corporation

PNB Capital, a wholly-owned subsidiary of the Philippine National Bank, offers a spectrum of investment banking services including loan syndications and project finance, bond offerings, private 57 placements, public offering of shares, securitization, financial advisory and mergers and acquisitions. It was incorporated on July 30, 1997 and commenced operations on October 8, 1997. PNB Capital is licensed by the Philippine SEC to operate as an investment house with a non-quasi-banking license. PNB Capital is authorized to buy and sell, for its own account, securities issued by private corporations and the Philippine Government. As of December 31, 2024, total assets of PNB Capital were at ₱2.17 billion while total capital was at ₱2.13 billion.

RCBC Capital Corporation

RCBC Capital is a licensed investment house providing a complete range of capital raising and financial advisory services. Established in 1974, RCBC Capital has over 51 years of experience in underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country's largest fully integrated financial services conglomerates. As of December 31, 2024, its total assets amounted to ₱3.72 Billion, and its capital base amounted to ₱3.50 Billion.

SALE AND DISTRIBUTION

The distribution and sale of the First Tranche Bonds shall be undertaken by the Joint Lead Underwriters and Bookrunners who shall sell and distribute the First Tranche Bonds to third party buyers/investors. The Joint Lead Underwriters and Bookrunners are authorized to organize a syndicate of soliciting dealers, co-lead underwriters, and/or selling agents for the purpose of the Offer; provided, however, that the Joint Lead Underwriters and Bookrunners shall remain jointly and not solidarily responsible to the Issuer in respect of its obligations under the Issue Management and Underwriting Agreement entered into by them with the Issuer and the Issuer shall not be bound by any of the terms and conditions of any agreement entered into by the Joint Lead Underwriters and Bookrunners with such other parties. Nothing herein shall limit the rights of the Joint Lead Underwriters and Bookrunners from purchasing the First Tranche Bonds for its respective accounts.

There are no finders or broker dealers entitled to any discounts or commissions in connection with the sale of the First Tranche Bonds. There are no persons to whom the First Tranche Bonds are allocated or designated. The First Tranche Bonds shall be offered to the public at large and without preference.

Depending on the actual or expected demand for the First Tranche Bonds during the Offer Period, the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer, may opt to exercise the Oversubscription Option which shall be distributed and allocated to investors at the discretion of the Joint Lead Underwriters and Bookrunners exercising the Oversubscription Option, with the consent of the Issuer. Consistent with the customary Joint Issue Management and Underwriting Agreement, upon the exercise of the Oversubscription Option, the portion exercised will be underwritten by the relevant Joint Lead Underwriters and Bookrunners that have clients with excess demand.

No discounts or commissions shall be paid to broker dealers, and no finders are involved in the distribution of the First Tranche Bonds.

TERM OF APPOINTMENT

The engagements of the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners shall subsist so long as the SEC permit to sell remains valid, unless otherwise terminated by Rockwell Land, the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners.

MANNER OF DISTRIBUTION

The Joint Lead Underwriters and Bookrunners shall, at its discretion but with notice to Rockwell Land, determine the manner by which proposals for applications for purchase and issuances of the First Tranche Bonds shall be solicited, with the primary sale of the First Tranche Bonds to be effected only through the Joint Lead Underwriters and Bookrunners. The Joint Lead Underwriters and Bookrunners, with the consent of the Issuer, shall agree on the process for allocating the First Tranche Bonds and the manner of accepting the Applications to Purchase. Consistent with bank procedures (if applicable) and such agreed process, each of the Joint Lead Underwriters and Bookrunners shall be responsible for determining who are eligible Bondholders from the Applicants and for establishing the bona fide identity of each in accordance with the Anti-Money Laundering Laws of the Philippines, as well as its own internal policies and arrangements under acceptable standards and policies regarding “know-your-customer” and anti-money laundering.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on March 4, 2026 and end at 12:00 p.m. on March 10, 2026 or such earlier day or later day as may be determined by Rockwell Land and the Joint Lead Underwriters and Bookrunners.

APPLICATION TO PURCHASE

Applicants may purchase the First Tranche Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Bookrunners properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal (“**e-SIP**”), together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the First Tranche Bonds in the manner provided therein. Corporate, partnerships, institutional or trust Applicants may also be required to submit, in addition to the foregoing:

- an original notarized certificate by the corporate secretary (or an equivalent officer of the Applicant) setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the First Tranche Bonds indicated in the Application to Purchase and (ii) designating the signatory/ies, with their specimen signature/s, for the said purposes;
- copies of its Articles of Incorporation and By-laws (and latest amendments thereof), together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory/ies;
- two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory/ies, whose authority/ies and specimen signatures have been submitted to the Registrar;
- valid and unexpired identification document(s) of the authorized signatories of the Applicant as specified in the paragraph below;
- valid tax identification number (“**TIN**”) issued by the BIR; and
- such other documents as may be reasonably required by the Joint Lead Underwriters and Bookrunners and the Registrar in the implementation of its internal policies regarding “know your customer” and anti-money laundering and requirements related to the Foreign Account Tax Compliance Act (“**FATCA**”).

Individual Applicants, must also submit, in addition to the accomplished Applications to Purchase and its required attachments:

- identification document (“ID”) of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Philippine Identification Card (“PhilID”), TIN ID issued by the BIR, Passport, Driver’s License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter’s ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, Overseas Workers Welfare Administration Overseas Filipino Worker e-Card, OFW ID, Seaman’s Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, *e.g.*, Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, Maritime Industry Authority, Philippine Health Insurance Corporation company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);
- two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- valid TIN issued by the BIR; and
- such other documents as may be reasonably required by the Joint Lead Underwriters and Bookrunners or the Registrar in implementation of its internal policies regarding “know your customer” and anti-money laundering and requirements related to the FATCA.

An Applicant who is exempt from or is not subject to withholding tax, or who claims preferential tax treaty rates shall, in addition, be required to submit the following requirements to the relevant Joint Lead Underwriter and Bookrunner (together with their applications) who shall then forward the same to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

(a) Proof of Tax Exemption or Entitlement to Preferential Tax Rates

- i. A current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant Applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement, or amendment thereto;
- ii. For (a) tax-exempt corporations and associations under Section 30 of the Tax Code (except non-stock, non-profit educational institutions under Section 30(H) of the Tax Code), including non-stock savings and loan associations; (b) cooperatives duly registered with the Cooperative Development Authority; and (c) BIR-approved pension funds and retirement plans – certified true copy of a valid, current, and subsisting tax exemption certificate, ruling, or opinion issued by the BIR. For this purpose, a tax exemption certificate or ruling shall be deemed “valid, current, and subsisting” if it has not been more than three (3) years since the date of issuance thereof, and has not been revoked, amended, or modified;
- iii. For Tax-Exempt Personal Equity Retirement Account established pursuant to PERA Act of 2008 – certified true copy of the Bondholder’s current, valid and subsisting Certificate of Accreditation as PERA Administrator (BIR Form No. 2336);
- iv. For all other tax-exempt entities (including, but not limited to: (a) non-stock, non-profit educational institutions; (b) government-owned or controlled corporations; and (c) foreign governments, financing institutions owned, controlled or enjoying refinancing from foreign governments, and international or regional financial institutions established by foreign governments) – certified true copy of a tax exemption certificate, ruling, or opinion issued

by the BIR expressly stating that their income is exempt from income tax and, consequently, withholding tax; and

- v. For entities claiming tax treaty relief – original or certified true copies of the following documents:

General requirements:

1. Original Tax Residency Certificate (“**TRC**”) duly issued by the tax authority of the foreign country in which the relevant Applicant or Bondholder is a resident;
2. Original and duly notarized Special Power of Attorney (“**SPA**”) issued by Applicant or Bondholder to the Issuer, expressly stating the Issuer’s authority to sign the Application Form for Treaty Purposes (BIR Form No. 0901-I) and to file a request for confirmation with the BIR on behalf of said Applicant or Bondholder;

Additional requirements for legal persons and arrangements, and individuals:

1. Authenticated copy of the Applicant or Bondholder’s Articles/Memorandum of Incorporation/Association, Trust Indenture, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language;
2. For legal persons and arrangements – original Certificate of Non-Registration or certified true copy of License to Do Business in the Philippines duly issued by the SEC to the Applicant or Bondholder;
3. For individuals – original Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry (“**DTI**”) to the Applicant or Bondholder;

Additional requirements for entities:

1. Certified true copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the Applicant or Bondholder;
2. List of owners/beneficiaries of the Applicant or Bondholder;
3. Proof of ownership of the Applicant or Bondholder; and
4. TRC duly issued by the concerned foreign tax authority to the owners or beneficiaries of the Applicant or Bondholder.

All documents executed in a foreign country must either be authenticated by the Philippine Embassy stationed therein or apostilled if the said foreign country is a signatory to the Convention Abolishing the Requirement of Legalization for Foreign Public Documents (HCCH 1961 Apostille Convention) in order to be acceptable to the Issuer.

In addition, for subsequent interests due and subject to the requirements of new or amendatory regulations, the Bondholder shall submit to the Issuer an updated Application Form, a new TRC (if the validity period of the previously submitted TRC has already lapsed), and other relevant documents no later than the last day of the first month of the year when such subsequent interest payment/s shall fall due.

- (b) A duly notarized declaration (in the prescribed form) warranting that the Bondholder’s tax-exemption certificate or ruling has not been revoked or cancelled and that there are no material changes in character, purpose or method of operation of the Bondholder which are inconsistent with the basis of its income tax exemption, or warranting the Bondholder’s entitlement to preferential treaty rates, and undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of its tax exemption or treaty privileges and agreeing to indemnify and hold the Issuer, Registrar and Paying Agent, Joint Lead Underwriters and Bookrunners, and the Selling Agents free and harmless against any claims, actions, suits and liabilities arising from the non-withholding or reduced withholding of the required tax; and

- (c) Such other documentary requirements may be reasonably required by the Issuer or the Registrar and Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities, which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty; provided that Rockwell Land shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by such Applicant on the interest payments to said Applicant or Bondholder; provided further that, all sums payable by Rockwell Land to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Applicant claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Failure to submit any of the documents provided under (a), (b) and (c) above, as may be applicable, will result in the application of the regular income tax rate provided under the Tax Code.

The foregoing notwithstanding, the Issuer and the Registrar and Paying Agent shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Joint Lead Underwriters and Bookrunners prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Lead Underwriters and Bookrunners. Acceptance by the Joint Lead Underwriters and Bookrunners of the completed Application to Purchase shall be subject to the availability of the First Tranche Bonds and the acceptance by Rockwell Land. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of Fifty Thousand Pesos (₱50,000.00) shall be considered for acceptance. Purchases in excess of the minimum shall be in integral multiples of Ten Thousand Pesos (₱10,000.00).

ALLOTMENT OF THE FIRST TRANCHE BONDS

If the First Tranche Bonds are insufficient to satisfy all Applications to Purchase, the available First Tranche Bonds shall be allotted at the discretion of the Joint Lead Underwriters and Bookrunners, with the consent of the Issuer and subject to its right of rejection.

ACCEPTANCE OF APPLICATIONS

Rockwell Land, together with the Joint Lead Underwriters and Bookrunners reserve the right to accept or reject applications to subscribe in the First Tranche Bonds, and in case of oversubscription, allocate the First Tranche Bonds available to the applicants in a manner they deem appropriate. If any application is rejected or accepted in part only, the application money or the appropriate portion thereof will be returned without interest by the relevant Joint Lead Underwriter and Bookrunner to the Applicant.

REFUNDS

In the event an Application is rejected or the amount of the First Tranche Bonds applied for is scaled down, the relevant Joint Lead Underwriter and Bookrunner, upon receipt of such rejected and/or scaled down applications, shall notify the Applicant concerned that his application has been rejected or the amount of First Tranche Bonds applied for is scaled down, and refund the amount paid by the Applicant with no interest thereon. With respect to an Applicant whose application was rejected, refund shall be made without interest

by the relevant Joint Lead Underwriter and Bookrunner by making the check payment of the Applicant concerned available for his retrieval.

With respect to an Applicant whose application has been scaled down, refund shall be made without interest by the issuance by the relevant Joint Lead Underwriter and Bookrunner of its own check payable to the order of the Applicant and crossed "Payees' Account Only" corresponding to the amount in excess of the accepted Application. All checks shall be made available for pick up by the Applicant concerned at the office of the relevant Joint Lead Underwriter and Bookrunner to whom the rejected or scaled down Application was submitted within ten (10) Business Days after the last day of the Offer Period. The Issuer shall not be liable in any manner to the Applicant for any check payment corresponding to any rejected or scaled-down application which is not returned by the relevant Joint Lead Underwriter and Bookrunner; in which case, the Joint Lead Underwriter and Bookrunner shall be responsible directly to the Applicant for the return of the check or otherwise the refund of the payment.

PAYMENTS

The Paying Agent shall open and maintain a Payment Account, which shall be operated solely and exclusively by said Paying Agent in accordance with the Registry and Paying Agency Agreement, provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the relevant interest and principal on each Payment Date.

The Paying Agent shall maintain the Payment Account for six (6) months from Maturity Date or date of early redemption, as applicable. Upon closure of the Payment Account, any balance remaining in such Payment Account shall be returned to the Company and shall be held by the Company in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments and such other payments that are due on the Offer Bonds, at the latter's risk.

SECONDARY MARKET

Rockwell Land intends to list the First Tranche Bonds on the PDEX. Rockwell Land may purchase the First Tranche Bonds at any time in the open market or by tender or by contract, in accordance with the PDEX Rules, which may be amended from time to time, without any obligation to make pro-rata purchases of First Tranche Bonds from all Bondholders. First Tranche Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the First Tranche Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

The First Tranche Bonds shall be traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

REGISTRY OF BONDHOLDERS

The First Tranche Bonds shall be issued in scripless form and shall be registered in the Registry of Bondholders maintained by the Registrar. A Master Certificate of Indebtedness representing the Series A Bonds and Series B Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the First Tranche Bonds shall be shown in the Registry of Bondholders to be maintained by the Registrar. Initial placement of the First Tranche Bonds and subsequent transfers of interests in the First Tranche Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. Rockwell Land will cause the Registry of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Registry of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the Registry of Bondholders.

DESCRIPTION OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations or privileges of the First Tranche Bonds. Some rights, obligations or privileges may be further limited or restricted by other documents. Prospective Bondholders are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of Rockwell Land, the information contained in this Prospectus, the Trust Indenture, Underwriting Agreement, and other agreements relevant to the Offer. Prospective Bondholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the issued First Tranche Bonds.

The Board of Directors of Rockwell Land authorized, through a resolution passed and approved on September 26, 2025, the issuance of Seven Billion Pesos (₱7,000,000,000.00) with an Oversubscription Option of up to Three Billion Pesos (₱3,000,000,000.00) of Unsecured Fixed-Rate Retail Peso Bonds at 5.5666% per annum for the Series A Bonds and 5.8595% per annum for the Series B Bonds. The Bonds shall be constituted by a Trust Indenture executed on February 27, 2026 between Rockwell Land and Metropolitan Bank & Trust Company – Trust Banking Group (the “Trustee”), which Trustee shall, wherever the context permits, include all other persons or companies acting and recognized as trustee or trustees under the said Trust Indenture. The First Tranche Bonds are also subject to the terms and conditions of a Registry and Paying Agency Agreement executed on February 27, 2026 between Rockwell Land and PDTC. The description of and the terms and conditions of the Bonds as set out below is subject to the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement.

The Series A Bonds shall mature three (3) years from the Issue Date or on March 18, 2029. The Series B Bonds shall mature five (5) years from the Issue Date or on March 18, 2031, unless earlier redeemed by Rockwell Land pursuant to the terms thereof and subject to the provisions on redemption and payment as detailed below. If the Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of the interest to be paid.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

The First Tranche Bonds shall be offered and sold through a public offering in the Philippines. The First Tranche Bonds shall be issued and transferable in minimum principal amounts of Fifty Thousand Pesos (₱50,000.00) and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter and shall be traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

The Registrar and Paying Agent has no interest in or relation to Rockwell Land which may conflict with its role as registrar and paying agent for the Offer. The Trustee has no interest in or relation to Rockwell Land which may conflict with the performance of its functions as trustee for the First Tranche Bonds, nor does it have any relation to or interest in the Joint Lead Underwriters and Bookrunners.

1. Form, Denomination and Title

(a) Form and Denomination

The First Tranche Bonds are in scripless form and shall be issued in denominations of Fifty Thousand Pesos (₱50,000.00) each as a minimum and in integral multiples of Ten Thousand Pesos (₱10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

(b) Title

Legal title to the First Tranche Bonds shall be shown in the Registry of Bondholders maintained by the Registrar. A notice confirming the principal amount of the First Tranche Bonds purchased by each applicant in the Offering shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the First Tranche Bonds shall pass by recording of the transfer from the transferor to the transferee in the Registry of Bondholders maintained by the Registrar. Settlement with

respect to such transfer or change of title to the First Tranche Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) *Bond Rating*

PhilRatings has assigned an Issue Credit Rating of PRS Aaa, with a Stable Outlook, to Rockwell Land's proposed issuance of the First Tranche Bonds.

The assigned rating and the corresponding outlook take into account the following key considerations: (1) Rockwell Lands' established brand name, supported by the diversification of product offerings and geographical expansion; (2) its solid management team and support from its Parent Company; (3) sustained growth in profitability; (4) strong liquidity position; and (5) conservative capital structure, even amid its recent expansion.

The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the First Tranche Bonds are outstanding. After Issue Date, the Trustee shall likewise monitor compliance by the Issuer with certain covenants in relation to the First Tranche Bonds through regular annual reviews.

2. Transfer of Bonds

(a) *Registry of Bondholders*

Rockwell Land shall cause the Registry of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the First Tranche Bonds held by them and all transfers of First Tranche Bonds shall be entered in the Registry of Bondholders. As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Bondholder, in the mode elected by such Bondholder in the Application to Purchase, a written statement of registry holdings at least quarterly (at the cost of the Issuer), and a written advice confirming every receipt or transfer of the First Tranche Bonds that is effected in the Registrar's system. Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any and/or all requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfer of First Tranche Bonds may be made during the period intervening between and commencing on a Record Date as defined in the section on "*Interest Payment Date*."

(b) *Transfers; Tax Status*

The Registrar shall ultimately and conclusively determine all matters regarding the evidence necessary to effect any such transfers. Settlement in respect of such transfers or change of title to the First Tranche Bonds, including the settlement of any documentary stamp taxes, if any, arising from subsequent transfers, shall be settled directly between the transferee and/or the transferor Bondholders.

Transfers across tax categories shall not be allowed except on Interest Payment Dates that fall on a Business Day. Restricted transfers include, but are not limited to, transfers between taxable and nontaxable entities, between taxable entities of different tax categories (where tax-withheld entities with different final withholding tax rates (e.g., 20%, 25%, 30%) are considered as belonging to different tax categories), or between parties who claim the benefit of a tax treaty; provided, however, that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax rate to ensure that the computation is based on the final withholding tax rate of the taxable party to the trade. For such transactions, the tax-exempt entity shall be treated as belonging to the same tax category as its taxable counterpart for the interest period within which such transfer occurred. A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Registry and Paying Agency Agreement upon submission of the account opening documents to Registrar. Transfers taking place in the Registry of Bondholders after the First Tranche Bonds are listed on PDEX shall be allowed between tax-exempt and non-tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions, and guidelines of PDEX and PDTC.

(c) *Secondary Trading of the First Tranche Bonds*

Rockwell Land intends to list the First Tranche Bonds in PDEX for secondary market trading or such other securities exchanges as may be licensed as such by the SEC. Secondary market trading shall follow the applicable PDEX rules, conventions and guidelines, including rules, conventions and guidelines governing trading and settlement between Bondholders of different tax status, and shall be subject to the relevant fees of PDEX and PDTC. Upon listing of the First Tranche Bonds with PDEX, investors shall course their secondary market trades through PDEX Brokering Participants for execution in the PDEX Trading Platform in accordance with PDEX Trading Rules, Conventions and Guidelines, and shall settle such trades on a Delivery versus Payment ("**DvP**") basis in accordance with PDEX Settlement Rules and Guidelines. The PDEX rules and conventions are available on the PDEX website (www.pds.com.ph). An Investor Frequently Asked Questions ("**FAQ**") discussion on the secondary market trading, settlement, documentation and estimated fees is also available on the PDEX website.

3. Ranking

The Bonds constitute direct, unconditional, unsecured and unsubordinated Peso denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by the law.

4. Interest

(a) *Interest Payment Dates*

The First Tranche Bonds bears interest on its principal amount from and including Issue Date at the rate of 5.5666% p.a. for the Series A Bonds and 5.8595% p.a. for the Series B Bonds, payable quarterly in arrears, commencing on June 18, 2026 as the first Interest Payment Date, and on March 18, June 18, September 18, and December 18 of each year following the first Interest Payment Date, or the subsequent Business Day without adjustment to the amount of interest to be paid, if such Interest Payment Date is not a Business Day.

For purposes of clarity, the last Interest Payment Date on the First Tranche Bonds shall fall on the Maturity Date or March 18, 2029 for the Series A Bonds and March 18, 2031 for the Series B Bonds.

The cut-off date in determining the existing Bondholders entitled to receive the interest or principal amount due shall be the second (2nd) Business Day immediately preceding the relevant Interest Payment Date (the "**Record Date**"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the First Tranche Bonds. No transfers of the First Tranche Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) *Interest Accrual*

The First Tranche Bonds shall cease to bear interest from and including the Maturity Date, as defined in the discussion on "*Final Redemption*", below, unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see "*Penalty Interest*" below) shall apply.

(c) *Determination of Interest Amount*

The interest shall be calculated on the basis of a 30/360-day basis, consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

5. Redemption and Purchase

(a) *Optional Redemption*

Prior to final maturity, Rockwell Land may redeem in whole, but not in part, the outstanding Series B Bonds starting on the third anniversary of Issue Date. Rockwell Land shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Series B Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Series B Bonds on the relevant Optional Redemption Date stated in such notice.

The amount payable to the Bondholders in respect of an Optional Redemption exercise shall be calculated, based on the principal amount of the Series B Bonds being redeemed, as the sum of (i) accrued interest computed from the last Interest Payment Date up to the relevant Optional Redemption Date; and (ii) the product of the principal amount of the Series B Bonds being redeemed and the Optional Redemption Price in accordance with the following schedule:

Series A Bonds	
Optional Redemption Date	Optional Redemption Price
Not Applicable	Not Applicable

Series B Bonds	
Optional Redemption Date	Optional Redemption Price
3 rd anniversary of the Issue Date and every interest period date thereafter before the 4 th anniversary of the Issue Date	102%
4 th anniversary of the Issue Date and every interest period date thereafter before the 5 th anniversary of the Issue Date	101%

(b) *Final Redemption*

Unless previously purchased and cancelled, the First Tranche Bonds shall be redeemed at par, or 100% of face value on March 18, 2029 for the Series A Bonds and March 18, 2031 for the Series B Bonds. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment in computation as to the amount of interest payable, on the succeeding Business Day.

(c) *Redemption for Tax Reasons*

If payments under the First Tranche Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the First Tranche Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days' notice to the Trustee and the Registrar) at par or 100% of face value plus accrued interest computed up to the date when the First Tranche Bonds shall be redeemed earlier than its Maturity Date.

(d) *Change in Law or Circumstance*

If any provision of the Trust Indenture or any of the related documents is or shall become for any reason, invalid, illegal or unenforceable to the extent that it shall become, for any reason, unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents, such event shall be considered as change in law or circumstance ("**Change in Law**") in reference to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the First Tranche Bonds.

In the event that the Issuer shall invoke the foregoing as a Change in Law, the Issuer shall provide the Trustee an opinion of legal counsel confirming the foregoing, such legal counsel being reasonably acceptable to the Trustee. Thereupon, the Trustee, upon notice to the Issuer, shall declare the principal amount of the First Tranche Bonds, including all accrued interest and other chargers thereon, if any, to be immediately due and payable, and upon such declaration, the same shall be immediately due and payable without and pre-payment penalty, notwithstanding anything in the Trust Indenture and other related documents to the contrary.

(e) *Purchase and Cancellation*

The Issuer may at any time purchase any of the First Tranche Bonds at any price in the open market or by tender or by contract at any price, without any obligation to purchase First Tranche Bonds pro-rata

from all Bondholders, and the Bondholders shall not be obligated to sell. Any First Tranche Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

6. Payments

The principal of, interest on, and all other amounts payable on the First Tranche Bonds shall be paid by Rockwell Land through the Paying Agent to the Bondholders by crediting the settlement accounts designated by each of the Bondholders. The principal of, and interest on, the First Tranche Bonds shall be payable in Philippine Pesos. Rockwell Land shall ensure that so long as any of the First Tranche Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the First Tranche Bonds. In the event the Paying Agent shall be unable or unwilling to continue to act as such, Rockwell Land shall appoint a qualified financial institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

7. Payment of Additional Amounts - Taxation

Interest income on the First Tranche Bonds is subject to a final withholding tax at rates ranging from 20% to 30% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of Rockwell Land; provided however that, Rockwell Land shall not be liable for the following:

- (a) Income tax on any gain by a holder of the First Tranche Bonds realized from the sale, exchange or retirement of the First Tranche Bonds.
- (b) The applicable final withholding tax on interest earned on the First Tranche Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations as maybe in effect from time to time (the “**Tax Code**”). An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by Rockwell Land as being sufficient in form and substance: (i) certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR confirming the exemption or preferential rate; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status or preferential rate entitlement, undertaking to immediately notify Rockwell Land of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold Rockwell Land and the Registrar free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, which shall include evidence of the applicability of a tax treaty and consularized proof of the Bondholder’s legal domicile in the relevant treaty state, and confirmation acceptable to Rockwell Land that the Bondholder is not doing business in the Philippines; provided further that, all sums payable by Rockwell Land to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;
- (c) Gross Receipts Tax under Section 121 of the Tax Code;
- (d) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (e) VAT under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337.

Documentary stamp tax for the primary issue of the First Tranche Bonds and the execution of the Trust Indenture and other related documents, if any, shall be for Rockwell Land’s account.

8. Financial Covenants

- (a) Rockwell Land shall maintain a Debt-to-Equity Ratio of not more than 2.00:1.00. Debt-to-Equity ratio is computed as total Financial Indebtedness divided by Total Equity.
- (b) Rockwell Land shall maintain a minimum Current Ratio of 1.00:1.00. Current Ratio means the ratio of Current Assets to Current Liabilities.

“Current Assets” represents cash, receivables, inventories and other assets that are likely to be converted into cash, sold, exchanged, or expensed in the normal course of business within one (1) year.

“Current Liabilities” represents debt, payables, or other obligations that are coming due within one (1) year.

“Financial Indebtedness” means any outstanding indebtedness of Rockwell Land and/ or any or all of its subsidiaries for or in respect of:

- (i) monies borrowed, which, in accordance with GAAP, shall be treated as loans payable, notes payable, First Tranche Bonds payable, or other similar borrowing;
- (ii) any amount raised by acceptance under any acceptance credit facility;
- (iii) any obligation in respect of a standby or documentary letter of credit or any other similar instrument issued by a bank or financial institution;
- (iv) receivables sold or discounted other than receivables to the extent they are sold on a non-recourse basis;
- (v) any amount of any liability (other than trade accounts payable, accrued expenses, and unearned revenues) under an advance or deferred purchase agreement if one of the primary reasons behind entering into that agreement is to raise finance or that agreement is in respect of the supply of assets or services;
- (vi) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (vii) any currency swap, or interest rate swap, cap or collar arrangement or any other derivative instrument;
- (viii) any amount raised by the issue of redeemable shares or preferred shares;
- (ix) any amount raised under any other transaction having the commercial effect of a borrowing; and/or
- (x) Any guarantee or indemnity or other assurance against financial loss of any person.

“Total Equity” means equity attributable to equity holders of the Company (excluding minority interest in a consolidated subsidiary).

9. Negative Pledge

For as long as any of the First Tranche Bonds remain outstanding, Rockwell Land covenants that it shall not, without the prior written consent of the Majority Bondholders, permit any indebtedness for borrowed money to be secured by or to benefit from Security in favor of any creditor or class of creditors without providing the Bondholders with the same kind or class of Security, the benefit of which is extended equally and ratably among them to secure the First Tranche Bonds; provided however that, this restriction shall not prohibit the following:

- (a) Any Security over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by Rockwell Land in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset; or (iv) the normal rediscounting of receivable activities of Rockwell Land made in the ordinary course of business.

- (b) Any Security created for the purpose of paying current Taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof.
- (c) Any Security to secure, in the normal course of the business of Rockwell Land or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases.
- (d) Any Security: (i) imposed by law, such as carrier's, warehousemen's, mechanics' liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledge or deposits under the workmen's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements; provided that, the Bondholders hereunder shall also have to the extent permitted by applicable law, and upon notice to Rockwell Land, a similar right of set-off.
- (e) Any Security in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by Rockwell Land under a governmental program under which creation of a security is a prerequisite in order to obtain such financing, and which cover assets of Rockwell Land which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding six percent (6%) of Rockwell Land's total assets based on the most recent interim financial statements.
- (f) Any Security established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets.
- (g) Any Security existing on the date of the Trust Indenture which is disclosed in writing by Rockwell Land to the Trustee prior to the execution of the Trust Indenture.
- (h) Any Security to be constituted on the assets of Rockwell Land after the date of the Trust Indenture which is disclosed in writing by Rockwell Land to the Trustee prior to the execution of the Trust Indenture and any with an aggregate loan accommodation not exceeding the equivalent of five percent (5%) of the market value of the consolidated assets of Rockwell Land as reflected in the latest appraisal report submitted by an independent and reputable appraiser.

10. Events of Default

Rockwell Land shall be considered in default under the First Tranche Bonds and the Trust Indenture in case any of the following events (each an "**Event of Default**") shall occur and is continuing:

(a) *Payment Default*

Rockwell Land fails to pay when due and payable any amount which Rockwell Land is obliged to pay to the Bondholders under the Trust Indenture and the First Tranche Bonds in the manner, at the place, and in the currency in which it is expressed to be payable, unless such failure to pay is the result of (i) a clerical, technical, or administrative error in the transmission of funds by the relevant bank(s) processing such payment and Rockwell Land makes or causes to be made such payment within two (2) Business Days following the relevant due date.

(b) *Representation/Warranty Default*

Any representation and warranty of Rockwell Land hereof or any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made, and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than seven (7) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Bondholders, through the Trustee, to that effect.

(c) *Other Default*

Rockwell Land fails to perform or violates any other provision, term of the Trust Indenture and the First Tranche Bonds, and such failure or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation; provided that, an Event of Default constituting a payment default, expropriation, insolvency or closure default, or a violation of a negative covenant shall not be remediable.

(d) *Cross Default*

Rockwell Land and/or any of its material Subsidiaries fails to pay or defaults in the payment of any installment of the principal or interest, or fails to comply or commits a breach or violation of any term, condition or stipulation, of any other agreement, contract or document with its lenders or any third party to which Rockwell Land is a party or privy or under which the Issuer acts as a guarantor or surety, including any agreement similar or analogous thereto, whether executed prior to or after the Issue Date, if the effect of the failure to observe or perform such term, covenant or agreement is to cause such obligation to become due prior to its stated maturity.

(e) *Insolvency Default*

Rockwell Land or any of its Subsidiaries becomes insolvent or unable to pay its debts when due or commits or permits any act of bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) lawful appointment of a trustee or receiver of all or a substantial portion of its properties, unless contested in good faith by Rockwell Land in appropriate proceedings; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by Rockwell Land of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of Rockwell Land or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation or appointment of trustee or receiver of Rockwell Land or a substantial portion of its property or assets.

(f) *Closure Default*

Rockwell Land voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days, except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or force majeure.

(g) *Expropriation Default*

The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or the substantial portion of the operations of Rockwell Land and to condemn, seize, nationalize or appropriate (either with or without compensation) Rockwell Land or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by Rockwell Land.

(h) *Cancellation of Licenses, Permits, etc.*

Any of the licenses, permits, rights, options, or privileges presently or hereafter enjoyed, utilized or required in the conduct of the business or operations of Rockwell Land shall be revoked, cancelled, or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in each case in such manner as to materially and adversely affect the ability of Rockwell Land to meet its obligations under the Trust Indenture and the First Tranche Bonds, or any similar events that occur which materially and adversely affect the ability of Rockwell Land to meet its obligations under the Trust Indenture and the First Tranche Bonds.

(i) *Judgment Default*

Any final judgment, decree, order or arbitral award for the sum of money, damages or for a fine or penalty in excess of Five Hundred Million Pesos (₱500,000,000.00) or its equivalent in any other currency is entered against Rockwell Land and the enforcement of which is not stayed, and is not paid, discharged, or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(j) *Writ and Similar Process Default*

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of Rockwell Land's assets, business or operations and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy.

(k) *Non-Payment of Taxes*

Non-payment of any Taxes, or any assessments or governmental charges levied upon it or against its properties, revenues and assets by the date on which such Taxes, assessments or charges attached thereto, which are not contested in good faith by Rockwell Land, or after the lapse of any grace period that may have been granted to Rockwell Land by the BIR or any other Philippine tax body or authority

11. Consequences of Default

Subject to the terms of the Trust Indenture, the Trustee shall, within ten (10) Business Days after receiving notice, or having knowledge of, the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it unless the same shall have been cured before the giving of such notice.

The written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain any information relating to such occurrence of an Event of Default at the principal office of the Trustee upon presentation of sufficient and acceptable identification.

If any one or more of the Events of Default shall have occurred and be continuing without the same being cured within the periods provided in the Trust Indenture and in these Terms and Conditions, the Trustee may on its own, or, if upon the written direction of the Majority Bondholders, shall, by notice in writing delivered to Rockwell Land, with a copy furnished the Paying Agent, Receiving Bank, and Registrar, declare the principal amount of the First Tranche Bonds, including all accrued interest and other charges thereon, if any, to be immediately due and payable (the "**Accelerated Amounts**"), and upon such declaration the same shall be immediately due and payable.

All the unpaid obligations under the First Tranche Bonds, including accrued interest, and all other amounts payable thereunder, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Rockwell Land.

12. Notice of Default

The Trustee shall, within ten (10) days after receiving a written notice, or having knowledge of, the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila, Philippines for two (2) consecutive days, further indicating in the published notice of general circulation that the Bondholders or their duly authorized representatives may obtain any information relating to such occurrence of an Event of Default at the principal office of the Trustee upon presentation of sufficient and acceptable identification.

13. Penalty Interest

In case any amount payable by Rockwell Land under the First Tranche Bonds, whether for principal, interest, fees due to Trustee or Registrar or otherwise, is not paid on due date, Rockwell Land shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty interest on the defaulted amount(s) at the rate of 2% p.a. (the "**Penalty Interest**") from the time the amount falls due until it is fully paid.

14. Payment in the Event of Default

Rockwell Land covenants that upon the occurrence of any Event of Default, Rockwell Land shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding First Tranche Bonds with interest at the rate borne by the First Tranche Bonds on the overdue principal and with Penalty Interest as described above, and in addition thereto, Rockwell Land shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee.

15. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Paying Agent and the Registrar, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second*, to the payment of the interest in default, in the order of the maturity of such interest with Penalty Interest; *third*, to the payment of the whole amount then due and unpaid upon the First Tranche Bonds for principal, and interest, with Penalty Interest; and *fourth*, the remainder, if any shall be paid to Rockwell Land, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the First Tranche Bonds shall require the conformity of the Trustee. The Paying Agent shall render a monthly account of such funds under its control.

16. Prescription

Claims with respect to principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

17. Remedies

All remedies conferred by the Trust Indenture to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the discussion below on “*Ability to File Suit*”.

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

18. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from Rockwell Land hereunder on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the First Tranche Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and

being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such First Tranche Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

19. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and on behalf of the Bondholders to waive any past default, except the events of default specified in Sections 10 (a), (d), (e), (f), and (g) above. In case of any such waiver, Rockwell Land, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the First Tranche Bonds.

20. Trustee; Notices

(a) Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture and this Prospectus and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee	:	Metropolitan Bank & Trust Company – Trust Banking Group
Attention	:	Ms. Ma. Jizzelle Lee M. Beltran
Subject	:	Rockwell Land Corporation Fixed Rate Bonds Due 2029/2031
Address	:	16/F Metrobank Center, 35th Street Corner 7th Avenue, Bonifacio Global City, 1634 Taguig City, Philippines
Telephone	:	(632) 8857 - 5622
Email Address	:	wanda.beltran@metrobank.com.ph

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

(b) Notice to the Bondholders

The Trustee shall send all notices to Bondholders to their mailing address as set forth in the Registry of Bondholders. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Registry of Bondholders. The Trustee shall rely on the Registry of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

(c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on Rockwell Land and all Bondholders. No liability to Rockwell Land, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture resulting from the Trustee's reliance on the foregoing.

21. Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by Rockwell Land with all its representations and warranties, and the observance by Rockwell Land of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with Rockwell Land.
- (b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters, exercise in the management of their own affairs.
- (c) None of the provisions contained in this Trust Indenture or Prospectus shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

22. Resignation and Change of Trustee

- (a) The Trustee may at any time resign by giving at least sixty (60) days' prior written notice to Rockwell Land and to the Bondholders of such resignation.
- (b) Upon receiving such notice of resignation of Rockwell Land, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the resigning Trustee and one (1) copy to the successor trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Bondholder who has been a *bona fide* holder for at least six months (the "*bona fide* Bondholder") may, for and on behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.
- (c) A successor trustee should possess all the qualifications required under pertinent laws, otherwise, the incumbent trustee shall continue to act as such.
- (d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then Rockwell Land may within thirty (30) days from there remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the successor trustee. If Rockwell Land fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.
- (e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to Rockwell Land of the required evidence of the action in that regard taken by the Majority Bondholders.
- (f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) the effectivity of the resignation notice sent by the Trustee under the Trust Indenture (a) (the "*Resignation Effective*

Date") provided, however, that after the Resignation Effective Date and, as relevant, until such successor trustee is qualified and appointed (the "*Holdover Period*"), the resigning Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor Trustee promptly upon the appointment thereof by Rockwell Land.

23. Successor Trustee

- (a) Any successor trustee appointed shall execute, acknowledge and deliver to Rockwell Land and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of Rockwell Land or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, Rockwell Land shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.
- (b) No successor trustee shall accept appointment as provided in this Section unless at the time of acceptance, such successor Trustee shall be qualified and eligible under the provisions of the Trust Indenture and has none of the conflicts of interest provided under the Trust Indenture or this Prospectus.
- (c) Upon acceptance of the appointment by a successor trustee, Rockwell Land shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If Rockwell Land fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the trustee, the latter shall cause the Bondholders to be notified at the expense of Rockwell Land.

24. Reports to the Bondholders

- (a) The Trustee shall submit to the Bondholders on or before March 31 of each year from the relevant Issue Date until full payment of the First Tranche Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:
 - (i) The property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and
 - (ii) Any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the First Tranche Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.
- (b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the First Tranche Bonds at such time.
- (c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:
 - (i) Trust Indenture
 - (ii) Registry and Paying Agency Agreement
 - (iii) Articles of Incorporation and By-Laws of the Company
 - (iv) Registration Statement of the Company with respect to the First Tranche Bonds
- (d) Upon the written request of any bona fide Bondholder, the Trustee shall issue a certification as to the amount of First Tranche Bonds held by such bona fide Bondholder, based on the information provided by the Registrar and Paying Agent and subject to the issuance by the Registrar and Paying

Agent of a certification in favor of the Trustee stating (i) that such Bondholder is a bona fide Bondholder and (ii) the amount of First Tranche Bonds held by such bona fide Bondholder. The Bondholder shall pay the Trustee an upfront certification fee of Five Thousand Pesos (₱5,000.00) per certification in addition to any fees that may be imposed by the Registrar and Paying Agent for such certification.

25. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or on behalf of the Bondholders of any specified aggregate principal amount of First Tranche Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the First Tranche Bonds.

(a) Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of First Tranche Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to Rockwell Land and to each of the registered Bondholders not earlier than forty five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. Each of such notices shall be published in a newspaper of general circulation as provided in the Trust Indenture. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by Rockwell Land within ten (10) days from receipt of the duly supported billing statement.

(b) Failure of the Trustee to Call a Meeting

In case at any time Rockwell Land or the holders of at least twenty five percent (25%) of the aggregate outstanding principal amount of the First Tranche Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then Rockwell Land or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) Procedure for Meetings

- (i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by Rockwell Land or by the Bondholders, in which case Rockwell Land or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.
- (ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the First Tranche Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one (1) or more First Tranche Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one vote for every Ten Thousand Pesos (₱10,000.00) interest. The only persons who shall be entitled to be

present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of Rockwell Land and its legal counsel.

(f) *Voting Requirement*

All matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture (please refer to the preceding discussion on "Quorum"). Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided in the Trust Indenture shall be binding upon all the Bondholders and Rockwell Land as if the votes were unanimous.

