

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the quarterly period ended
Jun 30, 2016
2. SEC Identification Number
52412
3. BIR Tax Identification No.
000-156-011
4. Exact name of issuer as specified in its charter
BELLE CORPORATION
5. Province, country or other jurisdiction of incorporation or organization
PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
5/F TOWER A, TWO ECOM CENTER, PALM COAST AVENUE, MALL OF ASIA
COMPLEX, PASAY CITY
Postal Code
1300
8. Issuer's telephone number, including area code
662-8888
9. Former name or former address, and former fiscal year, if changed since last report
NOT APPLICABLE
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK	10,514,437,857
DEBT OUTSTANDING (IN THOUSANDS)	5,753,142

11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No
If yes, state the name of such stock exchange and the classes of securities listed therein:
THE PHILIPPINE STOCK EXCHANGE
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days

Yes No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Belle Corporation
BEL

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Jun 30, 2016
Currency (indicate units, if applicable)	PHP IN THOUSANDS

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2016	Dec 31, 2015
Current Assets	9,258,852	12,978,356
Total Assets	41,905,867	43,692,165
Current Liabilities	4,947,400	6,886,015
Total Liabilities	15,582,143	17,619,039
Retained Earnings/(Deficit)	4,690,793	4,903,882
Stockholders' Equity	26,323,724	26,073,126
Stockholders' Equity - Parent	23,243,812	22,940,596

Book Value per Share	2.5	2.48
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Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Operating Revenue	1,548,933	1,370,507	3,043,549	2,715,301
Other Revenue	6,179	11,430	11,410	18,566
Gross Revenue	1,555,112	1,381,937	3,054,959	2,733,867
Operating Expense	643,562	559,451	1,282,350	1,166,718
Other Expense	198,246	163,070	460,407	388,540
Gross Expense	841,808	722,521	1,742,757	1,555,258
Net Income/(Loss) Before Tax	713,304	659,416	1,312,202	1,178,609
Income Tax Expense	209,379	200,685	395,463	342,130
Net Income/(Loss) After Tax	503,925	458,731	916,739	836,479
Net Income Attributable to Parent Equity Holder	395,833	394,682	742,780	751,844
Earnings/(Loss) Per Share (Basic)	0.19	0.17	0.17	0.16
Earnings/(Loss) Per Share (Diluted)	0.19	0.17	0.17	0.16

Other Relevant Information
N/A

Filed on behalf by:

Name	ROSEMARIE ABUEVA
Designation	ASST. VICE PRESIDENT



108052016004025



SECURITIES AND EXCHANGE COMMISSION

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Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000052412
Company Name BELLE CORP.
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 108052016004025
Document Type 17-Q (FORM 11-Q: QUARTERLY REPORT/FS)
Document Code 17-Q
Period Covered June 30, 2016
No. of Days Late 0
Department CFD
Remarks

SEC No. 52412
File No.

BELLE CORPORATION

(Company's Full Name)

**5/F, Tower A, Two E-Com Center Palm Coast Avenue,
Mall of Asia Complex CBP-1A, Pasay City**

(Company's Address)

662-88-88

(Telephone Numbers)

December 31

(Fiscal Year ending)
(Month and Day)

Form 17Q for the Second Quarter of 2016

(Form Type)

N/A

Amendment Designation

N/A

Period Ended Date

N/A

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

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

1. For the quarterly period ended June 30, 2016
2. Commission Identification Number: 52412 3. BIR Tax Identification No. 000-156-011
4. Exact name of registrant as specified in its charter: BELLE CORPORATION
5. Metro Manila, Philippines 6. (SEC use only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. 5/F, Tower A, Two E-Com Center, Palm Coast Avenue,
Mall of Asia Complex CBP-1A, Pasay City 1300
Address of registrant's principal office Postal Code
8. (632) 662-8888
Registrant's telephone number, including area code
9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common Stock, ₱1.00 par value	10,514,437,857
	Amount of Debt Outstanding
	₱5.8 billion

11. Are any or all of these securities listed on a Stock Exchange?
Yes [] No []

If yes, state name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange (PSE) Common Stock

12. Indicate by check mark whether the registrant:
(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [] No []

(b) has been subject to such filing requirements for the past 90 days.

Yes [x] No []

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are submitted as part of this report:

- a.) Unaudited Consolidated Statements of Comprehensive Income for the six months ended June 30, 2016 and June 30, 2015;
- b.) Consolidated Statements of Financial Position as of June 30, 2016 (unaudited) and December 31, 2015 (audited);
- c.) Unaudited Consolidated Statements of Changes in Equity for the six months ended June 30, 2016 and June 30, 2015; and
- d.) Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2016 and June 30, 2015.

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

June 30, 2016 versus June 30, 2015 Results of Operations (in thousands)

