





## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

**TO: ALL STOCKHOLDERS**

NOTICE is hereby given that there will be an annual meeting of the stockholders of Belle Corporation on **Thursday, 28 April 2011** at 4 o'clock in the afternoon, at the Quezon Ballroom of the Makati Shangri-La, Ayala Avenue corner Makati Avenue, Makati City, to consider the following:

### **AGENDA**

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders
5. Approval of 2010 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of SyCip Gorres Velayo & Co. as External Auditors
9. Other Matters
10. Adjournment

In accordance with the rules of the Philippine Stock Exchange, the close of business on **28 March 2011** has been fixed as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

Registration for those who are personally attending the meeting will start at 3:00 p.m. and end promptly at 3:45 p.m. All stockholders who will not, are unable, or do not expect to attend the meeting in person are encouraged to fill out, date, sign and send a proxy to the Corporation at 28/F East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, Philippines. All proxies should be received by the Corporation at **least four (4) days** before the meeting, or on or before **24 April 2011**. Proxies submitted shall be validated by a Committee of Inspectors on **25 April 2011** at 10:00 o'clock in the morning at Unit 2803C East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

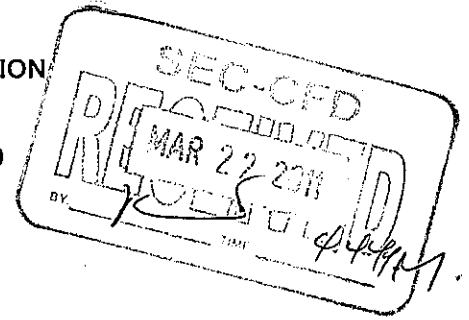
To avoid inconvenience in registering your attendance at the meeting, you or your proxy are requested to bring identification paper(s) containing a photograph and signature, e.g. passport, driver's license, or credit card.

City of Pasig, Metro Manila, 5 April 2011.

**A. BAYANI K. TAN**  
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS

Information Statement Pursuant to Section 20  
of the Securities Regulation Code



1. Check the appropriate box  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **BELLE CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization: **Makati City, Metro Manila, Philippines**
4. SEC Identification Number: **52412**
5. BIR Tax Identification Number: **043-000-156-011**
6. Address of principal office: **28/F, East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City**
7. Registrant's telephone number, including area code: **(632) 635-3016**
8. Date, time, and place of the meeting of security holders:

Date : 28 April 2011 (Thursday)  
Time : 4:00 PM  
Venue : Quezon Ballroom, Makati Shangri-La, Ayala Avenue corner Makati Avenue, Makati City

9. Approximate date on which the Information Statement is to be sent or given to security holders: **05 April 2011**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱1.00 par value	6,350,899,542 (as of 28 February 2011)

11. Are any or all of Registrant's securities listed on a Stock Exchange?

Yes  No

If so disclose name of the Exchange : **The Philippine Stock Exchange, Inc.**  
Class of securities listed : **Common Shares**

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

## GENERAL INFORMATION

### Date, time and place of meeting of security holders

- (a) Date - 28 April 2011 (Thursday)  
Time - 4:00 P.M.  
Place - Quezon Ballroom, Makati Shangri-La, Ayala Avenue corner Makati Avenue, Makati City
- (b) The approximate date on which the Information Statement will be sent or given to security holders is on **5 April 2011**.
- (c) The complete mailing address of the principal office of Belle Corporation (the 'Company') is: **28/F, East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City**

### Dissenters' Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on **28 April 2011** are not among the instances enumerated in Sections 42 and 81 of the Corporation Code whereby the right of appraisal, defined to be the right of any stockholder to dissent and demand payment of the fair value of his shares, may be exercised. The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
3. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

### Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No person who has been a director or officer or any nominee for election as director of the Company or associate of such persons, have substantial interest, direct or indirect, in any matter to be acted upon other than the election of directors for the year 2011-2012.
- (b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the registrant during the stockholders' meeting.

## CONTROL AND COMPENSATION INFORMATION

### Voting Securities and Principal Holders Thereof

- (a) As of 28 February 2011, the Registrant had 6,350,899,542 common shares outstanding and each share is entitled to one vote.
- (b) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is **05 April 2011**.
- (c) With respect to the election of eleven (11) directors, each stockholder may vote such number of shares for as many as eleven (11) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the

number of his shares multiplied by eleven (11) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by eleven (11).

(d) Security ownership of certain record and beneficial owners and management.

(1) Security Ownership of Certain Record and Beneficial Owners

The following persons or group are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 28 February 2011:

Title of Class	Name and Address of Record Owner and Relationship with issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation <sup>(1)</sup> G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	2,246,629,837	35.38
Common	Sysmart Corporation <sup>(2)</sup> Makati Stock Exchange Building Ayala Avenue, Makati City	Sysmart Corporation	Filipino	1,266,889,521	19.95
Common	PCD Nominee Corporation <sup>(1)</sup> G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Non-Filipino	801,090,469	12.61
Common	SM Commercial Properties, Inc. Makati Stock Exchange Building Ayala Avenue, Makati City	SM Commercial Properties, Inc.	Filipino	685,951,000	10.80
Common	SM Development Corporation <sup>(2)</sup> Makati Stock Exchange Building Ayala Avenue, Makati City	SM Development Corporation (see footnote)	Filipino	572,291,503	9.01

<sup>(1)</sup> PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares, instead the participants have the power to decide how the PCD shares in Belle are to be voted. The participants of PCD who own more than 5% of the Company's outstanding capital are as follows:

- i. The Hong Kong Shanghai Banking Corporation Limited – Clients' Account - 12.35%
- ii. Social Security System - 7.50%

<sup>(2)</sup> Mr. Henry Sy, Sr. is the single largest shareholder of Sysmart Corporation and SM Development Corporation.