(g) *Role of the Trustee in Meetings of the Bondholders*

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the First Tranche Bonds, the appointment of proxies by registered holders of the First Tranche Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

26. Amendments

Rockwell Land and the Trustee may, without notice to or the consent of the Bondholders or other parties, amend or waive these Terms and Conditions if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

Rockwell Land and the Trustee may amend the Terms and Conditions without notice to every Bondholder, but with the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the First Tranche Bonds). However, without the consent of each Bondholder affected thereby, an amendment may not:

- (a) reduce the amount of Bondholder that must consent to an amendment or waiver;
- (b) reduce the rate of or extend the time for payment of interest on any Bond;
- (c) reduce the principal of or extend the Maturity Date of any Bond;
- (d) impair the right of any Bondholder to receive payment of principal of and interest on such Holder's First Tranche Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;
- (e) reduce the amount payable upon the redemption or repurchase of any Bond under the Terms and Conditions or change the time at which any Bond may be redeemed;
- (f) make any Bond payable in money other than that stated in the Bond;
- (g) subordinate the First Tranche Bonds to any other obligation of Rockwell Land;
- (h) release any security interest that may have been granted in favor of the Bondholders;
- (i) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the Bondholders; or
- (j) Make any change or waiver of this Condition.

It shall not be necessary for the consent of the Bondholders under this Condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, Rockwell Land shall send a notice briefly describing such amendment to the Bondholders in the manner provided in the section entitled "Notices".

27. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the First Tranche Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

28. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of Rockwell Land on the basis of such documents and information as it has deemed appropriate and that he has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature with respect to its obligations under the Trust Indenture, except for its gross negligence or wilful misconduct.

29. Governing Law

The Trust Indenture and other related documents are governed by and are construed in accordance with Philippine law.

INTERESTS OF NAMED EXPERTS

LEGAL MATTERS

All legal opinion/matters in relation to the Offer will be passed upon by The Law Firm of Quiason Makalintal (“**Quiason Makalintal**”) for the Issuer, and Picazo Buyco Tan Fider Santos & Dee (“**Picazo Law**”) for the Joint Lead Underwriters and Bookrunners. Certain matters relating to the legality of the Offer and tax matters were passed upon by Calleja Peralta Jimenez San Luis Uy & Ulibas for the limited purpose of issuing an opinion required by the SEC.

Except for Atty. Enrique I. Quiason, who is a Senior Partner of Quiason Makalintal and concurrently serves as the Corporate Secretary of the Issuer, none of the above-mentioned legal counsel own shares in the Company or have any rights, whether legally enforceable or not, to nominate persons or to subscribe for the Company’s securities. Atty. Quiason holds 3,575 direct shares in his name, representing 0.00% of the Issuer’s outstanding capital stock. Please refer to the section entitled “*Security Ownership of Certain Record and Beneficial Owners*” on page 154 of this Prospectus.

Save for the shareholding of Atty. Quiason as disclosed above, none of the above-mentioned legal counsel have any or will receive any direct or indirect interest in the Company or any securities thereof (including options, warrants, or rights thereto) pursuant to or arising from the Offer.

INDEPENDENT AUDITORS

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as of and for the years ended December 31, 2024, 2023, and 2022 without qualification, and reviewed the unaudited interim condensed consolidated financial statements of the Company as of September 30, 2025 and for the nine months ended September 30, 2025 and 2024., all included in this Prospectus. Said external auditor has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The named independent auditor has not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

AUDIT AND NON-AUDIT-RELATED FEES

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

	Year ended 31 December	
	2023	2024
Audit and Audit-related fees (net of VAT) - Parent Company and Subsidiaries	₱ 11.9 million	₱ 13.2 million
Non-Audit services fees (net of VAT) - Parent Company and Subsidiaries		
Tax Services	₱ 4.4 million	₱ 0.9 million
All Other Services	₱ 2.9 million	₱ 4.9 million

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company has engaged the services of SGV & Co. during the two (2) most recent fiscal years. There are no disagreements with SGV & Co. on accounting and financial disclosure.

DESCRIPTION OF BUSINESS

OVERVIEW AND HISTORY

Background

Rockwell Land Corporation 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 SEC approved the increase in capital stock of the Company from ₱1.0 million to ₱6.0 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 the 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 ₱6.0 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 ₱0.01 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 on the PSE by way of introduction on May 11, 2012.

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

As of September 30, 2025, 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 on 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 forty-three (43) 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 on 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. On July 29, 2019, the Rockwell Primaries, ATR Holdings, Inc. and Dragon Eagle International Limited 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 Tribeca 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. Its first project, The Arton West, was launched in July 2017. The Arton North and Arton East were launched in 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 in September 2019. As of September 30, 2025, the Company owns 70% of Rockwell Carmelray.

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% as of September 30, 2025. 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 the 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 Promoveo Land, Inc (“**PLI**”), and with the view of jointly preserving and continuing IPI’s long-standing legacy in the market and the Company’s brand of creating communities of unparalleled quality. The Company contributed ₱630.0 million in cash to the JV Co. as partial payment 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, the SEC approved the increase in authorized capital of PLI and on May 18, 2022, the Company subscribed to an additional 628,410,000 shares. On September 21, 2022, the SEC approved change of company name to Rockwell IPI Development Corporation (“**RIDC**”). As of September 30, 2025 the Company owns 49.8% 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 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.

In December 2025, Rockwell Land executed share purchase agreements with shareholders of Alabang Commercial Corporation (“**ACC**”) for the purchase of a controlling stake in ACC. ACC primarily operates commercial establishments including Alabang Town Center and ATC Corporate Center. The acquisition will add about 137,000 sqm of gross leasable area to Rockwell’s existing retail and office portfolio, increasing it by 58%. As of December 31, 2025, the Company owns 74.8% of ACC.

THE COMPANY’S BUSINESSES

Rockwell Land’s operations are divided into two (2) segments as of the date of this Prospectus: Residential development and Commercial leasing.

Residential Development

The residential development segment involves the development, sales and property management of all residential units under the Rockwell and Primaries brands. In 2024, this segment accounts for 62% 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:

Tower	No. of Units
Luna Gardens	131 units
Rizal Tower	169 units
Hidalgo Place	251 units
Amorsolo Square	305 units
Total	856 units

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

The Manansala (2005)

After the completion of the West Block in 1999, 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, where studio to 1-bedroom unit types account for more than half of the total 618 units. This 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 floor retail spaces for tenants intended to service residents’ requirements. This 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 the Rockwell Center with 1,275 units. The distinguishing feature of the One Rockwell units is its Z-loft, which provides residents with units crossing across the corridor for views from both sides of the building. This two (2)-tower project (the East and West Towers) commenced construction in Feb 2007 and was completed in November 2011. Turnover to unit owners started in November 2010 for the East Tower and in September 2011 for the West Tower.

The Grove by Rockwell (2012-2017)

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 the end of 2012 while the turnover to unit owners started in July 2012.

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

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.

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

Edades Tower and Garden Villas (2015)

Following The Grove, a 50-storey development of Edades Tower and Garden Villas was launched in 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 in 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. 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 first townhouse development, Rockwell Land launched another townhouse project on a 0.5 hectare site in San Juan City in late July 2013. With only 28 units, the project was almost sold out the following month. Turnover started in March 2015 while construction was fully completed in July 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.

32 Sanson (2017 - 2025)

The Company acquired a 3.1-hectare lot in Lahug, Cebu City in 2012 to continue its expansion to other strategic urban centers in the Philippines. This is the Company's first venture outside the region of Luzon.

Phase 1 is composed of Towers Raffia and Gmelina which are 5-storey residential developments. These were launched in January 2014 and turned over to unit owners starting December 2016.

Rockwell Land continued to add to the development – Buri, a 111-unit building launched in September 2015 was completed last February 2019, while Solihiya, an 8-storey building with 120 units was launched in August 2017 and was completed in June 2022.

Sillion, the last building of 32 Sanson, was launched in March 2021 with 60 units. The project consists of 1-bedroom to 3-bedroom units, including garden units, and was completed in July 2025.

Proscenium (2019 - 2023)

The Proscenium is a mixed-use development project situated on a 3.6 hectare property adjacent to Rockwell Center. The development consists of five (5) residential towers, a retail row, an office tower and a performing arts theater.

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.

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

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 the end of 2016.

Stonewell Mahogany Homes (2022)

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

Stonewell Royal Palm Homes (completion by 2026)

Stonewell Royal Palm Homes in Sto Tomas, Batangas is one of the three socialized housing developments, alongside Acacia Homes and Mahogany Homes. Launched during pre-pandemic, the development spans approximately 3 hectares and comprises 323 housing units. Completion of the project is expected by the end of 2026.

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 was completed in 2021. It started its handover in October 2020. The East Tower is a 31-storey building. This was launched in June 2016 and 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. The development was completed last December 2024.

8 Benitez Suites (2025)

8 Benitez Suites by Rockwell is an exclusive mid-rise residential development comprising two (2) 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. The project was completed last August 2025.

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

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 October 2016 under this 6.2 hectare development. The 15-storey tower offers 307 units of 2 to 3-bedroom units and 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 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. Completion was July 2023 for The Arton North and November 2024 for The Arton East. The last tower of the development, The Arton East, is expected to be completed in 2026.

Terreno South (Phased completion from 2024-2027)

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. 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 Land'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, comprising 298 residential units, was officially launched in August 2018 and will be completed by March 2026. 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.

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.

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 was developed in phases as a high-end residential subdivision. The first three phases were launched in 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. The Rockwell Country Club at Carmelray completes the development. This central amenity area houses the clubhouse with a 400 sqm function room, an all-day-dining restaurant, five villas, a football field, swimming pool, basketball court and tennis court.

The Manansala and The BenCab (completion by 2026)

RNDC, the joint venture between Rockwell Land Corporation and Juan D. Nepomuceno Realty Group, has started the development of 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 BenCab 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 2029)

The Samanean at Paradise Farms is a 110-hectare community offering residential lots ranging from 252 to 449 square meters located in San Jose del Monte, Bulacan. Launched in December 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.

Rockwell at IPI Center (completion starting 2029)

Rockwell at IPI Center was launched in October 2023 in partnership with International Pharmaceuticals, Inc. Initially spanning 2.8 hectares, the estate expanded to 3.6 hectares in 2025 following an additional land acquisition. The development is anchored by two flagship developments: Lincoln, a 53-storey residential tower, and 1 Rockwell at IPI Center, Rockwell Land's first office tower outside Metro Manila, offering flexible, premium-grade workspaces for sale and for lease.

Rockwell Center Bacolod (RCB)

The RCB Commercial Lots form a dedicated commercial zone within Rockwell Center Bacolod, Rockwell Land's the 32-hectare master-planned mixed-use community in Bacolod City. Offering prime investment opportunities in a rapidly growing district, these lots are positioned to cater to enterprises seeking high-visibility spaces near the estate's residential neighborhoods, office hubs, and lifestyle areas.

Bel-Air, on the other hand, is the premier residential phase within Rockwell Center Bacolod. Covering approximately 9.6 hectares, Bel-Air offers a selection of spacious residential lots envisioned to elevate suburban living in Negros Occidental. The first phase of the project was launched in November 2022 while the second phase was launched in May 2025.

Lauan Ridges by Rockwell (Phased completion starting 2029)

Lauan Ridges is a 38-hectare leisure-oriented residential community located in Mataas na Kahoy and Lipa, Batangas. Offering expansive lots surrounded by rolling terrain and lush greenery, the development provides a serene escape just a short drive from Metro Manila. Planned with nature-centric amenities such as view decks, wooded trails, outdoor lounges, and family-friendly open spaces, Lauan Ridges brings Rockwell Land's signature thoughtful planning to a refreshing countryside setting. The project launched in late 2024, with phased completion starting in 2029.

Commercial Leasing

The Commercial development segment of the Company develops, leases and manages its retail and office developments. As of Q3 2025, the Company has a total portfolio of 236,476 sq.m. of leasable space.

Power Plant Mall (“PPM”)

Power Plant Mall is a four-level premier shopping center with 47,000 sq.m. of leasable area, complemented by three levels of parking. Serving as the lifestyle heart of Rockwell Center, it provides a full range of retail, dining, and entertainment options for residents, office tenants, and visitors alike.

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 houses a more comprehensive portfolio of brands and dining concepts as well as a larger chapel and The Fifth, an events hall that spans over 1,000 sq.m. The expansion also provided additional 5,620 sq.m. of leasable space.

Proscenium Retail Row

Just a stroll from Power Plant Mall through The Proscenium Link, The Proscenium Retail Row is a vibrant open-air destination that blends upscale shopping, dining, and leisure with modern design and easy access.

Rockwell Land continues to curate the retail experience in the mall and across Rockwell Center Makati to cater to the evolving needs of the Company’s core market. In the recently concluded Michelin awards, 8 restaurants in Rockwell Center Makati were recognized, the most number in one location – 1 Michelin Star: Hapag; Bib Gourmand: Pilya’s Kitchen; Michelin Select: Ramen Ron, Taupe Dining, Aya, 12/10, Test Kitchen, Carmelo’s Steakhouse.

Other Retail Spaces

The Company also maintains 31,562 sq.m. of retail space on the ground floors of its residential and office developments, offering a range of services, convenience retail, and dining options for residents, tenants, and their employees. These retail hubs are located both within and beyond Rockwell Center, including spaces in RBC Ortigas, East Bay, The Vantage, RBC Sheridan, Retail Row at The Grove in Pasig City, The Arton Strip and The Arton Residences, 53 Benitez, as well as various complementary and standalone retail areas in its provincial projects.

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 which are all EDGE Certified, with a total leasable area of 73,130 sq.m. of office and 3,700 sq.m. of retail space.

Rockwell Business Center – Sheridan (“RBC Sheridan”)

An LEED Silver-Certified, Prime Grade A office development in Mandaluyong, RBC Sheridan has 44,000 sq.m. of office space and 3,820 sq.m. of retail area. The two-tower development was completed in 2017. It serves as the Manila headquarters of UNICEF, World Food Program, 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 sq.m. of Edge Advanced Certified office space and 9,450 sq.m. 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.

8 Rockwell

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

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 sq.m. 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 LEED Silver Certified building with a leasable area of 12,153 sq.m. situated at The Proscenium at Rockwell. In April 2021, the Company launched about 51% of the leasable area for sale, and is now home to notable tenants including Galderma, Reyes Tacandong & Co., and Monde Nissin.

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.

Rockwell Performing Arts Theater

The Rockwell Performing Arts Theater is the Company's first and one of the most iconic amenities within its premier residential development, Proscenium at Rockwell in Makati. This state-of-the-art venue was officially launched in 2025 with the inaugural staging of "The Bodyguard" musical and is envisioned to be home to world-class cultural and theatrical performances.

Development Activities

The table below presents Rockwell Land's Development CAPEX and its percentage to total revenues during each of the last three fiscal years

Year	Development CAPEX (net of VAT)	Percentage to Total Revenues
2022	5.1 billion	31%
2023	8.2 billion	44%
2024	7.6 billion	38%

Foreign Sales

The table below sets out Rockwell Land's percentage of foreign sales contribution to its total annual reservation sales

Year	Americas	Asia	Europe	Oceania
2023	8%	2%	0.4%	0.1%
2024	7%	3%	0.7%	2%
2025	6%	2%	0.5%	0.1%

COMPETITIVE STRENGTHS

The Company believes that it can effectively compete in the industry because of the following strengths:

Reputation for innovation and world-class property developments

Rockwell Land ventured into the Philippine housing market in 1997 to provide Filipinos with world-class property developments, catering to the discerning luxury market. Over the past 30 years, Rockwell Land has remained focused on creating admired communities and has since grown and expanded its reach. The Company continues to raise standards for property development in the Philippines, consistently introducing fresh concepts that the evolving real estate market wants and needs, including:

- “City within a city” - First self-contained master-planned community with generous space allotment for landscaping and open spaces;
- Lofts and Z-lofts - Architectural features in residential units that allows buyers to have more cityscape views and maximized interiors;
- Garden Units - Merging condo-living with a backyard feature, giving owners their own direct access to gardens and ground floor;
- Garden Villas - townhouse-like structures within a condominium development;
- Model units inside a mall;
- Reserved seating in the cinemas;
- Streetside dining and on demand concierge during the pandemic; and
- Chef's table

The above and the rest of the high-quality features and services that Rockwell Land extends to its clients enabled the Company to differentiate itself from the other industry players and capture market share and expand its reach.

Solid project delivery track record

Rockwell Land has consistently delivered its projects to its customers on schedule and with the quality it has promised.

Rockwell Land also goes beyond the delivery of its actual projects and creates master planned communities for its customers anchored on the Rockwell Lifestyle that it has come to be known of throughout the years. The market has consistently recognized the high quality of products and service that the Company provides, as well as the attention to detail that goes into the planning, execution and property management of Rockwell communities. This is evident in the strong sales take-up of residential developments, high rates and occupancy of its commercial establishments, the partnerships it has established and high capital value appreciation over the years.

Strategic positioning in key cities backed by solid landbank

Rockwell Land has been able to diversify its portfolio in terms of product and location as it continues to create communities that cater to the needs and wants of its core market.

The Company's expansion outside of Metro Manila started in 2013 with 32 Sanson in Cebu. Since then, Rockwell Land has exponentially grown as it entered other key locations where it has comparative advantage -- Laguna, Batangas, Bulacan, Pampanga and Bacolod.

Rockwell Land has also successfully diversified its portfolio as it launched horizontal developments since 2019, starting off with Rockwell South at Carmelray. In addition to Laguna, the Company now offers residential lots in its developments in Batangas, Bulacan and Bacolod.

On top of the Company's already existing and launched projects, Rockwell Land has also built a landbank of over 600 hectares serving as a solid runway for future growth. These are spread throughout the key locations mentioned above, ensuring that the Company maintains its strong presence in strategic areas, providing the market with numerous options that can cater to their diverse needs.

Substantial recurring income

From Power Plant Mall being the only source of its recurring income in its early years, Rockwell Land has grown its commercial portfolio in and outside Metro Manila, totaling to 236,476 sq.m. as of Q3 2025.

Rockwell Land has continued to add retail components in its developments, such as those in The Grove, East Bay, Vantage and Nara in Bacolod. to give its clients the signature Rockwell Lifestyle it is known for. The Company also has Arton Strip and Santolan Town Plaza which are standalone developments.

Rockwell Land has also strengthened its office portfolio with the addition of Rockwell Business Center Sheridan and 8 Rockwell and 1 Proscenium in Rockwell Makati.

These developments provide a strong income base and steady cashflow to the Company, supporting its growth and expansion plans.

The Company expects this recurring stream to strengthen further in the coming years as Power Plant Mall in Rockwell Center Nepo Angeles is already under construction and is set to open by 2027.

Strong financial position

Rockwell Land maintains a strong balance sheet position with a current net debt to equity ratio of 0.78x as of September 30, 2025, as the Company enjoys healthy internally generated cash flow from both its residential and commercial developments.

The Company's portfolio, brand and track record, supported by robust financials, gives the Company a credit-worthy standing allowing it to easily access funds for expansion and growth, as needed, at prime credit spreads.

Experienced Management Team

Rockwell Land's growth throughout the years has been largely propelled by its management team, with their combined expertise in real estate development and property management and strong knowledge and understanding of the market. The leadership team has successfully steered the Company through the Asian Financial Crisis and the Covid pandemic, among other challenging and uncertain market conditions, consistently proving Rockwell Land's commitment on delivering its promise to its valued clients.

The experienced management team, backed by the employees of Rockwell Land, remain focused in driving the future growth and expansion of the Company.

Potential for Expansion and Growth

Rockwell Land's landbank of over 600 hectares ensures that the Company has enough runway in the coming years. The Company's line-up of projects for launch is curated to ensure the Company's continued growth and strong financial position and bottom line in the medium-term by maintaining a diverse portfolio across product types and locations.

Rockwell Land continues to raise the bar with its biggest project to-date, Cabo San Diego in Lian, Batangas. This project strengthens the Company's commitment to serving its core market, redefining luxury living with this beachside development with a golf course that spans over 300 hectares in total.

Expansion and diversification plans of its current communities are also in the pipeline, with the aim of expanding the reach of the Rockwell Brand and capturing a bigger portion of the market with its curated mix of developments.

STRATEGIES

The following are the strategies that Rockwell Land employs as it pursues its real property business:

EXECUTION: Relentlessly pursue exceptional quality through deliberate attention to detail

Rockwell Land continually differentiates itself from the other industry players by the quality of its products and services. The Company remains focused on being deliberate in upholding the standards that its discerning core market values.

By ensuring that it completes its projects with exceptional quality and on schedule, Rockwell is able to successfully handover its residential units and, in turn, receive the corresponding collections due upon turnover. This and the Company's effective design, cost and procurement strategies ensure a healthy cash flow from Rockwell Land's residential segment.

The high standard is also applied to Rockwell Land's commercial developments, from the design and curation to the regular upkeep and upgrades of its properties, the distinct Rockwell touch shines through.

Rockwell's management team and the Company's people are relentless in following through with the quality that the Company is known for. Organizational development strategies are consistently being aligned with the evolving business landscape and key competencies are sharpened with deliberate programs across various learning and development domains, ensuring that the Rockwell DNA is embedded in each employee.

BRAND: Leverage on the Rockwell Land brand by going into new markets and uphold Company's leadership in the luxury segment

Over the past 30 years, Rockwell Land has created communities with quality that speaks for itself. These developments have proven what the Company can do and the kind of lifestyle it can provide its communities. The degree of innovation, attention to detail, and impeccable service that Rockwell Land has shown the market through its developments paved the way for the Company to build a strong brand that it can now capitalize on to maintain its leadership in the luxury segment.

Rockwell Land aims to perpetuate its legacy of creating admired communities beyond ordinary in the new markets it now also serves. The Company will have Rockwell Centers in Pampanga, Batangas, Cebu, and Batangas. Rockwell Land also continues to redefine luxury horizontal living with its new projects and phases in Laguna, Batangas and Bulacan. The brand, coupled with the signature Rockwell Land touch when it comes to nurturing relationships, enables Rockwell Land to capture substantial market in new areas, as evidenced by the fast take-up of its projects.

Rockwell Land's brand also attracts sought after brands and global favorites as tenants for its retail developments as well as fresh and dynamic F&B concepts. Careful curation by the Rockwell Land team continues to elevate the quality of the Company's retail portfolio.

To further level-up the lifestyle experience in Rockwell Center Makati, the Company has recently opened the Proscenium Theater. The world-class venue, with its design, size and location, attracts titles and shows that truly cater to discerning theater patrons.

Rockwell Land also continues to shape the office experience as it delivers excellent customer service, advances efficiency and future-readiness through sustainable practices, capturing the confidence of local and multinational companies who remain loyal tenants in the Company's buildings.

GROWTH: Expand Rockwell Land's reach through strategic investments in areas where the Company can have comparative advantage

Rockwell Land's commitment to creating high quality developments and its strong brand has paved the way for strategic expansion, investments and partnerships.

600 hectares of landbank will drive the Company's growth across all its segments - residential, retail, office and leisure, further strengthening and diversifying its portfolio.

Rockwell Land also continues to explore opportunities to expand its current developments and enter into new markets.

DIVERSIFICATION: Maintain a healthy balance of recurring and non-recurring income sources

As Rockwell continues to grow, it ensures that a healthy mix of income sources is maintained, providing stability to its shareholders despite the cyclical nature of the real estate industry.

The Company's recurring income serves as a stable foundation, even during challenging times like the covid pandemic, providing Rockwell with a steady stream of internally generated cash flow. The tenants' trust and confidence in the Company's brand have been key in the growth of the Company's commercial segment.

Rockwell Land aims to balance its funds from the commercial/leasing segment with higher value income from its development projects. The Company also deliberately ensures that it has a diversified residential portfolio - from stand-alone projects to mixed-use communities, from mid-rise and high-rise developments to horizontal ones that have faster turnaround in terms of cash investment.

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. Rockwell is a key player in the high-end luxury market, holding approximately 22% market share in relation to its aforementioned competitors' revenues.

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. Although its portfolio is smaller in scale compared to mass-market developers, the Company 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 through its Bria, Lumina and Camella Homes, Ayala Land's Bella Vita and Amaia, and SM Development Corporation. Compared to these competitors, which operate large-scale, nationwide housing portfolios, the Company's participation in these segments is limited and more selective.

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. Relative to its competitors, the Company maintains a niche luxury positioning with carefully curated retail formats like Power Plant Mall, Santolan Town Plaza, Arton Strip and the Nara Retail Pavilions. Rockwell comparably is smaller in scale than Ayala Land and Megaworld, yet broadly comparable to Shang Properties and Ortigas & Company, which similarly cater to the high-end retail segment.

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. In terms of portfolio size and geographic footprint, the Company's office portfolio is smaller compared to Megaworld, Ayala Land, Robinsons Land and SM Prime Holdings, while being broadly comparable to the Net Group, which similarly focuses on premium office developments. Rockwell Land competes based on reputation, quality, location, and pricing, and is further supported by a portfolio occupancy rate of 96%, which is well above the industry average.

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

CUSTOMERS AND DISTRIBUTION METHODS

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 consisting about 91% of sales. 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 Land projects, complemented by a network of licensed brokers. Its in-house sales team, now numbering 264, consists of regular and project-hire 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, Dubai, UAE, Qatar, and Hong Kong.

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 Land, 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 three decades of operations. This team of about 229 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.

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.

INTELLECTUAL PROPERTY

A trademark is a sign capable of distinguishing the goods or services produced or provided by one enterprise from those of other enterprises. By consistently applying the Company's marks to its developments, it communicates a promise of unparalleled quality, sophisticated design, and a premium lifestyle.

Under Republic Act No. 8293 or the Intellectual Property Code of the Philippines, a trademark's period of protection shall be ten (10) years from the date of issuance of the certificate, renewable for a period of ten (10) years at a time. The Company maintains a portfolio of the following registered trademarks and ensures the timely renewal of all marks prior to their respective expiration dates:

No	Registered Owner	Registered Trademark	Date of Registration
1.	Rockwell Land Corporation	ROCKWELL	August 25, 2019
2.	Rockwell Land Corporation	 ROCKWELL LAND	August 28, 2025
3.	Rockwell Land Corporation	ROCKWELL LAND Word Mark	June 13, 2019
4.	Rockwell Land Corporation	THE GROVE By Rockwell	October 6, 2008 (Renewed until October 6, 2028)
5.	Rockwell Land Corporation	POWER PLANT MALL Word Mark	June 6, 2012 (Renewed until June 7, 2032)
6.	Rockwell Land Corporation	POWER PLANT CINEMA Word Mark	June 7, 2012 (Renewed until June 7, 2032)
7.	Rockwell Land Corporation	THE PROSCENIUM AT ROCKWELL Word Mark	June 14, 2012 (Renewed until June 14, 2032)
8.	Rockwell Land Corporation	205 SANTOLAN BY ROCKWELL Word Mark	June 14, 2012 (Renewed until June 14, 2032)
9.	Rockwell Land Corporation	PROSCENIUM	April 25, 2013 (Renewed until April 25, 2033)
10.	Rockwell Land Corporation	PROSCENIUM	April 25, 2013 (Renewed until

		Word Mark	April 25, 2033)
11.	Rockwell Land Corporation		October 6, 2018
12.	Rockwell Land Corporation		July 14, 2019
13.	Rockwell Land Corporation		August 4, 2016
14.	Rockwell Land Corporation		October 3, 2019
15.	Rockwell Land Corporation		August 5, 2016
16.	Rockwell Land Corporation		June 3, 2019
17.	Rockwell Land Corporation		December 3, 2016
18.	Rockwell Land Corporation		January 12, 2017
19.	Rockwell Land Corporation		December 3, 2016
20.	Rockwell Land Corporation		March 24, 2017
21.	Rockwell Land Corporation		March 24, 2017
22.	Rockwell Land Corporation		April 5, 2018

23.	Rockwell Land Corporation		April 5, 2018
24.	Rockwell Land Corporation		April 5, 2018
25.	Rockwell Land Corporation		February 8, 2018
26.	Rockwell Land Corporation		February 28, 2019
27.	Rockwell Land Corporation		April 18, 2019
28.	Rockwell Land Corporation		April 18, 2019
29.	Rockwell Land Corporation		July 14, 2019
30.	Rockwell Land Corporation		September 5, 2013 (Renewed until September 5, 2033)
31.	Rockwell Land Corporation		July 18, 2013 (Renewed until July 18, 2033)
32.	Rockwell Land Corporation		September 22, 2019
33.	Rockwell Land Corporation		September 22, 2019
34.	Rockwell Land Corporation		July 11, 2023

35.	Rockwell Land Corporation		January 10, 2020
36.	Rockwell Land Corporation	ROCKWELL ATLETICA Word Mark	July 19, 2020
37.	Rockwell Land Corporation	 Rockwell Atletica	April 11, 2020
38.	Rockwell Land Corporation	 Rockwell Atletica	July 19, 2020
39.	Rockwell Land Corporation	BENITEZ SUITES BY ROCKWELL	February 10, 2020
40.	Rockwell Land Corporation	8 BENITEZ SUITES BY ROCKWELL	July 19, 2020
41.	Rockwell Land Corporation	THE BURI TOWER	June 4, 2021
42.	Rockwell Land Corporation	THE GMELINA TOWER	June 4, 2021
43.	Rockwell Land Corporation	THE RAFFIA TOWER	June 4, 2021
44.	Rockwell Land Corporation	THE BALMORI SUITES Word Mark	July 23, 2021
45.	Rockwell Land Corporation	THE MANANSALA Word Mark	August 8, 2021

46.	Rockwell Land Corporation	THE MANANSALA BY ROCKWELL Word Mark	July 30, 2021
47.	Rockwell Land Corporation	THE VILLAS AT ARU & A RESORT AND RESIDENCES	August 8, 2021
48.	Rockwell Land Corporation		May 2, 2022
49.	Rockwell Land Corporation		April 20, 2021
50.	Rockwell Land Corporation	EDADES WEST Word Mark	July 18, 2022
51.	Rockwell Land Corporation		August 8, 2022
52.	Rockwell Land Corporation	DONE ROCKWELL Word Mark	September 13, 2023
53.	Rockwell Land Corporation	IPI CENTER DONE ROCKWELL	September 16, 2024
54.	Rockwell Land Corporation	IPI CENTER BY ROCKWELL	December 24, 2023
55.	Rockwell Land Corporation	ROCKWELL CENTER NEPO, ANGELES Word Mark	May 21, 2021
56.	Rockwell Land Corporation	ROCKWELL AT NEPO CENTER	June 28, 2023

57.	Rockwell Land Corporation	THE GALURA BY ROCKWELL AT NEPO CENTER	July 6, 2025
58.	Rockwell Land Corporation	ROCKWELL COUNTRY CLUB — AT — CARMELRAY	July 11, 2024
59.	Rockwell Land Corporation	ROCKWELL LIPA Word Mark	September 14, 2024
60.	Rockwell Land Corporation	ROCKWELL CENTER LIPA	October 12, 2024
61.	Rockwell Land Corporation	MOLINILLO Word Mark	September 14, 2024
62.	Rockwell Land Corporation	MOLINILLO AT ROCKWELL CENTER LIPA	October 12, 2024
63.	Rockwell Land Corporation	ROCKWELL CENTER LIPA	October 12, 2024
64.	Rockwell Land Corporation	LAUAN RIDGES Word Mark	March 2, 2025
65.	Rockwell Land Corporation		October 12, 2024
66.	Rockwell Land Corporation		September 4, 2024
67.	Rockwell Land Corporation	LOS CABOS SAN DIEGO Word Mark	October 10, 2024
68.	Rockwell Land Corporation	LOS CABOS SAN DIEGO	March 8, 2025

69.	Rockwell Land Corporation		July 14, 2019
70.	Rockwell Land Corporation		July 14, 2019
71.	Rockwell Land Corporation	The SAMANEAN at Paradise Farms	June 9, 2025
72.	Rockwell Land Corporation	ABELARDO TOWER Word Mark	February 4, 2022
73.	Rockwell Land Corporation	ALCUAZ TOWER Word Mark	March 2022
74.	Rockwell Land Corporation	AVELLANA TOWER Word Mark	April 23, 2022
75.	Rockwell Land Corporation		April 23, 2022
76.	Rockwell Land Corporation	BRICKS TO CLICKS	June 16, 2016
77.	Rockwell Land Corporation	PRIMARIES A ROCKWELL COMPANY Word Mark	June 28, 2016
78.	Rockwell Land Corporation		April 17, 2017
79.	Rockwell Hotels and Leisure Management Corporation	ARUGA Word Mark	March 1, 2018
80.	Rockwell Hotels and Leisure Management Corporation		March 12, 2016

81.	Rockwell Hotels and Leisure Management Corporation		March 12, 2016
82.	Rockwell Hotels and Leisure Management Corporation		September 14, 2024
83.	Rockwell Hotels and Leisure Management Corporation		December 14, 2020
84.	Rockwell Hotels and Leisure Management Corporation		September 14, 2024
85.	Rockwell Primaries Development Corporation		October 10, 2019
86.	Rockwell Primaries Development Corporation		January 14, 2016
87.	Rockwell Primaries Development Corporation		April 11, 2020
88.	Rockwell Primaries South Development Corporation		December 28, 2017
89.	Rockwell Primaries South Development Corporation		June 18, 2021
90.	Rockwell Primaries South Development Corporation		July 2, 2021
91.	Retailscapes, Inc.		July 19, 2020

92.	Rockwell Nepo Development Corporation	THE AURELIO BY ROCKWELL AT NEPO CENTER Word Mark	September 12, 2025

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

No.	Filer	Registered Trademark	Filing Date
1.	Rockwell Land Corporation		October 13, 2021
2.	Rockwell Land Corporation	CABO BEACH CLUB	October 30, 2025
3.	Rockwell Land Corporation	CABO FAMILY CLUB	October 30, 2025
4.	Rockwell Land Corporation	CABO VILLAS	October 30, 2025
5.	Rockwell Land Corporation	CABO GOLF & COUNTRY CLUB Word Mark	August 13, 2025
6.	Rockwell Land Corporation	CABO LEISURE CLUB	October 30, 2025
7.	Rockwell Land Corporation	CABO RESIDENCES	October 2, 2025
8.	Rockwell Land Corporation	THE SAMANEAN AT PARADISE FARMS Word Mark	June 10, 2024

9.	Rockwell Carmelray Development Corporation		August 1, 2025

INSURANCE CONTRACTS

Commercial All Risk Insurance

The Company's insurance program includes Commercial All Risks insurance, which provides coverage against sudden and accidental physical loss or damage to commercial properties, subject to policy terms, conditions, and exclusions. Covered assets include offices, condominiums, malls, warehouses, machinery and equipment, furniture, fixtures and fittings, and improvements and renovations. The policy is written on an all-risks basis and generally covers losses arising from fire and explosion, typhoon, flood, earthquake and other natural catastrophes, theft and burglary, accidental damage, vehicle impact, and vandalism or malicious damage. The Company also maintains related insurance coverage, including comprehensive general liability, money security and payroll insurance, and fidelity guarantee insurance. These policies are underwritten by reputable insurance providers, including Mercantile Insurance, Malayan Insurance, MAA Insurance, Standard Insurance, and Milestone Guarantee.

Construction All Risk Insurance

For projects under development, the Company also carries Construction All Risks (CAR) insurance, which is designed to cover construction activities during the project period. This insurance protects both the contractor and the project owner against unforeseen events and provides all-risk coverage for material damage, including loss or damage to buildings or structures under construction, construction materials located on-site, and temporary works such as scaffolding and formwork. The policy likewise includes third-party liability coverage for bodily injury to third parties and damage to third-party property arising from construction operations. Standard exclusions applicable to the Company's insurance policies include war and political risks, such as war, invasion, civil war, rebellion, revolution, insurrection, and confiscation by government authorities. These policies are underwritten by reputable insurance providers, like Mercantile Insurance, and Paramount Insurance.

GOVERNMENT PERMITS AND LICENSES

The Company's real estate operations are predicated upon the issuance of a License to Sell (LTS) by the DHSUD. An LTS is granted following the issuance of a Development Permit and remains valid and effective beyond the project's designated construction completion date. Notably, projects that have reached full construction completion do not require further extensions.

Should there be developments nearing or surpassing their original target dates, we formally petition for an Extension of Time to Complete. Concurrently, for projects where the Provisional or Temporary License to Sell has reached its maturity, the Company initiates the transition to a Permanent License to Sell.

The Company maintains that it possesses all material permits and licenses necessary for the conduct of its business as currently conducted, the absence of which would result in a material adverse effect on its operations. As confirmed by Atty. Ma. Fe Carolyn G. Go-Pinoy in a certification dated December 19, 2025, such permits and licenses are valid and subsisting as of the date of certification.

The specific permits pertaining to the Company's business operations are as follows:

NATIONAL CAPITAL REGION

Project: Edades West

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
1	License to Sell	DHSUD	0000132	September 29, 2023	September 30, 2029
2	Development Permit	DHSUD	2022-0038	September 19, 2022	NA
3	Building Permit	Office of the Building Official (OBO) Makati LGU	C09-2023-1110	June 9, 2023	NA

Project: The Proscenium Residences

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
4	Regular License to Sell	DHSUD	030712	September 30, 2015	March 31, 2021
5	Amended License to Sell	DHSUD	0000069	June 27, 2023	Completed
6	Development Permit	DHSUD	14-05-0038	May 19, 2014	NA
7	Alternation of Plan	DHSUD	23-06-034	June 6, 2023	NA
8	Building Permit	OBO Makati LGU	C09-15-1272	September 8, 2015	NA
9	Occupancy Permit	OBO Makati LGU	OSCP-11-23-1098	November 30, 2023	NA

Project: Proscenium at Rockwell (Phase 1)

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
10	Amended License to Sell	DHSUD	030746	October 28, 2015	March 31, 2020
11	Second Amended License to Sell	DHSUD	0000070	June 27, 2023	Completed
12	Development Permit	DHSUD	2012-0174	September 21, 2012	NA
13	Alteration of Plan	DHSUD	21-01-012	January 20, 2021	NA
14	Building Permit	OBO Makati LGU	C05-13-0883	May 22, 2013	NA
15	Occupancy Permit SAKI	DPWH	07-19-0885	July 24,, 2019	NA
16	Occupancy Permit LI	DPWH	09-20-0435	September 21, 2020	NA
17	Occupancy Permit LO	DPWH	05-23-0054	May 30, 2023	NA

Project: Larsen Tower

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
18	License to Sell	DHSUD	035189	December 6, 2019	September 30, 2024
19	Development Permit	DHSUD	19-11-109	November 8, 2019	NA
20	Building Permit	OBO Muntinlupa LGU	1911-000636	November 25, 2019	NA

Project: Fordham Tower

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
21	License to Sell	DHSUD	032485	October 23, 2017	June 30, 2021
22	Development Permit	DHSUD	1708-000538	September 14, 2017	NA
23	Building Permit	OBO Muntinlupa LGU	1708-000538	September 14, 2017	NA
24	Occupancy Permit	OBO Muntinlupa LGU	OP2312-000444	December 22,, 2023	NA

Project: The Arton North Tower (NT) and West Tower (WT)

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
25	License to Sell	DHSUD	033321	December 28, 2017	November 30, 2024
26	Development Permit	DHSUD	17-05-030	May 9, 2017	NA
27	Building Permit	OBO Quezon City LGU	BP171004878	October 11, 2017	NA
28	Occupancy Permit (WT)	OBO Quezon City LGU	CO23071418455	July 11, 2023	NA
29	Occupancy Permit (NT)	OBO Quezon City LGU	CO25095007451	September 3, 2025	NA

Project: The Arton East Tower

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
30	License to Sell	DHSUD	176	July 8, 2021	November 30, 2025
31	Development Permit	DHSUD	21-03-023	April 22, 2021	NA
32	Building Permit	OBO Quezon City LGU	BP180906798	September 27, 2018	NA

Project: 53 Benitez

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
33	Amended License to Sell	DHSUD	033399	June 28, 2018	Completed
34	Alteration of Plan	DHSUD	16-09-074	September 2, 2016	NA
35	Building Permit	OBO Quezon City LGU	BP 130901669	September 10, 2013	NA

36	Occupancy Permit	OBO Quezon City LGU	1411652	January 16, 2017	NA

Project: The Vantage at Kapitolyo

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
37	Amended License to Sell	DHSUD	523	April 19, 2023	Completed
38	License to Sell	DHSUD	31587	August 4, 2016	September 2020/2021
39	Development Permit	DHSUD	15-05-0035	May 25, 2015	NA
40	Alteration of Plan	DHSUD	16-06-049	June 17, 2016	NA
41	Alteration of Plan	DHSUD	21-06-051	June 7, 2021	NA
42	Building Permit	OBO Pasig LGU	BP 16R-0265	July 22, 2016	NA
43	Occupancy Permit West Tower	OBO Pasig LGU	OP-2020C-0278	October 8, 2020	NA
44	Occupancy Permit East Tower	OBO Pasig LGU	OP2023R-0116	August 31, 2023	NA

Project: The Grove by Rockwell

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
45	License to Sell	DHSUD	030941, 42, 43	January 21, 2016	March 31, 2016
46	Development Permit	DHSUD	09-07-060	July 11, 2008	NA
47	Building Permit ABP	OBO Pasig LGU	09C-0010	January 9, 2009	NA
48	Building Permit CDEF	OBO Pasig LGU	10R-0577	November 2, 2010	NA
49	Occupancy Permit CD	OBO Pasig LGU	16-0234	June 14, 2016	NA
50	Occupancy Permit EF Retail	OBO Pasig LGU	17-0394	August 10, 2017	NA

SOUTH LUZON

Project: Molinillo Phase 1

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
51	Temporary License to Sell	DHSUD	Region 4A - TLTS - 086	December 18, 2024	December 18, 2025
52	Alteration of Plan	Lipa City Planning	PDO - 2024 - 11 - 0916-09-074	November 24, 2024	NA

Project: Lauan Ridges Phase 1

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
53	Temporary License to Sell	DHSUD	Region 4A - TLTS - 089	February 20, 2025	Completed
54	Development Permit (Lipa)	Lipa City Planning	PDO-2024-12-13	January 8, 2024	NA
55	Development Permit (MNK)	Mataas Na Kahoy Municipal Planning	DP-2025-01	January 28, 2025	NA

Project: Rockwell South Cluster 1

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
56	License to Sell	DHSUD	034987	October 22, 2019	NA

NORTH LUZON

Project: The Manansala at Rockwell

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
57	License to Sell	DHSUD	2021-08-284	September 21, 2023	June 1, 2026
58	Building Permit	OBO Angeles	21-11-0805	November 18, 2021	NA

Project: The Bencab at Rockwell Center Nepo

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
59	Provisional License to Sell	DHSUD	2023-05-489	May 8, 2023	January 5, 2028
60	Building Permit	OBO Angeles	22-07-0500	July 12, 2022	NA
61	Development Permit	DHSUD	2022-03-005	June 30, 2025	NA

Project: Power Plant Mall Angeles

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
62	License to Sell	DHSUD	1350	November 11,, 2024	December 1, 2027
63	Building Permit	OBO Angeles	24100866	August 21, 2024	NA

Project: The Aurelio by Rockwell at Nepo Center

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
64	Development Permit	DHSUD	2025-009	June 20, 2025	NA
65	License to Sell	DHSUD	2025-045	August 18, 2025	December 2030

Project: Samanean Cluster 1

A Preliminary Approval and Location Clearance (“**PALC**”), which is required for a subdivision project, has a 180-day validity period and is a mere prerequisite for a Development Permit and the subsequent License to Sell. All the necessary Licenses to Sell have been acquired for the Samanean projects.