	Six Months Ended (Unaudited)		Horizontal Analysis		Vertical Analysis	
	2016	2015	Increase (Decrease)		2016	2015
REVENUE						
Interest income on finance lease accounting	P 992,993	P 952,808	40,185	4.2%	32.6%	35.1%
Equipment rental and instant scratch ticket sales	890,635	877,954	12,681	1.4%	29.3%	32.3%
Gaming revenue share	702,027	360,687	341,340	94.6%	23.1%	13.3%
Sales of real estate and club shares	247,539	323,621	(76,082)	-23.5%	8.1%	11.9%
Lease income	95,021	94,546	475	0.5%	3.1%	3.5%
Revenue from property management	77,737	65,400	12,337	18.9%	2.6%	2.4%
Others	37,597	40,285	(2,688)	-6.7%	1.2%	1.5%
TOTAL REVENUES	3,043,549	2,715,301	328,248	12.1%	100.0%	100.0%
COST OF LOTTERY SERVICES	(334,228)	(328,168)	6,060	-1.8%	11.0%	12.1%
COST OF LEASE INCOME	(96,193)	(39,683)	56,510	-142.4%	3.2%	1.5%
COST OF REAL ESTATE AND CLUB SHARES SOLD	(74,500)	(119,464)	(44,964)	-37.6%	2.4%	4.4%
COST OF SERVICES OF PROPERTY MANAGEMENT	(37,900)	(40,888)	(2,988)	-7.3%	1.2%	1.5%
COST OF GAMING OPERATIONS	(128,865)	(39,208)	89,657	228.7%	4.2%	1.4%
GENERAL AND ADMINISTRATIVE EXPENSES	(610,664)	(599,307)	11,357	1.9%	20.1%	22.1%
TOTAL COSTS AND EXPENSES	(1,282,350)	(1,166,718)	59,122	5.1%	-42.1%	-43.0%
INCOME FROM OPERATIONS	1,761,199	1,548,583	269,126	-17.4%	57.9%	57.0%
ACCRETION OF NONTRADE LIABILITY	(337,060)	(280,647)	56,413	100.0%	-11.1%	-10.3%
UNREALIZED GAIN (LOSS) ON MARKETABLE SECURITIES	9,798	(7,043)	16,841	100.0%	0.3%	-0.3%
EQUITY IN NET EARNINGS OF ASSOCIATES	-	127	(127)	-100.0%	0.0%	0.0%
INTEREST EXPENSE	(179,262)	(151,391)	27,871	18.4%	-5.9%	-5.6%
INTEREST INCOME	11,410	18,439	(7,029)	-38.1%	0.4%	0.7%
OTHER INCOME (CHARGES) - net	46,117	50,541	(4,424)	-8.8%	1.5%	1.9%
INCOME BEFORE INCOME TAX	1,312,202	1,178,609	133,593	11.3%	43.1%	43.4%
PROVISION FOR INCOME TAXES						
Current	198,670	179,026	19,644	11.0%	6.5%	6.6%
Deferred	196,793	163,104	33,689	20.7%	6.5%	6.0%
	395,463	342,130	53,333	15.6%	13.0%	12.6%
NET INCOME	P 916,739	P 836,479	80,260	9.6%	30.1%	30.8%
Basic Earnings Per Share	P 0.174	P 0.159				

Belle Corporation ("Belle" or the "Company") realized consolidated net income of ₱916.7 million for the six months ended June 30, 2016. This is ₱80.2 million (10%) higher than consolidated net income of ₱836.5 million for the six months ended June 30, 2015. This performance continues Belle's record of underlying earnings growth. The Company's net income for the first half of 2016 already comprises about 70% of its full year 2015 recurring net income of ₱1.3 billion, which in turn grew by 29% compared to recurring net income in 2014 of ₱1.0 billion. The Company's operating growth in 2016 was fueled mainly by growth in its share in the gaming revenue of City of Dreams Manila, through its 78.7%-owned subsidiary, Premium Leisure Corporation ("PLC"), as PLC's gaming revenue almost doubled, from ₱360.7 million for the first half of 2015 to ₱702.0 million for the first half of 2016. This was attributable to the ramp-up in gaming operations of City of Dreams Manila, which held its grand opening in February 2015. PLC has an operating agreement with Melco Crown Entertainment Limited ("MCE") that accords it a share of gaming revenues or earnings at City of Dreams Manila.

Revenues

Total revenues of ₱3,043.5 million for the first half of 2016 were higher by ₱328.2 million (12%), compared to ₱2,715.3 million for the first half of 2015, mainly due to a ₱341.3 million (95%) increase in the share of PLC in the gaming revenue of City of Dreams Manila from ₱360.7 million for the first half of 2015 to ₱702.0 million for the first half of 2016. In addition, the Company's interest income on finance lease accounting increased by ₱40.2 million (4%), from ₱952.8 million in the 2015 period to ₱993.0 million during the 2016 period. These revenue increases were offset by a ₱76.0 million (24%) decrease in revenue from sales of real estate and club shares, as this declined from ₱323.6 million in the 2015 period to ₱247.5 million in the 2016 period.

Costs of Lottery Services

Costs of lottery services increased by ₱6.0 million (2%), to ₱334.2 million in the 2016 period, from ₱328.2 million in the 2015 period, mainly due to increased depreciation expenses for lottery equipment at Pacific Online Systems Corp. ("Pacific Online").

Costs of Lease Income

Costs of lease income increased by ₱56.5 million (142%), to ₱96.2 million in the 2016 period from ₱39.7 million in the 2015 period, due to higher real estate taxes and insurance expenses on the City of Dreams Manila building.

Costs of Real Estate and Club Shares Sold

Costs of real estate and clubs shares sold decreased by ₱45.0 million (38%), to ₱74.5 million in the 2016 period, from ₱119.5 million in the 2015 period, due to savings from budgeted construction costs for completed projects of ₱45.0 million during the 2016 period.

Costs of Services of Property Management

Cost of services of property management decreased by ₱3.0 million (7%) to ₱37.9 million for the 2016 period, from ₱40.9 million for the 2015 period, due to lower power and water usage by customers during the 2016 period.

Costs of Gaming Operations

Cost of gaming operations increased by ₱89.7 million (229%) to ₱128.9 million for the 2016 period, from ₱39.2 million for the 2015 period, due to higher consultancy fees and other costs at PremiumLeisure and Amusement Inc ("PLAI"), given the ramp-up of gaming operations at City of Dreams Manila since the first half of 2015.

General and Administrative Expenses

General and administrative expenses increased slightly by ₱11.4 million (2%), to ₱610.7 million for the 2016 period from ₱599.3 million for the 2015 period due to higher personnel costs of Pacific Online .

Financial Income (Expense)

Interest expense increased by ₱27.9 million (18%) to ₱179.3 million for 2016 period, from ₱151.4 million for the 2015 period. The increase in interest expense was due to the Company's higher level of borrowings in 2016, which were incurred mostly to finance payments of construction contracts in respect of the City of Dreams Manila building. Interest income decreased by ₱7.0 million (38%), to ₱11.4 million in the 2016 period, from ₱18.4 million in the 2015 period, due to decreases in average invested cash levels.

Provision for Income Taxes

Provision for income taxes increased by ₱53.3 million (16%) to ₱395.5 million for the six months ended June 30, 2016, from ₱342.1 million for the six months ended June 30, 2015, due to higher taxable income in 2016 as a result of higher revenue.

Net Income

As a result of the foregoing, the Company realized consolidated net income of ₱916.7 million for the six months ended June 30, 2016. This is ₱80.3 million (10%) higher than consolidated net income of ₱836.5 million for the six months ended June 30, 2015. The Company's consistent profitability allowed the Company to pay a regular cash dividend to its shareholders on March 29, 2016 in the amount of ₱1,003.3 million (₱0.095 per share).