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
66	License to Sell	DHSUD	2949	October 27, 2025	January 6, 2030
67	Preliminary Approval and Locational Clearance (PALC)	City Planning and Development Office - San Jose Del Monte (CPDO-SJDM)	2024-03-003	October 31, 2024	April 31, 2025
68	Development Permit	CPDO-SJDM	2024-03-05	November 27, 2024	NA
69	Alteration Permit	DHSUD	2025-056	October 10, 2025	NA

Project: Samanean Cluster 2

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
70	License to Sell	DHSUD	2768	October 27, 2025	June 2030
71	PALC	CPDO-SJDM	2024-03-004	October 31, 2024	April 31 2025
72	Development Permit	CPDO-SJDM	2024-03-06	November 27, 2024	NA
73	Alteration Permit	DHSUD	2025-055	October 10, 2025	NA

Project: Samanean Cluster 3 & 5

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
74	License to Sell	DHSUD	2951	October 27 2025	August 1, 2030
75	PALC	CPDO-SJDM	2024-03-001	February 17, 2025	August 16, 2025
76	Development Permit	CPDO-SJDM	2025-03-02	March 7, 2025	NA

77	Alteration Permit	DHSUD	2025-054	October 10, 2025	NA

Project: Samanean Phase 2

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
78	License to Sell	DHSUD	2025-037	July 16, 2025	June 2030
79	PALC	CPDO-SJDM	2025-03-003	May 7, 2025	November 3, 2025
80	Development Permit	CPDO-SJDM	2025-03-04	June 5, 2025	NA
81	Alteration Permit	DHSUD	2025-060	October 10, 2025	NA

Project: Samanean Phase 3

No.	Permit or License	Issuing Agency	Permit & License No.	Issue Date	Completion / Expiration Date
82	PALC	CPDO-SJDM	2025-03-004	September 29, 2025	March 28, 2026 (Expiration)
83	Development Permit	CPDO-SJDM	2025-03-05	November 7, 2025	NA

REGULATORY AND ENVIRONMENTAL MATTERS

Rockwell Land is subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE-mandated work-related programs.

Rockwell Land closely monitors its compliance with the laws and government regulations affecting its businesses.

Real Estate Development

PD 957, Batas Pambansa Bilang 220 (“**BP 220**”), RA 4726 and RA 7279 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957, BP 220, RA 4726 and RA 7279 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes.

PD 957, otherwise known as The Subdivision and Condominium Buyers' Protective Decree, as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. PD 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes.

On 14 February 2019, RA 11201, otherwise known as “Department of Human Settlements and Urban Development Act” was signed into law by the President. Consequently, the Implementing Rules and Regulations of the Act was approved on 19 July 2019. The Housing and Urban Development Coordinating Council (“**HUDCC**”) and the Housing and Land Use Regulatory Board (“**HLURB**”) were consolidated to create the Department of Human Settlements and Urban Development (“**DHSUD**”). Simultaneously, the HLURB was reconstituted into the Human Settlement Adjudication Commission (“**HSAC**”). The functions of the HUDCC and the planning and regulatory functions of HLURB were transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HLURB. Now, DHSUD is the administrative agency of the Government which, together with local government units (“**LGUs**”), enforces

these decrees and has jurisdiction to regulate the real estate trade and business. The DHSUD is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the DHSUD and relevant local government unit in which the project is situated. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the DHSUD and the written conformity or consent of the duly organized homeowners' association, or in the absence of the latter, by the majority of the lot buyers in the subdivision, if a certification of registration and/or license to sell has already been issued. The development of subdivision and condominium projects can commence only after the relevant Government body has issued the development permit. The issuance of a development permit is dependent on (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project and (ii) and (ii) issuance of the barangay clearance, the locational clearance, DENR permits and Department of Agrarian Reform ("**DAR**") conversion or exemption orders, as discussed below.

Owners of, or dealers in, real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the DHSUD. The certificate of registration will expire on the first day of December of each year. On 29 June 2009, RA 9646 or the Real Estate Service Act of the Philippines was signed into law. R.A. 9646 strictly regulates the practice of real estate brokers by requiring licensure examinations and attendance in continuing professional education programs.

DHSUD. Violation of any of the provisions of PD 957 shall be punished by a fine of not more than ₱20,000.00 and/or imprisonment of not more than ten (10) years. Furthermore, project permits and licenses to sell may be suspended, cancelled or revoked by the DHSUD, by itself or upon a verified complaint from an interested party, for reasons such as insolvency or violation of any of the provisions of PD 957. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the DHSUD's rules of procedure and other applicable laws.

Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the DHSUD. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project, maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project, and compliance with applicable laws and regulations.

Under the current 2022 Strategic Investment Priorities Plan issued by the Board of Investments, mass housing projects are eligible for government incentives subject to certain policies and guidelines.

RA 6552, otherwise known as the Realty Installment Buyer Act or the Maceda Law, was promulgated to protect buyers of real estate on installment basis. This law applies to apply to all transactions or contracts involving the sale or financing of real estate on instalment payments (including residential condominium units but excluding industrial lots and commercial buildings and sales to tenants under RA 3844) Under the Maceda Law, buyers who have paid at least two (2) years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. The Maceda Law also requires the sellers of real estate to refund at least fifty percent (50%) of total payments made should the sale contract be cancelled provided that the buyer has paid at least two (2) years of installments, with an additional five percent (5%) per annum in cases where at least five (5) years of installment have been paid (but with the total not to exceed ninety (90%) of the total payments). Buyers who have paid less than two (2) years of installment and who default on installment payments are given a sixty (60)-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund. Notably, the buyer has the right to sell or assign his or her rights to another person or to reinstate the contract by updating the account during the grace period and before actual cancellation of the contract. The deed of sale or assignment shall be done by notarial act.

Subdivision Projects

There are essentially two (2) different types of residential subdivision developments, which are distinguished by different development standards issued by the DHUSD. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with PD 957, which sets out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, sewage disposal system, electrical supply, lot sizes, length of housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision, which shall be non-saleable, for open space for common uses, which include roads and recreational facilities. A developer of a subdivision is required to reserve at least 3.5% of the gross project area for parks and playgrounds.

Further, RA 7279 otherwise known as the Urban Development and Housing Act, as amended by RA 9397 and RA 10884, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15.0% of the total subdivision area or total subdivision project cost, and at least 5% of condominium area or project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the DHSUD and other existing laws. To comply with this requirement, the developers may choose to develop for socialized housing an area equal to 15% of the total area of the main subdivision project or allocate and invest an amount equal to 15% of the main subdivision total project cost, which shall include the cost of the land and its development as well as the cost of housing structures therein, in development of a new settlement through purchase of socialized housing bonds, participation in a community mortgage program, the undertaking of joint-venture projects and the building of a large socialized housing project to build a credit balance.

Condominium Projects

of condominium projects. RA 4726 requires the annotation of the master deed on the title of the land on which the condominium project shall be located. The master deed contains, among other things, the description of the land, building/s, common areas and facilities of the condominium project.

A condominium project may be managed by a condominium corporation, an association, a board of governors or a management agent, depending on what is provided in the declaration of restrictions of the condominium project. However, whenever the common areas are held by a condominium corporation, such corporation shall constitute the management body of the project.

Any transfer or conveyance of any unit or an apartment, office or store or other space, shall include the transfer or conveyance of the undivided interests in the common areas, or, in a proper case, the membership or shareholdings in the condominium corporation.

Property Registration

The Philippines has adopted a system of land registration, which conclusively confirms land ownership that is binding on all persons. Once registered, title to the registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through possession or prescription. Presidential Decree No. 1529, otherwise known as the Property Registration Decree, as amended, codified the laws relative to land registration to strengthen the Torrens System and streamline and simplify registration proceedings and the issuance of certificates of title.

After proper surveying, application, publication, service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within fifteen (15) days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title.

The decree of registration may be annulled on the ground of actual fraud within one (1) year from the date of entry of the decree of registration.

Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents (i.e. homestead, sales and free patent) must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new transfer certificate of title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds.

Nationality Restrictions

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least 60% owned by Philippine Nationals.

RA 7042, as amended, otherwise known as the Foreign Investments Act of 1991, and the Twelfth Regular Foreign Investment Negative List, provide that certain activities are nationalized or partly-nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly-nationalized and thus, landholding companies may only have a maximum of 40% foreign equity.

While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units is limited to 40% by RA 4726 and the Philippine Constitution.

No transfer or conveyance of a condominium unit shall be valid if the concomitant transfer of the appurtenant membership or stockholding in the condominium corporation will cause the alien interest in such corporation to exceed the aforesaid limits. Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of 40% of the capital stock of the Company which is outstanding and entitled to vote. Accordingly, the Company shall disallow the issuance or the transfer of shares to persons other than Philippine Nationals and shall not record transfers in its books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above.

Furthermore, the president or managers and directors or trustees of corporations or associations who falsely simulate the existence of such minimum stock or capital as owned by Filipino citizens, corporations, or associations shall be punished by imprisonment of not less than five nor more than fifteen years and by a fine not less than the value of the right, franchise or privilege, but in no case less than ₱5,000.00 as provided in Section 2 of the Anti-Dummy Law.

Any corporation that is owned 100% by a foreign firm may establish a condominium corporation under RA 4726, the Condominium Act, provided that the land on which the building is erected is held only under lease arrangement. The Condominium Act defines a condominium as an interest in real property consisting of separate interest in a unit in a residential, industrial or commercial building and an undivided interest in common, directly or indirectly, in the land on which it is located and in other common areas of the building. A condominium may include, in addition, a separate interest in other portions of such real property. Title to the common areas, including the land, or the appurtenant interests in such areas, may be held by a corporation specially formed for the purpose (condominium corporation) in which the holders of separate

interest shall automatically be members or shareholders, to the exclusion of others, in proportion to the appurtenant interest of their respective units in the common areas.

Any transfer or conveyance of a unit or an apartment, office or store or other space therein, shall include the transfer or conveyance of the undivided interests in the common areas or, in a proper case, the membership or shareholdings in the condominium corporation. Where the common areas in the condominium project are owned by the owners of separate units as co-owners thereof, no condominium unit may be transferred to foreigners or corporations with foreign ownership of more than 40% of the capital stock. The transfer to aliens of units in a condominium project may be made only up to the point where the concomitant transfer of membership or stockholding in the condominium corporation would not cause the alien interest in such corporation to exceed 40% of its entire capital stock.

A foreign national or corporation may enter into a lease agreement with Filipino landowners for an initial period of up to 50 years, and renewable for another 25 years. Ownership of houses or buildings is allowed, provided that the foreigner does not own the land on which the house is built.

Zoning and Land Use

Land use may be limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Under RA 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988, as amended, and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of, or after, June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Real Property Taxation

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually by the LGU where the property is located.

In the event there are unpaid real property taxes relating to real property, such taxes constitute a lien on the property which shall be superior to any other lien, mortgage, or encumbrance of any kind whatsoever and shall be extinguished only upon payment of the delinquent taxes and penalties. Failure to pay the real property tax will result in the payment of interest at the rate of 2% per month on the unpaid amount or a fraction thereof, until the delinquent tax shall have been fully paid; provided, however, that in no case shall the total interest on the unpaid tax or portion thereof exceed 36 months.

Rockwell Land promptly pays the real estate taxes and assessments on the properties it owns.

Shopping Malls

Shopping mall centers are regulated by the LGU of the city or municipality where the establishment is located. In line with this, mall operators must secure the required business permit before operating. In addition, no mall shall be made operational without complying first with the provisions of RA 9514, or the Revised Fire Code of the Philippines of 2008, and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a Sanitary Permit from the Department of Health. Those that discharge commercial wastewater must further apply for a wastewater discharge permit from the DENR and pay the fee incidental to the permit. Failure to secure the necessary permits will also result in the non-renewal of the business permit.

Investments in Tourism

To encourage private Filipino and foreign investments which generate significant employment opportunities for the country, the Omnibus Investment Code of 1987 or Executive Order No. 226, as amended by RA 11534 or the CREATE Act, as further amended by the CREATE MORE Act (RA 12066), together with the 2022 Strategic Investment Priority Plan (“**SIPP**”), governs the grant of fiscal and non-fiscal incentives to enterprises engaging in priority investment activities, including Tourism (such as the operation of tourist accommodation facilities).

RA 9593, the Philippine Tourism Act of 2009, requires primary tourism enterprises, such as accommodation establishments (e.g. hotels and resorts), to secure accreditation from the DOT. A DOT Certificate of Accreditation is a precondition to the issuance by the pertinent LGU of a license or permit to operate a primary tourism enterprise. Moreover, only accredited enterprises are entitled to participate in the DOT’s promotional, training and other programs.

The Philippine Department of Tourism promulgated the Hotel Code of 1987 in order to govern the business and operation of all hotels in the Philippines. Investors who wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, zoning regulations and other municipal ordinances. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel’s classification.

Special Economic Zone

The Philippine Economic Zone Authority (“**PEZA**”) is a government corporation that operates, administers and manages designated special economic zones (“**Ecozones**”) around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA-registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays of four (4) to seven (7) years depending on location and industry, and duty-free importation of equipment, machinery and raw materials, and value-added tax exemption on importation and VAT zero-rating. After the income tax holiday, the PEZA registered enterprise is subject to 5% gross income tax in lieu of all taxes, subject to conditions, or enhanced deductions for ten (10) years.

Information Technology (“**IT**”) enterprises offering IT services, such as call centers and business process outsourcing using electronic commerce, are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT park or IT building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, National Water Resources Board, and DENR.

Referral to Arbitration

EO 1008 vests the Construction Industry Arbitration Commission (“**CIAC**”) with original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in construction in the Philippines, whether the dispute arises before or after the completion of the contract, or after the abandonment or breach thereof. These disputes may involve government or private contracts. The jurisdiction of the CIAC may include, but is not limited, to violation of specifications for materials and

workmanship, violation of the terms of agreement interpretation and/or application of contractual time and delays, maintenance and defects, payment, default of employer or contractor and changes in contract cost.

CIAC may acquire jurisdiction in two (2) ways, either by providing an arbitration clause in the contract between the parties, or by agreement of the parties to submit the dispute to CIAC. Thus, the fact that the parties incorporated an arbitration clause in their contract is sufficient to vest the CIAC with jurisdiction over any construction controversy, notwithstanding any reference made to another arbitral body. CIAC's jurisdiction over construction disputes is conferred by law, and thus, cannot be waived by mere agreement of the parties.

Liability of Engineers, Architects and Contractors

Under the Philippine Civil Code, the engineer or architect who drew up the plans and specifications for a building is liable for damages if, within fifteen (15) years from the completion of the structure, the same should collapse by reason of a defect in those plans and specifications, or due to defects in the ground. The contractor is likewise responsible for the damages if the edifice falls, within the same period, on account of construction defects or the use of materials of inferior quality, or due to any violation of the terms of the construction contract. If the engineer or architect supervises the construction, he shall be solidarily liable with the contractor. The acceptance of the building after completion does not imply waiver of any of the causes of action by reason of any of the aforementioned defects. The action arising therefrom must be brought within ten (10) years following the collapse of the building.

GENERAL BUSINESS REGULATORY FRAMEWORK

Revised Corporation Code

RA 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the notable amendments in the Revised Corporation Code are as follows: (i) corporations are now generally granted perpetual existence; (ii) a new section on one-person corporation was added; (iii) the requirement that at least 25% of the authorized capital stock must be subscribed, and at least 25% of the subscribed shares must be paid-up upon incorporation was removed; (iv) stockholders can now vote *in absentia*; (v) incorporators now include any person, partnership, association or corporation; and (vi) the powers of the SEC to prosecute and investigate offenses under the Revised Corporation Code has been expanded.

The Revised Corporation Code refers to the Philippine Competition Act in cases of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Anti-Trust / Competition Laws

RA 10667, or the Philippine Competition Act was signed into law on July 21, 2015 and took effect on August 8, 2015. This is the first antitrust statute in the Philippines and provides the competition framework in the Philippines. The Philippine Competition Act was enacted to provide free and fair competition in trade, industry and all commercial economic activities. To implement its objectives, the Philippine Competition Act provides for the creation of a Philippine Competition Commission (the "Commission"), an independent quasi-judicial agency with five commissioners. The Philippine Competition Act prohibits anti-competitive agreements between or among competitors, and mergers and acquisitions which have the object or effect of substantially preventing, restricting or lessening competition. It also prohibits conduct that constitutes an abuse of dominant position which refer to actions wherein a dominant firm substantially prevents, restricts, or lessens competition, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to exceptions. An entity is presumed to hold a dominant market position if it controls at least fifty percent (50%) of the relevant product or geographic market.

On June 3, 2016, the Commission issued the implementing rules and regulations of the Philippine Competition Act (“**IRR**”). Under the IRR, as a general rule, parties to a merger or acquisition are required to provide notification within thirty (30) days prior to consummation when: (a) The aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of the acquiring or the acquired entities exceed ₱1 Billion (the “*size of party test*”); and (b) the value of the transaction exceeds ₱1 Billion (the “*size of transaction test*”), as determined in the IRR; while parties to a joint venture transaction shall be subject to the notification requirement if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱1 Billion, or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱1 Billion. Effective March 1, 2025, the PCC has adjusted the thresholds of the size of party test exceeding ₱8.5 billion and size of transaction test exceeding ₱3.5 billion.

Violations of the Philippine Competition Act and its IRR have severe consequences. Under the law and the IRR, a transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of one percent (1%) to five percent (5%) of the value of the transaction. Fines of between ₱50 million and ₱250 million may also be imposed by the courts on entities that enter into these defined anti-competitive agreements between competitors that are either prohibited per se or that have the object of substantially preventing, restricting or lessening competition by setting, limiting or controlling production, markets, technical development or investment or by dividing or sharing the market. Directors and management personnel of such entities, who knowingly and willfully participate in such criminal offenses, may also be sentenced to imprisonment for two to seven years. Treble damages may be imposed by the Commission or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

Anti-Money Laundering

Pursuant to RA 9160, otherwise known as the Anti-Money Laundering Act of 2001 (“**AMLA**”), as amended by RA 11521 which took effect on January 30, 2021, real estate developers (“**REDs**”) are now classified as covered institutions. Accordingly, REDs are mandated to report covered and suspicious transactions to the AMLC within the period provided under the law and its implementing rules and regulations. For REDs, a covered transaction refers to a single cash transaction exceeding ₱7,500,000.00 or its equivalent in foreign currency. Suspicious transactions are as defined under the AMLA and RA 10168, otherwise known as the Terrorism Financing Prevention and Suppression Act of 2012, together with their respective implementing rules and regulations. REDs must submit to the AMLC a Covered Transaction Report (“**CTR**”) within five (5) working days from the date of the transaction, and a Suspicious Transaction Report (“**STR**”) within the following working day from the occurrence thereof.

Data Privacy

RA 10173, otherwise known as the Data Privacy Act of 2012 (the “**DPA**”), was signed into law on August 15, 2012 to govern the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System (“**ICT**”), which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of Bangko Sentral ng Pilipinas to comply with the Anti-Money Laundering Act and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes.

It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the DPA and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to

ensure that personal information in ICT in the government and in the private sector are secured and protected.

The DPA seeks to protect the confidentiality of “personal information,” which is defined as “any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.” The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on “personal information controllers” and “personal information processors.” Among others, the DPA requires the registration of data processing systems and the designation of a data protection officer or compliance. The DPA also provides for penal and monetary sanctions for violations of its provisions.

Environmental Laws

Philippine Environmental Impact Statement System

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an ECC prior to commencement. The DENR through its regional offices or through the Environmental Management Bureau (“**EMB**”) determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Study (“**EIS**”) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“**IEE**”) to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project’s environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While an EIS or IEE may vary from project to project, as a minimum, it must contain all relevant information regarding the project’s environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact, that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project’s abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund (“**EGF**”) when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The EGF is intended to meet any damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund (“**EMF**”) when an ECC is eventually issued. In any case, the establishment of an EMF must not be later than the initial construction phase of the project. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

Aside from the EIS and IEE, engineering geological and geo-hazard assessment are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

Legal Framework of Hazardous Waste Management

PD 1152, also known as “the Philippine Environmental Code,” took effect in 1977, and provides a basis for an integrated waste management regulation starting from waste source to methods of disposal. PD 1152 has further mandated specific guidelines to manage municipal wastes (solid and liquid), sanitary landfill and incineration, and disposal sites in the Philippines.

In 1990, the Philippine Congress enacted the Toxic Substances, Hazardous and Nuclear Wastes Control Act, commonly known as RA 6969, a law designed to respond to increasing problems associated with toxic chemicals and hazardous and nuclear wastes. RA 6969 mandates control and management of import, manufacture, process, distribution, use, transport, treatment, and disposal of toxic substances and hazardous and nuclear wastes in the Philippines. RA 6969 seeks to protect public health and the environment from unreasonable risks posed by these substances in the Philippines.

Apart from the basic policy rules and regulations of RA 6969, hazardous waste management must also comply with the requirements of other specific environmental laws, such as Presidential Decree No. 984 (National Pollution Control Decree of 1976), Presidential Decree No. 1586 (Environmental Impact Statement System Law), RA 8749 (Philippine Clean Air Act of 1999) and RA 9003 (Ecological Solid Waste Management Act of 2000) and their implementing rules and regulations.

Hazardous waste generators are required to register with and pay a registration fee to the EMB Regional Office having jurisdiction over the location of the waste generator.

Waste generators are required to perform the following activities: (1) notify the DENR of the type and quantity of wastes generated in accordance with the form and in a manner approved by the DENR and pay the prescribed fee; (2) provide the DENR, on a quarterly basis, with information to include the type and quantity of the hazardous waste generated, produced or transported outside in a form approved by the DENR; (3) continue to own and be responsible for the hazardous waste generated or produced in the premises until the hazardous waste has been certified by the waste treater as adequately treated, recycled, reprocessed or disposed of; (4) prepare and submit to the DENR comprehensive emergency contingency plans to mitigate spills and accidents involving hazardous wastes. These plans must conform to the guidelines issued by the DENR; (5) train/inform personnel and staff on: (a) the implementation of the plan, and (b) the hazards posed by the improper handling, storage, transport, and use of hazardous wastes and their containers.

Philippine Clean Water Act of 2004

RA 9275 applies to water quality management in all water bodies in the Philippines particularly to the abatement and control of pollution from land-based sources. It provides for water quality standards and regulations and civil and criminal penalties for violations thereof. The DENR, in coordination with the National Water Resources Board must designate certain areas as water quality management areas (“**Management Areas**”) which have similar hydrological, hydrogeological, meteorological or geographic conditions which affect the physicochemical, biological and bacteriological reactions and diffusions of pollutants in the water bodies, or otherwise share common interest or face similar development programs, prospects, or problems.

The DENR implements a wastewater charge system in all Management Areas through the collection of wastewater charges/fees. The system is established on the basis of payment to the government for discharging wastewater into the water bodies. Wastewater charges is established taking into consideration the following: (a) to provide strong economic inducement for polluters to modify the production or management processes or to invest in pollution control technology in order to reduce the amount of water pollutants generated; (b) to cover the cost of administering water quality management or improvement programs; (c) reflect damages caused by water pollution on the surrounding environment, including the cost of rehabilitation; (d) type of pollutant; (e) classification of the receiving water body, and (f) other special attributes of the water body.

The DENR requires owners or operators of facilities that discharge regulated effluents pursuant to the law to secure a permit to discharge. The discharge permit is the legal authorization granted by the DENR to discharge wastewater, provided, that the discharge permit must specify, among others, the quantity and quality of effluent that said facilities are allowed to discharge into a particular water body, compliance schedule and monitoring requirement.

As part of the permitting procedure, the DENR must encourage the adoption of waste minimization and waste treatment technologies when such technologies are deemed cost effective. The DENR must also develop procedures to relate the current water quality guideline or the projected water quality guideline of the receiving water body with total pollution loadings from various sources, so that effluent quotas can be properly allocated in the discharge permits. Effluent trading may be allowed per management area.

Fiscal and non-fiscal incentives are provided for compliance with RA 9275 such as: (1) inclusion in the Investment Priorities Plan; and (2) tax and duty exemption of donations, legacies and gifts for the support of the waste management program.

Philippine Clean Air Act of 1999

RA 8749 was enacted to provide for a comprehensive management program for air pollution and enforce a system of accountability for short and long-term adverse environmental impact of a project, program or activity. This includes the setting up of a funding or guarantee mechanism for clean-up and environmental rehabilitation and compensation for personal damages. The DENR, in case of industrial dischargers, and the Department of Transportation and Communications, in case of motor vehicle dischargers, designs, imposes and collects, based on environmental techniques, regular emission fees from said dischargers as part of the emission permitting system or vehicle registration renewal system, as the case may be. The system encourages the industries, and motor vehicles to abate, reduce, or prevent pollution. The basis of the fees includes, but is not limited to, the volume and toxicity of any emitted pollutant. Industries, which must install pollution control devices or retrofit their existing facilities with mechanisms that reduce pollution are entitled to tax incentives such as but not limited to tax credits and/or accelerated depreciation deductions. The DENR has the authority to issue permits as it may determine necessary for the prevention and abatement of air pollution. Said permits cover emission limitations for the regulated air pollutants to help attain and maintain the ambient air quality standards. These permits serve as management tools for the LGUs in the development of their action plan. The DENR or its duly accredited entity must, after proper consultation and notice, require any person who owns or operates any emission source or who is subject to any requirement of RA 8749 to: (a) establish and maintain relevant records; (b) make relevant reports; (c) install, use and maintain monitoring equipment or methods; (d) sample emission, in accordance with the methods, locations, intervals, and manner prescribed by the DENR; (e) keep records on control equipment parameters, production variables or other indirect data when direct monitoring of emissions is impractical; and (f) provide such other information as the DENR may reasonably require. The DENR, through its authorized representatives, has the right to (a) enter or access any premises including documents and relevant materials; (b) inspect any pollution or waste source, control device, monitoring equipment or method required; and (c) test any emission. Any record, report or information obtained under RA 8749 must be made available to the public, except upon a satisfactory showing to the DENR by the entity concerned that the record, report, or information, or parts thereof, if made public, would divulge secret methods or processes entitled to protection as intellectual property. Such record, report or information must likewise be incorporated in the DENR's industrial rating system. RA 8749 provides for civil and criminal penalties for violations thereof.

Labor Code of the Philippines

The Department of Labor and Employment (“DOLE”) is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines (“**Labor Code**”) and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

On March 15, 2017, Department Order No. 174 (2017) (“**D.O. 174**”) was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. It has reiterated the policy that Labor-only Contracting is absolutely prohibited where: (1) (a) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (b) the contractor’s or subcontractor’s employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (2) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. D.O. 174 provides that, in the event of a finding that the contractor or subcontractor is engaged in labor-only contracting and other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor’s or subcontractor’s employees. Further, in the event of violation of any provision of the Labor Code, including the failure to pay wages, there exists liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislation, to the extent the work was performed under the employment contract.

Subsequently, DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, IT Infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services, and back-office operations or support.

Occupational Safety and Health Standards Law

On August 17, 2018, RA 11058 or the Occupational Safety and Health Standards (“**OSHS**”) Law was signed into law. It mandates employers, contractors or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires giving complete job safety instructions or orientation and informing the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency.

An employer, contractor or subcontractor who willfully fails or refuses to comply with the OSHS shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidarily liable.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under RA 8282 to ensure coverage of employees following procedures set out by the law and the Social Security System (“**SSS**”). Under the said law, social security coverage is compulsory for all employees under sixty (60) years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity leave benefits. On December 19, 2024, the SSS issued Circular No. 2024-006 which increased the mandatory contribution rate from 14% in 2024 to 15% in 2025. The minimum Monthly Salary Credit (“**MSC**”) has likewise been increased to Five Thousand Pesos (₱5,000.00) and the maximum MSC has been increased to Thirty-Five Thousand Pesos (₱35,000.00).

Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the DOH tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by RA 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is employer-employee relationship.

Under RA 11223, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct

contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit package under the program.

Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino employees. Except for foreign expatriates, coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF.

DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act (RA 9165), a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with ten or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 53-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases in accordance with the Anti-Sexual Harassment Act (RA 7877), which was signed into law on February 14, 1995, and the Safe Spaces Act (RA 11313), which was signed into law on April 17, 2019. Included among the duties of an employer is the creation of an internal Committee on Decorum and Investigation to increase understanding and prevent incidents of sexual harassment.

Moreover, DOLE Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act (RA 8504). The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control. In line with the Mental Health Act (RA 11036), employers are further required to develop policies and programs on mental health in the workplace designed to: raise awareness on mental health issues, correct the stigma and discrimination associated with mental health conditions, identify and provide support for individuals at risk, and facilitate access to treatment and psychosocial support.

All private workplaces are also required to update their respective Telecommuting Guidelines and Consent Form, whenever applicable, in accordance with the revised implementing rules and regulations of Telecommuting Act (DOLE D.O. 237-22).

Moreover, Labor Advisory No. 20-2023 requires private companies and their employees to implement a Cancer Prevention and Control in the Workplace Policy and Program. This program encompasses various elements, including prevention measures, access to screening, diagnosis, and treatment, support for employees; return to work, compensation and social policies, and the promotion of a safe and healthy lifestyle, which includes considerations for mental and social well-being.

COST AND EFFECT OF COMPLIANCE WITH ENVIRONMENTAL LAWS

In general, there have been no materially significant or extraordinary costs incurred by the Company in respect of environmental compliance. The costs of compliance with applicable environmental laws depend on the nature of the project and are conditioned on various factors, particularly local conditions.

The Company incurs expenses for the purposes of complying with environmental laws that consist primarily of payments for Government regulatory fees. Such fees are standard in the industry and are minimal.

The Company secures ECCs prior to commencement of its projects and exerts best efforts to comply with the terms and conditions specified therein. Further, the Company, through its construction and property management arms, continues to keep itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost-efficient means.

EMPLOYEES

As of December 31, 2025, Rockwell Land and its subsidiaries had a total of 3,906 employees, including 1,294 organic employees and 2,612 non-organic (contractual and agency) employees. For the ensuing 12 months, the Company estimates that the number of its organic employees will grow by 12%. The breakdown of organic employees per business unit is as follows:

Business Units	Number of Employees	
	2025	2026 Estimate
Residential Development	880	986
Commercial Development	117	140
Hotel and Leisure	63	68
Shared	234	250
Total	1,294	1,444

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

Function	Number of Employees	
	2025	2026 Estimate
Operational	828	930
Technical	364	404
Administrative	102	110
Total	1,294	1,444

The Company has no collective bargaining agreements with employees and none of the Company's employees belong to a union. Additionally, none of the employees are on strike, or have been in the past three (3) years, or are threatening to strike.

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

Rockwell employees are covered by a funded, non-contributory defined benefit pension plan that provides retirement benefits to all qualified and permanent employees. The Company also provides comprehensive life insurance, in-patient and out-patient medical coverage, disability and invalidity benefits, and other statutory and company-mandated benefits in accordance with applicable laws and internal policies. In support of sound corporate governance, the Company invests in continuous learning and development through structured training programs and leadership development initiatives, aimed at strengthening organizational capability, promoting merit-based career advancement, and ensuring long-term business sustainability.

MATERIAL AGREEMENTS

The following are summaries of the material terms of the principal contracts related to the Company's real estate business and should not be considered to be a full statement of the terms and provisions of such contracts. Accordingly, the following summaries are subject to the full text of each contract. Other than these, the Company is not a party to any contract or agreement of material importance and outside the usual course of business and the Board of Directors do not know of any such contract or agreement involving the Company.

LOAN AGREEMENTS

Term Loans

Philippine National Bank. On May 25, 2016, December 19, 2019, September 13, 2021 and April 16, 2024, Rockwell Land entered into unsecured credit facilities with Philippine National Bank ("**PNB**") each amounting to P5.0 billion, for a total of ₱20.0 billion.

As of September 30, 2025, the unpaid balances from the material term loans with PNB are ₱345.2 million, ₱2,634.0 million, and ₱1,125.4 million, respectively.

As at April 16, 2025, ₱3.5 billion of the credit facility with PNB has expired but was later approved for extension until June 30, 2026. The Company will pay 70% of the loan amounts quarterly over the term of the loans and the balance upon maturity.

Metropolitan Bank & Trust Company. On June 14, 2016, the Company entered into a credit facility with Metropolitan Bank & Trust Company ("**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.

On November 18, 2019, the Company entered into an unsecured credit facility with 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.

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. In 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.

As of September 30, 2025, the unpaid balances from the material term loans with MBTC are ₱863.0 million, ₱3,027.5 million, and ₱3,000.0 million, respectively.

On December 18, 2024, the Company entered into an unsecured credit facility with 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.

As at September 30, 2025, the credit facility with MBTC has been fully utilized.

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.

As of September 30, 2025, the unpaid balance from the loan agreement by Retailscapes with MBTC is ₱345.2 million.

BDO Unibank, Inc. On January 20, 2020, the Company entered into an unsecured credit facility with BDO Unibank, Inc. ("**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.

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.

As of September 30, 2025, the unpaid balances from the material term loans with BDO are ₱7,816.0 million and ₱4,300.0 million, respectively.

On June 20, 2025, 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.

Rizal Commercial Banking Corporation. On November 8, 2024, the Company entered into an unsecured credit facility with Rizal Commercial Banking Corporation (“**RCBC**”) 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.

For the first nine months of 2025, the Company obtained long-term loans from MBTC and RCBC, with interest rates ranging from 6.20% to 6.80% and maturities of two to seven years. As of September 30, 2025, new long-term financing secured from these institutions amounted to ₱6,162 million, while total repayments during the period amounted to and ₱3,977 million.

JV Partner Loans

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.

On August 14, 2025, Rockwell Nepo Development Corporation entered into a shareholder loan agreement with the Parent Company and T.G.N. Realty Corporation, for the purpose of funding “Rockwell at Nepo Center” project.

The outstanding balance of the JV Partner loans from SEAI Metro Manila One, Inc., and T.G.N. Realty Corporation, amounted to ₱434.7 million and ₱313.5 million as of September 30, 2025 and December 31, 2024, respectively, while the loan from the Parent Company was eliminated in the consolidated financial statements.

Short-term Loans

In 2025, the Company obtained short-term loans from MBTC, RCBC, and Bank of Commerce, bearing interest rates ranging from 5.50% to 6.00% with terms from fourteen (14) to ninety (90) days. As of September 30, 2025, new short-term financing secured and repayments totaled ₱4,300 million and ₱1,800 million, respectively.

JOINT VENTURE AGREEMENT AND OTHER RELATED AGREEMENTS

Joint Venture Agreement between Rockwell Land and Meralco for a BPO Venture

On March 25, 2008, Meralco and Rockwell Land entered into a Joint Venture Agreement with respect to the property in the Meralco-Ortigas complex, Pasig City covered by TCT No. (210867) 12101, also known as the Rockwell Business Center. Under the Joint Venture agreement, Meralco and Rockwell Land entered into agreements on property management over the property, the allocation of the ownership and the sharing of the rentals over the project development. Under the Joint Venture Agreement, the Parties will allocate the ownership of the Projects within thirty (30) days from completion of each phase of the project.

On November 11, 2009, the Parties entered into an Allocation Agreement supplementing the Joint Venture agreement dated March 25, 2008, wherein the parties allocated the ownership over the completed second phase of the Project. Under the agreement, each floor had an allocation of 70% Rockwell Land - 30% Meralco sharing.

The 70-30 sharing agreement was subsequently amended to a conditional 80-20 sharing wherein 80% would be owned by Rockwell Land and 20% by Meralco. Under the new sharing agreement, the 80:20 ratio would revert to a 70:30 ratio should any of the following conditions occur, namely: 1) the rental rate reaches a weighted average rate of ₱600.00 per sq.m. in the Rockwell Business Center and the occupancy rate in the Rockwell Business Center reaches at least 90% of the net leasable area; or 2) any financial combination of the above (1) or, 3) January 1, 2015, whichever comes first.

Finally, on December 17, 2009, the Parties entered into a Property Management Plan wherein the Parties appointed Rockwell Land as the property manager of the Rockwell Business Center. As Property Manager, Rockwell Land has general management and control over the venture in all stages, including marketing and promotions.

Joint Venture Agreement forming Rockwell MFA Corp

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.

Joint Venture Agreement forming Rockwell Carmelray Development Corporation

On August 8, 2018, the 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 Company and the Carmelray shareholders to handle the development of “Rockwell South at Carmelray” project.

Joint Venture Agreement forming Rockwell Nepo Development Corporation

On August 17, 2020, the Company entered into a Joint Venture Agreement with T.G.N. Realty Corporation to develop parcels of land in Pampanga, through RND. The final shareholdings shall be 40%-60% between Rockwell Land and T.G.N. Realty Corporation, respectively.

Joint Venture Agreement forming Rockwell IPI Development Corporation

In December 2021, the Company entered into a Joint Venture Agreement 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 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.

Joint Venture Agreement forming Rockwell GMC Development Corporation

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.

CUSTOMER-RELATED CONTRACTS

Standard Contract to Sell

The standard Contract to Sell of Rockwell Land for the sale of its condominium units is the repository of the provisions that are intended to govern the relationship of the parties until the parties finally execute a Deed of Absolute Sale. It contains a technical description of the unit, and it states the agreed purchase price and terms of payment thereof. It has a lengthy section regarding default, which contains provisions that expound on the rights and responsibilities of the parties in the event that the purchaser is unable to remit any one of his or her installment payments. Taxes and fees, such as value added tax and registration fees, are expressly stipulated in the contract to be for the account of the purchaser. There is a section on delivery, which discusses when the unit is deemed to be constructively delivered to the purchaser. Provisions also are included which state that the purchaser agrees to be bound by the Master Deed of the condominium, the articles of incorporation and by-laws of the Condominium Corporation, and pertinent laws such as the Condominium Act. Finally, there is a section that contains miscellaneous provisions that pertain to items such as transfer of rights, leasing to third parties, modification of the contract, and venue of suits.

Standard Deed of Absolute Sale

The standard Deed of Absolute Sale of Rockwell Land for the sale of its condominium units (the “**Deed**”) is executed upon full payment of all installments due for the purchase of the unit. It contains a technical description of the unit, and it states the agreed purchase price thereof. The purchase of a unit expressly includes the acquisition of an interest in the common areas of the condominium project, and also of membership interest in the condominium corporation. The Deed provides that the units shall be used exclusively for residential purposes only. It is expressly provided that taxes and fees, such as value added tax and registration fees, shall be for the account of the purchaser. The sale is explicitly made subject to restrictions provided in the Master Deed and Declaration of Restrictions, the articles of incorporation and by-laws of the Condominium Corporation, and pertinent laws such as the Condominium Act. In the event that the purchaser desires to sell or otherwise transfer the unit to another person, the Developer, Condominium Corporation, or any member of the Condominium Corporation has a right of first refusal to acquire the unit. The purchaser is expressly made subject to certain restrictions and covenants contained in this Deed and in the Master Deed, and violation of any of these shall be a cause for the cancellation or rescission of the sale. The Deed contains a separability clause, which provides that if one or more of its provisions is declared invalid or illegal, the validity or legality of the other provisions shall not be affected or impaired thereby. Finally, it is provided that should the purchaser seek relief in court for the enforcement of the Deed, the parties agree that they submit to the jurisdiction of the proper courts of Makati City.

MALL SPACE LEASE

Standard Power Plant Mall Contract of Lease

The Company has entered into lease contracts for its commercial properties. The remaining lease terms range between two (2) and six (6) years. All leases generally include rental escalation clauses on an annual basis according to prevailing market conditions. The future minimum lease revenues are as follows:

Year	Future Minimum Lease Revenues
2025	₱1.8 Billion
2026	₱1.9 Billion
2027	₱2.0 Billion
2028	₱2.1 Billion
2029 and after	₱2.2 Billion
Total	₱10.0 Billion

The Contract of Lease of Rockwell Land is the standard contract that is used by the company when leasing out its commercial spaces at the Power Plant Mall to interested third parties. The contract identifies the size and location of the leased premises, and it states the period and the rates for the lease thereof. The method of computation of the rental rates varies, depending on the type of business of the lessee, as well as on

specifically agreed upon terms. It also identifies various charges aside from the rental that the lessee shall be liable for, such as utility charges and common area charges. It provides the procedure to be followed for the renewal of the contract, should the company desire to renew it. With regard to taxes, it clearly classifies what taxes are for the account of the company, and which ones are for the account of the lessee. It also specifies that the lessee shall deduct from all lease rentals paid to the company five percent (5%) withholding tax, as provided for under BIR Revenue Regulation no. 2-98, as amended.

Aside from rentals and taxes, the contract also covers various other items that shall govern the parties thereto. The contract contains a provision on insurance, and it requires that the lessee insure, among others, its stock in trade, and all glass forming part of the leased premises. Certain representations and warranties on the part of the lessee are listed down in the contract, but prominent among these is that the lessee shall consistently operate its business at the leased premises with a standard of quality equal, if not superior to, the standard being maintained by its top three competitors in Metro Manila. Regarding use and care of the leased premises, the contract states that it is to be exclusively used for the purpose expressly stated therein, and it shall be maintained in good and tenantable condition. The contract expressly mandates that the lessee shall strictly comply with the rules and regulations of the national and city governments, Rockwell Center, and the Mall. It also expressly outlines the lessor's exclusive rights, such as the erection or alteration of any structure to be located on any adjoining or neighboring property. Finally, the contract provides for the rights and responsibilities of the parties in the event of pre-termination, termination, and expiration of the contract.

DESCRIPTION OF PROPERTIES

The Company, in the course of its business, has invested in various properties for its existing and future development projects. It has also 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 September 30, 2025. 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.

The Company continues to look for properties for acquisition or for joint ventures in order to pursue its business.

Investment Properties	Location	Description and Use
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 • Nara Retail in Bacolod • Arton Retail in Quezon City	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
Arton Strip	Quezon City	Retail
1 Proscenium	Rockwell Center, Makati	Office
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 development

Property, Plant & Equipment	Location	Description and Use
Aruga Serviced Apartments	Rockwell Center, Makati	Hotel
Aruga Resort & Residences- Mactan	Punta Engaño Road, Lapu-lapu City, Cebu	Hotel

Mortgage, Lien or Encumbrance Over the Properties

None of Rockwell Land's Property, Plant, and Equipment are mortgaged for its long-term debts. The Company likewise has no mortgages over its investment properties. For a detailed discussion on the properties of the Company subject to any mortgage, you may refer to Note 11 & 12 of the Company's audited consolidated financial statements as of December 31, 2024.

Leases

The Company leases various properties for its business, which has the following lease payments, expiration dates, and the terms of the renewal options:

Property	Lessee	Lessor	Annual Lease (with VAT)	Expiration of Lease	Renewal Options
Rockwell Business Center Sheridan	Rockwell Land Corporation	Enrico Realty Corp.	₱34 million	2040	until 2050
Santolan Town Plaza	Retailscapes, Inc.	White Cross Inc.	₱13 million	2040	until 2065

CERTAIN LEGAL PROCEEDINGS

In the ordinary course of business, the Company and its subsidiaries may from time to time be subject to adverse claims. These matters are generally limited in number.

As of December 31, 2025, the Company confirms that none of its subsidiaries are currently involved in any pending legal proceedings. Furthermore, Rockwell Land believes that none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations. The following are litigations the Company is involved in which are still unresolved:

Aida P. Bañez vs. Nicolas Arrofo, et al.

Rockwell Land Purchased an 1,800 square meter portion of a property situated in Punta Engaño, Lapu-Lapu City. The property is involved in a Complaint for Quieting of Title and has a total assessed value of ₱571,000.00. The Regional Trial Court has directed the service of summons through publication to implead 48 defendants, and such service was completed by the end of November 2025. The sixty (60) day period for the summoned defendants to file their Answer expired on January 20, 2026. In consideration of the postal delays, the Company will defer further action until the end of February 2026. If no Answer is received from the summoned defendants, a motion to declare them in default will be filed to set the case for pre-trial.

Rockwell Land Corporation vs. Hans Loch and Rosario Loch and the Heirs of the Spouses Ramiro Dimaunahan and Purificacion Agbada-Dimaunahan

The Company purchased a 568 square meter portion of Lot No. 6727-FF-1 located in Punta Engaño, Lapu-Lapu City, with an estimated BIR zonal value of ₱3,976,000.00. A Complaint for Recovery of Possession and Ownership was filed against the defendants, who are claiming a portion of the property on the basis of a tax declaration in the names of their deceased parents. A pre-trial conference was set on January 20, 2026, however, the same was cancelled due to the appointment of the acting presiding judge of Municipal Trial Court in the Cities Branch 3 of Lapu-Lapu City to the Regional Trial Court of Talisay City, Cebu. The Supreme Court has yet to appoint an acting judge to preside over the branch. The tentative date set for the pre-trial conference is on February 13, 2026, at 8:30 a.m.

Heirs of Juan Pagobo vs. Hon. Jose Alfonso Gomos

A complaint for annulment of title was filed against the registered owners of a 3,789 square meter parcel of land located at Punta Engano, Lapu-Lapu City with a BIR zonal value of ₱22,734,000.00. During the pendency of the complaint, the Company purchased the property from the respondents. The complaint was dismissed for failure to pay the correct docket fees and a Petition for Review on Certiorari under Rule 65 of the Rules of Court was filed against the dismissal. The Petition is now pending for decision before the Court of Appeals.

Home Invest Realty Ventures, Inc. vs. Rockwell Land Corporation and Regional Trial Court of Bacolod City, Branch 79

An application for a temporary restraining order and writ of preliminary injunction was filed before the Regional Trial Court of Bacolod City to restrain Rockwell Land from taking possession and developing a 7,802 square meter portion (road lot) of Country Homes Subdivision located in Mandalagan, Bacolod City. The application was denied and a Petition for Review on Certiorari was filed under Rule 65 of the Rules of Court. The Petition has been submitted for decision of the Court of Appeals.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

As of the date of this Prospectus, the Company has an authorized capital stock of ₱9.0 billion consisting of 8,890,000,000 Common Shares, each with a par value of ₱1.00 and 11,000,000,000 Preferred Shares, with a par value of ₱0.01, and its issued share capital is at ₱6,255,882,344 consisting of 6,243,382,344 Common Shares (of which ₱6,116,762,198 consisting of 6,116,762,198 Common Shares are outstanding) and 2,750,000,000 Preferred Shares. The Common Shares are listed and traded on the PSE since May 11, 2012.

	2025		2024		2023	
(In ₱)	High	Low	High	Low	High	Low
1 st Quarter	1.69	1.45	1.59	1.36	1.49	1.32
2 nd Quarter	2.08	1.57	1.60	1.40	1.45	1.32
3 rd Quarter	2.23	1.85	1.58	1.43	1.54	1.34
4 th Quarter	1.97	1.68	1.57	1.42	1.46	1.30

Source: Bloomberg

As of January 30, 2026, the closing price of the Company's shares of stock is ₱1.94 per share.

HOLDERS OF THE COMPANY'S COMMON SHARES²

The following sets out the names of the top 20 stockholders of Common Shares of the Company as of December 31, 2025.

Name of Stockholder		Relationship	Common Shares	
			Number of Common Shares	Percentage (%)
1.	First Philippine Holdings Corporation	Shareholder	5,296,015,375	86.58%
2.	PCD Nominee Corp - Filipino	Shareholder	640,347,749	10.47%
3.	Mantes Corporation	Shareholder	32,373,508	0.53%
4.	PCD Nominee Corp - Non-Filipino	Shareholder	16,591,404	0.27%
5.	Nestor J. Padilla	Director	15,000,001	0.25%
6.	Lucio W. Yan	Shareholder	1,136,324	0.02%
7.	Charlotte Cua Cheng	Shareholder	886,422	0.01%
8.	Avesco Marketing Corporation	Shareholder	801,574	0.01%
9.	B. P. Insurance Agency, Inc.	Shareholder	792,139	0.01%
10.	Makati Supermarket Corporation	Shareholder	677,238	0.01%
11.	Croslo Holdings Corporation	Shareholder	584,297	0.01%
12.	Laarni Nieman Enriquez	Shareholder	552,943	0.01%
13.	Lozano A. Tan	Shareholder	422,730	0.01%
14.	Virgilio Cachero Flordeliza	Shareholder	398,550	0.01%
15.	BP Insurance Agency, Inc.	Shareholder	328,969	0.01%
16.	Foresight Realty & Development Corporation	Shareholder	305,353	0.00%
17.	Teodoro Olivares Gallinero	Shareholder	266,331	0.00%
18.	Roberto Reyes Almazora	Shareholder	246,150	0.00%
19.	Victor B. Gruet	Shareholder	241,295	0.00%
20.	Lourdy Deloso Torres	Shareholders	226,073	0.00%
	Others (Aggregate)	Shareholders	108,567,773	1.79%
	Total Issued and Outstanding		6,116,762,198	100.00%

² As of December 31, 2025, foreign equity ownership is at 0.28%.

As of the date of this Prospectus, FPHC owns 100% of the Company's issued and outstanding Preferred Shares.

HOLDERS OF THE COMPANY'S PREFERRED SHARES³

The Company is also authorized to issue 11,000,000,000 Preferred Shares under such terms as are provided in its amended articles of incorporation. Of this total number of Preferred Shares, 2,750,000,000 Preferred Shares are issued and outstanding as of the date of this Prospectus, FPHC holds all of the outstanding Preferred Shares.

DIVIDEND

Under Philippine law, dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting duly called for the purpose.

RECORD DATE

The Company's amended by-laws provide that dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations. No fractional shares shall be issued from any declaration of stock dividends.

DIVIDEND POLICY

Subject to the preferential dividend right of the Preferred Shares, each holder of a Common Share is entitled to such dividends.

The Board of Directors during the organizational meeting on August 29, 2013 have adopted a dividend policy of declaring as dividends 20% of prior year's Net Income after Tax (NIAT).

The Company's amended by-laws provide that the Board of Directors shall have the power and authority to fix and determine and from time to time vary, the amount to be reserved as working capital, to meet contingencies, to provide for the utilization of dividends and/or for other purposes, to such extent, in such manner and upon such terms as the Board of Directors shall deem expedient in order to determine the part of the nets profits or surplus which shall be declared and paid as dividends; and generally to fix and determine the use and disposition of any net profits or surplus.

The Preferred Shares currently outstanding will earn a cumulative dividend of 6% per annum. The Preferred Shares do not participate in dividends declared in relation to Common Shares.

DIVIDEND HISTORY

The Company has declared dividends in the past, the last of which was on July 14, 2025. The Company declared a ₱0.1212 cash dividend per Common Share to stockholders of record as of August 7, 2025, payable on or before September 2, 2025.

Year	Common	Preferred
2023	₱0.0752 per share	₱0.0006 per share
2024	₱0.1018 per share	₱0.0006 per share
2025	₱0.1212 per share	₱0.0006 per share

³ None of the Company's preferred shares are foreign owned.

The Board of Directors declares cash dividends primarily on the basis of the following factors:

- The Company's results of operations for the previous year and its current financial condition including but not limited to its cash level, debt level and available retained earnings
- The Company's investment plans and/or projected capital expenditure level for the ensuing year or other relevant periods
- Covenants on dividend payments which the Company is required to meet relating to any of its financing arrangements

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES (INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION)

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.

On May 2, 2012 and August 3, 2012, the Board of Directors and the stockholders, respectively, approved the implementation of the Employee Stock Ownership Plan ("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 number 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 exercise price per share subject to an award granted shall be fixed at ₱1.46, which is the initial listing price of the Company. The ESOP was approved by the SEC on December 6, 2012 and was communicated to the employees on January 3, 2013.

The listing of the additional 192,630,881 shares to cover ESOP was granted by PSE on September 13, 2013.

As of the date of this Prospectus, only 15,000,000 shares out of 63,918,000 options granted last January 3, 2013 have been exercised and fully paid.

Total issued and outstanding shares now total to 6,116,762,198 of common shares and 2,750,000,000 of Preferred Shares.

MANAGEMENT'S 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 reviewed interim condensed consolidated financial statements as of September 30, 2025 and for the nine months ended September 30, 2025 and 2024 and its audited consolidated financial position as of December 31, 2024, 2023, 2022 annexed to this Prospectus. References to "2024," "2023" and "2022" refer to the years ended December 31, 2024, December 31, 2023 and December 31, 2022, respectively. The Company's actual results going forward may differ materially from those presented in the Prospectus as a result of various factors including, but not limited to, those set out in the "Risk Factors" discussion. In evaluating the Company's business, investors should carefully consider all of the information contained in the Prospectus.

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025 AND 2024

Rockwell Land Corporation ("**the Company**") registered ₱14,996 million in consolidated revenues, higher by 7% from last year's ₱14,018 million. Residential development accounted for 78% of the total revenues in 2025, maintaining it in 2024.

Total EBITDA reached ₱6,585 million, higher than last year's ₱5,691 million driven by higher EBITDA from residential development. Overall EBITDA margin (computed as EBITDA over revenue) registered at 44% of total revenues, higher than last year's 41%. The total revenues used as basis for the EBITDA margin excludes gross revenues from the joint venture with Meralco and International Pharmaceuticals, Inc. as these are reported separately under "Share in Net Losses (Income) in JV". Share in net income in the joint venture contributes 6% to the Company's total EBITDA.

Residential development and commercial development contributed 65% and 35% to the total EBITDA, respectively.

Consolidated net income after tax registered at ₱3,493 million, higher than last year's ₱3,090 million. NIAT to Parent for the nine months is ₱3,117 million, 11% higher than the same period last year of ₱2,807 million. The Company confirms that it has no overdue trade payables, no defaults, and no expected liquidity shortfalls over the next twelve months.

Business Segments

Residential Development generated ₱11,754 million, contributing 78% of the total revenues for the period. Bulk of the revenues came from the sale of real estate, including accretion from interest income. Other revenues attributable to residential development amounted to ₱704 million, representing 39% of total other revenues, and include income from management fees, membership dues, income from recreational facilities and other income arising from residential development.

While there is reported condo over supply in the market, the Company remains largely unaffected. The oversupply is primarily concentrated in the mid-market projects, which is different from Rockwell Land's portfolio, that mainly targets the high-end market.

EBITDA from this segment amounted to ₱4,273 million, 23% higher than the same period last year at ₱3,479 million mainly attributable to projects with higher construction progress.

Commercial Development revenues amounted to ₱3,242 million, slightly higher than 2024's ₱3,104 million. This segment contributed 22% to total revenues excluding the share in the joint venture with Meralco for the Rockwell Business Center in Ortigas, Pasig City.

Retail Operations which include retail leasing, interest income and other mall revenues generated ₱2,098 million in revenues, 11% higher than last year's ₱1,897 million due to improved average rental and occupancy rate. Other mall revenues, consisting mainly of Common Usage Service Area ("**CUSA**") charges and parking income, amounted to ₱730 million, equivalent to 40% of the total other revenues.

Office Operations generated ₱963 million which is equivalent to 6% of the total revenues. Office operations include office leasing, sale of office units and other office revenues.

Hotel Operations contributed 1% of the total revenues. Its revenues amounted to ₱181 million and costs and expenses at ₱136 million. Resulting EBITDA is at ₱45 million.

The segment's EBITDA amounted to ₱2,313 million, 5% higher from the same period last year. This includes the share in net income in the joint venture with Meralco amounting to ₱306 million, contributing 13% to the segment's EBITDA.

Below is the table on the Disaggregated Revenue Information.

September 30, 2025 (Nine Months – Unaudited)		
<i>In ₱ thousands</i>	Residential Development	Commercial Development
Major product/service lines		
Sale of high-end residential condominium units	₱8,352,643	₱—
Sale of residential lots	2,567,936	—
Sale of affordable housing units	31,339	—
Room revenue	—	174,872
Cinema revenue	—	202,914
Others	703,615	730,283
	₱11,655,533	₱1,108,069

Costs and Expenses

Cost of real estate and selling amounted to ₱7,645 million. The cost of real estate and selling to total revenue ratio is at 51%, slightly lower than last year's 54% due to lower cost incurred from residential projects.

General and administrative expenses (G&A) amounted to ₱1,860 million, 4% higher than last year mainly by higher manpower related costs, depreciation expenses, higher taxes and fees and cinema related expenses.

Interest Expense amounted to ₱1,361 million, higher by 8% than last year's ₱1,258 million. The increase was mainly due to higher average loan balance and average interest rate.

Share in Net Income in JV and associates realized share in net income of JV and associate amounted to ₱393 million, higher than last year's ₱294 million. The 34% increase from last year is mainly due to higher income from Rockwell IPI slightly offset by higher operating expenses for RBC-Ortigas. At its 70% share, the Company generated total revenues of ₱466 million and share in net income of ₱306 million. The share in net income is reported net of taxes and represents the Company's share in the operations generated by RBC.

Project and capital expenditure

The Group spent a total of ₱10.1 billion (gross of VAT) for project and capital expenditures for the nine months of 2025. Bulk of the expenditure pertained to land acquisitions and development costs, mainly that of Edades West, Mactan and BenCab. These were funded by internally generated funds and loan availments.

Financial Condition

The Group's total assets as of September 30, 2025 amounted to ₱88,358 million, slightly higher from 2024's year-end amount of ₱81,747 million. On the other hand, total liabilities amounted to ₱49,804 million, higher from 2024's year-end amount of ₱45,935 million. The increase in total assets was mainly from contract assets, Property & Equipment and investment properties.

Current ratio as of September 30, 2025 decreased to 2.91x from 3.18x as of end 2024. Net debt to equity ratio is at 0.78x as of September 30, 2025, increased compared to 2024's year-end ratio of 0.70x.

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

Statement of Comprehensive Income Items – Nine Months 2025 vs. Nine Months 2024

10% increase in Real Estate Sales

Due to higher bookings from Arton East and Larsen and revenue recognition from Edades West and Rockwell South Cluster 5.

49% decrease in Interest Income

Due to lower interest income resulting from revenue recognition of Balmori and The Proscenium Residences

9% increase in Lease Income

Due to higher average rental and occupancy rates of retail and office segment.

6% increase in Selling Expenses

Due to higher marketing expenses on newly launched projects.

8% increase in Interest Expense

Primarily due to higher average loan balance and average interest rate.

34% increase in Share in Net Income of Joint Venture

Increase due to higher net income from RIDC

2,346% increase in Other Comprehensive Income

Due to fair value change in derivative instrument.

100% decrease in Excess of fair value of net assets acquired over consideration paid

Resulted from the 2024 transaction and the related restatement of the initial investment to adjusted balances, driven by the fair value of RNDC's identifiable net assets exceeding the investment's carrying value.

100% decrease Gain on remeasurement of investment in an associate

Due to the step-up acquisition for RNDC investment in 2024 restated reflecting adjusted balances.

Statement of Financial Position items – September 30, 2025 vs. December 31, 2024

38% increase in Trade and Other Receivables

Primarily due to Installment Contract Receivable from 8 Benitez Suites, Mactan, Larsen and Manansala by Rockwell Nepo.

14% increase in Contract Assets

Due to higher completion from The Bencab, Manansala by Rockwell Nepo, Arton East & Rockwell South

28% increase in Other Current Assets

Due to other prepaid expenses and taxes and restricted cash from escrow account

8% increase in Investment Properties

Due to costs incurred for construction of Power Plant Mall Nepo and Performing Arts Theater

70% increase in Property and Equipment
Due to consolidation of Obsidian Holdings Inc.

40% increase in Deferred tax assets - net
Due to NOLCO from subsidiaries.

51% decrease in subscription payable
Due to payments made to RIDC

57% increase in Income tax payable
Due to higher taxable income for RNDC

16% increase in Interest-bearing Loans and Borrowings
Due to new loan availment.

18% increase in Deferred Tax Liabilities - net
Due to higher financial revenue over collections

17% increase in Pension Liabilities
Due to accrual pension cost for the year.

Key Performance Indicators

<i>As indicated</i>	For the nine months ended September 30	
	2025	2024
ROA (*)	5.5%	5.3%
ROE (*)	12.5%	12.4%
	As of September 30, 2025	As of December 31, 2024
Current ratio (x)	2.91	3.18
Debt to equity ratio (x)	0.88	0.81
Net debt to equity Ratio (x)	0.78	0.70
Asset to equity ratio (x)	2.29	2.28
Interest coverage ratio (x)	5.07	4.91

Notes:

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

2025 ROA and ROE are higher vs 2024 at 5.5% and 12.5%, respectively mainly driven by higher income.

Current ratio decreased to 2.91x from 3.18x due to real estate inventory resulting from consolidation of Obsidian Holdings Inc. and higher liabilities.

Debt-to-equity ratio increased to 0.88x from 0.81x. Net debt to equity ratio increased to 0.78x from 0.70x.

Asset to equity ratio is slightly higher at 2.29x vs 2.28x last year due to increase in total assets.

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)	4.91	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

2024 Net DE stood at 0.70x, due to higher availments for the year.

EBITDA increased to ₱7.6 billion, 13% higher than 2023. As a result, the interest coverage ratio increased to 4.91x from 4.57x in 2023.

ROA, ROE improved in 2024 at 5.26% and 12.08%, respectively, mainly from a 21% increase in consolidated net income in 2024 vs 2023.

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 contingent 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 27 of the 2024 audited financial statements.

There are no known trends, events or uncertainties that will materially 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 conditions for the periods 2022-2024.

The following table shows the breakdown of the revenues by business segment for the periods 2022- 2024 (amounts in millions).

	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	20,086	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 (amounts in millions).

	2024	% to Total	2023	% to Total	2022	% to Total
Residential Sales ⁽¹⁾	14,981	75%	13,649	74%	11,040	67%
Office Sales ⁽²⁾	125	1%	308	2%	1,208	7%
Commercial Leasing	2,469	12%	2,253	12%	1,777	11%
Others ⁽³⁾	2,511	12%	2,301	12%	2,483	15%
Total Consolidated Revenues	20,086	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 ₱14.9 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 ₱4.7 billion, which represents 62% of the total EBITDA of ₱7.6 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 in 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 include shelter in place expenses incurred by the company for its employees.

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 1% 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 ₱9.7 billion in 2024, 3% 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 ₱2.6 billion which represents 13% of the total revenues. The level of expenses increased by 8% 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 9% higher than last year's ₱1.6 billion. Interest incurred increased as average interest rate increased from 5.49% in 2024 to 5.71%, higher loan balance from ₱25.8

billion to ₱29.2 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 share in net income of JV and associate amounted to ₱374.1 million in 2024, 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 in 2024, 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 ₱81.7 billion, higher by 10% 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 ₱4.3 billion.

Total Liabilities as of December 31, 2024 amounted to ₱45.9 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 attributable to equity holders of the parent company offset by dividends paid amounting to ₱624.3 million.

Current ratio as of December 31, 2024 is 3.18x 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

7% 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 ₱3.7 billion Net Income attributable to Equity Holders of Parent Company for 2024 offset by dividends amounting to ₱624.3 million and impact of adoption of a significant financing component amounting to ₱631.6 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 (amounts in millions).

	2023	% to Total	2022	% to Total	2021	% to Total
Residential Development ⁽¹⁾	14,434	78%	12,217	74%	10,301	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:

1. 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 (2021-2023), Rockwell Center in Bacolod (2022-2023) and Edades West (2022-2023).
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 (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 (amounts in millions).

	2023	% to Total	2022	% to Total	2021	% to Total
Residential Sales ⁽¹⁾	13,649	75%	11,040	67%	9,874	78%
Office Sales ⁽²⁾	308	1%	1,208	7%	490	4%
Commercial Leasing	2,253	12%	1,777	11%	1,229	10%
Others ⁽³⁾	2,301	12%	2,483	15%	1,131	8%

Total Consolidated Revenues	18,511	100%	16,508	100%	12,724	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 78% of the total revenues of 2023. Total revenues reported from the sale of real estate, including accretion of interest income, amounted to ₱13.7 billion. The 18% 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 ₱3.9 billion, which represents 57% of the total EBITDA of ₱6.8 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 Carmelray.

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), comprising 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 billion 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 ₱69.7 billion mainly due to higher real estate inventories coming from new acquisitions 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.

16% 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

Balance Sheet items – 2023 vs. 2022

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 acquisition of land.

10% 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 deposits for land acquisitions.

23% increase in Property and equipment

Mainly due to reclassification of Edades Aruga Service Apartment from inventory to property and equipment.

68% 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 - net

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 ₱3.4 billion for 2023 offset by dividends amounting to ₱461.6 million.

100% increase in Non-controlling interests

Primarily due to consolidation of Rockwell GMC Development Corp.

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

DIRECTORS, EXECUTIVE OFFICERS AND MANAGEMENT

The overall management and supervision of the Company is undertaken by the Board of Directors. There are 11 members of the Board of Directors. The regular directors were elected during the annual meeting of the stockholders held on May 28, 2025, to serve for a term of one year and until their successors are elected and qualified.

As of the date of this Prospectus, 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.
- Monico V. Jacob (Independent Director)
- Emmanuel S. De Dios (Independent Director)
- Roberto L. Panlilio (Independent Director)

As of the date of this Prospectus, the following are the Company's executive officers:

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
Ma. Lourdes L. Pineda	Senior Vice President and Project Director, Rockwell Bacolod
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
Alexis Nikolai S. Diesmos	Vice President, Project Development
Vienn C. Tionglico-Guzman	Vice President and Project Director, Rockwell Lipa
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 Board of Directors and executive officers.

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 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, Terraprim, 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 has been 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 Health 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

Lopez was elected to 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 the 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 the Office Development business of Rockwell Land in June 2016. He is also an Executive Vice President of LPZ. 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 Millennium 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 Lopez-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 currently Senior Vice President and Head of Corporate Planning of FPH. He is a Director of First Balfour, Inc., Terraprima, 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., and Grand Batangas Resort Development, 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).

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 LPZ (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.

Roberto L. Panlilio — 70, Filipino

He served as JP Morgan's country chairman for the Philippines and Senior Country Officer until 2019. He led the management, governance and control of JP Morgan's franchise in the Philippines across all business lines and corporate centers. Prior to this, he was the Senior executive vice president and Chief operating officer for the noncommercial banking activities of PCIBank. He held various Treasury and Investment banking positions in Citibank with posts in Manila, Hong Kong and Kuala Lumpur. He is currently an independent director of publicly listed Lopez Holdings Corp., DMCI Holdings, Inc. and Semirara Mining and Power Corporation. He holds a Master's degree in Business Administration and International Finance from the University of Southern California and a Bachelor of Science degree in Business Management from the Ateneo de Manila University.

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. Dasmariñas 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. Dasmariñas 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.

Ma. Lourdes L. Pineda — 56, Filipino

Ms. Pineda has been with the Company for over 20 years and is currently Senior Vice President and Project Director for Rockwell Bacolod. She previously served as SVP for Business Development, SVP for Rockwell Primaries Development Corporation, Vice-President for Retail and General Manager of the Power Plant Mall as well as Membership Relations Manager for Rockwell Club. Prior to joining Rockwell Land, she worked for four years at Jeweler International, a French-Filipino company specializing on exquisite jewelry. Ms. Pineda holds a Bachelor of Science degree in Hotel and Restaurant Management from the University of the Philippines. She completed a Management Development Program from the Asian Institute of Management in 2006.

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 years 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.

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 from the 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 majoring 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 an Arbiter in the 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 Master's Degree in Communication from Ateneo de Manila University. Ms. Tionglico-Guzman started her career in Rockwell as 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.

Maria 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 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 Architectural 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 Architecture

Karen C. 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 Sy² + 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 of Quiason Makalintal. He is also the Corporate Secretary of FPH, LPZ, ABS-CBN, and various subsidiaries and affiliates of Rockwell Land, FPH, and LPZ. 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 Rockwell Land's senior management 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. Rockwell Land's business is not dependent on any individual person. No employee is indispensable in the organization. Rockwell Land has institutionalized its processes, procedures and training, through documentation, to ensure continuity and scalability of the business without relying on any particular employee.

AUDIT COMMITTEE

An Audit Committee composed of three members was established in compliance with the Oversight Responsibilities under the Code of Corporate Governance. The Audit Committee Charter was approved effective October 1, 2012. The main purpose of the Audit Committee is to fulfill its oversight responsibilities for the management and financial reporting process, the system of internal control, the maintenance of an effective audit process, and the monitoring of compliance with the code of conduct. Following the organizational meeting of the Board of Directors on May 28, 2025, the new members of the Audit Committee are the following: Mr. Monico V. Jacob (Chairman), Mr. Roberto L. Panlilio and Mr. Francis Giles B. Puno.

OTHER COMMITTEES

During Rockwell Land's Organizational Board Meeting last May 28, 2025, the following persons were elected as Chairman and Members of the Board Committees of the Corporation:

Risk Oversight Committee:

The main purpose of the risk oversight committee is to ensure that Rockwell Land constantly monitors risks affecting the Company and that Rockwell has appropriate strategies to address the identified risks including, but not limited to the following: Financial, Market, Construction, Environmental/Climate, Geopolitical, Pipeline, Organization

Emmanuel S. de Dios* - Chairman

Monico V. Jacob* - Member

Roberto L. Panlilio* - Member

Benjamin R. Lopez - Member

Jose Valentin A. Pantangco Jr. - Member

Related Party Transactions Committee:

The committee ensures that all transactions entered into with related parties are done at an arm's length basis.

Roberto L. Panlilio* - Chairman
Monico V. Jacob* - Member
Emmanuel S. de Dios* - Member
Federico R. Lopez - Member
Miguel Ernesto L. Lopez - Member

Corporate Governance Committee:

Corporate Governance Committee makes sure that the Company's transactions are aligned with the established governance frameworks. The Governance Committee also reviews the qualifications of current and incoming Directors and makes recommendations to the Board accordingly.

Roberto L. Panlilio*- Chairman
Monico V. Jacob* - Member
Emmanuel S. de Dios* - Member
Nestor J. Padilla - Member
Roberta L. Feliciano - Member
Miguel Ernesto L. Lopez - Member

**Independent Director*

FAMILY RELATIONSHIP

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

- Vice-Chairman Federico R. Lopez and Benjamin R. Lopez are brothers.
- Treasurer Miguel Ernesto L. Lopez and Board Adviser Manuel L. Lopez Jr. 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.

INVOLVEMENT IN CERTAIN 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 Prospectus 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.

EXECUTIVE COMPENSATION

The Company's amended by-laws provide that the Board of Directors shall not receive any salary for their services as director other than an honorarium not exceeding ₱15,000.00 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

Name and Principal Position	Year	Salary	Bonus	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) Soliven, Valerie Jane L. (EVP and Chief Revenue Officer) Tan, Davy T. (SVP, Business/Project Development)	2022	₱77.9 million	₱7.0 million	₱5.2 million
All other Officers and Directors	2022	₱36.3 million	₱3.2 million	₱10.1 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	₱89.5million	₱7.5million	₱7.3million
All other Officers and Directors	2023	₱34.3 million	₱3.1 million	₱9.5 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	₱91.3 million	₱7.7 million	₱1.3 million
All other Officers and Directors	2024	₱68.4 million	₱5.8 million	₱8.9 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	₱93.4 million	₱8.1 million	₱1.5 million
All other Officers and Directors	2025	₱60.3 million	₱5.4 million	₱9.0 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)	2026 estimate	₱102.7 million	₱8.9 million	₱1.6 million
All other Officers and Directors	2026 estimate	₱66.3 million	₱5.9 million	₱9.5 million

**In alphabetical order*

Standard Arrangements

Other than as discussed, there are no other existing arrangements for the payment of compensation or remuneration to the directors in their capacity as such, but the Company may, without any obligation, grant additional compensation if certain performance driven goals are met, subject to such approvals as may be required by law.

Other Arrangements

There are no other arrangements pursuant to which any director of Rockwell Land was compensated, or is to be compensated, directly or indirectly, for any service provided as a director.

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 number 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 on January 3, 2013.

The outstanding options as of 30 September 2025 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)	31,880,000	Various	₱1.46	various
All Other Officers & directors	778,000	Various	₱1.46	various
Total	32,658,000			

**In alphabetical order*

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

a) Security Ownership of Certain Record and Beneficial Owners as of December 31, 2025

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 Class	% of Outstanding Shares
Common Shares	First Philippine Holdings 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 Proxy – Federico R. Lopez, Chairman & CEO of FPH &/or Francis Giles B. Puno, President & COO of FPH	Filipino	5,296,015,375	86.58%	59.73%
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	640,347,749	10.47%	7.22%
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	16,591,404	0.27%	0.19%
Common Shares	Various	Various		163,807,670	2.68%	1.85%
Total Outstanding Common Shares				6,116,762,198	100.00%	

Voting Preferred Shares	First Philippine Holdings 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 Proxy – Federico R. Lopez, Chairman & CEO of FPH &/or Francis Giles B. Puno, President & COO of FPH	Filipino	2,750,000,000	100.00%	31.01%
Total Outstanding Preferred Shares				2,750,000,000	100.00%	
Total Outstanding Shares				8,866,762,198		100%

b) Security Ownership of Management as of December 31, 2025

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	21,150,000 (direct) 1 (indirect)	Filipino	0.35%
Common Shares	Federico R. Lopez Vice Chairman	14,922 (direct) 1 (indirect)	Filipino	0.00%
Common Shares	Valerie Jane L. Soliven Director, President & Chief Operating Officer	1,000 (direct) 28,000 (indirect)	Filipino	0.00%
Common Shares	Miguel Ernesto L. Lopez Director, Treasurer & Senior Vice President, Office Development	243,693 (direct) 1 (indirect)	Filipino	0.00%
Common Shares	Francis Giles B. Puno Director	5,656 (direct)	Filipino	0.00%
Common Shares	Jose Valentin A. Pantangco, Jr. Director	1 (direct)	Filipino	0.00%
Common Shares	Benjamin R. Lopez Director	14,923 (direct)	Filipino	0.00%
Common Shares	Roberta L. Feliciano Director	1,000 (direct)	Filipino	0.00%
Common Shares	Monico V. Jacob Independent Director	2 (direct)	Filipino	0.00%
Common Shares	Emmanuel S. De Dios Independent Director	1,000 (direct)	Filipino	0.00%
Common Shares	Roberto L. Panlilio Independent Director	1,000 (direct)	Filipino	0.00%
Common Shares	Enrique I. Quiason Corporate Secretary	3,575 (direct)	Filipino	0.00%
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 and Project Development	None	Filipino	N/A
N/A	Manuel L. Lopez, Jr. President of Rockwell Leisure Club, Inc. and Adviser to BOD	1 (direct)	Filipino	0.00%
Common Shares	Estela Y. Dasmariñas Senior Vice President, Human Resources	1,882 (direct)	Filipino	0.00%
N/A	Ma. Lourdes L. Pineda Senior Vice President and Project Director, Rockwell Bacolod	None	Filipino	N/A

N/A	Christine T. Coqueiro Vice President, Retail Development	None	Filipino	N/A
N/A	Angela Marie B. Pagulayan Vice President, Property Management	None	Filipino	N/A
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	0.00%
N/A	Ma. Fe Carolyn Go-Pinoy Vice President, Legal and Chief Data Privacy Officer, Assistant Corporate Secretary	None	Filipino	N/A
N/A	Vienn C. Tionglico-Guzman Vice President, Project Director, Cebu	None	Filipino	N/A
N/A	Samantha Joyce G. Castillo Vice President, Chief Marketing Officer	None	Filipino	N/A
N/A	Stella May A. Fortu Vice President, Corporate Planning and 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 and Accounting, 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, Chief Audit Officer	None	Filipino	N/A

The Company's total number of stockholders is 44,721 as of December 31, 2025 (45,062 stockholders as of December 31, 2024).

Voting Trust

As of the date of this Prospectus, there are no persons holding more than 5% of the Common Shares of the Company under a voting trust or similar agreement.

The original shareholders of Rockwell Land agreed that certain board resolutions of the Company shall be reached by consensus and mutual consent.

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 at September 30, 2025 and December 31, 2024, FPH’s combined ownership of the Company’s Preferred Shares and Common Shares was 86.58% of the total outstanding voting capital stock.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company, in the ordinary course of business, engages in transactions with FPHC, its subsidiaries and affiliates, and directors and officers and their close family members.

Except as disclosed in Item 12 of the Company's Annual Report annexed to this Prospectus, there is no material transaction or proposed transaction to which the Company was or is to be a party, in which any of its directors or executive officers, or any individual owning, directly or indirectly, significant voting power of the Company, or any close family members or individuals, had or is to have a direct or indirect material interest.

DESCRIPTION OF DEBT

This section should be read in conjunction with the 2025 Third Quarter 17-Q Report to the SEC attached to this Prospectus as its Supplement.

Trade and other payables

This account consists of the following:

<i>(in million pesos)</i>	September 30, 2025 (Unaudited)			
	Due within 3 months	Due between 3 to 12 months	Due after 12 months	Total
Trade and Other Payables	₱7,200	₱1,945	-	₱9,145
Retention Payable (Current)	440	818	-	1,258
Security Deposit (Current)	69	276	-	345
Deferred Lease Income (Current)	11	165	-	176
Total	₱7,720	₱3,204	-	₱10,924

“Trade and Other Payables” includes accrued project costs which are normally settled on a 30-day term.

“Retention Payable” is the portion of the amount billed by the 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.

“Security Deposit” mainly consists of the four months deposit 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.

Loans Payable

This account consists of the following:

<i>(in million pesos)</i>	September 30, 2025 (Unaudited)				
<i>Amounts (gross of unamortized cost)</i>	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	₱5,615	₱3,415	₱2,545	₱10,567	₱22,142
<i>Floating Rate</i>					
Interest-bearing loans and borrowings	1,128	2,099	993	7,625	11,845
Total	₱6,743	₱5,514	₱3,538	₱18,192	₱33,987

Term Loans

PNB. On May 25, 2016, December 19, 2019, September 13, 2021 and April 16, 2024, Rockwell Land entered into unsecured credit facilities with PNB each amounting to ₱5.0 billion, for a total of ₱20.0 billion. As of April 16, 2025, ₱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.

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.

On November 18, 2019, the Company entered into an unsecured credit facility with 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.

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.

On December 18, 2024, the Company entered into an unsecured credit facility with MBT 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.

As at September 30, 2025, the credit facility with MBTC has been fully utilized.

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.

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.

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.

On June 20, 2025, 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.

RCBC. On November 8, 2024, the Company entered into an unsecured credit facility with RCBC 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.

In 2025, the Company obtained long-term loans from various financial institutions bearing interest rates ranging from 6.20% to 6.80% with terms from two to seven years. As of September 30, 2025, new long-term financing secured and repayments totaled ₱6,162 million and ₱3,977 million, respectively.

JV Partner Loans

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.

On August 14, 2025, Rockwell Nepo Development Corporation entered into a shareholder loan agreement with the Parent Company and T.G.N. Realty Corporation, for the purpose of funding “Rockwell at Nepo Center” project.

The outstanding balance of the JV Partner loans from SEAI Metro Manila One, Inc., and T.G.N. Realty Corporation, amounted to ₱434.7 million and ₱313.5 million as of September 30, 2025 and December 31, 2024, respectively, while the loan from the Parent Company was eliminated in the consolidated financial statements.

Short-term Loans

In 2025, the Company obtained short-term loans from various financial institutions bearing interest rates ranging from 5.50% to 6.00% with terms from fourteen (14) to ninety (90) days. As of September 30, 2025, new short-term financing secured and repayments totaled ₱4,300 million and ₱1,800 million, respectively.

CORPORATE GOVERNANCE

Rockwell Land adopted its Manual on Corporate Governance (the “**Manual**”) on May 2, 2012. The Company, its directors, officers and employees complied with the leading practices and principles on good governance as embodied in the Manual of Corporate Governance.