June 30, 2016 versus December 31, 2015 Statement of Financial Position (in thousands)

	June 30, 2016		December 31, 2015		Horizontal Analysis		Vertical Analysis	
		Unaudited		Audited	Inc (Dec)	%	2016	2015
ASSETS								
Current Assets								
Cash and cash equivalents	P	1,956,007	P	3,570,065	(1,614,058)	-45.2%	4.7%	8.2%
Investments held for trading		212,449		226,747	(14,298)	-6.3%	0.5%	0.5%
Receivables		1,644,996		1,599,607	45,389	2.8%	3.9%	3.7%
Current portion of finance lease receivable		471,114		1,419,651	(948,537)	-66.8%	1.1%	3.2%
Real estate for sale		941,835		843,074	98,761	11.7%	2.2%	1.9%
Club shares		2,993,055		2,995,593	(2,538)	-0.1%	7.1%	6.9%
Other current assets		1,039,396		2,323,619	(1,284,223)	-55.3%	2.5%	5.3%
		9,258,852		12,978,356	(3,719,504)	-28.7%	22.1%	29.7%
Noncurrent Assets								
Land held for future development		3,149,209		3,018,515	130,694	4.3%	7.5%	6.9%
Finance lease receivable - net of current portion		16,910,985		15,725,603	1,185,382	7.5%	40.4%	36.0%
Investments in and advances to associates - net		61,332		65,364	(4,032)	-6.2%	0.1%	0.1%
Available-for-sale financial assets		2,569,606		2,041,303	528,303	25.9%	6.1%	4.7%
Investment properties		1,540,961		1,540,961	-	0.0%	3.7%	3.5%
Property and equipment		679,268		770,716	(91,448)	-11.9%	1.6%	1.8%
Intangible asset		4,830,735		4,970,341	(139,606)	-2.8%	11.5%	11.4%
Goodwill		1,828,578		1,828,578	-	0.0%	4.4%	4.2%
Pension asset		3,560		-	3,560	n/a	0.0%	0.0%
Deferred tax asset		43,124		42,261	863	2.0%	0.1%	0.1%
Other noncurrent assets		1,029,657		710,167	319,490	45.0%	2.5%	1.6%
		32,647,015		30,713,809	1,933,206	6.3%	77.9%	70.3%
TOTAL ASSET	P	41,905,867	P	43,692,165	(1,786,298)	-4.1%	100.0%	100.0%
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other current liabilities	P	2,573,409	P	2,436,148	137,261	5.6%	-7.7%	5.6%
Loans payable		1,000,000		1,000,017	(17)	0.0%	0.0%	2.3%
Current portion of:								
Estimated liability on construction costs		287,443		2,556,836	(2,269,393)	-88.8%	127.0%	5.9%
Nontrade liability		188,003		455,886	(267,883)	-58.8%	15.0%	1.0%
Obligations under finance lease		8,473		25,028	(16,555)	-66.1%	0.9%	0.1%
Long-term debt		779,167		362,500	416,667	114.9%	-23.3%	0.8%
Income tax payable		110,905		49,600	61,305	123.6%	-3.4%	0.1%
		4,947,400		6,886,015	(1,938,615)	-28.2%	108.5%	15.8%
Noncurrent Liabilities								
Noncurrent portion of:								
Nontrade liability		5,201,148		4,839,172	361,976	7.5%	-20.3%	11.1%
Obligations under finance lease		75,826		93,527	(17,701)	-18.9%	1.0%	0.2%
Long-term debt		3,973,975		4,621,875	(647,900)	-14.0%	36.3%	10.6%
Deferred tax liabilities		1,373,088		1,166,104	206,984	17.8%	-11.6%	2.7%
Pension liability		10,706		12,346	(1,640)	-13.3%	0.1%	0.0%
		10,634,743		10,733,024	(98,281)	-0.9%	5.5%	24.6%
TOTAL LIABILITIES		15,582,143		17,619,039	(2,036,896)	-11.6%	114.0%	40.3%
Equity								
Attributable to equity holders of parent:								
Common stock		10,561,000		10,561,000	-	0.0%	0.0%	24.2%
Additional paid-in capital		5,503,731		5,503,731	0	0.0%	0.0%	12.6%
Treasury stock		(150,266)		(134,442)	(15,824)	11.8%	0.9%	-0.3%
Equity share in cost of Parent Company shares held by assoc		(2,501)		(2,501)	-	0.0%	0.0%	0.0%
Cost of Parent Company common and preferred shares held		(1,749,628)		(1,749,628)	-	0.0%	0.0%	-4.0%
Unrealized gain on available-for-sale financial assets - net		1,051,743		520,618	531,125	102.0%	-29.7%	1.2%
Other reserves		3,086,900		3,085,896	1,004	0.0%	-0.1%	7.1%
Excess of net asset value of an investment over cost		252,040		252,040	-	0.0%	0.0%	0.6%
Retained Earnings		4,690,793		4,903,882	(213,089)	-4.3%	11.9%	11.2%
Total equity attributable to equity holders of the Parent		23,243,812		22,940,596	303,216	1.3%	-17.0%	52.5%
Non-controlling interests		3,079,912		3,132,530	(52,618)	-1.7%	2.9%	7.2%
Total Equity		26,323,724		26,073,126	250,598	1.0%	-14.0%	59.7%
TOTAL LIABILITIES AND EQUITY	P	41,905,867	P	43,692,165	(1,786,298)	-4.1%	100.0%	100.0%

ASSETS

Total assets of the Company decreased by ₱1,786.3 million (4%) to ₱41,905.9 million as of June 30, 2016, from ₱43,692.2 million as of December 31, 2015.

Cash and Cash equivalents

Cash and cash equivalents decreased by ₱1,614.1 million (45%), to ₱1,956.0 million as of June 30, 2016 from ₱3,570.1 million as of December 31, 2015, due to the following: (i) Belle's cash dividend of ₱1,003.3 million paid on March 29, 2016; and (ii) capital expenditures for City of Dreams Manila and real estate development projects. These were partially offset by proceeds from rental revenue from City of Dreams Manila, sales of real estate and revenue from property management services.

Investments Held for Trading

This pertains to marketable securities held by Pacific Online in companies that are not subsidiaries or associates of Belle, comprised of listed shares of stock in DFNN, Inc., ISM Communications Corp., Leisure and Resorts World Corporation, Philippine Long Distance Telephone Company, Inc. and Vantage Equities, Inc.

Finance Lease Receivables

Due to the requirements under Philippine Accounting Standards #17 (PAS 17), management accounts for its lease agreement with MCE for the City of Dreams Manila buildings as a finance lease, even though there is neither a requirement nor any intention to transfer title therefor to MCE. The Company thus recorded a finance lease receivable in March 2013 equivalent to the estimated fair value of the leased property, amounting to ₱9.4 billion for the Phase 1 building structure of City of Dreams Manila. In January 2015, the Company recorded a finance lease receivable, amounting to ₱5.3 billion for the estimated fair value of the Phase 2 building structure of City of Dreams Manila. Fair valuation was determined by discounting minimum lease payments at the inception date of the lease agreement.

Receivables

Receivables increased by ₱45.4 million (3%), to ₱1,645.0 million as of June 30, 2016 from ₱1,600.0 million as of December 31, 2015. The increase was mainly due to the receivable of PLC from Melco Crown (Philippines) Resorts Corporation ("MCP") for the gaming revenue share from City of Dreams Manila, and increased sales of real estate and club shares.

Real Estate for Sale and Club Shares

Real estate for sale increased by ₱98.8 million (12%), to ₱941.8 million as of June 30, 2016 from ₱843.0 million as of December 31, 2015, due to project development in the Tagaytay Midlands and Greenlands areas. Club shares held by the Company, valued at historical cost, were virtually unchanged at ₱2,993.0 million as of June 30, 2016 compared to ₱2,995.6 million as of December 31, 2015.

Available-for-sale Investments

Available-for-sale investments increased by ₱528.3 million (26%), to ₱2,569.6 million as of June 30, 2016 from ₱2,041.3 million as of December 31, 2015, mainly attributable to the increase in fair market value of the investments held.

Intangible Asset

This pertains to the cost of the PAGCOR License to operate integrated resorts that was granted by PAGCOR to PremiumLeisure and Amusement Inc ("PLAI"), a wholly-owned subsidiary of PLC. Belle and MCE are Co-Licensees under PLAI's PAGCOR License. The decrease from last year's balance by ₱139.6 million (3%), from ₱4,970.3 million as of December 31, 2015 to ₱4,830.7 million as of June 30, 2016, resulted from the amortization of the intangible asset on the License starting on December 14, 2014, which is the effectivity date of the Notice to Commence Casino Operations granted by PAGCOR.

Goodwill

The Company recognized goodwill amounting to ₱1,828.6 million, as a result of consolidating Pacific Online starting June 5, 2014.

Other Assets

Other assets decreased by ₱964.7 million (32%), to ₱2,069.0 million as of June 30, 2016 from ₱3,033.8 million as of December 31, 2015, mainly due to utilization of prepaid expenses and advances to contractors for capital expenditures related to City of Dreams Manila (see "Estimated Liability on Construction Costs" below).

LIABILITIES

Total liabilities decreased by ₱2,036.9 million (12%), to ₱15,582.1 million as of June 30, 2016 from ₱17,619.0 million as of December 31, 2015, due to the ₱2,269.4 million (89%) decrease in estimated liability on construction costs for City of Dreams Manila.

Trade and Other Current Liabilities

Trade and other current liabilities increased by ₱137.3 million (6%) to ₱2,573.4 million as of June 30, 2016, from ₱2,436.1 million as of December 31, 2015, due mainly to the increase in trade payables.

Loans Payable and Long-Term Debt

Total debt, amounting to ₱5,753.1 million as of June 30, 2016, pertains to Peso loans from various local financial institutions, with an average interest rate of approximately 5.5% per annum. The outstanding amount of total debt decreased by ₱231.2 million (4%) from ₱5,984.4 million as of December 31, 2015 due to scheduled principal repayments on term loans.

Estimated Liability on Construction Costs

The Company recorded estimated construction costs totaling ₱7.5 billion in order to complete the structure and utilities of the City of Dreams Manila buildings, as a result of accounting for its lease agreement with MCE as a finance lease (as required under PAS 17). The City of Dreams Manila buildings have a total gross floor area of approximately 30 hectares. This decreased by ₱2,269.4 million (89%), from ₱2,556.8 million as of December 31, 2015 to ₱287.4 million as of June 30, 2016 as the project has been completed, and the remaining liability hereunder pertains mostly to retention payments still due to contractors.

Obligations under Finance Lease

This pertains to Pacific Online's lottery equipment under finance lease accounting.

Nontrade Liability

On May 20, 2013, Belle, PLAI, Belle Grande Resource Holdings Corp. ("BGRHC"), AB Leisure Global, Inc. ("ABLGI") and Leisure and Resorts World Corp. ("LRWC") entered into a Memorandum of Agreement (the "MOA"), whereby Belle and PLAI agreed to grant ABLGI the

right to the settlement of amounts equivalent to 30% of the net lease income of City of Dreams Manila in consideration, among other terms, of the waiver of ABLGI's rights as casino operator, the termination of all ABLGI agreements and the grant of advances of ₱4.0 billion ("ABLGI Advance") as partial funding for the construction of the casino integrated resort building. Belle formed BGRHC as a subsidiary in 2013 for the purpose of this MOA. The carrying value of the nontrade liability amounted to ₱4.0 billion as at December 31, 2013.

In December 2014, the implementing agreement in the MOA was executed, with the effectivity of terms and conditions retrospective on January 1, 2014. The ABLGI Advance was determined as the fair value of ABLGI's 30% share in the net lease income of the Project. Such nontrade liability is being accreted over the lease term using an implicit interest rate of 13.1% per annum.

EQUITY

The Company's shareholders' equity as of June 30, 2016 of ₱26,323.7 million was higher by ₱250.6 million (1%), compared to the year-end 2015 of ₱26,073.1 million, due to an unrealized gain on available-for-sale financial assets of ₱531.1 million (102%) and consolidated net income of ₱916.7 million, partially offset by the ₱1,003.3 million cash dividend paid to its shareholders on March 29, 2016. Excluding the dividend, the Company's shareholders' equity as of June 30, 2015 would have been ₱27,327.0 million, or approximately ₱1,253.9 million (5%) higher than at December 31, 2015.