The Corporate Governance Manual provides for, among others, the following:

- Appointment of a compliance officer, who shall directly report to the Chairman of the Board of Directors, and monitor compliance with the provisions and requirements of the Corporate Governance Manual. Subject to the further review and approval of the Board of Directors, the compliance officer shall also determine violations of the Corporate Governance Manual and recommend to the Chairman of the Board of Directors the appropriate actions for such violations;
- Identification of the general duties and responsibilities of the Board of Directors who shall be responsible for the Company’s compliance with all relevant laws, regulations and codes of best business practices in order to sustain the Company’s competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Corporate Governance Manual also directs the Board of Directors to adopt a system of internal checks and balances, identify and monitor key risk areas and key performance indicators with due diligence, and also monitor the effectiveness of management policies and decisions;
- Creation of Board Committees, such as the Audit Committee, the Nomination and Election Committee, Risk Management Committee, and Compensation and Remuneration Committee;
- Appointment of an External Auditor and Internal Auditor. The External Auditor shall ensure the independence of the audit of the Company in order to provide an objective assurance on the manner by which the financial statements of the Company will be prepared and presented to the stockholders. The Internal Auditor, on the other hand, shall have in place an independent audit system which shall provide with reasonable assurance that key organizational and procedural controls are effective, appropriate and complied with, taking into account the nature and complexity of the Company’s business and the business culture, the volume, size and complexity of the transactions, the degree of risks, the degree of centralization and delegation of authority, the extent and effectiveness of information technology and the extent of regulatory compliance;
- Conduct of a training process for the purpose of conducting an orientation program to operationalize the Corporate Governance Manual;
- Procedures for monitoring and assessing compliance with the Corporate Governance Manual; and
- Penalties for non-compliance with the Corporate Governance Manual.

The Corporate Governance Manual provides for the detailed qualifications and disqualifications, duties, functions and responsibilities of the Board of Directors and each member thereof, the Chairman, the Corporate Secretary and Assistant Corporate Secretary and the Compliance Officer. It also prescribes the creation of specific board committees in aid of good corporate governance, to wit, an Audit Committee, a Nomination and Election Committee, a Risk Management Committee, and a Compensation and Remuneration Committee and requires the Board to commit itself to the protection of the rights of the stockholders.

- To fully comply with the leading practices in good governance, the Board of Directors establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management’s performance. The Board shall also ensure the presence and adequacy of sufficient internal control mechanisms for good governance.

- The Company is prepared to take further steps to enhance adherence to principles and practices of good corporate governance.

Rockwell Land continues to abide by all the governance regulatory requirements. It has filed the Certificate required by the SEC certifying its, as well as its directors, officers and employees, compliance with the manual last January 29, 2013. Rockwell Land submitted to the Philippine Stock Exchange its responses to the Disclosure Template on Corporate Governance Guidelines for Listed Companies last April 1, 2013.

Apart from mandated Manual, Rockwell Land has also adopted a Corporate Code of Discipline. The Code embodies the principles and guidelines for the conduct of the business of the company and in dealing with its stakeholders.

Rockwell Land's current board composition serves to ensure independent, impartial and fair discussions having two independents, seven non-executive and two executive members. The Board shall hold regular meetings and may convene for special meetings as may be required by business exigencies in accordance with the provisions of the By-Laws.

Pursuant to the Manual for Corporate Governance, the Board has formed committees: Audit Committee, Nomination and Election Committee and Risk Management Committee.

It bears mention that the Audit Committee is chaired by an independent director. The Nomination and Election Committee and Risk Management Committee are composed of four members of the board, one of which is an independent director.

Rockwell Land also has an Internal Audit Group ("**IAG**") composed of Certified Public Accountants. The IAG reports to the Board through the Audit Committee. The IAG provides assurance and consulting functions for Rockwell Land in the areas of internal control, corporate governance and risk management. It conducts its internal audit activities in accordance with the International Standards for Professional Practice of Internal Auditing ("**ISPPIA**") under the International Professional Practices Framework.

Rockwell Land has sought to keep communications open with its stockholders and encourages them to participate in the meeting of shareholders either in person or by proxy. Shareholders are free to write to the Nomination and Election Committee should they have recommendations and/or nominations for board directorship.

FINANCIAL STATEMENTS

Annex A: Audited Consolidated Financial Statements as of December 31, 2024, December 31, 2023 and December 31, 2022, and for the years ended December 31, 2024, 2023 and 2022, and Unaudited Interim Condensed Consolidated Financial Statements as of September 30, 2025 and for the nine months ended September 30, 2025 and September 30, 2024.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

6	2	8	9	3					

COMPANY NAME

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

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

2	F		8		R	o	c	k	w	e	l	l	,		H	i	d	a	l	g	o		D	r	i	v	e	,		
R	o	c	k	w	e	l	l		C	e	n	t	e	r	,		M	a	k	a	t	i		C	i	t	y			

Form Type

A	A	C	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

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



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.

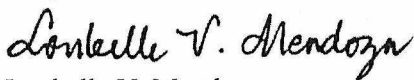


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Partner

CPA Certificate No. 115161

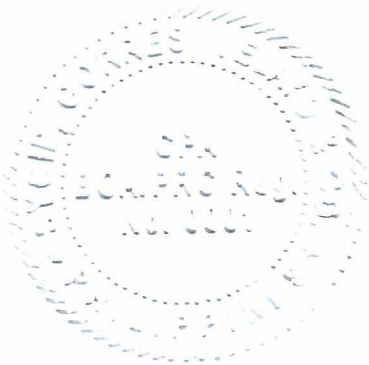
Tax Identification No. 301-422-247

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										Non-controlling Interests (Note 6)	Total Equity
	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)		Treasury Shares (Notes 1 and 19)	Total		
							Appropriated	Unappropriated				
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)		Treasury Shares (Notes 1 and 19)	Total	Non-controlling Interests (Note 6)	Total Equity
							Appropriated	Unappropriated				
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										
	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)	Retained Earnings (Note 19)		Treasury Shares (Notes 1 and 19)	Total	Non-controlling Interests (Note 6)	Total Equity
						Appropriated	Unappropriated				
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.



ROCKWELL LAND CORPORATION AND SUBSIDIARIES

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

Basis of Preparation

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.

Statement of Compliance

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 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.

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 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	(P71,556)	(P80,445)
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 P2,409.0 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	P1,715,107	P3,342,892
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	P1,166,412	P2,948,606
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 P367.1 million and paid dividends to non-controlling interest holder amounting to P150.6 million.

In 2023, RCDC redeemed voting preferred shares of the Parent Company and non-controlling interest holder amounting to P585.3 million resulting to 70.0% ownership interest by RLC, and paid dividends to non-controlling interest holder amounting to P279.2 million.

In 2022, RCDC redeemed voting preferred shares of non-controlling interest holder amounting to P534.0 million which resulted to 71.6% ownership interest by RLC, and paid dividends to non-controlling interest holder amounting to P275.4 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					Total
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	
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					Total
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	
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:

- 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.
- 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
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 contract 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 fulfillment assets. The Group determined whether or not the contract fulfillment 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:

Net Pension Costs

	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

Net Pension Liability

	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	(P1,291,694)	(P1,416,158)
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
	(P1,210,147)	(P1,219,343)

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	P13,194
2021	2026	75,946
2022	2025	79,792
2023	2026	63,867
2024	2027	175,022
		P407,721

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	Terms	Conditions
					Owed from (to) Related Parties		
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			
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)	On demand; non-interest-bearing	Unsecured; no impairment
			2023	(91,834)	43,464		
			2022	—	—		
		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. Financial 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				Total
	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	₱3,879,578	₱4,321,804	₱2,458,837	₱11,126,272	₱21,786,491
<i>Floating Rate</i>					
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				Total
	Within 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<i>Fixed Rate</i>					
Interest-bearing loans and borrowings	₱2,255,445	₱2,371,545	₱4,820,261	₱10,930,029	₱20,377,280
<i>Floating Rate</i>					
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)	
	+100 basis points	-100 basis points
Change in basis points		
Floating rate borrowings	(62,496)	62,496
	2023 Effect on income before income tax increase (decrease)	
	+100 basis points	-100 basis points
Change in 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						Total
	Current	Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	Impaired Financial Assets	
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	P4,251,289	P-	P-	P-	P-	P-	P4,251,289
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
	P5,327,570	P49,174	P10,912	P6,392	P53,904	P-	P5,447,952

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 P53.6 billion and P56.4 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	P15,885,441	P863,313	P650,291

	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	P14,943,859	P698,774	P532,670

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*	P-	P6,382,420	P-	P-	P6,382,420
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
	P-	P8,873,835	P5,421,146	P391,577	P46,240,785

	2023				
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due After 12 Months	Total
Trade and other payables*	P-	P6,697,185	P-	P-	P6,697,185
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
	P-	P7,782,477	P4,240,894	P28,906,293	P40,929,664

*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	P1,545,948	P2,441,006	P-	P-	P-	P3,986,954
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
	P2,540,267	P2,515,113	P38,698	P14,778	P16,446,262	P21,555,117

	2023					
	On Demand	Within 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Cash and cash equivalents	P1,285,495	P2,965,794	P-	P-	P-	P4,251,289
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	-	P2,729	1,194	598	15,343,529	15,348,050
Investment in equity instruments at FVOCI	-	-	-	-	61,549	61,549
	P1,992,366	P3,017,697	P12,106	P6,990	P15,458,982	P20,488,141



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
	<u>(₱49,799)</u>

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
	<i>(In Thousands, Except Numbers of Shares and Per Share Data)</i>		
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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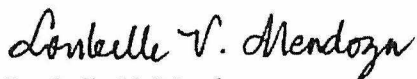
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

Partner

CPA Certificate No. 115161

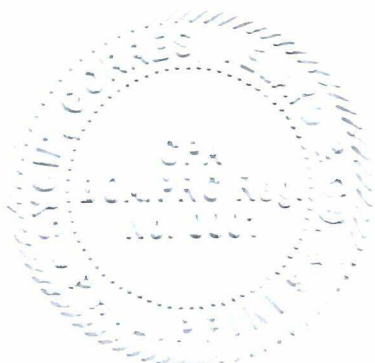
Tax Identification No. 301-422-247

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



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

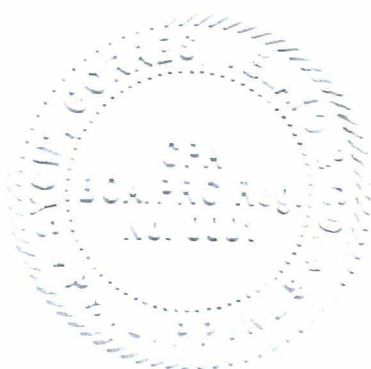
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BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

March 26, 2025



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
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%	6	5/31/2026
				5.94%	6	6/29/2026
				6.03%	6	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%	8	11/22/2026
				5.56%		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%	8	1/20/2027
				5.26%	12	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%	13	2/10/2028
				5.36%	15	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%	21	2/22/2030
				5.04%		
				3.44%		
				3.75%		
				4.61%		
				4.31%		
Philippine Peso, 10-year fixed rate notes due 2030	3,000,000,000	187,200,000	2,298,000,000	4.37%	21	2/22/2030
				4.52%		2/22/2030
				5.30%		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%	32	12/14/2032
				6.14%		
Philippine Peso, 10-year fixed rate notes due 2026	1,000,000,000	90,400,000	322,600,000	5.69%	6	6/17/2026
				6.24%		
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%	26	6/24/2031
				6.88%	28	12/17/2031
Philippine Peso, 1-year fixed rate notes due 2025	1,800,000,000	1,800,000,000	-	5.80%	1	2/26/2025
				6.00%		3/10/2025
				5.60%		
				5.65%		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%	1	12/31/2027
				7.41%		
				3.57%		
Philippine Peso, 5-year fixed rate notes due 2027	67,000,000	-	67,000,000	7.57%	1	12/31/2027
				7.66%		

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

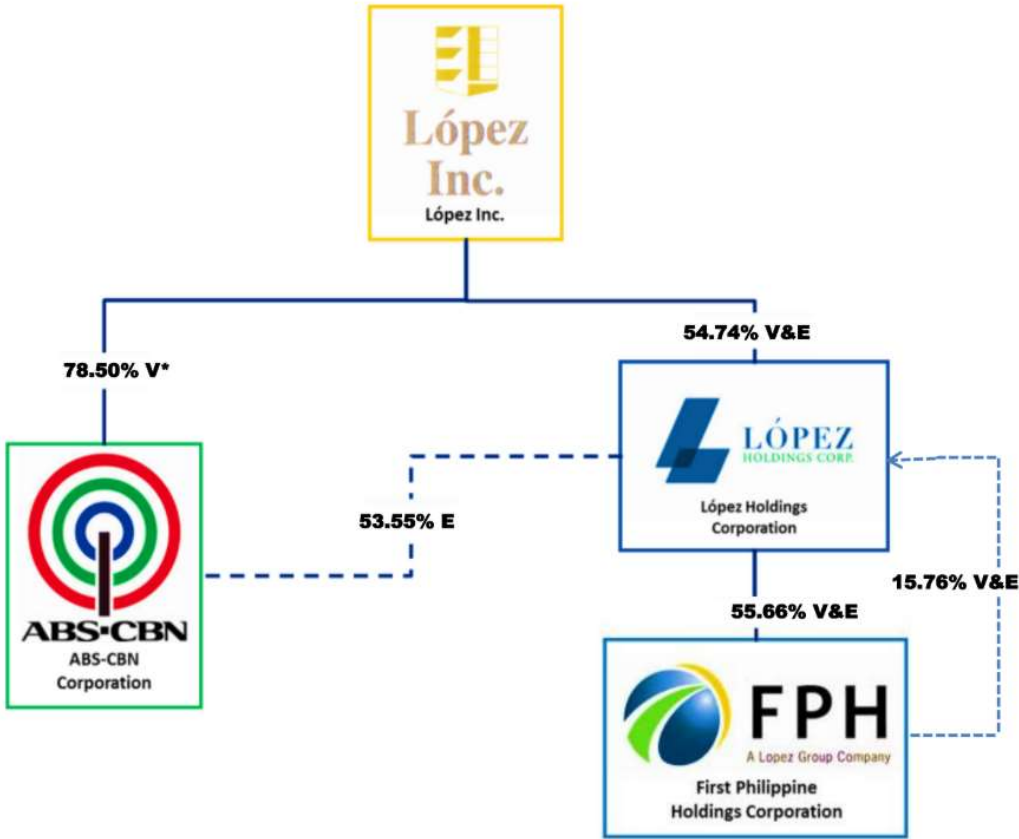
Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Common Shares	8,890,000,000	6,116,762,198(a)	44,489,000	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

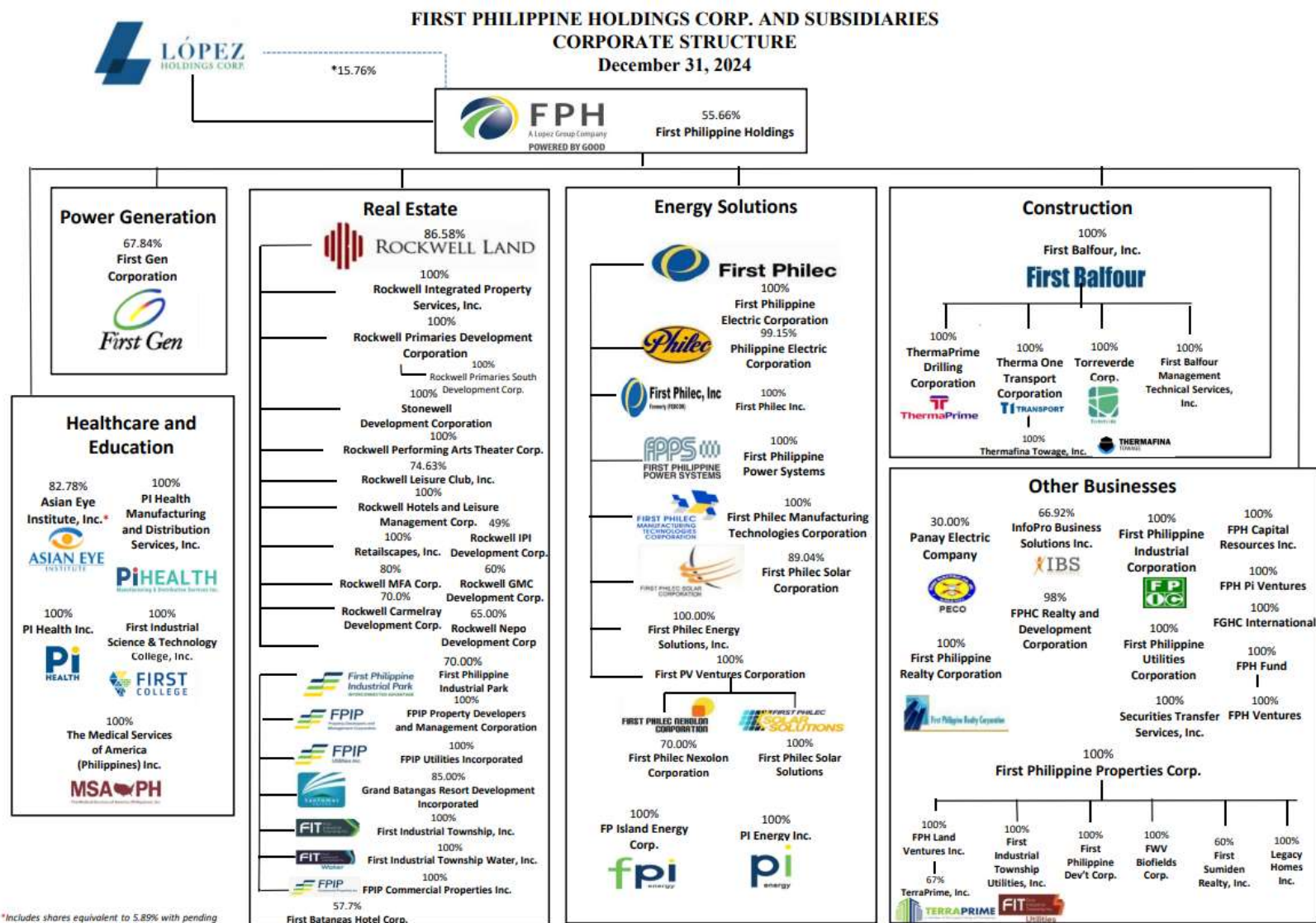
ROCKWELL LAND CORPORATION AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION
December 31, 2024
Amount in thousands

		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		<u>3,851,151</u>
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		<u>—</u>
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		<u>(725,309)</u>
Total retained earnings, end of the reporting period available for dividend		<u>₱6,062,206</u>

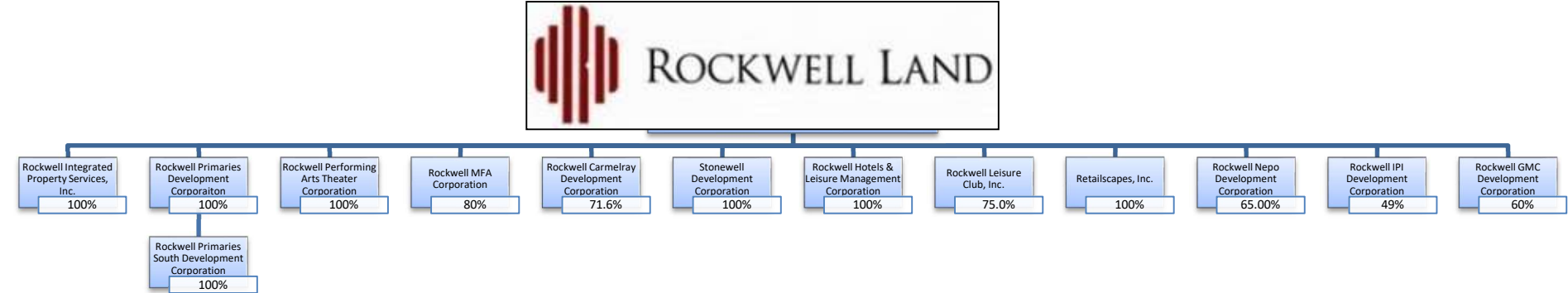
ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP(A)
December 31, 2024



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



Report of the Audit Committee
(For the year ended December 31, 2024)

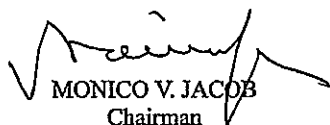
The Audit Committee's roles and responsibilities are defined in the Corporate Governance Manual of Rockwell Land Corporation and the Audit Committee Charter. We assist the Board of Directors in fulfilling its oversight responsibility to the shareholders relating to: a) Integrity of financial statements 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:	
<i>a. Operating Costs</i>	10,737
<i>b. Employee Wages & Benefits</i>	1,459
<i>c. Payments to Provider of Capitals</i>	1,736
<i>d. Payments of Dividends to Stockholders</i>	624
<i>e. Payments to Government</i>	1,584
<i>f. Community Investments</i>	8

Climate-related risks and opportunities¹

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
<i>Cement</i>	27.1
<i>Rebars</i>	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 m ³)	Water Utilized (in m ³)	Water Recycled and Reused (in m ³)	Effluent: Water Discharge (in m ³)
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

Management Approach:

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

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

6	2	8	9	3					

COMPANY NAME

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

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

2	F		8		R	o	c	k	w	e	l	l	,		H	i	d	a	L	g	o		D	r	i	v	e	,		
R	o	c	k	w	e	l	l		C	e	n	t	e	r	,		M	a	k	a	t	i		C	i	t	y			

Form Type

A	A	C	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

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)
45,456	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



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, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Notes 2 and 3 to the consolidated financial statements.

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.

Emphasis of Matter

We draw attention to Notes 2 and 3 to the consolidated financial statements which indicate that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2023 consolidated financial statements are discussed in detail in Note 3. Our opinion is not modified in respect of this matter.



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 and (2) 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.

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 inspector as approved by the project engineer 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

We obtained an understanding of the Group's revenue recognition process.

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 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 obtained the certified POC reports and performed test of relevant controls. 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, 2023, 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, 2023 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 PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Notes 2 and 3 to the consolidated financial statements, 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 accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Notes 2 and 3 to the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

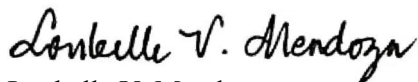


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-145-2021, August 11, 2021, valid until August 10, 2024

PTR No. 10079978, January 6, 2024, Makati City

April 3, 2024



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

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 28 and 29)	₱4,251,289	₱3,517,752
Trade and other receivables (Notes 8, 16, 20, 26, 28 and 29)	1,127,495	3,917,432
Contract assets (Notes 8, 20 and 28)	9,237,501	12,024,821
Real estate inventories (Notes 9, 11 and 12)	24,411,338	17,981,211
Advances to contractors (Note 9)	2,000,280	1,814,366
Other current assets (Notes 10, 28 and 29)	3,838,097	3,481,948
Total Current Assets	44,866,000	42,737,530
Noncurrent Assets		
Investment properties (Notes 9, 11, 12 and 16)	14,624,071	14,666,614
Property and equipment (Notes 9, 11 and 12)	2,648,963	2,154,070
Investments in joint venture and associate (Note 13)	5,726,874	5,878,073
Contract assets - net of current portion (Notes 8, 20 and 28)	6,110,549	3,745,457
Investment in equity instruments at fair value through other comprehensive income (FVOCI) (Notes 14, 28 and 29)	61,549	36,711
Deferred tax assets - net (Note 25)	59,238	107,405
Other noncurrent assets (Notes 11, 12, 22, 26, 28 and 29)	499,803	328,015
Total Noncurrent Assets	29,731,047	26,916,345
	₱74,597,047	₱69,653,875
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 9, 13, 15, 17, 20, 24 and 28)	₱9,730,914	₱9,500,352
Current portion of interest-bearing loans and borrowings (Notes 11, 16, 26, 28 and 29)	2,812,449	2,833,346
Subscription payable (Note 13)	367,150	1,179,150
Income tax payable	160,414	24,997
Total Current Liabilities	13,070,927	13,537,845
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Notes 11, 16, 26, 28 and 29)	23,031,839	22,260,138
Deferred tax liabilities - net (Note 25)	1,219,343	1,475,856
Subscription payable - net of current portion (Note 13)	2,355,410	1,743,410
Lease liabilities - net of current portion (Notes 15, 27 and 28)	663,600	649,569
Pension liability - net (Note 24)	84,762	72,043
Deposits and other liabilities (Notes 15, 17, 28 and 29)	1,876,456	2,352,407
Total Noncurrent Liabilities	29,231,410	28,553,423
Total Liabilities	₱42,302,337	₱42,091,268

(Forward)



	December 31	
	2023	2022
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)	45,580	20,580
Other equity adjustments (Note 19)	540,323	540,323
Share-based payments (Note 18)	69,700	69,700
Retained earnings (Note 19):		
Appropriated	14,700,000	11,700,000
Unappropriated	6,530,847	6,974,257
	28,185,682	25,604,092
Less cost of treasury shares (Notes 1 and 19)	185,334	185,334
Total Equity Attributable to Equity Holders of the Parent Company	28,000,348	25,418,758
Non-controlling interests (Note 6)	4,294,362	2,143,849
Total Equity	32,294,710	27,562,607
	₱74,597,047	₱69,653,875

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		
	2023	2022	2021
REVENUES			
Revenue from sale of real estate (Note 20)	₱11,914,442	₱11,382,413	₱8,925,994
Lease income (Note 11)	2,256,045	1,889,427	1,227,788
Interest income (Notes 7, 8 and 21)	2,057,077	1,477,459	1,482,381
Others (Notes 5 and 20)	2,283,447	1,758,665	1,087,540
	18,511,011	16,507,964	12,723,703
EXPENSES			
Cost of real estate (Notes 5, 9, 11 and 22)	9,434,611	9,268,529	6,896,070
General and administrative expenses (Notes 11, 12, 13, 22, 23 and 24)	2,392,675	2,067,051	1,668,777
Selling expenses (Notes 22 and 23)	1,223,438	960,372	931,906
	13,050,724	12,295,952	9,496,753
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	5,460,287	4,212,012	3,226,950
OTHER INCOME (EXPENSES)			
Interest expense (Notes 16, 17, 22 and 27)	(1,599,014)	(1,213,289)	(1,141,452)
Share in net income of joint venture and associate (Note 13)	465,711	375,628	368,273
Foreign exchange gain (loss) – net	(2,941)	17,979	12,312
	(1,136,244)	(819,682)	(760,867)
INCOME BEFORE INCOME TAX	4,324,043	3,392,330	2,466,083
PROVISION FOR INCOME TAX (Note 25)	924,491	798,254	257,450
NET INCOME	3,399,552	2,594,076	2,208,633
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on employee benefits (Note 24)	(131,668)	155,623	75,358
Fair value gain on equity instruments designated at FVOCI (Note 14)	25,000	6,361	–
Income tax effect	36,663	(35,108)	(36,425)
	(70,005)	126,876	38,933
TOTAL COMPREHENSIVE INCOME	₱3,329,547	₱2,720,952	₱2,247,566
Net Income Attributable To			
Equity holders of the Parent Company	₱3,113,226	₱2,301,911	₱1,640,936
Non-controlling interests	286,326	292,165	567,697
	₱3,399,552	₱2,594,076	₱2,208,633
Total Comprehensive Income Attributable To			
Equity holders of the Parent Company	₱3,043,221	₱2,428,787	₱1,679,869
Non-controlling interests	286,326	292,165	567,697
	₱3,329,547	₱2,720,952	₱2,247,566
Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 30)			
Basic	₱0.5087	₱0.3761	₱0.2680
Diluted	₱0.5087	₱0.3761	₱0.2679

See accompanying Notes to Consolidated Financial Statements.



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(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)	Retained Earnings (Note 19)		Treasury Shares (Notes 1 and 19)	Total	Non-controlling Interests (Note 6)	Total Equity
						Appropriated	Unappropriated				
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
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 income (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

(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)	Retained Earnings (Note 19)		Treasury Shares (Notes 1 and 19)	Total	Non-controlling Interests (Note 6)	Total Equity
						Appropriated	Unappropriated				
Balance at December 31, 2020	₱6,270,882	₱28,350	₱14,219	₱540,323	₱69,700	₱9,700,000	₱5,419,654	(₱185,334)	₱21,857,794	₱3,003,974	₱24,861,768
Net income	—	—	—	—	—	—	1,640,936	—	1,640,936	567,697	2,208,633
Other comprehensive loss (Notes 14 and 24)	—	—	—	—	—	—	38,933	—	38,933	—	38,933
Total comprehensive income	—	—	—	—	—	—	1,679,869	—	1,679,869	567,697	2,247,566
Cash dividends (Note 19)	—	—	—	—	—	—	(217,572)	—	(217,572)	—	(217,572)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	—	—	—	—	—	—	—	—	—	(676,332)	(676,332)
Subsidiary's payment of dividends to non- controlling interests (Note 6)	—	—	—	—	—	—	—	—	—	(234,257)	(234,257)
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

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱4,324,043	₱3,392,330	₱2,466,083
Adjustments for:			
Interest income (Notes 7, 8 and 21)	(2,057,077)	(1,477,459)	(1,482,381)
Interest expense (Notes 16, 17, 22 and 27)	1,599,014	1,213,289	1,141,452
Depreciation and amortization (Notes 11, 12 and 22)	840,789	755,738	762,755
Share in net income of joint venture and associate (Note 13)	(465,711)	(375,628)	(368,272)
Pension expense, net of contributions (Note 24)	(118,949)	(6,265)	22,271
Provision for disallowance of claim for refund (Note 22)	17,544	—	8,500
Unrealized foreign exchange loss (gain) - net	2,941	(17,979)	(12,312)
Operating income before working capital changes	4,142,594	3,484,026	2,538,096
Decrease (increase) in:			
Trade and other receivables	4,838,135	3,490,329	(455,008)
Contract assets	422,228	(3,199,719)	1,628,360
Real estate inventories	(4,252,701)	(175,816)	(1,683,020)
Advances to contractors	(185,914)	(97,188)	(146,464)
Other current assets	(356,149)	(759,232)	(574,223)
Increase (decrease) in:			
Trade and other payables	299,458	2,523,135	(323,204)
Deposits and other liabilities	(331,818)	359,205	206,712
Net cash generated from operations	4,575,833	5,624,740	1,191,249
Income taxes paid	(1,149,627)	(996,256)	(183,491)
Interest received	216,879	64,215	52,842
Net cash provided by operating activities	3,643,085	4,692,699	1,060,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Investment properties (Note 11)	(675,350)	(304,570)	(531,115)
Property and equipment (Note 12)	(274,559)	(236,606)	(466,084)
Investment in associate (Note 13)	—	—	(634,446)
Dividends received (Note 13)	416,045	490,479	304,220
Decrease in investment in joint venture (Note 13)	200,865	53,200	—
Decrease in other noncurrent assets	(189,170)	141,830	260,679
Net cash provided by (used in) investing activities	(522,169)	144,333	(1,066,746)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of loans and borrowings (Note 16)	3,500,000	2,828,600	11,596,000
Payments of:			
Interest-bearing loans and borrowings (Note 16)	(2,746,008)	(4,507,278)	(9,504,580)
Dividends (Note 19)	(461,631)	(330,120)	(217,572)
Lease liabilities (Notes 15 and 27)	(38,986)	(37,663)	(36,401)
Debt issue cost (Note 16)	(26,250)	(15,803)	(61,470)
Interest paid	(1,547,094)	(1,162,548)	(1,091,712)
Subsidiary's redemption of preferred shares from non-controlling interests (Note 6)	(585,281)	(534,004)	(676,332)
Subsidiary's payment of dividends to non-controlling interests (Note 6)	(279,188)	(275,394)	(234,257)
Payment of subscription payable (Note 6)	(200,000)	(80,000)	(200,000)
Benefits paid (Note 24)	—	(7,913)	—
Net cash used in financing activities	(2,384,438)	(4,122,123)	(426,324)
EFFECT OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	(2,941)	17,979	12,312
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	733,537	732,888	(420,158)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,517,752	2,784,864	3,205,022
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	₱4,251,289	₱3,517,752	₱2,784,864

See accompanying Notes to Consolidated Financial Statements.



ROCKWELL LAND CORPORATION AND SUBSIDIARIES

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, 2023 and 2022, 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 April 3, 2024.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

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.

Statement of Compliance

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

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

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



The details and the impact of the adoption of the above financial reporting reliefs are discussed in Note 3.

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

Basis of Consolidation

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

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the 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		
		2023	2022	2021
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	75.0	75.1
Rockwell Carmelray Development Corporation (RCDC, formerly Carmelray Property Holdings, Inc.)	Real estate development	70.0	71.6	63.1
Rockwell GMC Development Corporation (RGDC)*	Real estate development	60.0	—	—

*A subsidiary incorporated in 2023

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 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

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

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

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



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

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

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

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

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

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

The amendment is currently not applicable to the Group.

Standards Issued but not yet Effective

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



Effective beginning on or after January 1, 2024

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

The amendments clarify:

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

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

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

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

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

- 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.

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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

Deferred effectivity

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

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

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

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

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

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

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



On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

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

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

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

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

The Group availed of the SEC relief to defer the above specific provision of PIC Q&A No. 2018-12-D on determining whether the transaction price includes a significant financing component. Had this provision been adopted, the mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. The Group elected to adopt the guidance using the modified retrospective approach. The adoption of this guidance will impact interest income, interest expense, revenue from real estate sales, installment contracts receivable or contract assets, provision for deferred income tax, deferred tax asset or liability, and the balance of retained earnings as of January 1, 2024. The Group has assessed that the mismatch constitutes a significant financing component for its contracts to sell and is currently finalizing the quantification of the impact to its consolidated financial statements.

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



4. 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, 2023 and 2022.

- *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, 2023 and 2022.

- *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, 2023 and 2022.

- *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, 2023 and 2022.

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.

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.

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 statement 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 (included in “Property and equipment” and “Investment properties” accounts in the consolidated statement of financial position). 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 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 ₱11,914.4 million, ₱11,382.4 million and ₱8,926.0 million in 2023, 2022 and 2021, respectively, while room, cinema and other revenues recognized at a point in time amounted to ₱2,283.4 million, ₱1,758.7 million and ₱1,087.5 million in 2023, 2022 and 2021, respectively (see Note 20).

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 adjustments recognized amounted to ₱772.3 million in 2023, ₱544.2 million in 2022 and ₱418.6 million in 2021.

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 ₱2,256.0 million, ₱1,889.4 million and ₱1,227.8 million in 2023, 2022 and 2021, 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 and 2021. 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 and 2021 amounting to ₱84.9 million and ₱456.5 million, respectively (nil in 2023) (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 38.49% and 41.21% of Rockwell Nepo Development Corporation (RNDC), formerly NepWell Property Management, Inc., as at December 31, 2023 and 2022, respectively. 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 2023, 2022 and 2021.

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 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 ₱11,914.4 million, ₱11,382.4 million and ₱8,926.0 million in 2023, 2022 and 2021, 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 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 ₱24,411.3 million and ₱17,981.2 million as at December 31, 2023 and 2022, 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 2023, 2022 and 2021.

Investment properties, net of accumulated depreciation, (excluding land and investment properties in progress) amounted to ₱11,417.7 million and ₱11,403.6 million as at December 31, 2023 and 2022, respectively (see Note 11).

Property and equipment, net of accumulated depreciation and amortization, (excluding land and construction in progress) amounted to ₱1,867.3 million and ₱1,163.4 million as at December 31, 2023 and 2022, 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:

	2023	2022
Investment properties (see Note 11)	₱14,624,071	₱14,666,614
Property and equipment (see Note 12)	2,648,963	2,154,070
Investments in joint venture and associate (see Note 13)	5,726,874	5,878,073
Advances to contractors (see Notes 11 and 12)	86,614	202,921

The fair value of the investment properties amounted to ₱32.2 billion and ₱30.7 billion as at December 31, 2023 and 2022, respectively (see Note 11).

The Group has considered and assessed that the Group's nonfinancial assets are not impaired. As at December 31, 2023 and 2022, no other impairment indicators were identified for the Group's nonfinancial assets.

No impairment loss was recognized in 2023, 2022 and 2021.

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 ₱59.2 million and ₱107.4 million as at December 31, 2023 and 2022, respectively. Deductible temporary difference, NOLCO and MCIT for which no deferred tax assets have been recognized amounted to ₱4.1 million as at December 31, 2022 (nil as at December 31, 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 ₱84.8 million and ₱72.0 million as at December 31, 2023 and 2022, 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. 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.

Non-controlling interest in RGDC amounted to ₱2,711.4 million as at December 31, 2023, after recognizing non-controlling interest in net loss of RGDC amounting to ₱17.3 million in 2023.

b. 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:

	2023	2022
Current assets	₱3,342,892	₱6,081,905
Noncurrent assets	186,655	196,530
Current liabilities	812,675	1,138,619
Noncurrent liabilities	347,359	640,304
Revenues	1,760,580	1,906,447
Total comprehensive income	535,508	480,564
	2023	2022
Cash flows:		
Operating	₱2,948,606	₱1,406,276
Financing	(2,665,507)	(713,799)

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.

Non-controlling interest in RCDC amounted to ₱980.1 million and ₱1,609.4 million as at December 31, 2023 and 2022, respectively.

c. 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, 2023 and 2022, the Parent Company owns 80% interest in Rock MFA.

Non-controlling interest in Rock MFA amounted to ₱537.7 million, ₱472.8 million and ₱379.3 million as at December 31, 2023, 2022 and 2021, respectively.

7. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand and in banks	₱1,285,495	₱980,792
Short-term investments	2,965,794	2,536,960
	₱4,251,289	₱3,517,752

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 ₱216.9 million, ₱22.9 million and ₱6.3 million in 2023, 2022 and 2021 respectively (see Note 21).

8. Trade and Other Receivables and Contract Assets

Trade and other receivables consist of:

	2023	2022
Trade receivables from:		
Sale of real estate (see Note 20)	₱294,583	₱3,278,946
Lease	532,670	406,312
Due from related parties (see Note 26)	75,960	145,527
Subscriptions receivable (see Note 26)	208,000	–
Advances to officers and employees (see Note 26)	29,891	46,947
Others	11,570	65,427
	1,152,674	3,943,159
Less allowance for ECLs	25,179	25,727
	₱1,127,495	₱3,917,432



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. The fair value at initial recognition is derived using discounted cash flow model.

As of December 31, contract assets consist of:

	2023	2022
Current	₱9,237,501	₱12,024,821
Noncurrent	6,110,549	3,745,457
	₱15,348,050	₱15,770,278

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, 2023, 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 ₱12,033.7 million and ₱11,611.5 million, respectively. As at December 31, 2022, 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 ₱3,279.0 million and ₱6,479.0 million, respectively (see Note 20).

Interest income earned from sale of real estate amounted to ₱1.8 billion, ₱1.4 billion and ₱1.4 billion in 2023, 2022 and 2021, respectively (see Note 21). Unamortized unearned interest on these receivables and contract assets amounted to ₱4.1 billion and ₱3.6 billion as at December 31, 2023 and 2022, respectively.

Movements in unearned interest on trade receivables from sale of real estate and contract assets follow:

	2023	2022
Trade receivables/contract assets at nominal amount	₱19,748,927	₱22,694,430
Less unearned interest:		
Balance at beginning of year	3,645,206	3,336,872
Unearned interest	2,261,050	1,721,578
Amortization (see Note 21)	(1,799,962)	(1,413,244)
Balance at end of year	4,106,294	3,645,206
Trade receivables/contract assets at discounted amount	₱15,642,633	₱19,049,224

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:

	2023			2022		
	Trade Receivables from Lease	Others	Total	Trade Receivables from Lease	Others	Total
Balance at beginning of year	₱9,594	₱16,133	₱25,727	₱15,690	₱18,833	₱34,523
Reversal (see Note 22)	(2,944)	–	(2,944)	(6,096)	(2,700)	(8,796)
Provision (see Note 22)	–	2,396	2,396	–	–	–
Balance at end of year	₱6,650	₱18,529	₱25,179	₱9,594	₱16,133	₱25,727

9. Real Estate Inventories

This account consists of:

	2023	2022
Land and development costs	₱15,260,561	₱11,931,384
Land held for future development and other developments costs (see Note 26)	8,339,691	4,920,448
Condominium units for sale	811,086	1,129,379
	₱24,411,338	₱17,981,211

The rollforward analysis of this account follows:

	2023	2022
At January 1	₱17,981,211	₱17,243,928
Construction/development costs incurred (see Note 27)	8,230,153	5,414,704
Cost of real estate sold (shown as part of “Cost of real estate” account in the consolidated statements of comprehensive income)	(8,061,449)	(8,208,501)
Land acquired	6,604,653	2,969,613
Transfers to property and equipment (see Note 12)	(460,299)	(134,250)
Transfers from investment properties (see Note 11)	117,069	695,717
Balance at end of year	₱24,411,338	₱17,981,211

As at December 31, 2023 and 2022, land held for future development and other development costs mainly pertain to land acquisitions in Metro Manila and certain provinces.

As at December 31, 2023 and 2022, condominium units for sale pertains to unsold units of various completed projects.

As at December 31, 2023 and 2022, 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 ₱4,777.4 million and ₱6,364.5 million as at December 31, 2023 and 2022, respectively.

Estimated cost to complete various on-going projects expected to be completed until year 2028 amounted to ₱16.9 billion and ₱22.3 billion as at December 31, 2023 and 2022, respectively.