Below are the comparative key performance indicators of the Company and its subsidiaries:

	Manner by which the Company calculates the key performance indicators	30 June 2016 (unaudited)	30 June 2015 (unaudited)	31 Dec 2015 (audited)
Asset to equity ratio	Total assets over equity	1.59 : 1.00	1.60 : 1.00	1.68: 1.00
Current or Liquidity ratio	Current assets over current liabilities	1.87 : 1.00	1.73 : 1.00	1.88: 1.00
Debt-to-equity ratio	Interest-bearing debt over equity	0.22 : 1.00	0.18 : 1.00	0.23: 1.00
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents, HTM investments and escrow fund over equity	0.15 : 1.00	0.08 : 1.00	0.10: 1.00
Interest rate coverage ratio	EBIT over interest expense	9.54:1.00	12.5:1.00	9.8:1.00
Return on assets	Annualized net income over average total assets during the period	4.3%	4.0%	3.4%
Return on equity	Annualized net income over average equity during the period	6.4%	6.2%	5.3%

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of June 30, 2016, total debt of the Company of ₱5,753.1 million was comprised of borrowings from renewable short-term bank loans of ₱1,000.0 million and amortizing term loans from banks of ₱4,753.1 million. Belle has a number of projects, rental income and expected dividends from subsidiaries from which it expects to generate cash flow sufficient for its foreseeable

requirements. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of June 30, 2016, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Any Known Trends, Events or Uncertainties (Material Impact on Liquidity) Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures:

Under the License granted to PLAI by PAGCOR, the parties designated as Co-Licensees in the Consortium (PLAI, Belle and MCE) are committed to collectively invest a minimum of US\$1.0 billion ("Investment Commitment") in the Project. Under the PAGCOR Guidelines, of the US\$1.0 billion, US\$650.0 million shall be invested upon the opening of the integrated resort and the US\$350.0 million balance shall be invested within a period of three (3) years from the commencement of the integrated resort operations. The Investment Commitment shall be composed of the value of the land (up to a maximum of US\$150 million) and the development costs of the infrastructures and facilities for the Project. The Consortium already exceeded the \$1.0 billion Investment Commitment upon the soft opening of City of Dreams Manila on December 14, 2014.

- Any Known Trends, Events or Uncertainties (Material Impact on Sales)
- Any Significant Elements of Income or Loss (from continuing operations)

PART II - OTHER INFORMATION

Financial Risk Management Objectives and Policies

The Company's principal financial assets and financial liabilities are composed of cash and cash equivalents, receivables, investments held for trading, HTM investments, AFS financial assets, trade and other current liabilities, loans payables, long-term debt, nontrade liability, installment payable, obligations under finance lease and assignment of receivables with recourse. The main purpose of these financial assets and financial liabilities is to raise finances for the Company's operations. The Company has various other financial assets and financial liabilities such as receivables, advances to associates and other related parties and trade and other liabilities, which arise directly from its real estate operations.

The main risks arising from the Company's financial assets and financial liabilities are interest rate risk, foreign currency risk, equity price risk, credit risk and liquidity risk. The Company's BOD and management review and agree on the policies for managing each of these risks and these are summarized below.

Interest Rate Risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial assets and financial liabilities. The Company's exposure to interest rate risk relates primarily to the Company's long-term debt which is subject to cash flow interest rate risk. Re-pricing of FRNs is done every six months while re-pricing of long-term debt is normally done every three months.

The Company's policy is to manage its interest cost by limiting its borrowings.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of financial asset or financial liability will fluctuate due to changes in foreign exchange rates.

It is the Company's policy to ensure that capabilities exist for active but conservative management of its foreign currency risk. The Company seeks to mitigate its transactional currency exposure by maintaining its costs at consistently low levels, regardless of any upward or downward movement in the foreign currency exchange rate.

Equity Price Risk. Equity price risk is the risk that the fair value of quoted investments held for trading decreases as a result of changes in the value of individual stock. The Company's exposure to equity price risk relates primarily to the Company's investments held for trading. The Company monitors the equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

Credit Risk. Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company does not offer credit terms without the specific approval of the management. There is no significant concentration of credit risk.

In the Company's real estate business, title to the property is transferred only upon full payment of the purchase price. There are also provisions in the sales contract which allow forfeiture of installments/deposits made by the customer in favor of the Company and retain ownership of

the property. The Company has the right to sell, assign or transfer to third party and any interest under sales contract, including its related receivables from the customers. The Company's primary target customers are high-income individuals and top corporations, in the Philippines and overseas. These measures minimize the credit risk exposure or any margin loss from possible default in the payments of installments.

Trade receivables from sale of real estate units are secured with pre-completed property units. The legal title and ownership of these units will only be transferred to the customers upon full payment of the contract price. Receivables from sale of club shares are secured by the shares held by the Company. For other receivables, since the Company trades only with recognized third parties, there is no requirement for collateral.

With respect to credit risk arising from the financial assets of the Company, which comprise of cash and cash equivalents, short-term investments, receivables, finance lease receivables, advances to associates and other related parties and AFS financial assets, deposits, guarantee bonds and held-to-maturity investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these financial assets.

Liquidity Risk. Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Company considers obtaining borrowings as the need arises.

Fair Value of Financial Assets and Financial Liabilities

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 significant effect on the recorded fair value are observable, either directly or indirectly; and,
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Set out below is a comparison by category and by class of carrying values and fair values of all the Company's financial assets and liabilities:

	June 30, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	<i>(In Thousands)</i>		<i>(In Thousands)</i>	
Assets				
Assets measured at fair value:				
Investments held for trading	212,449	212,449	226,747	226,747
AFS financial assets (quoted)	2,563,869	2,563,869	2,035,354	2,035,354
Assets for which fair value is disclosed:				
Loans and receivables:				
Receivables - Trade	953,254	953,254	663,522	749,441
Finance lease receivable	17,382,099	17,382,099	17,145,254	19,795,765
Liabilities				
Liabilities for which fair value is disclosed:				
Nontrade liability	5,389,151	5,389,151	5,295,058	6,986,299
Long-term debt	4,753,142	4,753,142	4,984,375	4,262,493
Obligations under finance lease	84,299	84,299	118,555	118,555

Fair value is defined as the amount at which the financial assets and financial liabilities could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and other valuation models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash and Cash Equivalents, Short-term Investments, Advances to Associates, Receivables, Loans Payable and Trade and Other Current Liabilities. The carrying values of these financial assets approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

Trade Receivables and Finance Lease Receivable. The fair value of these instruments is determined by discounting the estimated cash flows using prevailing interest rates as at reporting dates.

Investments Held for Trading, HTM Investments and AFS Financial Assets. The fair values of investments held for trading, HTM investments in quoted debt securities and AFS financial assets in quoted equity shares are based on quoted prices in the PSE or those shares whose prices are readily available from brokers or other regulatory agency as at reporting date. There are no quoted market prices for the unlisted shares and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss.

Nontrade Liability. The fair value of nontrade liability is determined by discounting estimated cash flows using prevailing interest rates as at reporting dates.

Long-term Debt. The fair value of long-term debt is determined by discounting the obligations' expected future cash flows using prevailing interest rates as at reporting dates.

Installment Payable and Obligations under Finance Lease. The fair value of installment payable and obligations under finance lease with fixed interest rate is based on the discounted net present value of cash flows using the prevailing MART 1 rates as at reporting dates.

Determination of Fair Value and Fair Value Hierarchy

The Company has Investments held for trading and AFS investments in quoted equity securities recorded at Level 1 fair value. These are the only financial assets and financial liabilities carried at fair value.

Other Required Disclosures

A.) The attached interim financial reports were prepared in compliance with Philippine Financial Reporting Standards (PFRS). The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2015.

The adoption of the following PFRS standards enumerated below does not have significant impact on its consolidated financials statements which are effective January 1, 2016.

- i. PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)
- ii. PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture –Bearer Plants* (Amendments)
- iii. PAS 27, *Separate Financial Statements – Equity Method in Separate Financial Statements* (Amendments)
- iv. PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception* (Amendments),
- v. PFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
- vi. PFRS 14, *Regulatory Deferral Accounts*
- vii. PAS 1, *Presentation of Financial Statements - Disclosure Initiative* (Amendments)
- viii. *Annual Improvements to PFRS (2012-2014 cycle)*
 - a. PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
 - b. PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
 - c. PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements* (Amendments)
 - d. PAS 19, *Employee Benefits - Regional Market Issue Regarding Discount Rate*
 - e. PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report*

The Company will adopt the following standards enumerated below when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS to have significant impact on its consolidated financial statements.

- PFRS 9, *Financial Instruments – Hedge Accounting and amendments to PFRS 9*
- PFRS 9, *Financial Instruments* (2014 or final version)


The Company continues to assess the impact of the above new, amended and improved accountings standards effective subsequent to December 31, 2015 on its consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the Company's consolidated financial statements when these amendments are adopted.

- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.
- E.) There were no material events subsequent to June 30, 2016 up to the date of this report that needs disclosure herein.
- F.) There were no changes in contingent liabilities or contingent assets since June 30, 2016.
- G.) There exist no material contingencies affecting the current interim period.

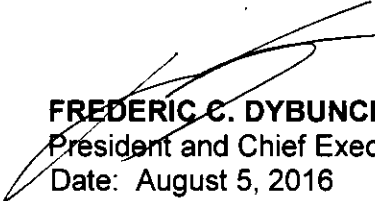
SIGNATURES

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

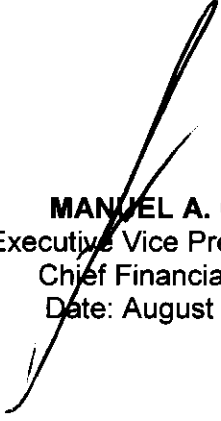
Issuer: **BELLE CORPORATION**



WILLY M. OCIER
Vice Chairman
Date: August 5, 2016



FREDERIC C. DYBUNCIO
President and Chief Executive Officer
Date: August 5, 2016



MANUEL A. GANA
Executive Vice President and
Chief Financial Officer
Date: August 5, 2016

BELLE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Position
(Amounts in Thousands)

	June 30, 2016	December 31, 2015
	Unaudited	Audited
ASSETS		
Current Assets		
Cash and cash equivalents	P 1,956,007	P 3,570,065
Investments held for trading	212,449	226,747
Receivables	1,644,996	1,599,607
Current portion of finance lease receivable	471,114	1,419,651
Real estate for sale	941,835	843,074
Club shares	2,993,055	2,995,593
Other current assets	1,039,396	2,323,619
	9,258,852	12,978,356
Noncurrent Assets		
Land held for future development	3,149,209	3,018,515
Finance lease receivable - net of current portion	16,910,985	15,725,603
Investments in and advances to associates - net	61,332	65,364
Available-for-sale financial assets	2,569,606	2,041,303
Investment properties	1,540,961	1,540,961
Property and equipment	679,268	770,716
Intangible asset	4,830,735	4,970,341
Goodwill	1,828,578	1,828,578
Pension asset	3,560	-
Deferred tax asset	43,124	42,261
Other noncurrent assets	1,029,657	710,167
	32,647,015	30,713,809
TOTAL ASSET	P 41,905,867	P 43,692,165
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other current liabilities	P 2,573,409	P 2,436,148
Loans payable	1,000,000	1,000,017
Current portion of:		
Estimated liability on construction costs	287,443	2,556,836
Nontrade liability	188,003	455,886
Obligations under finance lease	8,473	25,028
Long-term debt	779,167	362,500
Income tax payable	110,905	49,600
	4,947,400	6,886,015
Noncurrent Liabilities		
Noncurrent portion of:		
Nontrade liability	5,201,148	4,839,172
Obligations under finance lease	75,826	93,527
Long-term debt	3,973,975	4,621,875
Deferred tax liabilities	1,373,088	1,166,104
Pension liability	10,706	12,346
	10,634,743	10,733,024
TOTAL LIABILITIES	15,582,143	17,619,039
Equity		
Attributable to equity holders of parent:		
Common stock	10,561,000	10,561,000
Additional paid-in capital	5,503,731	5,503,731
Treasury stock	(150,266)	(134,442)
Equity share in cost of Parent Company shares held by assoc	(2,501)	(2,501)
Cost of Parent Company common and preferred shares held	(1,749,628)	(1,749,628)
Unrealized gain on available-for-sale financial assets - net	1,051,743	520,618
Other reserves	3,086,900	3,085,896
Excess of net asset value of an investment over cost	252,040	252,040
Retained Earnings	4,690,793	4,903,882
Total equity attributable to equity holders of the Parent	23,243,812	22,940,596
Non-controlling interests	3,079,912	3,132,530
Total Equity	26,323,724	26,073,126
TOTAL LIABILITIES AND EQUITY	P 41,905,867	P 43,692,165