10. Other Current Assets

This account consists of:

	2023	2022
Creditable withholding tax	₱1,671,088	₱1,555,700
Input VAT	926,979	973,915
Prepaid costs (see Note 20)	728,050	537,224
Deposit for land acquisition (see Note 26)	158,676	—
Restricted cash	155,944	250,285
Refundable deposits	96,045	88,215
Supplies	56,647	18,649
Others	44,668	57,960
	₱3,838,097	₱3,481,948

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, 2023 and 2022, 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:

	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

(Forward)



2023					
	Land	Buildings and Improvements	Right-of-use Assets	Investment Properties in Progress	Total
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
2022					
	Land	Buildings and Improvements	Right-of-use Assets	Investment Properties in Progress	Total
At January 1, 2022, net of accumulated depreciation and amortization	₱2,930,648	₱10,703,212	₱478,682	₱521,554	₱14,634,096
Additions to construction (see Note 27)	—	282,892	—	21,678	304,570
Transfers (to) from real estate inventories (see Note 9)	(356,900)	(51,034)	—	(287,783)	(695,717)
Transfers (to) from property and equipment (see Note 12)	229,781	90,414	—	619,337	939,532
Reclassification	—	415,276	—	(415,276)	—
Depreciation and amortization (see Note 22)	—	(500,599)	(15,268)	—	(515,867)
At December 31, 2022, net of accumulated depreciation and amortization	₱2,803,529	₱10,940,161	₱463,414	₱459,510	₱14,666,614
At January 1, 2022:					
Cost	₱2,930,648	₱14,677,710	₱524,486	₱521,554	₱18,654,398
Accumulated depreciation and amortization	—	(3,974,498)	(45,804)	—	(4,020,302)
Net carrying amount	₱2,930,648	₱10,703,212	₱478,682	₱521,554	₱14,634,096
At December 31, 2022:					
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

Investment properties are carried at cost. Investment properties consist of the “Power Plant” Mall (₱3.1 billion and ₱3.2 billion as at December 31, 2023 and 2022, respectively), other investment properties held for lease within and outside Rockwell Center (₱11.0 billion and ₱10.9 billion as at December 31, 2023 and 2022, respectively) and land held for appreciation (₱539.7 million as at December 31, 2023 and 2022).

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 ₱46.2 million in 2022 (nil in 2023) (see Note 16). Average capitalization rate used for this ongoing project is 4.82% in 2022.

Amortization of discount on retention payable, capitalized as part of construction costs, amounted to nil and ₱1.8 million in 2023 and 2022 (see Note 17).

As at December 31, 2023 and 2022, advances to contractors, included under “Other noncurrent assets” account in the consolidated statements of financial position, amounting to ₱80.8 million and ₱165.4 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 ₱2,256.0 million, ₱1,889.4 million and ₱1,227.8 million in 2023, 2022 and 2021, respectively. Direct operating expenses incurred amounted to ₱526.8 million, ₱433.6 million and ₱399.5 million in 2023, 2022 and 2021, respectively.

As a consequence of the COVID-19 pandemic, the Group provided certain rent concessions to its tenants of commercial spaces in the form of lease payment holidays and lease reduction from March 2020 to December 31, 2022. The Group accounted for the rent concessions as not a lease modification. The rent concessions resulted to reduction in rental income amounting to ₱84.9 million and ₱456.5 million in 2022 and 2021, respectively (nil in 2023).

The aggregate fair value of the Group's Power Plant Mall amounted to ₱12.8 billion and ₱12.6 billion as at December 31, 2023 and 2022, respectively. The aggregate fair value of other investment properties held for lease within and outside Rockwell Center and land held for appreciation amounted to ₱19.3 billion and ₱18.1 billion as at December 31, 2023 and 2022, respectively.

The fair value as at December 31, 2023 and 2022 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:

	2023					Total
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	
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

	2022					Total
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	
Cost						
At January 1	₱779,395	₱2,064,217	₱2,159,092	₱383,130	₱919,188	₱6,305,022
Additions	—	43,631	108,489	77,487	6,999	236,606
Transfers (to) from real estate inventories (see Note 9)	134,250	—	—	—	—	134,250
Transfers to investment properties (see Note 11)	(229,781)	(90,414)	—	—	(619,337)	(939,532)
Reclassification	—	—	(1,685)	(73,193)	—	(74,878)
At December 31	683,864	2,017,434	2,265,896	387,424	306,850	5,661,468
Accumulated Depreciation and Amortization						
At January 1	—	1,177,204	1,833,114	332,087	—	3,342,405
Depreciation and amortization (see Note 22)	—	102,447	111,651	25,773	—	239,871
Disposals	—	—	(1,685)	(73,193)	—	(74,878)
At December 31	—	1,279,651	1,943,080	284,667	—	3,507,398
Net Book Value at December 31	₱683,864	₱737,783	₱322,816	₱102,757	₱306,850	₱2,154,070

As at December 31, 2023 and 2022, advances to contractors, included under “Other noncurrent assets” account in the consolidated statements of financial position, amounting to ₱5.8 million and ₱37.6 million, respectively, primarily pertain to advances related to the development of “Mactan Hotel”.

13. Investments in Joint Venture and Associate

This account consists of:

	2023	2022
Investment in:		
Joint venture	₱4,922,842	₱5,116,073
Associate	804,032	762,000
	₱5,726,874	₱5,878,073



The details and movement in investments in joint venture and associate are as follows:

	2023	2022
Cost:		
Balance at beginning of year	₱5,512,549	₱3,047,339
Additional investment	–	2,518,410
Return of investment	(200,865)	(53,200)
	5,311,684	5,512,549
Accumulated share in net income:		
Balance at beginning of year	365,524	480,376
Share in net income	465,711	375,618
Dividend distribution	(416,045)	(490,470)
Balance at end of year	415,190	365,524
Carrying value	₱5,726,874	₱5,878,073

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:

- 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.
- 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. Out of the accrued subscription, ₱775.0 million will be paid in 2023 while the remaining will be paid within 1 year based on the terms of the JVA. In 2023, the subscription payment was revised depending on the cashflow requirements for the project development with ₱163.0 million to be paid in 2024.



RIDC's statements of financial position include the following:

	2023	2022
Current assets	₱2,476,514	₱2,994,954
Noncurrent assets	4,036,569	3,457,179
Current liabilities	67,450	32,657
Noncurrent liabilities	156,223	157,688
Cash and cash equivalents	596,680	521,188
Real estate inventories	1,698,108	1,590,569

RIDC's statements of comprehensive income include the following:

	2023	2022
Revenue (including interest income on cash in banks)	₱34,412	₱600
Costs and expenses	3,084	47,461
Provision for (benefit from) deferred income tax	3,704	(11,828)
Total comprehensive income (loss)	27,624	(35,033)

The carrying value of the Parent Company's investment in RIDC amounted ₱3.1 million and ₱3.1 million as at December 31, 2023 and 2022, respectively. Share in net income (loss) of RIDC, recognized as part of "Share in net income of joint venture and associate", amounted to ₱13.8 million and (₱17.4) in 2023 and 2022, respectively.

Below is the reconciliation of the summarized financial information of RIDC to the carrying amount of the Parent Company's investment therein:

	2023	2022
Net assets of RIDC	₱6,289,410	₱6,261,788
Interest of the Parent Company in the net assets of RIDC	50%	50%
Carrying amount of investment in RIDC	₱3,144,705	₱3,130,894

As at December 31, 2023 and 2022, RIDC has no commitments and contingencies.

RIDC is not considered as a material investment in joint venture by the Parent Company in 2021.

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 ₱9.9 million, ₱7.5 million and ₱4.4 million in 2023, 2022 and 2021, 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:

	2023	2022
Current assets	₱885,034	₱974,122
Noncurrent assets	2,089,612	2,288,408
Current liabilities	197,349	74,441
Noncurrent liabilities	237,101	352,116
Cash and cash equivalents	511,589	579,315
Current financial liabilities (excluding trade and other payables and provisions)	47,579	44,850
Noncurrent financial liabilities (excluding trade and other payables and provisions)	341,798	332,415

The joint venture’s statements of comprehensive income include the following:

	2023	2022	2021
Revenue	₱1,162,746	₱1,113,797	₱1,062,447
Cost and expenses	263,228	247,843	207,013
Depreciation and amortization expense	212,157	211,461	212,191
Interest income	23,225	8,702	2,039
Provision for income tax	125,062	116,318	112,788
Total comprehensive income/net income	585,524	546,877	532,493



The carrying value of the Parent Company's investment in joint venture consists of:

	2023	2022
Cost:		
Balance at beginning of year	₱1,612,461	₱1,665,661
Return of investment*	(200,865)	(53,200)
	1,411,596	1,612,461
Accumulated share in net income:		
Balance at beginning of year	372,719	480,376
Share in net income**	409,867	382,813
Dividend distribution	(416,045)	(490,479)
Balance at end of year	366,541	372,719
Carrying value	₱1,778,137	₱1,985,180

*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:

	2023	2022
Net assets of the unincorporated JV	₱2,540,196	₱2,835,973
Interest of the Parent Company in the net assets of the unincorporated JV	70%	70%
Carrying amount of investment in joint venture	₱1,778,137	₱1,985,181

As at December 31, 2023 and 2022, 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.



As at December 31, 2023 and 2022, the Parent Company made a partial payment of the subscription price amounting to ₱200.0 million and ₱80.0 million, respectively, while the remaining unpaid subscription of the Parent Company in RNDC amounting to ₱204.2 million and ₱404.2 million, respectively, is recognized as subscription payable in the consolidated statements financial position (see Note 13).

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 and 2022, the Group's investment in RNDC amounted to ₱804.0 million and ₱762.0 million, respectively. 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.

14. Investment in Equity Instruments at FVOCI

As at December 31, this account consists of:

	2023	2022
Quoted	₱58,280	₱33,280
Unquoted	3,269	3,431
	₱61,549	₱36,711

Quoted Equity Shares

This primarily consists of investment in Manila Polo Club shares. Movement in the balance follows:

	2023	2022
Balance at beginning of year	₱33,280	₱26,919
Unrealized gain on fair value adjustments	25,000	6,361
Balance at end of year	₱58,280	₱33,280

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:

	2023	2022
Trade	₱1,647,268	₱1,206,993
Accrued expenses:		
Project costs	3,573,461	3,005,039
Selling, marketing and promotions	529,379	483,210
Employee benefits (see Note 24)	136,754	93,369
Interest	134,476	107,289
Utilities	82,815	66,408
Repairs and maintenance	69,171	45,048
Taxes and licenses	62,904	105,831
Producers' share	30,867	27,021
Others	195,698	193,527
Contract liabilities:		
Deposits from pre-selling of condominium units (see Notes 17 and 20)	972,366	103,764
Excess of collections over recognized receivables (see Notes 17 and 20)	601,965	762,844
Advance payments from members and customers (see Note 20)	11,695	11,646
Current portions of:		
Retention payable (see Note 17)	890,273	910,960
Security deposits (see Note 17)	354,707	359,611
Deferred lease income (see Note 17)	188,355	185,314
Lease liabilities (see Note 27)	26,761	27,858
Output VAT	147,770	340,921
Deferred output VAT	39,887	1,136,501
Due to related parties (see Note 26)	29,224	107,159
Others	5,118	220,039
	₱9,730,914	₱9,500,352

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.

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.

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).

Advance payments from members and customers mainly include membership dues received but are not yet due as at reporting period.



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 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.

16. Interest-bearing Loans and Borrowings

This account consists of:

	Effective Interest Rate	2023	2022
Current			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	₱2,836,245	₱2,856,010
Less unamortized loan transaction costs		23,796	22,664
		₱2,812,449	₱2,833,346
Noncurrent			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	₱23,123,635	₱22,349,880
Less unamortized loan transaction costs		91,796	89,742
		₱23,031,839	₱22,260,138

Term Loan

PNB. On May 25, 2016, December 19, 2019 and September 13, 2021, the Parent 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 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	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	22	0.5
					₱11.5

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	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 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	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 Parent 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.

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

As at December 31, 2021, the credit facility with BDO has been fully utilized.

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, 2023, the credit facility with BDO has been fully utilized.

Shareholder 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.

As at December 31, 2023 and 2022, the loan proceeds received by Rockwell MFA from SEAI Metro Manila One, Inc. amounted to nil and ₱128.6 million, respectively.

The loan bears an interest rate equal to the base rate plus the applicable spread of 150 bps. The base rate may be any benchmark rate relevant to the currency and term of the loan. The outstanding loan drawdowns in 2018 and 2019 amounting to ₱105.6 million shall be payable in lumpsum on December 31, 2022, while the loan drawdowns in 2020 amounting to ₱110.0 million shall be payable on December 31, 2023. On November 3, 2022, Rockwell MFA and the Creditor agreed to defer the maturity date of loan with principal amounting to ₱41.0 million and ₱64.6 million from December 31, 2022 to December 31, 2024 and June 30, 2024, respectively. On November 6, 2023, the Rockwell MFA and the Creditor agreed to defer the maturity date of loan with principal amounting to ₱110.0 million; ₱64.6 million and ₱142.6 million from December 31, 2023; June 30, 2024 and December 31, 2024 to December 31, 2027, respectively.

The outstanding balance of the term loans, net of unamortized loan transaction costs, amounted to ₱25,844.3 million and ₱25,093.5 million as of December 31, 2023 and 2022, respectively.



Contracts to Sell (CTS) Loan Financing

The Group entered into loan financing agreements with financial institutions to fund the ongoing construction of its projects whereby the Group assigned its installment contracts receivables under its CTS on a with recourse basis. These receivables are used as collateral to secure the corresponding loans obtained until full settlement in 2022.

The CTS loans bear fixed interest rates ranging from 5.0% to 6.0%. Principal payments on the loan amounting to ₱1,262.5 million were made in 2022.

Short-term Loans

In 2022, the Parent Company obtained short-term loans from various financial institutions bearing interest rates ranging from 2.45% to 3.00% with terms of three months. As at December 31, 2023 and 2022, outstanding short-term loans amounted to nil.

Loan Transaction Costs. As at December 31, 2023 and 2022, 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:

	2023	2022
Balance at beginning of year	₱112,406	₱137,480
Additions	26,250	15,802
Amortization (see Note 22)	(23,064)	(40,876)
Balance at end of year	₱115,592	₱112,406

Interest expense. Interest expense on interest-bearing loans and borrowings amounted to ₱1,479.3 million, ₱1,105.6 million and ₱1,024.3 million in 2023, 2022 and 2021, respectively (see Note 22). Interest expense capitalized as part of investment properties amounted to nil and ₱46.2 million in 2023 and 2022, respectively (see Note 11).

Principal Repayments. The principal repayments of all loans and borrowings based on existing terms are scheduled as follows:

Year	Amount
2024	₱2,836,245
2025	2,952,345
2026	6,581,261
2027	2,534,169
2028 and onwards	11,055,860
	₱25,959,880

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, 2023 and 2022, the Group has complied with these covenants (see Note 28).



17. Deposits and Other Liabilities

This account consists of:

	2023	2022
Retention payable - net of current portion of ₱890.2 million in 2023 and ₱911.0 million in 2022 (see Note 15)	₱786,626	₱700,999
Contract liabilities:		
Security deposits - net of current portion of ₱354.7 million in 2023 and ₱359.6 million in 2022 (see Note 15)	391,310	339,443
Deferred lease income - net of current portion of ₱188.4 million in 2023 and ₱185.3 million in 2022 (see Note 15)	224,844	194,736
Deposits from pre-selling of condominium units - net of current portion of ₱972.4 million in 2023 and ₱103.8 million in 2022 (see Notes 15 and 20)	160,118	381,290
Excess of collections over recognized receivables - net of current portion of ₱602.0 million in 2023 and ₱762.8 million in 2022 (see Notes 15 and 20)	86,217	539,392
Condominium and utility deposits	187,965	157,204
Others (see Notes 15 and 24)	39,376	39,343
	₱1,876,456	₱2,352,407

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.

	2023	2022
Balance at beginning of year	₱44,399	₱32,457
Additions	60,339	28,060
Amortization (see Notes 11 and 22)	(44,737)	(16,118)
Balance at end of year	₱60,001	₱44,399

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 2023, 2022 and 2021.

As at December 31, 2023 and 2022, the outstanding ESOP shares are as follows:

	2023	2022
Number of grants	63,918,000	63,918,000
Cancellations	(13,630,000)	(4,429,000)
Exercised	(15,000,000)	(15,000,000)
Remaining shares	35,288,000	44,489,000

As at December 31, 2023 and 2022, 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, 2023 and 2022, 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
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	
	<u>8,890,000,000</u>	<u>6,243,382,344</u>	

As of December 31, 2023 and 2022, the Parent Company has total shareholders of 45,456 and 45,777, 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, 2023 and 2022.

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, 2023 and 2022, the unappropriated consolidated retained earnings include undistributed net earnings of subsidiaries amounting to ₱422.6 million and ₱409.3 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, 2023 and 2022, retained earnings available for dividend declaration amounted to ₱5.0 billion and ₱5.4 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, 2023 and 2022, appropriated retained earnings amounted to ₱14.7 billion and ₱11.7 billion, respectively.



e. Dividends

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.

On October 6, 2021, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.0353 per share to all common shareholders of record as at October 21, 2021 amounting to ₱215.9 million and 6% per annum cumulative cash dividend from July 1, 2020 to June 30, 2021 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on November 17, 2021.

As at December 31, 2023 and 2022, 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):

	2023	
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱8,943,625	₱1,739,281
Southern Luzon	614,528	—
Central Visayas	1,881,938	—
Western Visayas	1,018,517	—
	₱12,458,608	₱1,739,281

(Forward)



2023		
	Residential Development	Commercial Development
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
2021		
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱4,715,161	₱1,171,906
Southern Luzon	3,600,183	—
Central Visayas	526,284	—
Western Visayas	—	—
	₱8,841,628	₱1,171,906
Major product/service lines		



	2021	
	Residential Development	Commercial Development
Sale of high-end residential condominium units	₱4,847,062	₱—
Sale of residential lots	3,143,608	—
Sale of affordable housing units	456,576	—
Sale of office spaces	—	478,749
Room revenue	—	63,654
Cinema revenue	—	8,986
Others	394,382	620,517
	₱8,841,628	₱1,171,906
Timing of revenue recognition		
Transferred over time	₱8,447,246	₱478,749
Transferred at a point in time	394,382	693,157
	₱8,841,628	₱1,171,906

Contract Balances

The table below shows the contract balances arising from revenue from contracts with customers as at December 31.

	2023	2022
Trade receivables* (see Note 8)	₱294,583	₱3,278,946
Contract assets (see Note 8)	15,348,050	15,770,278
Deposits from pre-selling of condominium units** (see Notes 15 and 17)	1,132,484	485,054
Excess of collections over recognized receivables** (see Note 15 and 17)	688,182	1,302,236
Advances payments from members and customers** (see Note 15)	11,695	11,646

*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 2023 and 2022, 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, 2023 and 2022.



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 2023 and 2022, 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 2023 and 2022 amounted to ₱2,102.9 million and ₱1,178.4 million, respectively.

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:

	2023	2022
Within one year	₱6,275,596	₱9,692,821
More than one year	11,963,100	7,590,432
	₱18,238,696	₱17,283,253

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, 2023 and 2022, 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 ₱529.4 million and ₱264.2 million, respectively (see Note 10). For the year ended December 31, 2023, 2022 and 2021, the amortization related to incremental costs to obtain a contract recorded under “Selling expenses” account in the consolidated statements of comprehensive income amounted to ₱431.3 million, ₱492.0 million and ₱459.9 million, respectively (see Note 22). No impairment loss was recognized in the consolidated statements of comprehensive income for the years ended December 31, 2023, 2022 and 2021 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, 2023, 2022 and 2021.

In preparing the consolidated financial statements, the Group undertook a comprehensive review of its major contracts to identify indicators of impairment of contract fulfillment assets. The Group determined whether or not the contract fulfillment 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:

	2023	2022	2021
Interest income from:			
Amortization of unearned interest (see Note 8)	₱1,799,962	₱1,413,244	₱1,429,539
Penalty charges	34,255	35,492	38,426
Cash and cash equivalents (see Note 7)	216,879	22,856	6,336
In-house financing	5,981	5,867	8,080
	₱2,057,077	₱1,477,459	₱1,482,381

22. Expenses

Depreciation and Amortization

Depreciation and amortization expense included in the consolidated statements of comprehensive income is as follows:

	2023	2022	2021
Included in:			
Cost of real estate (see Note 11)	₱600,824	₱515,867	₱500,069
General and administrative expenses (see Note 12)	239,965	239,871	262,686
	₱840,789	₱755,738	₱762,755

General and Administrative Expenses

General and administrative expenses are comprised of:

	2023	2022	2021
Taxes and licenses (see Note 6)	₱547,540	₱444,405	₱354,717
Personnel (see Notes 23 and 24)	500,156	480,436	428,925
Depreciation and amortization (see Note 12)	239,965	239,871	262,686
Repairs and maintenance	156,862	112,727	82,390
Dues and subscriptions	95,211	89,430	51,885
Utilities	99,515	85,152	76,498
Entertainment, amusement and recreation	82,130	79,923	46,653
Contracted services	78,926	65,548	33,517
Marketing and promotions	84,083	77,162	48,280
Rental expense	73,737	56,136	25,718
Producer's share	74,468	67,066	7,497
Fuel and oil	57,751	55,030	40,354
Accommodations	41,467	9,868	5,040
Professional fees	36,638	53,443	73,457
Insurance	24,794	21,193	19,053

(Forward)



	2023	2022	2021
Donation and contributions	₱21,327	₱20,125	₱11,403
Security services	22,264	19,369	14,009
Provision for disallowance of claim for refund	17,544	—	8,500
Provision for (reversal of) ECLs (see Note 8)	(548)	(8,796)	17,531
Transportation and travel	17,444	15,442	5,952
Office supplies	14,883	10,995	9,687
Bank charges	5,030	5,750	4,198
Others	101,488	66,776	40,827
	₱2,392,675	₱2,067,051	₱1,668,777

The Group recognized provision for disallowance of claim for input VAT refund amounting to ₱17.5 million and ₱8.5 million in 2023 and 2021, respectively (nil in 2022). As at December 31, 2022, input VAT being claimed for refund, recognized under “Other noncurrent assets” in the consolidated statement of financial position, amounted to ₱17.5 million (nil as at December 31, 2023).

Selling expenses

Selling expenses are comprised of:

	2023	2022	2021
Marketing and promotions	₱556,651	₱254,878	₱308,130
Commissions and amortization of prepaid costs (see Notes 4 and 9)	431,260	491,997	459,856
Personnel (see Notes 23 and 24)	120,654	103,303	76,639
Entertainment, amusement and recreation	37,629	28,443	24,314
Contracted services	18,404	14,181	8,162
Others	58,840	67,570	54,805
	₱1,223,438	₱960,372	₱931,906

Interest Expense

Interest expense is comprised of:

	2023	2022	2021
Interest expense on interest-bearing loans and borrowings (see Note 16)	₱1,479,293	₱1,105,554	₱1,024,258
Interest expense on lease liabilities (see Note 27)	51,920	50,741	49,740
Amortization of:			
Loan transaction costs (see Note 16)	23,064	40,876	22,898
Discount on retention payable (see Note 17)	44,737	16,118	44,556
	₱1,599,014	₱1,213,289	₱1,141,452



23. Personnel Expenses

Personnel expenses included in general and administrative expenses and selling expenses are comprised of:

	2023	2022	2021
Salaries and wages and other employee benefits (see Notes 22 and 24)	₱565,441	₱508,004	₱423,885
Pension costs (see Notes 22 and 24)	55,369	75,735	81,679
	₱620,810	₱583,739	₱505,564

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:

Net Pension Costs

	2023	2022	2021
Current service cost	₱53,072	₱63,770	₱70,946
Net interest cost	2,297	11,965	10,733
Net pension cost	₱55,369	₱75,735	₱81,679

Net Pension Liability

	2023	2022
Present value of benefit obligation	₱801,806	₱577,479
Fair value of plan assets	(717,044)	(505,436)
Net pension liability	₱84,762	₱72,043



The changes in the present value of benefit obligation are as follows:

	2023	2022
Defined benefit obligation at beginning of year	₱577,479	₱695,850
Current service cost	53,072	63,770
Interest cost	40,423	33,249
Actuarial loss (gain) in other comprehensive income/loss due to:		
Experience adjustments	27,057	666
Change in assumptions	108,800	(183,470)
Benefits paid	(5,025)	(32,586)
Defined benefit obligation at end of year	₱801,806	₱577,479

The changes in the fair values of plan assets of the Group are as follows:

	2023	2022
Fair values of plan assets at beginning of year	₱505,436	₱454,006
Interest income included in net interest cost	38,126	21,284
Actual contributions	174,318	82,000
Gain (loss) on plan assets in other comprehensive income/loss	4,189	(27,181)
Benefits paid	(5,025)	(24,673)
Fair values of plan assets at end of year	₱717,044	₱505,436

The Group does not expect to contribute to its pension plan in 2024.

The major categories of plan assets as percentage of the fair value of total plan assets are as follows:

	2023	2022
Investments in:		
Government securities	66.32%	11.44%
Loans and debt instruments	2.66%	36.43%
Other securities	31.02%	52.13%
	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:

	2023	2022
Discount rate	7.23-7.34%	5.16-5.18%
Future salary rate increases	10.00%	10.00%

As of December 31, 2023, discount rate and future salary rate increases are 6.14-6.19% 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:

	2023	2022
Cash in banks:		
MBTC	₱18,080	₱18,603
BDO	89	3,007
Receivables - net of payables:		
MBTC	4,131	2,318
BDO	1,475	504
Investments held for trading:		
MBTC	440,074	320,511
BDO	253,195	160,493
	₱717,044	₱505,436

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 ₱58.0 million and ₱57.6 million as at December 31, 2023 and 2022, 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, 2023 and 2022. Except as stated above, there were no other transactions entered into during the year by the Retirement Plan relating to the Group.



In 2023 and 2022, 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:

	2023		2022	
	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 -100	(P92,785) 111,905	+100 -100	(P64,748) 77,656
Future salary increases	+100 -100	110,596 (93,791)	+100 -100	77,752 (66,163)

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	2023	2022
Less than 1 year	P55,812	P53,693
More than 1 year to 5 years	89,411	72,263
More than 5 years to 10 years	445,838	295,902
More than 10 years to 15 years	483,751	473,338
More than 15 years to 20 years	954,050	881,310
More than 20 years	4,950,193	4,242,786

b. Other Employee Benefits

Other employee benefits consist of accumulated employee vacation and sick leave benefit amounting to P7.0 million, P5.1 million and P4.8 million in 2023, 2022 and 2021, respectively (see Note 22).

The present value of the defined benefit obligation of other employee benefits amounted to P126.3 million and P98.0 million as at December 31, 2023 and 2022, respectively (see Notes 15 and 17).

25. Income Taxes

The components of provision for income tax for the years ended December 31 follow:

	2023	2022	2021
Current	P1,285,044	P996,256	P183,491
Deferred	(360,553)	(198,002)	73,959
	P924,491	P798,254	P257,450

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:

	2023	2022
Net deferred tax assets:		
Lease liabilities	₱159,386	₱162,068
Right-of-use asset	(152,210)	(155,088)
Unutilized NOLCO	46,313	118,919
Deferred lease income	5,749	8,541
Allowance for ECLs and others	—	207,557
Excess of taxable gross profit over accounting gross profit	—	(181,000)
Excess of fair value over carrying value of asset acquired in a business combination	—	(96,160)
Capitalized interest	—	29,886
Unutilized excess MCIT	—	6,337
Accrued/deferred selling expense	—	5,066
Unrealized foreign exchange loss and others	—	(4,023)
Other employee benefits	—	3,925
Unamortized past service cost	—	1,377
	₱59,238	₱107,405
Net deferred tax liabilities:		
Excess of accounting gross profit over taxable gross profit	(₱1,416,158)	(₱2,287,360)
Lease liabilities	132,457	47,364
Excess of fair value over carrying value of asset acquired in a business combination	(96,160)	—
Right-of-use asset	(79,132)	(723)
Deferred lease income	83,118	74,148
Unamortized past service cost	43,633	24,266
Share-based payment	31,886	23,078
Other employee benefits	30,967	23,727
Unfunded pension cost	19,936	17,059
Unutilized NOLCO	15,073	25,614
Unrealized foreign exchange loss and others	8,156	(2,976)
Accrued/deferred selling expense	6,886	34,857
Allowance for ECLs and others	(5)	6,304
Capitalized interest	—	624,575
Unrealized gain on investment in equity instruments at FVOCI	—	(90,441)
Unutilized excess MCIT	—	4,652
	(₱1,219,343)	(₱1,475,856)

As of December 31, 2022, certain subsidiaries have deductible temporary difference, NOLCO and MCIT amounting to ₱3.8 million, ₱0.3 million and ₱0.03 million, respectively, for which no deferred tax assets are recognized since management believes that there are no sufficient taxable profits against which the deferred tax assets can be utilized. ..



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, 2023, 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	₱50,852
2021	2026	75,846
2022	2025	60,290
2023	2026	58,554
		₱245,542

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:

	2023	2022	2021
Statutory income tax rate	25.0%	25.0%	25.0%
Additions to (deductions from)			
income tax resulting from:			
Share in net income of joint			
venture and associate	(2.7%)	(2.3%)	(1.4%)
Nontaxable income and others	(0.9%)	(0.7%)	(0.9%)
Effective income tax rate	21.4%	22.0%	22.7%

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, recreation 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

President Rodrigo Duterte signed into law on March 26, 2021 the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.



The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

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.

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	Amounts		Terms	Conditions
				Transaction Amount	Owed from (to) Related Parties		
ABS-CBN Group	Under common control	Land acquisitions (see Note 9)	2023	₱733,487	(₱25,472)	Payable in tranches based on the agreement; noninterest-bearing	Unsecured
			2022	₱786,186	(₱107,159)		
			2021	₱—	₱—		
	Under common control	Deposit for land acquisition (see Note 10)	2023	158,676	158,676	Payable in tranches based on the agreement; noninterest-bearing	Unsecured, no impairment
			2022	—	—		
			2021	—	—		
Rockwell - Meralco BPO	Joint venture	Advances	2023	1,844	3,429	On demand; non-interest-bearing	Unsecured, no impairment
			2022	(2,329)	1,585		
			2021	(19,873)	3,914		
		Management fee (see Note 13)	2023	9,872	651	On demand; non-interest-bearing	Unsecured, no impairment
			2022	7,527	3,388		
			2021	4,355	4,355		
SEAI Metro Manila One, Inc.	Non-controlling shareholder	Loan payable (see Note 16): Principal	2023	—	(540,200)	Payable on December 31, 2022; interest-bearing	Unsecured
			2022	128,600	(540,200)		
			2021	196,000	(411,600)		
		Interest	2023	128,600	—		
			2022	23,740	—		
			2021	15,086	—		

(Forward)



Related Parties	Relationship	Nature of Transaction	Period	Amounts		Terms	Conditions
				Transaction Amount	Owed from (to) Related Parties		
Carmelray shareholders	Non-controlling shareholders	Advances (included under “Other noncurrent assets” account in the consolidated statement of financial position)	2023	₱—	₱—	3 years from the launch of the Phase 1 of the “Rockwell South” project; noninterest-bearing	Unsecured; no impairment
			2022	₱—	₱100,000		
			2021	₱—	₱300,000		
RNDC	Joint Venture	Project Management Fee	2023	28,588	2,809	On demand; non-interest-bearing	Unsecured; no impairment
			2022	3,181	276		
			2021	390	233		
		Marketing Fee	2023	85,870	15,598	On demand; non-interest-bearing	Unsecured; no impairment
			2022	44,908	3,326		
			2021	20,662	6,503		
		Sales Commission	2023	50,297	4,220	On demand; non-interest-bearing	Unsecured; no impairment
			2022	56,014	3,797		
			2021	56,846	24,247		
		Construction Management Fee	2023	110,447	1,139	On demand; non-interest-bearing	Unsecured; no impairment
			2022	10,018	967		
			2021	3,023	1,053		
		Reimbursement	2023	(6,794)	(3,752)	On demand; non-interest-bearing	Unsecured; no impairment
			2022	30,758	1,821		
			2021	178,179	—		
RIDC	Joint Venture	Reimbursement	2023	(25,717)	4,650	On demand; non-interest-bearing	Unsecured; no impairment
			2022	30,367	30,367		
		Management Fee	2023	91,834	43,464	On demand; non-interest-bearing	Unsecured; no impairment
			2021	—	—		
GMC	Non-controlling shareholder	Subscriptions receivable (see Note 8)	2023	208,000	208,000	On demand; non-interest-bearing	Unsecured; no impairment
			2022	—	—		
Advances to officers and employees		Advances (see Note 8)	2023	(17,056)	29,891	30-day; noninterest-bearing	Unsecured; no impairment
			2022	—	46,947		
			2021	—	47,555		
Due from related parties (see Note 8)			2023	₱75,960			
			2022	₱145,527			
Deposit for land acquisition (see Note 10)			2023	₱158,676			
			2022	₱—			
Due to related parties (see Note 15)			2023	(₱29,224)			
			2022	(₱107,159)			
Loan payable (see Note 16)			2023	(₱540,200)			
			2022	(₱540,200)			
Subscriptions receivable (see Note 8)			2023	₱208,000			
			2022	₱—			
Advances to officers and employees (see Note 8)			2023	₱29,891			
			2022	₱46,947			

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, 2023, 2022 and 2021, 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

	2023	2022	2021
Short-term employee benefits	₱134,496	₱124,478	₱110,230
Post-employment pension and other benefits (Note 24)	39,451	49,253	40,010
Total compensation attributable to key management personnel	₱173,947	₱173,731	₱150,240

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:

	2023	2022
Depreciation expense of right-of-use assets included in investment properties (see Notes 11 and 22)	₱15,268	₱15,268
Interest expense on lease liabilities (see Note 22)	51,920	50,741
Expenses relating to short-term leases and low-value assets (included under “General and administrative expenses” account) (see Note 22)	73,737	56,136
	₱140,925	₱122,145

The rollforward analysis of lease liabilities follows:

	2023	2022
At January 1	₱677,427	₱664,349
Interest expense (see Note 22)	51,920	50,741
Payments	(38,986)	(37,663)
As at December 31	690,361	677,427
Less current portion (see Note 15)	26,761	27,858
Noncurrent portion	₱663,600	₱649,569



Future minimum undiscounted lease payments are as follows:

Year	2023	2022
Within one year	₱40,379	₱38,986
Year 2	42,398	40,379
Year 3	43,375	42,398
Year 4	45,544	43,375
Year 5 and beyond	1,867,947	1,913,491
	₱2,039,643	₱2,078,629

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, 2023 and 2022, the contract sum awarded amounted to ₱16.7 billion and ₱21.9 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, 2023 and 2022, ₱13.7 billion and ₱18.6 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. Financial 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, 2023 and 2022, 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.

		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
Floating Rate					
Interest-bearing loans and borrowings		580,800	580,800	1,761,000	2,660,000
Short-term investments		2,965,794	—	—	—
2022					
		Within 1 Year	1-2 Years	2-3 Years	More than 3 Years
Total					
Fixed Rate					
Interest-bearing loans and borrowings		₱2,368,310	₱2,502,646	₱2,371,446	₱15,393,188
Floating Rate					
Interest-bearing loans and borrowings		487,700	300,800	300,800	1,481,000
Short-term investments		2,536,960	—	—	—

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.

		2023 Effect on income before income tax increase (decrease)	
		+100 basis points	-100 basis points
Change in basis points		(49,281)	49,281
Floating rate borrowings			
		2022 Effect on income before income tax increase (decrease)	
		+100 basis points	-100 basis points
Change in basis points		(38,066)	38,066
Floating rate borrowings			

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.

	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

	2022		
	Gross Maximum Exposure	Net Exposure	Financial Effect of Collateral or Credit Enhancement
Cash and cash equivalents*	₱3,516,053	₱3,435,949	₱80,104
Trade receivables from:			
Sale of real estate	3,278,946	327,747	2,951,199
Lease	406,312	—	406,312
Due from related parties	145,527	145,527	—
Advances to officers and employees	46,947	46,947	—
Other receivables	165,327	165,327	—
Refundable deposits**	88,215	88,215	—
Restricted cash**	250,285	247,785	2,500
	₱7,897,612	₱4,457,497	₱3,440,115

*Excluding cash on hand amounting to 3,677 and 1,699 as at December 31, 2023 and 2022, 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.

	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

	2022		
	A Rating	B Rating	Total
Cash and cash equivalents	₱3,517,752	₱—	₱3,517,752
Trade receivables from:			
Sale of real estate	2,309,386	969,560	3,278,946
Lease	359,141	47,171	406,312
Due from related parties	145,527	—	145,527
Advances to officers and employees	46,947	—	46,947
Other receivables	165,327	—	165,327
Refundable deposits	88,215	—	88,215
Restricted cash	250,285	—	250,285
	₱6,882,580	₱1,016,731	₱7,899,311

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, 2023 and 2022, the analyses of the age of financial assets are as follows:

	2023					Impaired Financial Assets	Total
	Current	Less than 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days		
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



2022							
	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	₱3,517,752	₱-	₱-	₱-	₱-	₱-	₱3,517,752
Trade receivables from:							
Sale of real estate	3,185,947	17,641	8,986	7,010	59,362	-	3,278,946
Lease	361,004	29,766	11,843	2,987	712	-	406,312
Due from related parties	145,527	-	-	-	-	-	145,527
Advances to officers and employees	46,947	-	-	-	-	-	46,947
Other receivables	165,327	-	-	-	-	-	165,327
Refundable deposits	88,215	-	-	-	-	-	88,215
Restricted cash	250,285	-	-	-	-	-	250,285
	₱7,761,004	₱47,407	₱20,829	₱9,997	₱60,074	₱-	₱7,899,311

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 ₱56.4 billion and ₱53.9 billion as at December 31, 2023 and 2022, 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 2023 and 2022 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 2023 and 2022:

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

2022			
	Trade receivables from sale of real estate and lease		
	High-end	Affordable	Lease
ECL rate	0.0%	0.0%	2.4%
Estimated total gross carrying amount at default	₱18,576,483	₱472,741	₱406,312

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, 2023 and 2022, 11% and 11% of the Group's debt will mature in less than one year as at December 31, 2023 and 2022, 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, 2023 and 2022 based on contractual undiscounted payments.

2023					
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due After 12 Months	Total
Trade and other payables*	P-	P6,697,185	P-	P-	P6,697,185
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	17,096	663,600	690,361
Retention payable***	-	-	890,273	786,626	1,676,899
Security deposits***	-	54,865	299,842	391,310	746,017
	P-	P7,782,477	P4,240,894	P28,906,293	P40,929,664

2022					
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due After 12 Months	Total
Trade and other payables*	P-	P 5,950,235	P-	P-	P 5,950,235
Interest-bearing loans and borrowings					
Principal	-	610,903	2,245,107	22,349,880	25,205,890
Interest**	-	289,449	838,138	3,879,935	5,007,522
Lease liabilities	-	9,337	29,649	2,039,643	2,078,629
Retention payable***	-	-	910,960	700,999	1,611,959
Security deposits***	-	79,015	280,596	339,443	699,054
	P-	P6,938,939	P4,304,450	P29,309,900	P40,553,289

*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:

2023						
	On Demand	Within 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Cash and cash equivalents	P1,285,495	P2,965,794	P-	P-	P-	P4,251,289
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	-	P2,729	1,194	598	15,343,529	15,348,050
Investment in equity instruments at FVOCI	-	-	-	-	61,549	61,549
	P1,992,366	P3,017,697	P12,106	P6,990	P15,458,982	P20,488,141

2022						
	On Demand	Within 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Total
Cash and cash equivalents	P980,792	P2,536,960	P-	P-	P-	P3,517,752
Trade receivables from:						
Sale of real estate	-	3,203,588	8,986	7,010	59,362	3,278,946
Lease	361,004	29,766	11,843	2,987	712	406,312
Contract assets	-	5,361	4,115	1,808	15,758,994	15,770,278
Investment in equity instruments at FVOCI	-	-	-	-	36,711	36,711
	P1,341,796	P5,775,675	P24,944	P11,805	P15,855,779	P23,009,999



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, 2023 and 2022.

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).

	2023	2022
Interest-bearing loans and borrowings	₱25,959,880	₱25,093,484
Less cash and cash equivalents	4,251,289	3,517,752
Net debt	21,708,591	21,575,732
Equity	32,294,710	27,562,607
Net debt-to-equity ratio	0.67	0.78

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, 2023 and 2022.

	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
Subscription payable	2,722,560	2,408,407	—	—	2,408,407
Retention payable (including noncurrent portion)	1,676,899	1,616,898	—	—	1,616,898
Security deposits (including noncurrent portion)	746,017	712,031	—	—	712,031
	₱30,989,764	₱29,166,413	₱—	₱—	₱29,166,413



	2022				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment properties	₱14,666,614	₱30,654,523	₱–	₱2,087,823	₱28,566,700
Due from related parties	145,527	144,857	–	–	144,857
Investment in equity instruments at FVOCI	36,711	36,711	33,280	–	3,431
	14,848,852	30,836,091	33,280	2,087,823	28,714,988
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	25,093,484	25,262,802	–	–	25,262,802
Retention payable (including noncurrent portion)	2,922,560	2,816,155	–	–	2,816,155
Security deposits (including noncurrent portion)	1,611,959	1,480,171	–	–	1,480,171
Subscription payable	699,054	560,671	–	–	560,671
	₱30,327,057	₱30,119,799	₱–	₱–	₱30,119,799

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 3.82% and 3.82% as at December 31, 2023 and 2022, 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 5.12% to 6.12% as at December 31, 2023 and 3.91% to 7.22% as at December 31, 2022.