BELLE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Amounts in Thousands)

	For the Six Months Ended June 30 (Unaudited)		This Quarter	
	2016	2015	2016	2015
REVENUE				
Interest income on finance lease accounting	P 992,993	P 952,808	498,630	479,907
Equipment rental and instant scratch ticket sales	890,635	877,954	456,673	406,050
Gaming revenue share	702,027	360,687	352,618	163,938
Sales of real estate and club shares	247,539	323,621	134,937	233,902
Lease income	95,021	94,546	47,511	47,156
Revenue from property management	77,737	65,400	42,097	34,339
Others	37,597	40,285	16,467	5,215
TOTAL REVENUES	3,043,549	2,715,301	1,548,933	1,370,507
COST OF LOTTERY SERVICES	(334,228)	(328,168)	(154,612)	(154,887)
COST OF LEASE INCOME	(96,193)	(39,683)	(51,075)	(21,827)
COST OF REAL ESTATE AND CLUB SHARES SOLD	(74,500)	(119,464)	(21,593)	(78,268)
COST OF SERVICES OF PROPERTY MANAGEMENT	(37,900)	(40,888)	(19,156)	(21,367)
COST OF GAMING OPERATIONS	(128,865)	(39,208)	(65,971)	2,216
GENERAL AND ADMINISTRATIVE EXPENSES	(610,664)	(599,307)	(331,155)	(285,318)
TOTAL COSTS AND EXPENSES	(1,282,350)	(1,166,718)	(643,562)	(559,451)
INCOME FROM OPERATIONS	1,761,199	1,548,583	905,371	811,056
ACCRETION OF NONTRADE LIABILITY	(337,060)	(280,647)	(169,291)	(141,456)
UNREALIZED GAIN (LOSS) ON MARKETABLE SECURITIES	9,798	(7,043)	29,674	(8,542)
EQUITY IN NET EARNINGS OF ASSOCIATES	-	127	-	-
INTEREST EXPENSE	(179,262)	(151,391)	(89,253)	(62,898)
INTEREST INCOME	11,410	18,439	6,179	11,430
OTHER INCOME (CHARGES) - net	46,117	50,541	30,624	49,826
INCOME BEFORE INCOME TAX	1,312,202	1,178,609	713,304	659,416
PROVISION FOR INCOME TAX	(460,407)			
Current	198,670	179,026	105,120	87,755
Deferred	196,793	163,104	104,259	112,930
	395,463	342,130	209,379	200,685
NET INCOME	P 916,739	P 836,479	503,925	458,731
OTHER COMPREHENSIVE INCOME				
Unrealized gain (loss) on available for sale financial assets - net	531,376	162,475	458,879	(128,976)
Other reserves	1,005	-	1,005	-
	532,381	162,475	458,879	(128,976)
TOTAL COMPREHENSIVE INCOME	P 1,449,120	P 998,954	962,804	329,755
Net profit attributable to:				
Equity holders of the parent	P 742,780	P 751,844	395,833	394,682
Non-Controlling Interests	173,959	84,635	108,092	64,049
	P 916,739	P 836,479	503,925	458,731
Total comprehensive income attributable to:				
Equity holders of the parent	P 1,248,584	P 914,319	830,104	265,706
Non-Controlling Interests	200,536	84,635	133,700	64,049
	P 1,449,120	P 998,954	963,804	329,755

BELLE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent											Total	Non-controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Treasury Shares	Equity Share in Cost of Parent Company Held by Associates	Equity Share in Cost of Parent Company Held by Subsidiaries	Unrealized Gain on Available-for-Sale Financial Assets - net	Unrealized Gain on Available-for-Sale Financial Assets of Associates	Remeasurement of Pension Income (Expense)	Transactions with Non-Controlling Interests	Excess of cost over Net Asset Value of an Investment	Retained Earnings			
Balance at December 31, 2014	10,559,383	5,503,731	-	(2,501)	(1,604,824)	87,046	14,061	(7,326)	3,265,930	257,040	6,530,078	24,597,618	2,833,263	27,430,881
Purchase of treasury stock	-	(35,741)	(14,229)	-	-	-	-	-	-	-	-	(49,970)	-	(49,970)
Cash dividend	-	-	-	-	-	-	-	-	-	-	(1,843,723)	(1,843,723)	-	(1,843,723)
Net income	-	-	-	-	-	-	-	-	-	-	751,845	751,845	84,365	836,210
Subscriptions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(240,352)	(240,352)
Unrealized Gain on Available-for-sale financial assets - net	-	-	-	-	-	287,914	-	-	-	-	-	287,914	-	287,914
Balance as of June 30, 2015	10,559,383	5,467,990	(14,229)	(2,501)	(1,604,824)	374,960	14,061	(7,326)	3,265,930	257,040	5,438,700	23,743,684	2,677,276	26,420,960
Balance at December 31, 2015	10,561,000	5,503,731	(134,442)	(2,501)	(1,749,628)	520,618	14,061	(3,941)	3,075,776	252,040	4,903,882	22,940,595	3,132,530	26,073,126
Net income for the period	-	-	-	-	-	-	-	-	-	-	742,781	742,781	173,959	916,740
Cash dividend	-	-	-	-	-	-	-	-	-	-	(955,870)	(955,870)	-	(955,870)
Cash dividend declared by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(137,476)	(137,476)
Unrealized Gain on Available-for-sale financial assets - net	-	-	-	-	-	531,125	-	-	-	-	-	531,125	26,577	557,702
Remeasurement of Pension Income (Expense)	-	-	-	-	-	-	-	1,005	-	-	-	1,005	-	1,005
Purchase of treasury shares	-	-	(15,824)	-	-	-	-	-	-	-	-	(15,824)	-	(15,824)
Share of Non-controlling interest in other reserves	-	-	-	-	-	-	-	-	-	-	-	-	(115,678)	(115,678)
Balance as of June 30, 2016	10,561,000	5,503,731	(150,266)	(2,501)	(1,749,628)	1,051,743	14,061	(2,937)	3,075,776	252,040	4,690,793	23,243,812	3,079,912	26,323,724