Retention Payable and Security Deposits. The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging 5.12% to 6.12% as at December 31, 2023 and 3.91% to 7.22% as at December 31, 2022.

For the years ended December 31, 2023 and 2022, 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

	2023	2022	2021
	<i>(In Thousands, Except Numbers of Shares and Per Share Data)</i>		
Net income attributable to equity holders of the Parent Company	₱3,113,226	₱2,301,911	₱1,640,936
Dividends on preferred shares	(1,650)	(1,650)	(1,650)
Net income attributable to common shares (a)	3,111,576	2,300,261	1,639,286
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	—	—	1,575,521
Weighted average number of common shares - diluted (c)	6,116,762,198	6,116,762,198	6,118,337,719
Per share amounts:			
Basic (a/b)	₱0.5087	₱0.3761	₱0.2680
Diluted (a/c)	₱0.5087	₱0.3761	₱0.2679

In 2023 and 2022, the diluted EPS did not consider the effect of stock options outstanding since these were anti-dilutive. In 2021, the Parent Company considered the effect of stock options outstanding since these are 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:

	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

(Forward)



	2022		Total
	Residential Development	Commercial Development	
Assets and Liabilities			
Segment assets	₱45,895,613	₱952,100	₱46,847,713
Investment properties	1,271,357	13,395,257	14,666,614
Investment in joint venture and associate	3,892,853	1,985,220	5,878,073
Deferred tax assets – net	53,256	54,149	107,405
Property and equipment	1,239,694	914,376	2,154,070
Total assets	₱52,352,773	₱17,301,102	₱69,653,875
Segment liabilities	₱31,196,549	₱9,418,863	₱40,615,412
Deferred tax liabilities – net	1,475,856	–	1,475,856
Total liabilities	₱32,672,405	₱9,418,863	₱42,091,268

	2021		Total
	Residential Development	Commercial Development	
Revenue	₱10,300,361	₱2,423,342	₱12,723,703
Costs and expenses	(7,681,839)	(1,052,159)	(8,733,998)
Share in net income of joint venture and associate	(4,472)	372,745	368,273
Other income – net	12,312	–	12,312
EBITDA	2,626,362	1,743,928	4,370,290
Depreciation and amortization			(762,755)
Interest expense			(1,141,452)
Provision for income tax			(257,450)
Consolidated net income			₱2,208,633

32. Supplemental Disclosure of Cash Flow Information

- a. The changes in the Group's liabilities arising from financing activities are as follows:

	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
Total liabilities from financing activities	₱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
Total liabilities from financing activities	₱27,452,314	(₱1,773,020)	₱–	₱91,617	₱25,770,911

	January 1, 2021	Cash Flows	Reclassification from Noncurrent to Current	Interest Expense/ Discount Amortization	December 31, 2021
Current portion of interest-bearing loans and borrowings	₱7,354,635	(₱7,354,635)	₱4,347,235	₱–	₱4,347,235
Interest-bearing loans and borrowings - net of current portion	17,403,380	9,361,687	(4,347,235)	22,898	22,440,730
Lease liabilities	651,010	(36,401)	–	49,740	664,349
Total liabilities from financing activities	₱25,409,025	₱1,970,651	₱–	₱72,638	₱27,452,314

- b. 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 and 2021, 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 and ₱484.2 million, respectively (see Note 13).

33. Events After the Reporting Period

a. Step Acquisition of an Associate

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 ₱16.3 million.



The provisional fair values and corresponding carrying amounts of the identifiable assets and liabilities of RNDC at acquisition date are as follows (in thousands):

	Provisional Fair Value	Carrying Value
Cash and cash equivalents	₱157,584	₱157,584
Receivables and contract assets	106,329	106,329
Subscriptions receivable	1,858,903	1,858,903
Real estate inventories	719,148	653,100
Other current assets	451,951	451,951
Investment properties	856,332	685,505
Trade and other payables	(303,829)	(303,829)
Deferred tax liability - net	(92,015)	(32,797)
Net assets	3,754,403	<u>₱3,576,746</u>
Non-controlling interests (35% of fair value of net assets acquired)	(1,314,041)	
Fair value of previously held interest	(822,169)	
Gain on bargain purchase	(129,939)	
Consideration transferred	<u>₱1,488,254</u>	

The identifiable net assets included in the purchase price allocation above were based on a provisional assessment of their fair values while the Group sought an independent valuation for the real estate inventories and investment properties of RNDC. The valuation had not been completed as of April 3, 2024.

The receivables and contract assets have not been impaired and it is expected that full contractual amounts can be collected.

The non-controlling interest were recognized as a proportion of the fair value of the identifiable net assets acquired.

If the acquisition had taken place at the beginning of the year 2023, RNDC's contributions to the 2023 consolidated revenue and consolidated net income would have been ₱464.3 million and ₱76.6 million, respectively.

The gain on bargain purchase 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.

Analysis of cash flow at acquisition date is as follows:

Cash acquired from the subsidiary	₱157,584
Cash paid*	(190,000)
Net cash outflow on acquisition	<u>(₱32,416)</u>

*Partial payment out of total subscription price of ₱1,488.3 million



b. New Loan Facilities

On February 28, 2024, the BOD of Parent Company approved the following items:

1. ₱5.0 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.
2. ₱5.0 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.



ROCKWELL LAND CORPORATION

**INDEX TO SUPPLEMENTARY
SCHEDULES Form 17-A, Item 7**

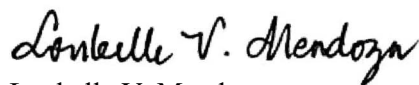
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. 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, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Notes 2 and 3 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-145-2021, August 11, 2021, valid until August 10, 2024

PTR No. 10079978, January 6, 2024, Makati City

April 3, 2024

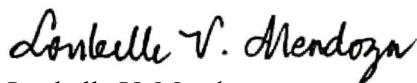


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. 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 (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Notes 2 and 3 to the consolidated financial statements, 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 SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Notes 2 and 3 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza
Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-145-2021, August 11, 2021, valid until August 10, 2024

PTR No. 10079978, January 6, 2024, Makati City

April 3, 2024



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE A – FINANCIAL ASSETS
DECEMBER 31, 2023

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	Value based on Market Quotation at End of Reporting Period	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 (FVPL)				

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER
THAN RELATED PARTIES)
December 31, 2023

Name and Designation of Debtor	Beginning balance	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
AR Officers & Directors	₱82,492,504	₱95,474,326	(₱26,872,000)	₱–	₱19,012,448	₱132,082,382	₱151,094,830
Employees	118,730,754	34,935,213	(40,379,925)	–	23,612,072	89,673,970	113,286,042
TOTAL	₱201,223,258	₱130,409,539	(₱67,251,925)	₱–	₱42,624,520	₱221,756,352	₱264,380,872

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
December 31, 2023

Receivable to Name of Subsidiary / Counterparty	Beginning balance	Additions	Amounts Collected	Current	Non-Current	Ending balance
Rockwell Leisure Club Inc., subsidiary	₱18,085,052	₱26,765,812	(₱32,706,496)	₱12,144,368	₱—	₱12,144,368
Rockwell Integrated Property Services, Inc.	16,715,788	142,150,138	(153,930,178)	4,935,748	—	4,935,748
Rockwell Primaries Development Corporation	2,005,173,392	39,709,467	(459,631,380)	1,585,251,479	—	1,585,251,479
Rockwell Primaries South Development Corporation	2561,287,134	212,915,187	(12,200,516)	168,497,805	593,504,000	762,001,805
Stonewell Property Development Corporation	6742,253	7,087,354	(3,136,068)	4,693,539	—	4,693,539
Rockwell Performing Arts Theater Corporation	2,040,931	123,513	—	2,168,444	—	2,168,444
Rockwell Hotels & Leisure Management Corp.	28,865,466	66,788,858	(50,758,082)	44,896,242	—	44,896,242
Retailscapes, Inc.	798,173,564	15,038,835	(19,817,980)		793,394,419	793,394,419
Rockwell MFA Corp.	2,211,753,281	365,460,582	(362,504,591)	53,909,272	2,160,800,000	2,214,709,272
Rockwell Carmelray Development Corp.	7,686,555	248,958,414	(254,359,106)	2,285,863	—	2,285,863
Rockwell GMC Development Corp.	—	1,659,600	—	1,659,600	—	1,659,600

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE D – LONG TERM DEBT
As of December 31, 2023

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, 7-year fixed rate notes due 2026	₱3,000,000,000	₱357,768,421	₱1,926,694,737	5.56%	12	11/20/2026 12/23/2026
Philippine Peso, 7-year floating rate notes due 2026	₱3,000,000,000	₱315,600,000	₱2,053,200,000	7.57%	12	12/23/2026 11/20/2026
Philippine Peso, 10-year fixed rate notes due 2026	₱3,500,000,000	₱316,322,581	₱1,445,403,226	5.79% 5.94% 6.03% 5.69% 6.24%	10	5/31/2026 6/29/2026 6/17/2026
Philippine Peso, 10-year floating rate notes due 2026	₱1,000,000,000	₱90,400,000	₱413,000,000	6.84%	10	6/17/2026
Philippine Peso, 7-year fixed rate notes due 2027	₱2,000,000,000	₱274,641,148	₱1,244,736,842	5.92% 5.26%	13 16	1/20/2027 12/7/2027
Philippine Peso, 7-year fixed rate notes due 2028	₱3,000,000,000	₱390,846,682	₱2,183,066,362	5.26% 5.36%	17 19	2/10/2028 10/6/2028
Philippine Peso, 7-year floating rate notes due 2029	₱500,000,000	₱66,666,667	₱433,333,333	6.75%	21	4/6/2029
Philippine Peso, 10-year fixed rate notes due 2030	₱7,000,000,000	₱436,800,000	₱5,798,800,000	3.44% 3.75% 4.31% 4.61% 5.00% 5.04%	25	2/22/2030
Philippine Peso, 10-year fixed rate notes due 2030	₱3,000,000,000	₱187,200,000	₱2,485,200,000	4.37% 4.52% 5.30%	25	2/22/2030
Philippine Peso, 10-year floating rate notes due 2032	₱5,000,000,000	₱400,000,000	₱4,600,000,000	6.14%	36	12/14/2032
Philippine Peso, 4-year fixed rate notes due 2025	₱116,000,000	—	₱116,000,000	4.18% 4.42%	1	12/31/2025
Philippine Peso, 4-year fixed rate notes due 2027	₱357,200,000	—	₱357,200,000	7.44% 3.64% 3.85% 3.69% 3.57% 4.29% 4.59% 4.87%	1	12/31/2027
Philippine Peso, 5-year fixed rate notes due 2027	₱67,000,000	—	₱67,000,000	7.57% 7.66%	1	3/31/2027
TOTAL	₱25,959,879,999	₱2,836,245,499	₱23,123,634,500			

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS
FROM RELATED COMPANIES)
December 31, 2023

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, 2023

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, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Common Shares	8,890,000,000	6,116,762,198 ^(a)	35,288,000	5,296,015,375	21,478,658	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

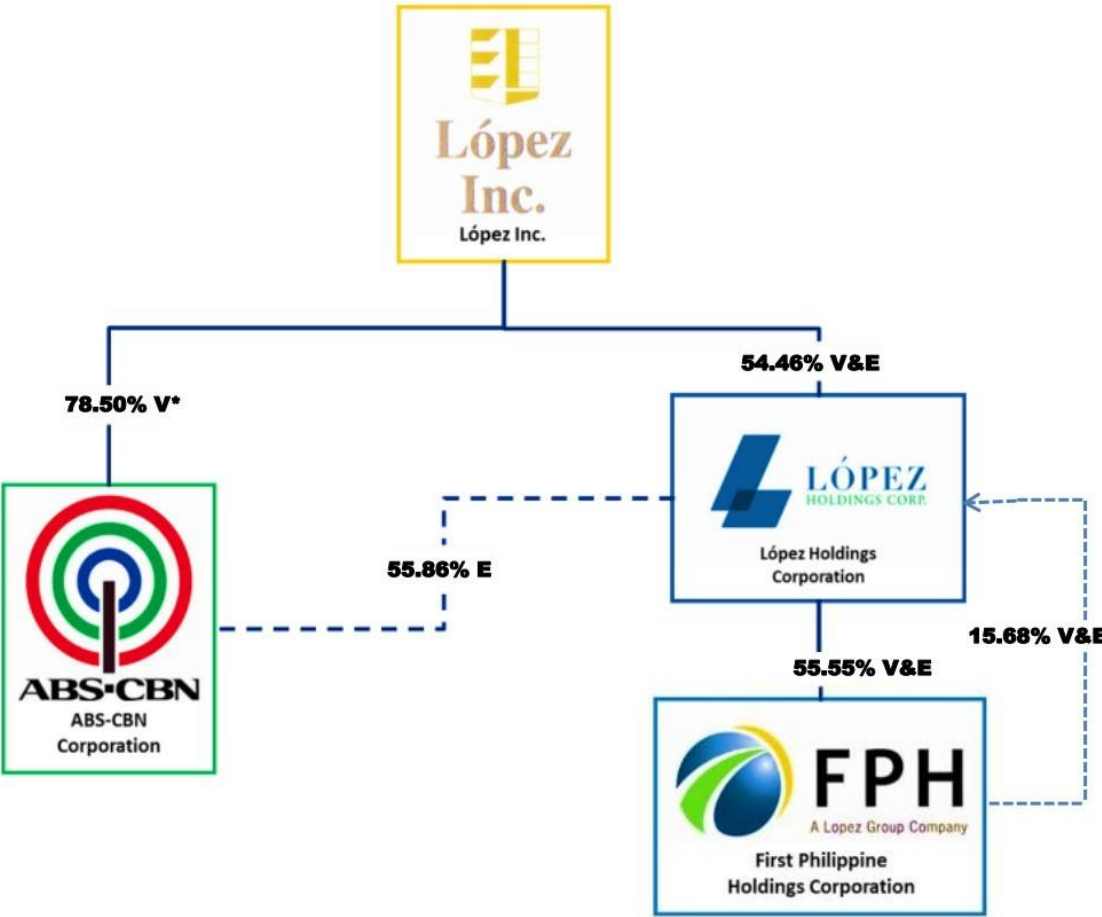
ROCKWELL LAND CORPORATION AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION

December 31, 2023

Amount in thousands

Unappropriated retained earnings, beginning of reporting period	₱5,352,593
Add: Items that are directly credited to unappropriated retained earnings	
Reversal of retained earnings appropriation during the period	11,000,000
Less: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	461,631
Retained earnings appropriation during the period	14,000,000
Unappropriated retained earnings, as adjusted	<u>1,890,962</u>
Add: Net income for the current year	3,099,920
Add/Less: Other items that should be excluded from the determination of available for dividends distribution	
Net movement in deferred tax assets not considered in the reconciling items under the previous categories	13,690
Net movement in deferred tax assets and deferred tax liabilities related to same transaction (set up of right of use asset and lease liability)	<u>(5,961)</u>
Total retained earnings available for dividend, end of reporting period	<u><u>₱4,998,611</u></u>

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (A)
DECEMBER 31, 2023

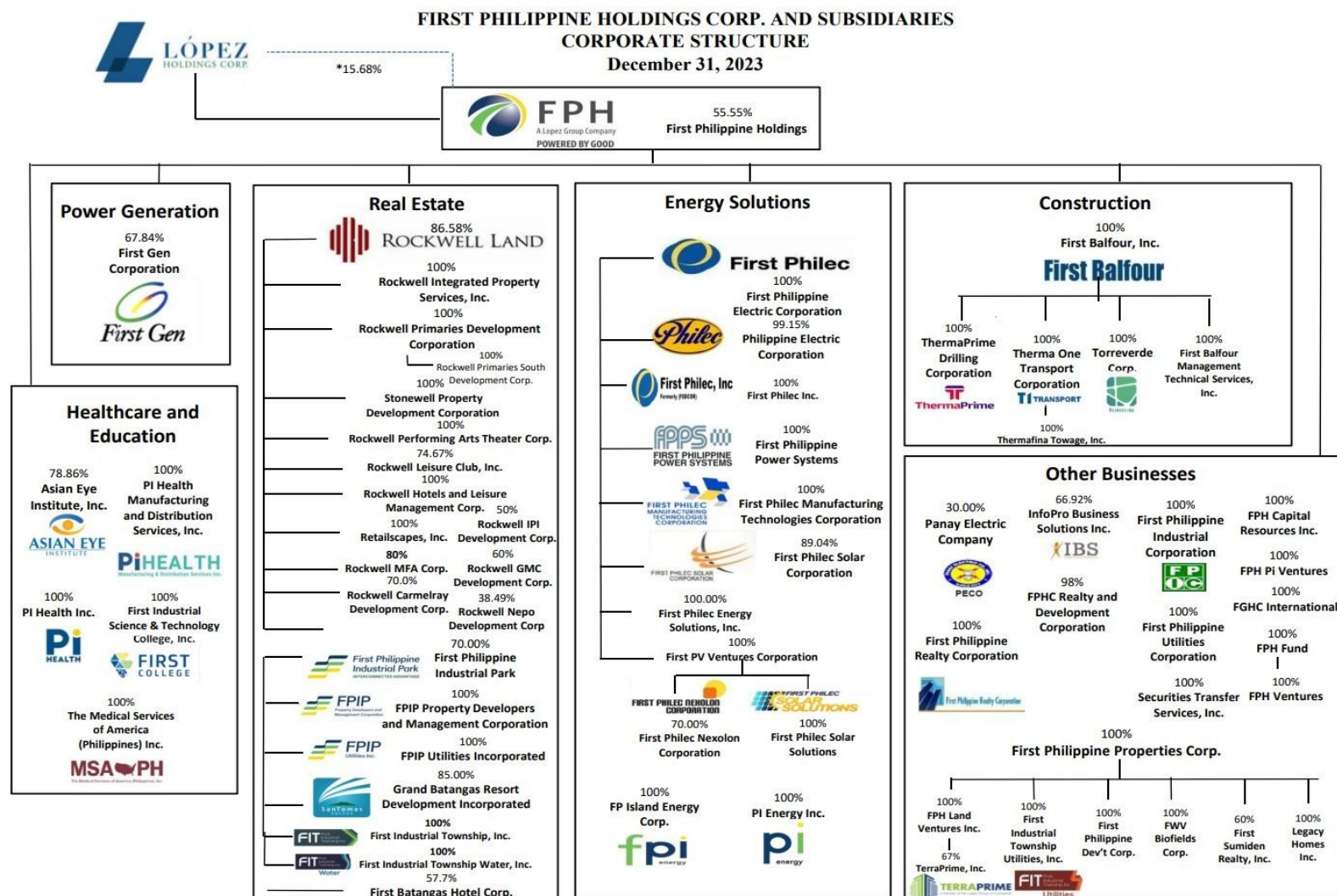


* voting rights include preferred shares

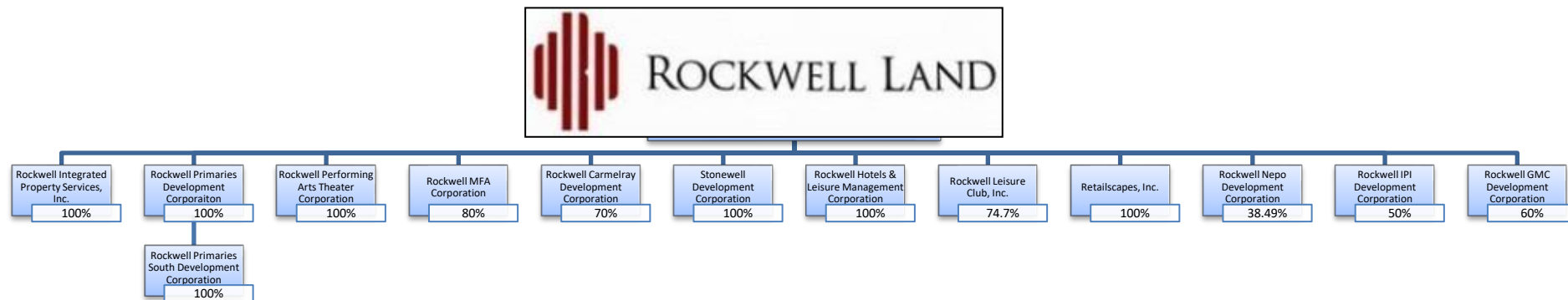
ROCKWELL LAND CORPORATION AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (B)

DECEMBER 31, 2023



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP (C)
DECEMBER 31, 2023



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2023

KPI	2023	2022	2021
EBITDA (₱) ¹	6.8 billion	5.4 billion	4.4 billion
Current Ratio (x) ²	3.43	3.16	3.29
Net DE Ratio (x) ³	0.67	0.78	0.92
Asset to Equity Ratio (x) ⁴	2.31	2.53	2.50
Interest coverage ratio (x) ⁵	4.57	4.42	4.00
ROA ⁶	4.71%	3.86%	3.48%
ROE ⁷	11.36%	9.69%	8.69%
EPS (₱) ⁸	0.51	0.38	0.27

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]



Report of the Audit Committee
(For the year ended December 31, 2023)

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 2023 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 2023 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, 2023, 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, 2023 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, 2023 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 2024 based on the review of its performance and qualifications.

March 25, 2024


OSCAR J. HILADO
Chairman


MONICO V. JACOB
Member


FRANCIS GILES B. PUNO
Member

Annex A: 2023 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*
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
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* 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 IV. Hotel and Leisure a. Aruga Apartments V. Rockwell Performing Arts Theater* (*) On-going/ newly-opened projects (**) Retail & Office
Reporting Period	January – December 2023
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)	18,511
Direct Economic Value Distributed:	
<i>a. Operating Costs</i>	10,750
<i>b. Employee Wages & Benefits</i>	1,121
<i>c. Payments to Provider of Capitals</i>	1,599
<i>d. Payments of Dividends to Stockholders</i>	462
<i>e. Payments to Government</i>	1,603
<i>f. Community Investments</i>	21

Climate-related risks and opportunities¹

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 (2023)	Electricity (in GJ)		Fuel (in GJ)	
	Renewable	Non-renewable	Diesel	Gas
Residential	47,536	42,436	996	
Office	25,439		609	
Retail	27,708		1,211	
Admin			3,782	1,122
Total	100,683	42,436	6,598	1,122
Electricity Consumption (GWH)	27.97	12.05		

Energy consumption reduction efforts

Rockwell aims to reduce energy consumption by implementing energy efficient initiatives such as the installation of variable frequency drivers, variable refrigerant flows, and LED lighting fixtures. The company is also shifting to renewable energy sources whenever possible. Currently, the Company has thirteen properties that are using renewable energy sources, and 70% of electricity consumption by the company in 2023 came from renewable energy sources. Rockwell also has three LEED-certified projects, namely 8 Rockwell (LEED Gold), Rockwell Business Center Sheridan (LEED Silver), and 1 Proscenium, the newest office development of the company (LEED Silver).

Materials used by the organization

Disclosure	Quantity (in Millions kg)
Materials used by weight or volume	
Renewable	N/A
Non-renewable	37.2
<i>Cement</i>	27.7
<i>Rebars</i>	9.5
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 CO ₂ e)	Scope 2 (in Tonnes CO ₂ e)
Residential	74	8,198
Office	45	0
Retail	90	385
Admin	363	0
Total	572	8,584

Notes:

Scope 1 pertains to direct emissions (fuel consumption); Scope 2 pertains to indirect emissions (electricity consumption)

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 m ³)	Water Utilized (in m ³)	Water Recycled and Reused (in m ³)	Effluent: Water Discharge (in m ³)
Residential	351,890	194,744	11,088	146,058
Office	128,354	62,620	18,769	46,965
Retail	536,033	305,100	2,108	228,825
Total	1,016,277	562,464	31,965	421,848

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	4,511	-
Office	1,525	-
Retail	10,546	60
Total	16,582	60

E. Environmental Compliance

Management Approach:16

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

Management Approach:

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*	1,106
Number of female employees	542
Number of male employees	564
Attrition rate	19%
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	14%	12%
PhilHealth	Y	6%	9%
Pag-IBIG	Y	8%	6%
Parental leaves	Y	5%	2%
Vacation leaves	Y	72%	58%
Sick leaves	Y	59%	40%
Medical benefits (aside from PhilHealth)	Y	59%	43%
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	62%	32%
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)	2023
Total training hours provided to employees	21,617
Female employees	10,153
Male employees	11,464
Average training hours provided to employees	20 per employee
Female employees	19 per employee
Male employees	20 per employee

Labor-Management Relations

Management Approach:

The Company respects the rights of employees to form associations. Nevertheless, there are no unions within the ranks of Rockwell and its subsidiaries, and no collective bargaining agreements have been executed between the Company and its employees.

Disclosure	Quantity
% of employees covered with Collective Bargaining Agreements	0%
Number of consultations conducted with employees concerning employee-related policies	0

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	2023
% 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	2,318,176 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	0

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

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Rockwell Land Corporation and its subsidiaries, which comprise the interim consolidated statement of financial position as at September 30, 2025 and the related interim condensed consolidated statements comprehensive income, interim consolidated statements of changes in equity and interim consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024, and other explanatory information. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Philippine Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with PAS 34, *Interim Financial Reporting*.

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

December 12, 2025



ROCKWELL LAND CORPORATION AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands with Comparative Audited Figures as at December 31, 2024)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱3,953,671	₱3,986,954
Trade and other receivables (Note 4)	2,361,345	1,705,583
Contract assets (Note 4)	7,776,771	6,661,563
Real estate inventories	28,153,341	29,084,869
Advances to contractors	2,600,788	2,557,165
Other current assets (Note 5)	5,419,619	4,241,337
Total Current Assets	50,265,535	48,237,471
Noncurrent Assets		
Investment properties (Note 6)	17,043,941	15,797,011
Property and equipment (Note 7)	4,634,573	2,720,705
Investment in joint venture	4,795,629	4,682,718
Contract assets - net of current portion (Note 4)	10,728,304	9,561,607
Investment in equity instruments at FVOCI	62,780	62,549
Deferred tax assets - net	86,519	61,996
Other noncurrent assets	740,969	622,890
Total Noncurrent Assets	38,092,715	33,509,476
Total Assets	₱88,358,250	₱81,746,947
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱10,294,231	₱10,170,160
Current portion of interest-bearing loans and borrowings (Note 8)	6,719,422	4,729,153
Subscription payable	197,000	197,000
Income tax payable	79,481	50,518
Total Current Liabilities	17,290,134	15,146,831
Noncurrent Liabilities		
Interest-bearing loans and borrowings - net of current portion (Note 8)	27,115,869	24,423,943
Subscription payable - net of current portion (Note 19)	1,045,316	2,321,410
Lease liabilities - net of current portion	690,551	679,447
Pension liability - net	217,898	186,741
Deferred tax liabilities - net	1,428,254	1,210,147
Deposits and other liabilities	2,016,159	1,966,761
Total Noncurrent Liabilities	32,514,047	30,788,449
Total Liabilities	49,804,181	45,935,280
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	6,270,882	6,270,882
Additional paid-in capital	28,350	28,350
Other comprehensive income	46,580	46,580
Other equity adjustments	540,323	540,323
Share-based payments	69,700	69,700
Cash flow hedge reserve	15,718	(49,799)
Retained earnings (Note 9)		
Appropriated	15,000,000	14,700,000
Unappropriated	11,051,618	8,977,221
	33,023,171	30,583,257
Less cost of treasury shares	185,334	185,334
Total Equity Attributable to Equity Holders of the Parent Company	32,837,837	30,397,923
Non-controlling interests	5,716,232	5,413,744
Total Equity	38,554,069	35,811,667
Total Liabilities and Equity	₱88,358,250	₱81,746,947

See accompanying Notes to Interim Condensed Consolidated Financial Statements



ROCKWELL LAND CORPORATION AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF

COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Nine Months Ended September 30		Three Months Ended September 30	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
REVENUE				
Sale of real estate (Note 11)	₱10,951,918	₱9,911,995	₱4,000,857	₱3,785,880
Interest income (Note 12)	254,470	495,786	87,299	124,462
Lease income	1,977,668	1,811,189	673,004	615,757
Others (Note 11)	1,811,684	1,799,380	601,591	608,149
	14,995,740	14,018,350	5,362,751	5,134,248
EXPENSES				
Cost of real estate (Note 13)	6,648,135	6,559,768	2,079,213	2,662,858
General and administrative expenses (Note 13)	1,859,953	1,787,835	695,512	582,992
Selling expenses (Note 13)	997,109	940,351	424,511	296,126
	9,505,197	9,287,954	3,199,236	3,541,976
INCOME BEFORE OTHER INCOME (EXPENSES)	5,490,543	4,730,396	2,163,515	1,592,272
OTHER INCOME (EXPENSES)				
Interest expense (Note 13)	(1,361,179)	(1,257,872)	(499,835)	(412,000)
Share in net income of joint venture	393,430	294,092	147,718	100,472
Foreign exchange gain (loss) - net	1,979	(2,611)	20,049	(25,000)
Excess of fair value of net assets acquired over consideration paid	—	134,541	—	4,090
Gain on remeasurement of investment in an associate	—	63,884	—	48,088
	(965,770)	(767,966)	(332,068)	(284,350)
INCOME BEFORE INCOME TAX	4,524,773	3,962,430	1,831,447	1,307,922
PROVISION FOR INCOME TAX	(1,032,165)	(872,053)	(412,737)	(306,960)
NET INCOME	3,492,608	3,090,377	1,418,710	1,000,962
OTHER COMPREHENSIVE INCOME	65,517	2,678	20,204	10,000
TOTAL COMPREHENSIVE INCOME	₱3,558,125	₱3,093,055	₱1,438,914	₱1,010,962
Net Income Attributable to:				
Equity holders of the Parent Company	₱3,117,400	₱2,807,155	₱1,204,760	₱860,612
Non-controlling interests	375,208	283,222	213,950	140,350
	₱3,492,608	₱3,090,377	₱1,418,710	₱1,000,962
Total Comprehensive Income Attributable to:				
Equity holders of the Parent Company	₱3,182,917	₱2,809,833	₱1,224,964	₱870,612
Non-controlling interests	375,208	283,222	213,950	140,350
	₱3,558,125	₱3,093,055	₱1,438,914	₱1,010,962
Earnings per Share Attributable to Equity Holders of the Parent Company (Note 10)				
Basic	₱0.50938	₱0.45866	₱0.19669	₱0.14043
Diluted	0.50882	0.45859	0.19638	0.14040

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



ROCKWELL LAND CORPORATION AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company										Non-Controlling Interests (Note 18)	Total Equity
	Capital Stock	Additional Paid-in Capital	Other Comprehensive Income	Other Equity Adjustments	Share-based Payments	Cash Flow Hedge Reserve	Retained Earnings (Note 9)		Treasury Shares	Total		
							Appropriated	Unappropriated				
Balance at January 1, 2025	₱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
Net income	—	—	—	—	—	—	—	3,117,400	—	3,117,400	375,208	3,492,608
Other comprehensive income	—	—	—	—	—	65,517	—	—	—	65,517	—	65,517
Total comprehensive income	—	—	—	—	—	65,517	—	3,117,400	—	3,182,917	375,208	3,558,125
Reversal of appropriation	—	—	—	—	—	—	(14,700,000)	14,700,000	—	—	—	—
Appropriation	—	—	—	—	—	—	15,000,000	(15,000,000)	—	—	—	—
Cash dividends	—	—	—	—	—	—	—	(743,003)	—	(743,003)	—	(743,003)
Subsidiary's payment of dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(72,720)	(72,720)
Balance at September 30, 2025	₱6,270,882	₱28,350	₱46,580	₱540,323	₱69,700	₱15,718	₱15,000,000	₱11,051,618	(₱185,334)	₱32,837,837	₱5,716,232	₱38,554,069
Balance at January 1, 2024	₱6,270,882	₱28,350	₱46,580	₱540,323	₱69,700	₱—	₱14,700,000	₱5,899,264	(₱185,334)	₱27,369,765	₱4,277,174	₱31,646,939
Net income	—	—	—	—	—	—	—	2,807,155	—	2,807,155	283,222	3,090,377
Other comprehensive income	—	—	—	—	—	2,678	—	—	—	2,678	—	2,678
Total comprehensive income	—	—	—	—	—	2,678	—	2,807,155	—	2,809,833	283,222	3,093,055
Cash dividends	—	—	—	—	—	—	—	(624,337)	—	(624,337)	—	(624,337)
Subsidiary's payment of dividends to non-controlling interest	—	—	—	—	—	—	—	—	—	—	(153,242)	(153,242)
Subsidiary's redemption of preferred shares from non-controlling interests	—	—	—	—	—	—	—	—	—	—	(183,555)	(183,555)
Acquisition of non-controlling interest	—	—	—	—	—	—	—	—	—	—	1,259,396	1,259,396
Balance at September 30, 2024	₱6,270,882	₱28,350	₱46,580	₱540,323	₱69,700	₱2,678	₱14,700,000	₱8,082,082	(₱185,334)	₱29,555,261	₱5,482,995	₱35,038,256

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Amounts in Thousands)

	2025 (Unaudited)	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱4,524,773	₱3,962,430
Adjustments for:		
Interest income (Note 12)	(254,470)	(495,786)
Depreciation and amortization (Notes 6, 7 and 13)	718,009	651,833
Interest expense (Note 13)	1,361,179	1,257,872
Share in net income of joint venture	(393,430)	(294,092)
Pension expense, net of contributions	31,157	66,500
Foreign exchange loss (gain)	(1,979)	2,611
Excess of fair value of net assets acquired over considerations paid	—	(134,541)
Gain on remeasurement of investment in an associate	—	(63,884)
Operating income before working capital changes	5,985,239	4,952,943
Decrease (increase) in:		
Trade and other receivables	(649,107)	(684,876)
Contract assets	(2,080,655)	(470,350)
Real estate inventories	498,791	(3,711,497)
Advances to contractors	(43,623)	(641,808)
Other current assets	(1,178,282)	(108,542)
Increase (decrease) in:		
Trade and other payables	(785,817)	646,576
Deposits and other liabilities	49,398	386,540
Net cash generated from operations	1,795,944	368,986
Income taxes paid	(831,457)	(756,886)
Interest received	47,374	107,412
Net cash provided by (used in) operating activities	1,011,861	(280,488)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment properties (Note 6)	(1,691,555)	(78,655)
Property and equipment (Note 7)	(890,971)	(642,098)
Subsidiary, net of cash acquired	9,173	157,584
Payment of subscription payable in joint venture (Note 19)	(1,276,094)	—
Dividends received	298,994	330,082
Increase in other noncurrent assets	(28,824)	(345,235)
Decrease in investment in joint venture	—	175,000
Net cash used in investing activities	(3,579,277)	(403,322)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Interest-bearing loans and borrowings (Note 8)	(5,773,235)	(2,262,786)
Dividends	(726,042)	(632,822)
Debt issue costs	(45,000)	(29,994)
Leases	(34,583)	(29,683)
Interest paid	(1,277,966)	(1,287,105)
Subsidiary's payment of dividends to non-controlling interests	(72,720)	(211,621)
Subsidiary's redemption of preferred shares from non-controlling interests	—	(183,555)
Proceeds from availment of loans and borrowings (Note 8)	10,461,700	4,500,000
Net cash provided by (used in) financing activities	2,532,154	(137,566)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,979	(2,612)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(33,283)	(823,988)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,986,954	4,251,289
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱3,953,671	₱3,427,301

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



ROCKWELL LAND CORPORATION AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED 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.

As at September 30, 2025 and December 31, 2024, 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 interim condensed consolidated financial statements have been approved and authorized for issuance by the Board of Directors on December 12, 2025.

2. Basis of Preparation

Basis of Preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2024.

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

These interim condensed consolidated financial statements have been prepared solely for inclusion in the prospectus prepared for the Parent Company's planned bond offering, and for no other purpose.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at September 30, 2025. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.



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

Subsidiaries	Nature of Business	Percentage of Ownership as of September 30, 2025 and December 31, 2024
Rockwell Integrated Property Services, Inc.	Service provider	100%
Rockwell Primaries Development Corporation (Rockwell Primaries)	Real estate development	100%
Stonewell Property Development Corporation	Real estate development	100%
Rockwell Performing Arts Theater Corporation (formerly Primaries Properties Sales Specialists Inc.)	Marketing	100%
Rockwell Leisure Club, Inc.	Leisure club	75%
Rockwell Hotels & Leisure Management Corp	Hotel management	100%
Retailscapes Inc.	Commercial Development	100%
Rockwell Primaries South Development Corporation (formerly ATR KimEng Land, Inc.)	Real Estate Development	100%
Rockwell MFA Corp. (Rock MFA)	Real Estate Development	80%
Rockwell Carmelray Development Corporation	Real Estate Development	70%
Rockwell GMC Development Corporation (RGDC)	Real Estate Development	60%
Rockwell Nepo Development Corporation (RNDC)	Real Estate Development	65%
Obsidian Holdings Inc.*	Real Estate Development	100%

*Became a subsidiary in February 2025

All subsidiaries are incorporated in the Philippines.

3. Changes in Material Accounting Policy Information and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of Amendments to PAS 21, *Lack of exchangeability*, effective January 1, 2025. The adoption of the amendments did not have a significant impact on the interim condensed consolidated financial statements.

The material accounting judgments, estimates and assumptions used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements as at and for the year ended December 31, 2024.



4. Trade and Other Receivables and Contract Assets

Trade and other receivables consist of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables from:		
Sale of real estate	₱1,040,778	₱657,696
Lease	745,050	650,291
Subscriptions receivable (see Note 14)	208,000	374,500
Due from related parties (see Note 14)	47,338	12,886
Advances to officers and employees (see Note 14)	66,269	18,206
Others	291,009	24,774
	2,398,444	1,738,353
Less allowance for expected credit losses	37,099	32,770
	₱2,361,345	₱1,705,583

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.

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.

As of September 30, 2025, contract assets consist of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current	₱7,776,771	₱6,661,563
Noncurrent	10,728,304	9,561,607
	₱18,505,075	₱16,223,170

5. Other Current Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Creditable withholding tax	₱1,513,743	₱1,475,546
Prepaid costs	1,426,977	1,180,265
Input VAT - net	1,362,170	1,321,301
Restricted cash	897,192	52,219
Refundable deposit	115,090	108,077
Supplies	93,030	100,764
Others	11,417	3,165
	₱5,419,619	₱4,241,337



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.

As at September 30, 2025 and December 31, 2024, 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.

6. Investment Properties

This account consists of:

September 30, 2025 (Unaudited)					
	Land	Buildings and Improvements	Right-of-use Assets	Investment Properties in Progress	Total
At January 1, 2025, net of accumulated depreciation and amortization	₱3,787,471	₱10,889,081	₱432,876	₱687,583	₱15,797,011
Additions to construction	124,636	1,101,781	–	465,138	1,691,555
Depreciation and amortization	–	(433,173)	(11,452)	–	(444,625)
At September 30, 2025, net of accumulated depreciation and amortization	₱3,912,107	₱11,557,689	₱421,424	₱1,152,721	₱17,043,941
At January 1, 2025:					
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
At September 30, 2025:					
Cost	₱3,912,107	₱17,975,401	₱524,485	₱1,152,721	₱23,564,714
Accumulated depreciation and amortization	–	(6,417,712)	(103,061)	–	(6,520,773)
Net carrying amount	₱3,912,107	₱11,557,689	₱421,424	₱1,152,721	₱17,043,941
December 31, 2024 (Audited)					
	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	₱10,969,566	₱448,144	₱402,832	₱14,624,071
Additions to construction	151,901	582,344	–	206,779	941,024
Effect of business combination	832,041	–	–	77,972	910,013
Transfers to real estate inventories	–	(107,011)	–	–	(107,011)
Depreciation and amortization	–	(555,818)	(15,268)	–	(571,086)
At December 31, 2024, net of accumulated depreciation and amortization	₱3,787,471	₱10,889,081	₱432,876	₱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	–	(5,052,923)	(76,342)	–	(5,129,265)
Net carrying amount	₱2,803,529	₱10,969,566	₱448,144	₱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



Investment properties are carried at cost. Investment properties consist of the Power Plant Mall amounting to ₱3.6 billion and ₱3.8 billion as at September 30, 2025 and December 31, 2024, respectively, other investment properties held for lease within and outside Rockwell Center amounted to ₱10.7 billion and ₱11.4 billion as at September 30, 2025 and December 31, 2024, respectively.

Lease income earned from investment properties amounted to ₱1,977.7 million and ₱1,811.2 million for the nine months ended September 30, 2025 and 2024, respectively. Direct operating expenses incurred amounted to ₱637.5 million and ₱626.7 million for the nine months ended September 30, 2025 and 2024, respectively.

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.