BELLE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Amounts in Thousands)

	For the Six Months Ended June 30			
	2016		2015	
	UNAUDITED			
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax:	P	1,312,202	P	1,178,609
Adjustments for:				
Interest income on finance lease		(992,993)		(952,808)
Accretion of nontrade liability		337,060		280,647
Depreciation and Amortization		230,188		226,648
Interest expense		179,262		127,347
Amortization of discount on trade receivables		(21,719)		(30,643)
Dividend income		(30,610)		(25,102)
Interest income		(11,410)		(18,439)
Unrealized mark to market gain on HTM		(9,798)		7,043
Provision for allowance - net of reversal				(18,741)
Reversal of provision on probable losses on marketable securities				(3,196)
Gain on sale of property and equipment		-		(40)
Equity in earnings of associates		-		(127)
Unrealized foreign exchange loss (gain) - net		(5,865)		767
Working capital adjustment				
Decrease (increase) in:				
Receivables		469,870		654,584
Real Estate for sale		(98,761)		12,567
Club shares		2,538		(12,184)
Other Assets		964,734		(16,292)
Increase (decrease) in payables and other current liabilities		198,569		(882,599)
Net cash generated from (used for) operations		2,523,267		528,041
Interest received		11,410		18,439
Contributions to the retirement fund		(4,196)		(340)
Net cash provided by (used in) in operations		2,530,481		546,140
CASHFLOWS FROM INVESTING				
Expenditures on investment properties		(2,269,393)		(931,089)
Increase in land held for future development		(130,694)		
Dividends received		30,610		25,102
Proceeds from sale of investment in associate		7,790		
Proceeds from sale of investment held for trading		7,322		-
Acquisition of property, plant and equipment		866		(57,205)
Increase in escrow fund		-		(1,116,225)
Increase in advances to associates		-		(21,156)
Net cash used in investing activities		(2,353,499)		(2,100,573)
CASHFLOWS FROM FINANCING				
Dividends paid		(1,093,346)		(1,843,723)
Payments of loans and long-term debt		(231,250)		(127,347)
Acquisition of treasury shares		(15,824)		(49,970)
Interest paid		(179,262)		-
Increase (decrease) in:				
Advances from related parties		-		(72)
Installment payable		-		284
Nontrade liability		(242,967)		-
Obligations under finance lease		(34,256)		18,046
Net cash used in financing activities		(1,796,905)		(2,002,782)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,619,923)		(3,557,215)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		3,570,065		6,326,509
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		5,865		(767)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	P	1,956,007	P	2,768,527

Segment Information

The Company is in the business of real estate development, gaming, and gaming-related activities, among others. Information with regards to the Company's significant business segments are shown below (amounts in thousands):

	For the Six Months Ended June 30, 2016			
	Real Estate Development	Gaming and Gaming-Related		Consolidated
		Activities	Others	
Revenues	1,450,886	1,592,662	-	3,043,548
Equity in net earnings of associates	-	-	-	-
Interest expense	(178,971)	(291)	-	(179,262)
Interest income	6,809	4,033	568	11,410
Provision for income tax	212,278	183,185	-	395,463
Net income	423,844	492,395	500	916,739

	For the Six Months Ended June 30, 2015			
	Real Estate Development	Gaming and Gaming-Related		Consolidated
		Activities	Others	
Revenues	1,517,085	1,238,640	-	2,755,725
Equity in net earnings of associates	127	-	-	127
Interest expense	(126,943)	(404)	-	(127,347)
Interest income	13,801	4,594	44	18,439
Provision for income tax	205,803	136,327	-	342,130
Net income	545,484	291,025	(30)	836,479

BELLE CORPORATION AND SUBSIDIARIES
ATTACHMENT TO FINANCIAL STATEMENTS
AGING OF ACCOUNTS RECEIVABLES - TRADE
As of June 30, 2016

TOTAL ACCOUNTS RECEIVABLES	1,042,188,910.89
LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS	(29,573,081.88)
DISCOUNT ON RECEIVABLES (NPV)	(59,362,201.82)
NET ACCOUNTS RECEIVABLES	<u>953,253,627.19</u>

Projects	Current (a)	Non-current (b)	Grand Total
Altamira	3,931,800.36	20,288,994.10	24,220,794.46
Country Club	216,181.10	386,745.14	602,926.24
Cotswold	5,044,650.32	6,601,041.21	11,645,691.53
Enclave	1,158,168.00	3,648,706.43	4,806,874.43
Fairfield	11,414,684.51	14,839,584.55	26,254,269.06
Katsura	23,518,870.23	42,004,176.22	65,523,046.45
Kew Garden	1,623,624.67	6,514,599.92	8,138,224.59
Nobhill	7,954,190.58	8,568,092.80	16,522,283.38
The Parks	3,682,555.29	3,458,247.52	7,140,802.81
Plantation Hills	30,917,012.45	40,378,734.06	71,295,746.51
Sycamore	227,949,596.23	309,069,661.58	537,019,257.81
Terrazas de Alava	2,829,880.86	6,048,785.58	8,878,666.44
Tivoli Place	5,757,749.43	6,295,344.11	12,053,093.54
Midlands	34,060,708.53	34,838,129.88	68,898,838.41
Verandas	11,931,448.84	3,284,201.37	15,215,650.21
Woodlands	18,303,147.48	8,497,889.85	26,801,037.33
Yume	18,671,478.67	29,564,945.32	48,236,423.99
THIGCI			
Grand Total	<u>408,965,747.55</u>	<u>544,287,879.64</u>	<u>953,253,627.19</u>

(a) Collectible within 1 year.

(b) Collectible after more than 1 year.

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