7. Property and Equipment

This account consists of:

September 30, 2025 (Unaudited)						
	Land	Buildings and Improvements	Office Furniture and Other Equipment	Transportation Equipment	Construction in Progress	Total
Cost						
At January 1	₱692,411	₱2,831,380	₱2,466,423	₱480,940	₱110,505	₱6,581,659
Additions	477,758	68,382	279,447	28,593	36,791	890,971
Effect of acquisition of subsidiary accounted as asset acquisition	863,544	—	—	—	—	863,544
Reclassification from real estate inventories	576,769	—	—	—	—	576,769
Transfer to real estate inventories	(144,032)	—	—	—	—	(144,032)
At December 31	2,466,450	2,899,762	2,745,870	509,533	147,296	8,768,911
Accumulated Depreciation and Amortization						
At January 1	—	1,474,785	2,094,956	291,213	—	3,860,954
Depreciation and amortization	—	13,278	203,459	56,647	—	273,384
At December 31	—	1,488,063	2,298,415	347,860	—	4,134,338
Net Book Value at December 31	₱2,466,450	₱1,411,699	₱447,455	₱161,673	₱147,296	₱4,634,573

December 31, 2024 (Audited)						
	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	—	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	₱692,411	₱1,356,595	₱371,467	₱189,727	₱110,505	₱2,720,705

Land Acquired through Purchase of Shares. On February 13, 2025, Rockwell Land acquired the entire shareholdings of the former shareholders of Obsidian Holdings, Inc. (OHI) aggregating to 100,000 shares for a total consideration of ₱10.0 million, making OHI a wholly owned subsidiary of Rockwell Land. OHI is a single asset entity with parcels of land located in Lian, Batangas now intended for the development of golf course facilities. The acquisition of OHI is accounted for as an asset acquisition. Hence, OHI's assets, which primarily consist of a parcel of land, were assigned their carrying amount based on their relative fair values. The land was valued at ₱863.5 million, after allocating the



acquisition cost to other identifiable assets and liabilities of OHI which had a net liability carrying amount of ₱853.5 million.

Acquisition of Parcels of Land. During the nine months ended September 30, 2025, OHI purchased additional parcels of land intended for future development of golf course facilities amounting to ₱477.8 million.

Reclassification from Real estate Inventories to Property and Equipment. During the nine months ended September 30, 2025, Rockwell land sold parcels of land classified under “Real estate inventories” to OHI, its subsidiary, for future development of golf course facilities under “Property and equipment” amounting to ₱576.8 million.

Transfer from Property and Equipment to Real Estate Inventories. As at September 30, 2025, the development of “Mactan Hotel” project in Mactan, Cebu is still ongoing. During the nine months ended September 30, 2025, management reallocated a portion of the land initially intended for hotel operation to residential condominium units for sale amounting to ₱144.0 million.

Advances to Contractors. As at September 30, 2025 and December 31, 2024, advances to contractors, included under “Other noncurrent assets” account in the consolidated statements of financial position, amounting to ₱4.4 million and ₱1.3 million, respectively, primarily pertain to advances related to the development of “Mactan Hotel”.

8. Interest-bearing Loans and Borrowings

	Effective Interest Rate	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	₱6,676,711	₱4,636,244
JV Partner loan	Floating 3.64%-7.57%	66,000	116,000
		6,742,711	4,752,244
Less unamortized loan transaction costs		23,289	23,091
		₱6,719,422	₱4,729,153
Noncurrent			
Term loan	Fixed 3.43%-6.24%		
	Floating 6.14%-7.57%	₱26,876,021	₱24,326,782
JV Partner loan	Floating 3.64%-7.57%	368,700	207,000
		27,244,721	24,533,782
Less unamortized loan transaction costs		128,852	109,839
		₱27,115,869	₱24,423,943

Long-term Loans

During the nine months ended September 30, 2025, the Parent Company obtained long-term loans from various financial institutions bearing interest rates ranging from 5.60% to 6.00% with terms from two to seven years. As of September 30, 2025, new long-term financing secured and repayments totaled ₱6,161.7 million and ₱3,977.2 million, respectively.



Short-term Loans

During the nine months ended September 30, 2025, the Parent Company obtained short-term loans from various financial institutions bearing interest rates ranging from 5.50% to 6.00% with terms from three to six months. As of September 30, 2025, new short-term financing secured and repayments totaled ₱4,300.0 million and ₱1,800.0 million, respectively.

JV Partner Loan

The outstanding balance of the JV Partner loans from SEAI Metro Manila One, Inc. and T.G.N. Realty Corporation amounted to ₱434.7 million and ₱323.0 million as of September 30, 2025 and December 31, 2024, respectively.

Principal Repayments. The principal repayment of all loans and borrowings based on existing terms are scheduled as follows:

Year	Amount
2025	₱6,743,620
2026	5,513,865
2027	3,538,378
2028	2,199,263
2029 and onwards	15,895,823
	<u>₱33,890,949</u>

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 September 30, 2025 and December 31, 2024, the Group has complied with these covenants.

9. Retained Earnings

On January 28, 2025, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱15.0 billion (after reversal of ₱14.7 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.

On July 14, 2025, the Parent Company's BOD approved the declaration of a regular cash dividend of ₱0.121 per share to all common shareholders of record as at August 7, 2025 amounting to ₱741.3 million and 6% per annum cumulative cash dividend from July 1, 2024 to June 30, 2025 to all preferred shareholders amounting to ₱1.7 million. Payments of cash dividends for common shares were made on September 2, 2025.

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.



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

	2025 (Nine Months - Unaudited)	2024 (Nine Months - Unaudited)
Net income attributable to equity holders of the Parent Company	₱3,117,400	₱2,807,155
Dividends on preferred shares	(1,650)	(1,650)
Net income attributable to common shares (a)	₱3,115,750	₱2,805,505
Common shares at beginning of period	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	6,774,337	959,453
Weighted average common shares - diluted (c)	6,123,536,535	6,117,721,651
Per share amounts:		
Basic (a/b)	₱0.50938	₱0.45866
Diluted (a/c)	0.50882	0.45859

The diluted EPS considered the effect of stock options outstanding since these are dilutive.

11. 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):

	September 30, 2025 (Nine Months - Unaudited)	
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱6,935,174	₱1,099,871
Southern Luzon	1,690,920	—
Central Visayas	1,888,413	478
Western Visayas	918,566	7,720
Central Luzon	222,460	—
	₱11,655,533	₱1,108,069



September 30, 2025 (Nine Months - Unaudited)		
	Residential Development	Commercial Development
Major product/service lines		
Sale of high-end residential condominium units	₱4,479,156	₱—
Sale of residential lots	2,567,936	—
Sale of affordable housing units	31,339	—
Room revenue	174,872	—
Sale of office spaces	—	—
Cinema revenue	—	202,914
Others	4,402,230	905,155
	₱11,655,533	₱1,108,069
Timing of revenue recognition		
Transferred over time	₱10,898,696	₱—
Transferred at a point in time	756,837	1,108,069
	₱11,655,533	₱1,108,069
September 30, 2024 (Nine Months - Unaudited)		
	Residential Development	Commercial Development
Primary geographical markets		
National Capital Region	₱5,368,058	₱1,300,796
Southern Luzon	984,544	—
Central Visayas	2,178,653	—
Western Visayas	1,143,276	—
Central Luzon	735,182	866
	₱10,409,713	₱1,301,662
September 30, 2024 (Nine Months - Unaudited)		
	Residential Development	Commercial Development
Major product/service lines		
Sale of high-end residential condominium units	₱7,981,893	₱—
Sale of residential lots	1,812,451	—
Sale of affordable housing units	17,154	—
Sale of office spaces	—	100,944
Room revenue	—	172,321
Cinema revenue	—	126,032
Others	598,215	902,365
	₱10,409,713	₱1,301,662
Timing of revenue recognition		
Transferred over time	₱9,811,051	₱100,944
Transferred at a point in time	598,662	1,200,718
	₱10,409,713	₱1,301,662



12. Interest Income

	2025	2024
	(Nine Months - Unaudited)	
Interest income on:		
Contract balances	₱201,249	₱352,577
Cash and cash equivalents	46,379	105,722
Penalty charges	5,846	35,796
In-house financing	996	1,691
	₱254,470	₱495,786

13. Expenses

Depreciation and Amortization

Depreciation and amortization expense included in the interim condensed consolidated statements of comprehensive income is as follows:

	2025	2024
	(Nine Months - Unaudited)	
Included in:		
Cost of real estate	₱472,524	₱433,689
General and administrative expenses	245,485	218,144
	₱718,009	₱651,833

General and Administrative Expenses

General and administrative expenses are comprised of:

	2025	2024
	(Nine Months - Unaudited)	
Personnel	₱495,824	₱494,552
Taxes and licenses	423,234	418,649
Depreciation and amortization	245,485	218,144
Entertainment, amusement and recreation	123,295	116,137
Producer's share	89,594	82,221
Dues and subscriptions	72,790	70,311
Contracted services	64,015	46,097
Utilities	46,371	51,061
Repairs and maintenance	40,069	34,245
Rental expense	45,882	50,211
Professional fees	44,341	34,250
Marketing and promotions	27,854	34,075
Insurance	30,003	28,006
Fuel and oil	18,820	21,368
Donation and contributions	16,060	6,769
Transportation and travel	19,903	9,508
Security services	9,338	14,772
Office supplies	6,416	6,597

(Forward)



	2025	2024
	(Nine Months - Unaudited)	
Provision for expected credit losses	₱4,582	₱5,547
Bank charges	4,105	4,221
Others	31,972	41,094
	₱1,859,953	₱1,787,835

Selling Expenses

Selling expenses are comprised of:

	2025	2024
	(Nine Months - Unaudited)	
Marketing and promotions	₱425,917	₱362,699
Commissions and amortization of prepaid costs	344,766	386,044
Personnel	121,957	111,000
Entertainment, amusement and recreation	24,835	21,904
Contracted services	24,037	21,489
Utilities	5,406	6,408
Usufruct	199	520
Others	49,992	30,287
	₱997,109	₱940,351

Interest Expense

Interest expense is comprised of:

	2025	2024
	(Nine Months - Unaudited)	
Interest expense on interest-bearing loans and borrowings	₱1,299,286	₱1,201,712
Interest expense on lease liabilities	41,850	41,130
Amortization of loan transaction costs	20,043	15,030
	₱1,361,179	₱1,257,872

14. 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. Transactions with related parties are generally settled in cash. 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	2025 2024	₱— ₱771,415	₱— (₱8,942)	Payable in tranches based on the agreement;	Unsecured
	Under common control	Deposit for land acquisition)	2025 2024	9,145 —	9,145 —	noninterest-bearing Payable in tranches based on the agreement; noninterest-bearing	Unsecured, no impairment

(Forward)



Related Parties	Relationship	Nature of Transaction	Period*	Transaction	Amounts	Terms	Conditions
				Amount	Owed from (to) Related Parties		
Rockwell - Meralco BPO	Joint venture	Advances	2025	₱2,896	₱7,603	On demand; non-interest-bearing	Unsecured, no impairment
			2024	2,445	4,707		
		Management fee	2025	9,301	1,079	On demand; non-interest-bearing	Unsecured, no impairment
			2024	11,196	1,754		
SEAI Metro Manila One, Inc.	Non-controlling shareholder	Loan payable	2025	(50,000)	(273,000)	Payable based on Promissory Note; interest-bearing	Unsecured
		Principal	2024	217,200	(323,000)		
		Interest	2025	14,298	4,650		
			2024	27,768	—		
T.G.N. Realty Corporation	Non-controlling shareholder	Loan payable	2025	161,700	(161,700)	Payable based on Promissory Note; interest-bearing	Unsecured
			2024	—	—		
	Non-controlling shareholder	Subscriptions receivable	2025	166,500	—	On demand; non-interest-bearing	Unsecured; no impairment
			2024	—	166,500		
RIDC	Joint Venture	Reimbursement	2025	471	9,343	On demand; non-interest-bearing	Unsecured, no impairment
			2024	99,432	8,872		
		Management fee	2025	160,649	29,313	On demand; non-interest-bearing	Unsecured, no impairment
			2024	8,254	(2,447)		
GMC	Non-controlling shareholder	Subscriptions receivable	2025	—	208,000	On demand; non-interest-bearing	Unsecured; no impairment
			2024	—	208,000		
Advances to officers and employees		Advances	2025	29,132	66,269	30-day; noninterest-bearing	Unsecured; no impairment
			2024	(11,685)	18,206		
Due from related parties			2025		₱47,338		
			2024		₱12,886		
Deposit for land acquisition			2025		₱9,145		
			2024		₱—		
Due to related parties			2025		₱—		
			2024		(₱8,942)		
JV partner loan payable			2025		(₱434,700)		
			2024		(₱323,000)		
Interest payable			2025		₱4,650		
			2024		₱—		
Subscription receivable			2025		₱208,000		
			2024		₱374,500		
Advances to officers and employees			2025		₱66,269		
			2024		₱18,206		

*2025 pertains to outstanding balances as at September 30, 2025 and transactions for the nine months ended September 30, 2025, while 2024 pertains to outstanding balances as at December 31, 2024 and transactions for the year ended December 31, 2024.

Compensation of Key Management Personnel of the Company

	2025	2024
	(Nine Months - Unaudited)	
Short-term employee benefits	₱142,995	₱129,995
Post-employment pension and other benefits	40,480	44,858
Total compensation attributable to key management personnel	₱183,475	₱174,853



15. Commitments and Contingencies

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 September 30, 2025 and December 31, 2024, the contract sum awarded amounted to ₱18.4 billion and ₱17.4 billion, respectively, inclusive of all pertinent local and national taxes, overhead and cost of labor and materials and all costs necessary for the proper execution of works. Land acquisitions are consummated following the terms of the contracts. As at September 30, 2025 and December 31, 2024, ₱16.5 billion and ₱15.8 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. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can prejudice the outcome of these lawsuits, claims, arbitration and assessments.

16. Fair Value Information

Set out below is a comparison by class of the carrying values and fair values of all the Group's financial instruments as at September 30, 2025 and December 31, 2024, excluding financial instruments of short-term nature. There are no material unrecognized financial assets and liabilities as of September 30, 2025 and December 31, 2024.

	September 30, 2025 (Unaudited)				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment properties	₱17,043,941	₱34,012,000	₱ –	₱–	₱32,246,407
Investment in equity instruments at FVOCI	62,780	62,780	59,500	–	3,280
	₱17,106,721	₱34,074,780	₱59,500	₱–	₱32,249,687
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	₱33,835,291	₱33,162,976	₱ –	₱ –	₱33,162,976
Subscription payable	1,242,316	1,146,997	–	–	1,146,997
Retention payable (including noncurrent portion)	1,835,449	1,686,219	–	–	1,686,219
Security deposits (including noncurrent portion)	902,347	876,690	–	–	876,690
	₱37,815,403	₱36,872,882	₱ –	₱ –	₱36,872,882



	December 31, 2024 (Audited)				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Investment properties	P15,797,011	P34,012,000	P –	P –	P34,012,000
Investment in equity instruments at FVOCI	62,549	62,549	59,280	–	3,269
	P15,859,560	P34,074,549	P59,280	P –	P34,015,269
Liabilities					
Interest-bearing loans and borrowings (including noncurrent portion)	P29,153,096	P28,616,032	P –	P –	P28,616,032
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
	P34,257,402	P33,375,167	P –	P –	P33,375,167

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

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. Unquoted equity securities for which no other reliable basis for fair value measurement is available, were valued at cost, net of impairment, if any.

Interest-bearing Loans and Borrowings. The fair values of fixed rate loans were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 4.73% to 6.44% as at September 30, 2025 and 5.71% to 6.09% as at December 31, 2024.

Subscription Payable, Retention Payable and Security Deposits. The fair values were calculated by discounting the expected future cash flows at prevailing credit adjusted BVAL interest rates ranging from 4.73% to 6.44% as at September 30, 2025 and 3.91% to 5.71% to 6.09% as at December 31, 2024.

Fair Value Hierarchy

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

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

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

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

17. 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 operations and hotel segment. Commercial buildings in its portfolio include the Power Plant Mall, 8 Rockwell and Edades Serviced Apartments in Makati City; Santolan Town Plaza in San Juan, Metro Manila; Rockwell Business Center (RBC) in Ortigas, Pasig; and RBC Sheridan in Mandaluyong, Metro Manila. Other retail spaces are found at several of the high-rise condominiums developed by the Group.

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

Management monitors the operating results of each business unit separately for the purpose of making decisions about resource allocation and performance assessment. Performance is evaluated based on net income for the year and earnings before interest, taxes and depreciation and amortization, or *EBITDA*. Net income for the year is measured consistent with consolidated net income in the consolidated financial statements. *EBITDA* is measured as net income excluding depreciation and amortization, interest expense, provision for income tax, and other adjustments related to the excess of fair value of net assets acquired over consideration paid, gain on remeasurement of investment in an associate and net gain/loss on cash flow hedge reclassified to profit or loss.

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

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

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



Business Segments

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

	September 30, 2025 (Nine Months - Unaudited)		
	Residential Development	Commercial Development	Total
Revenue	₱11,753,675	₱3,242,065	₱14,995,740
Costs and expenses	(7,551,444)	(1,235,744)	(8,787,188)
Share in net income of joint venture	86,980	306,450	393,430
Other income - net	(16,708)	—	(16,708)
EBITDA	4,272,503	2,312,771	6,585,274
Depreciation and amortization			(718,009)
Interest expense			(1,361,179)
Provision for income tax			(1,032,165)
Net gain on cash flow hedge reclassified to profit or loss*			18,687
Consolidated Net Income			₱3,492,608

*Recognized as part of "Foreign exchange gain (loss) - net"

	September 30, 2024 (Nine Months - Unaudited)		
	Residential Development	Commercial Development	Total
Revenue	₱10,914,603	₱3,103,747	₱14,018,350
Costs and expenses	(7,423,097)	(1,213,023)	(8,636,120)
Share in net income of joint venture	(27,311)	321,403	294,092
Other income – net	14,423	1	14,424
EBITDA	3,478,618	2,212,128	5,690,746
Depreciation and amortization			(651,833)
Interest expense			(1,257,872)
Provision for income tax			(872,053)
Excess of fair value of net assets acquired over consideration paid			134,541
Gain on remeasurement of investment in an associate			63,884
Net loss on cash flow hedge reclassified to profit or loss*			(17,036)
Consolidated Net Income			₱3,090,377

*Recognized as part of "Foreign exchange gain (loss) - net"

The following tables present assets and liabilities information regarding the Group's residential and commercial development business segments:

	September 30, 2025 (Unaudited)		
	Residential Development	Commercial Development	Total
Assets and liabilities:			
Segment assets	₱59,498,346	₱2,299,242	₱61,797,588
Investment properties	1,646,033	15,397,908	17,043,941
Investment in joint venture	3,184,117	1,611,512	4,795,629
Deferred tax assets - net	47,318	39,201	86,519
Property and equipment	3,800,121	834,452	4,634,573
Total assets	₱68,175,935	₱20,182,315	₱88,358,250
Segment liabilities	₱36,205,185	₱12,170,742	₱48,375,927
Deferred tax liabilities - net	1,428,254	—	1,428,254
Total liabilities	₱37,633,439	₱12,170,742	₱49,804,181



	December 31, 2024 (Audited)		
	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	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

18. Non-controlling Interests

The Group has the following subsidiaries with material NCI. Information on these subsidiaries are as follows:

September 30, 2025 (Unaudited)						
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 period
RNDC	35%	₱156,251	—	₱1,512,366	₱—	₱—
RGDC	40%	(2,967)	—	2,708,010	—	—

December 31, 2024 (Audited)						
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	—	—

RNDC's summarized financial information follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current assets	₱3,355,665	₱3,201,455
Noncurrent assets	2,155,239	1,136,941
Current liabilities	464,710	377,463
Noncurrent liabilities	853,793	225,373
Revenues	1,510,621	1,439,023
Total comprehensive income	456,840	970,251



	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash flows:		
Operating	₱530,146	(₱506,517)
Financing	462,000	790,000

RGDC's summarized financial information follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current assets	₱6,552,969	₱2,821,380
Noncurrent assets	426,834	3,962,856
Current liabilities	187,217	6,563
Noncurrent liabilities	22,330	—
Revenues	30,664	1,359
Total comprehensive income (loss)	(7,417)	971

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash flows:		
Operating	₱171,112	(₱71,556)
Financing	—	50,000

19. Supplemental Disclosure of Cash Flow Information

a. The changes in the Group's liabilities arising from financing activities are as follows:

	January 1, 2025	Cash Flows	Reclassification from Noncurrent to Current (Nine Months - Unaudited)	Interest Expense/ Discount Amortization	Foreign Exchange	September 30, 2025
Current portion of interest-bearing loans and borrowings	₱4,729,153	(₱246,066)	₱2,236,335	₱—	₱—	₱6,719,422
Interest-bearing loans and borrowings - net of current portion	24,423,943	4,889,531	(2,236,335)	20,043	18,687	27,115,869
Lease liabilities	704,917	(34,583)	—	41,850	—	712,184
	₱29,858,013	₱4,608,882	₱—	₱61,893	₱18,687	₱34,547,475

	January 1, 2024	Cash Flows	Reclassification from Noncurrent to Current (Nine Months - Unaudited)	Interest Expense/ Discount Amortization	Foreign Exchange	September 30, 2024
Current portion of interest-bearing loans and borrowings	₱2,812,449	₱500,000	₱503,263	₱—	₱—	₱3,815,712
Interest-bearing loans and borrowings - net of current portion	23,031,839	1,707,222	(503,263)	15,030	(17,036)	24,233,792
Lease liabilities	690,361	(29,683)	—	41,130	—	701,808
	₱26,534,649	₱2,177,539	₱—	₱56,160	(₱17,036)	₱28,751,312



- b. For the nine months ended September 30, 2025, the Group's material non-cash investing activities include the acquisition of land through purchase of shares of OHI amounting to ₱863.5 million; transfer of the Parent Company's land under "Real estate inventories" to a subsidiary for future development of golf course facilities under "Property and equipment" amounting to ₱576.8 million; and reallocation of parcels of land initially intended for hotel operation to residential amounting to ₱144.0 million (Note 7).
- c. For the nine months ended September 30, 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.
- d. As of September 30, 2025, the Parent Company paid ₱1,276.1 million out of the remaining unpaid portion of its subscription payable to Rockwell IPI Development Corporation, a joint venture, amounting to ₱2,518.4 million as of December 31, 2024.

20. Events After the Reporting Period

- a. On October 6, 2025, the Parent Company sold for ₱281.0 million parcels of land located in Quezon City, previously classified as land held for future development under "Real estate inventories", with carrying value of ₱160.0 million.
- b. On October 29, 2025 and November 24, 2025, the Parent Company availed short-term loan amounting to ₱500.0 million from Metropolitan Bank and Trust Company and long-term loan amounting to ₱1,000.0 million from BDO Unibank, Inc., respectively, to fund capital expenditures related to the construction of the Parent Company's ongoing projects.

21. Seasonality of Operations

The Group's real estate business is not subject to seasonality or cyclicity of interim operations.

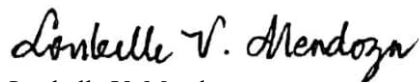


INDEPENDENT AUDITOR'S REPORT ON INTERIM SUPPLEMENTARY SCHEDULES

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

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the interim condensed consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group) as at September 30, 2025, and for the nine months ended September 30, 2025 and 2024, and have issued our report thereon dated December 12, 2025. Our review was made for the purpose of expressing a conclusion on the basic interim condensed 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 interim condensed consolidated financial statements. These schedules have been subjected to the procedures applied in the review of the basic interim condensed consolidated financial statements and, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

SYCIP GORRES VELAYO & CO.



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

December 12, 2025

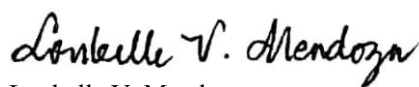


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the interim condensed consolidated financial statements of Rockwell Land Corporation and its subsidiaries (the Group) as at September 30, 2025, and for the nine months ended September 30, 2025 and 2024, and have issued our report thereon dated December 12, 2025. Our review was made for the purpose of expressing a conclusion on the basic interim condensed 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 Accounting Standard (PAS) 34, *Interim Financial Reporting*. 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 interim condensed consolidated financial statements prepared in accordance with PAS 34. The components of these financial soundness indicators have been traced to the Group's interim condensed consolidated financial statements as at September 30, 2025 and for the nine months ended September 30, 2025 and 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

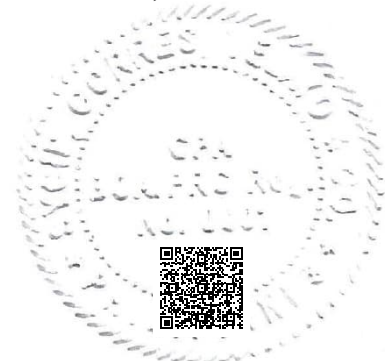
Tax Identification No. 301-422-247

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BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10465344, January 2, 2025, Makati City

December 12, 2025



ROCKWELL LAND CORPORATION AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

SEPTEMBER 30, 2025

Annex A: Supplementary schedules (Revised SRC Rule 68 - Annex 68-J)

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex B: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex C: Map of Relationships of Companies within the Group

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**ANNEX A: SCHEDULE A. FINANCIAL ASSETS****SEPTEMBER 30, 2025**

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Value based on Market Quotation at End of Reporting Period	Income Received and Accrued

Schedule of Financial Assets is not applicable to the Group as the Group does not have financial assets at fair value through profit or loss as at September 30, 2025.

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**ANNEX A: SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS,
OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL
STOCKHOLDERS (OTHER THAN RELATED PARTIES)
SEPTEMBER 30, 2025**

Name and Designation of Debtor	Beginning balance	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
Officers & Directors	₱224,586,932	₱338,488,866	(₱61,626,937)	₱–	₱23,875,913	₱477,572,968	₱501,448,881
Employees	131,831,549	456,571,474	(47,943,960)	–	64,721,165	475,737,898	540,459,063
TOTAL	₱356,418,481	₱795,060,340	(₱109,570,897)	₱–	₱88,597,078	₱953,310,866	₱1,041,907,944

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**ANNEX A: SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Name and Designation of Debtor*	Beginning balance	Additions	Amounts Collected	Current	Noncurrent	Ending balance
Rockwell Leisure Club Inc.	₱17,421,785	₱21,010,174	(₱18,860,936)	₱19,571,024	₱–	₱19,571,024
Rockwell Integrated Property Services, Inc.	70,872,452	169,265,495	(160,740,768)	79,397,179	–	79,397,179
Rockwell Primaries Development Corporation	2,531,765,290	174,897,980	–	259,923,620	2,446,639,300	2,706,562,920
Rockwell Primaries South Development Corporation	1,339,411,137	42,428,217	(249,895,143)	48,545,211	1,083,399,000	1,131,944,211
Stonewell Property Development Corporation	4,633,088	8,959,418	(7,290,009)	6,302,497	–	6,302,497
Rockwell Performing Arts Theater Corporation	2,300,948	2,487,139	–	4,788,087	–	4,788,087
Rockwell Hotels & Leisure Management Corp.	41,373,405	41,738,413	(64,473,150)	18,638,748	–	18,638,748
Retailscapes, Inc.	818,223,617	17,021,754	(21,461,789)	813,783,582	–	813,783,582
Rockwell MFA Corp.	2,214,709,272	212,066,035	(355,541,747)	407,934,245	792,000,000	1,199,934,245
Rockwell Carmelray Development Corp.	23,713,783	15,297,877	77,299,643	123,173,313	–	123,173,313
Rockwell GMC Development Corp.	(169,459)	11,573,837	(15,022,464)	(3,618,086)	–	(3,618,086)
Rockwell Nepo Development Corp.	8,964,721	487,423,023	(182,936,850)	13,150,894	300,300,000	313,450,894

**Subsidiaries*

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

ANNEX A: SCHEDULE D. LONG - TERM DEBT

SEPTEMBER 30, 2025

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	₱862,961,935	₱—	5.79%	6	5/31/2026
				5.94%	6	6/29/2026
				6.03%	6	6/17/2026
Philippine Peso, 7-year fixed rate notes due 2026	3,000,000,000	358,368,421	1,300,000,000	5.55%	8	11/22/2026
				5.56%		12/23/2026
Philippine Peso, 7-year floating rate notes due 2026	3,000,000,000	315,600,000	1,500,000,000	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	345,200,000	—	6.94%	6	6/17/2026
Philippine Peso, 7-year fixed rate notes due 2027	2,000,000,000	274,641,148	764,114,833	5.92%	9	1/20/2027
				5.26%	12	12/7/2027
Philippine Peso, 7-year fixed rate notes due 2028	3,000,000,000	384,163,682	1,504,870,668	5.26%	13	2/10/2028
				5.36%	16	10/8/2028
Philippine Peso, 7-year floating rate notes due 2029	500,000,000	66,666,667	316,666,666	6.44%	18	4/6/2029
Philippine Peso, 10-year fixed rate notes due 2030	7,000,000,000	436,800,000	5,034,400,000	5.00%	21	2/22/2030
				5.04%		
				3.44%		
				3.75%		
				4.61%		
				4.31%		
Philippine Peso, 10-year fixed rate notes due 2030	3,000,000,000	187,200,000	2,157,600,000	4.37%	21	2/22/2030
				4.52%		2/22/2030
				5.30%		2/22/2030

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 floating rate notes due 2032	5,000,000,000	400,000,000	3,900,000,000	6.14%	32	12/14/2032
				6.14%		
Philippine Peso, 10-year fixed rate notes due 2026	1,000,000,000	345,200,000	—	5.69%	6	6/17/2026
				6.24%		
US Dollar, 7-year fixed rate notes due 2031 (Peso Equivalent)	3,098,278,616	163,067,296	2,935,211,320	5.79%	20	1/31/2031
Philippine Peso, 7-year fixed rate notes due 2031	1,500,000,000	36,842,105	1,463,157,895	7.55%	20	6/24/2031
				6.88%	21	12/17/2031
Philippine Peso, 7-year floating rate notes due 2032	1,000,000,000	—	1,000,000,000	6.71%	21	9/29/2032
Philippine Peso, 4-year fixed rate notes due 2025	66,000,000	66,000,000	0	7.44%	1	12/31/2025
				7.44%		
Philippine Peso, 4-year fixed rate notes due 2027	140,000,000	—	140,000,000	7.44%	1	12/31/2027
				7.44%		
				7.41%		
				7.41%		
				7.41%		
				3.57%		
				4.29%		
				4.59%		
Philippine Peso, 5-year fixed rate notes due 2027	67,000,000	—	67,000,000	7.57%	1	12/31/2027
				7.66%		
Philippine Peso, 2-year fixed rate notes due 2027	161,700,000	—	161,700,000	6.62%	1	12/31/2027
				6.62%		
Philippine Peso, 7 year floating rate notes due 2032	5,000,000,000	—	5,000,000,000	3.57%	1	12/31/2027
Philippine Peso, 180-days fixed rate notes due 2025	500,000,000	500,000,000	—	5.50%	1	10/21/2025

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, 90-days fixed rate notes due 2025	500,000,000	500,000,000	—	5.50%	1	10/21/2025
Philippine Peso, 90-days fixed rate notes due 2025	1,000,000,000	1,000,000,000	—	5.95%	1	10/21/2025
Philippine Peso, 90-days fixed rate notes due 2025	500,000,000	500,000,000	—	5.68%	1	10/21/2025
Total principal amounts		₱6,742,711,254	₱27,244,721,382			
Less unamortized loan transaction costs		23,289,427	128,852,360			
		₱6,719,421,827	₱27,115,869,022			

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

ANNEX A: SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES

SEPTEMBER 30, 2025

Name of Related Party	Beginning Balance	Ending Balance

Not Applicable

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**ANNEX A: SCHEDULE F. Guarantees of Securities of Other Issuers
SEPTEMBER 30, 2025**

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 and Outstanding	Amount owed by Person for which Statement is filed	Nature of Guarantee

Not Applicable

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**ANNEX A: SCHEDULE G. CAPITAL STOCK****SEPTEMBER 30, 2025**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Common Shares	8,890,000,000	6,116,762,198	44,489,000	5,296,015,375	21,479,658	799,267,165
Preferred Shares	11,000,000,000	2,750,000,000	—	2,750,000,000	—	—

ROCKWELL LAND CORPORATION AND SUBSIDIARIES**ANNEX B: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION****SEPTEMBER 30, 2025**

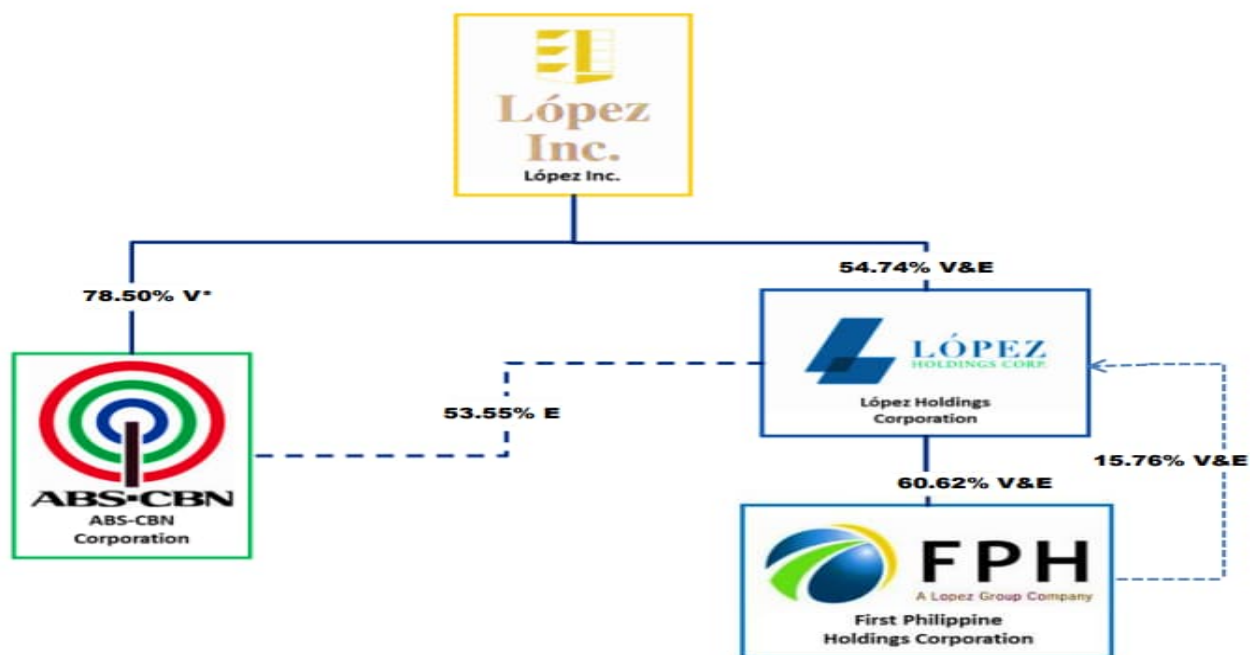
Amount in thousands

	Amount
Unappropriated retained earnings, beginning	₱6,062,206
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	743,003
Unappropriated retained earnings, as adjusted	5,319,203
Add: Net income for the current year	2,050,113
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	2,050,113
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	125,203
Net movement in deferred tax assets and deferred tax liabilities related to same transaction (set up of right of use asset and lease liability)	18,661
Sub-total	143,864
Total retained earnings, end of the reporting period available for dividend	₱7,513,180

ROCKWELL LAND CORPORATION AND SUBSIDIARIES

ANNEX C: MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP SEPTEMBER 30, 2025

ROCKWELL LAND CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF COMPANIES WITHIN THE GROUP
As of September 30, 2025





FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES CORPORATE STRUCTURE September 30, 2025

15.76%



60.67%
First Philippine Holdings

Power Generation

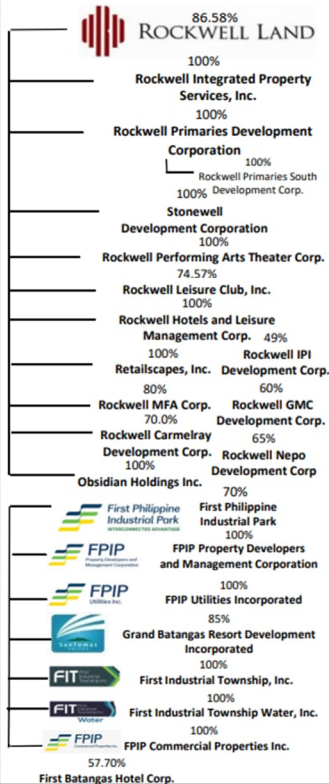
67.84%
First Gen
Corporation



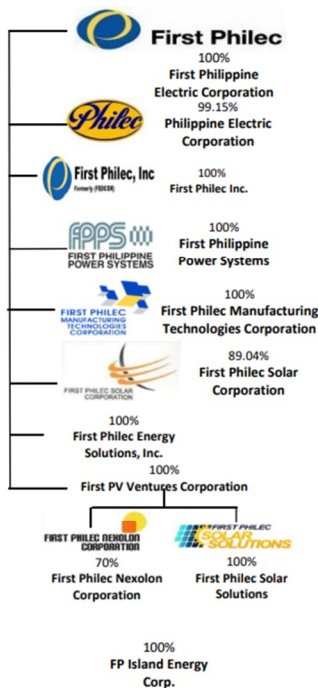
Healthcare and Education



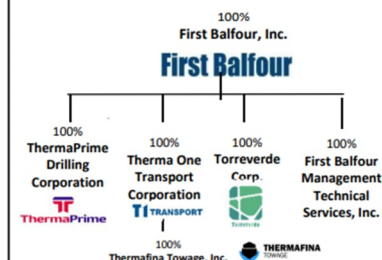
Real Estate



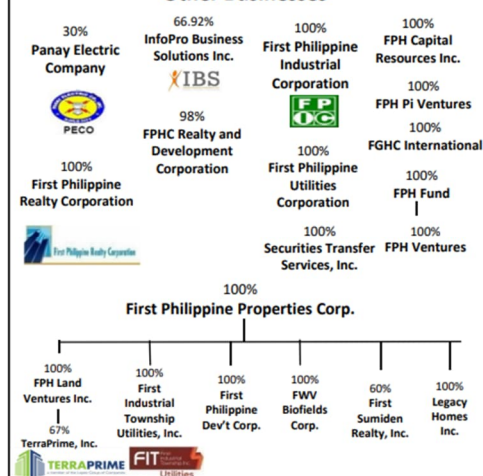
Energy Solutions



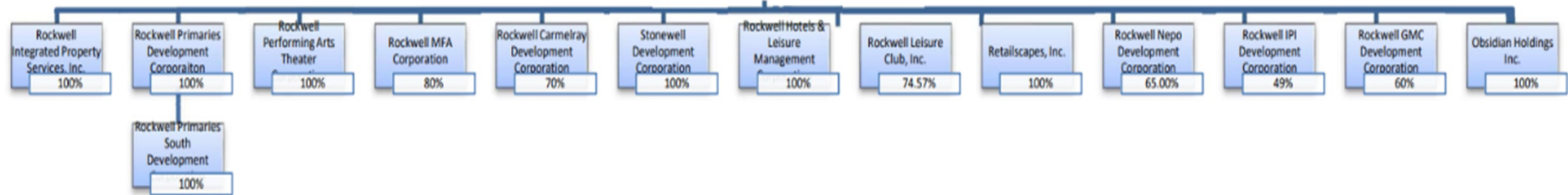
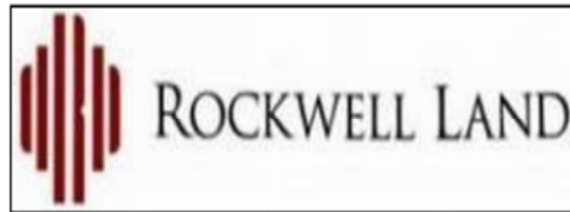
Construction



Other Businesses



*Includes shares equivalent to 5.89% with pending
issuance of Certificate Authorizing Registration.



ROCKWELL LAND CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
SEPTEMBER 30, 2025

KPI	September 2025	December 2024	December 2023
EBITDA (₱)	₱6.6 billion	₱7.6 billion	₱6.8 billion
Current Ratio (x)	2.91	3.18	3.43
Net DE Ratio (x)	0.78	0.70	0.67
Asset to Equity Ratio (x)	2.29	2.28	2.31
Interest coverage ratio (x)	5.07	4.91	4.57
ROA	5.48%	5.26%	4.71%
ROE	12.52%	12.08%	11.36%
EPS (₱)	0.51	0.61	0.51

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 expense on loans]
(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**ANNEX C: SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION****SEPTEMBER 30, 2025**

	September 30, 2025	December 31, 2024
Total Audit Fees	₱14.4 million	₱13.2 million
Non-audit services fees:		
Other assurance services	₱—	₱—
Tax services	₱0.8 million	₱0.9 million
All other services	1.5 million	4.9 million
Total Non-audit Fees	2.3 million	5.8 million
Total Audit and Non-audit Fees	₱16.7 million	₱19.0 million

PARTIES TO THE OFFER

ISSUER

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Rockwell Center, Makati City 1200, Philippines

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8751 Paseo de Roxas
Makati City 1226, Philippines

First Metro Investment Corporation
45th Floor, GT Tower International
6813 Ayal Ave. corner H.V. dela Costa St.
Makati City 1227, Philippines

JOINT LEAD UNDERWRITERS AND BOOKRUNNERS

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Makati City 1226, Philippines

First Metro Investment Corporation
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PNB Capital and Investment Corporation
9th Floor, PNB Financial Center
Pres. D. Macapagal Blvd.
Pasay City, Philippines

RCBC Capital Corporation
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6819 Ayala Ave.
Makati City, Philippines

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Trust Banking Group**
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Taguig City, Philippines

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