The shares held by Sysmart Corporation, SM Development Corporation, Hong Kong Shanghai Banking Corporation-Client's Account and Social Security System shall be voted or disposed by the persons who shall be duly authorized by these record or beneficial shareholders for the purpose. The natural person/s that has/have the power to vote on the shares of the foregoing companies shall be determined upon the submission of its proxy form to the Company, which is not later than four (4) days before the date of the meeting.

Apart from the foregoing, there are no other persons holding more than 5% of the Company's outstanding capital stock.

(2) Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 28 February 2011:

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Benito Tan Guat (Filipino)	20,000	Direct	0.00
Common	Willy N. Ocier (Filipino)	26,982,166	Direct	0.42
Common	Virginia A. Yap (Filipino)	1	Direct	0.00
Common	Washington Z. SyCip (American)	200,001	Direct	0.00
Common	Gregorio U. Kilayko (Filipino)	1	Direct	0.00
Common	Cesar E. A. Virata (Filipino)	1	Direct	0.00
Common	Emilio De Quiros, Jr. (Filipino)	1	Direct	0.00
Common	Jacinto C. Ng, Jr. (Filipino)	116,452,000	Direct	1.83
Common	Jose T. Sio (Filipino)	1,000	Direct	0.00
Common	Elizabeth Anne C. Uychaco (Filipino)	1	Direct	0.00
Common	Rogelio R. Cabuñag (Filipino)	11,001	Direct	0.00
Common	Manuel A. Gana (Filipino)	0	Direct	0.00
Common	Joselito R. Consunji (Filipino)	0	Direct	0.00
Common	Nancy O. Hui (Filipino)	1,500,000	Direct	0.24
Common	Rudy P. Aninipot (Filipino)	0	Direct	0.00
Common	Ma. Cristina G. Fernandez (Filipino)	0	Direct	0.00
Common	Margaret Y. Hernando (Filipino)	0	Direct	0.00
Common	Marilyn G. Rico (Filipino)	0	Direct	0.00
Common	Rogelio I. Robang (Filipino)	20,000	Direct	0.00
Common	Melvin U. Cadampog (Filipino)	0	Direct	0.00
Common	Amelita B. Vanta (Filipino)	0	Direct	0.00
Common	Michelle T. Hernandez (Filipino)	0	Direct	0.00
Common	A. Bayani K. Tan (Filipino)	346,675	Direct	0.01
Common	All directors and executive officers as a group	145,532,848		2.29

(3) Voting Trust Holders of 5% or More

There is no party known to the Company as holding any voting trust or any similar arrangement for 5% or more of the Company's voting securities.

**Changes in Control**

There is no arrangement which may result in a change in control of the Company.

## **Directors and Executive Officers**

The names, ages and periods of service of all the incumbent Directors and Executive Officers of the Company are as follows:

### *Directors:*

<b>Name</b>	<b>Citizenship</b>	<b>Age</b>	<b>Position</b>	<b>Period Served</b>
Benito Tan Guat	Filipino	80	Chairman	06/24/99 – present
Willy N. Ocier	Filipino	55	Vice-Chairman	06/24/99 – present
Elizabeth Anne C. Uychaco	Filipino	55	Vice-Chairman	12/23/09 – present
Rogelio R. Cabuñag	Filipino	62	Director/Officer-In-Charge	08/07/00 – present
Emilio De Quiros, Jr.	Filipino	62	Director	10/28/10 – present
Gregorio U. Kilayko	Filipino	56	Director (Independent)	02/05/03 – present
Jacinto C. Ng, Jr.	Filipino	41	Director	08/07/00 – present
Jose T. Sio	Filipino	71	Director	12/23/09 – present
Washington Z. SyCip	American	89	Director (Independent)	05/20/96 – present
Virginia A. Yap	Filipino	59	Director	07/30/10 – present
Cesar E. A. Virata	Filipino	80	Director (Independent)	05/20/96 – present

### *Executive Officers:*

<b>Name</b>	<b>Citizenship</b>	<b>Age</b>	<b>Position</b>
Manuel A. Gana	Filipino	53	EVP & Chief Financial Officer
Joselito R. Consunji	Filipino	47	EVP & Chief Operating Officer
Rudy P. Aninipot	Filipino	54	VP Property Management
Melvin U. Cadampog	Filipino	37	VP Corporate Planning
Ma. Cristina G. Fernandez	Filipino	48	VP Sales
Michele T. Hernandez	Filipino	39	VP Marketing
Margaret Y. Hernando	Filipino	53	VP Finance
Nancy O. Hui	Filipino	52	VP & Executive Assistant to the Chairman
Marilyn G. Rico	Filipino	50	VP Internal Audit
Rogelio I. Robang	Filipino	50	VP Project Management & External Affairs
A. Bayani K. Tan	Filipino	54	Corporate Secretary
Amelita V. Banta	Filipino	45	VP Accounting

### ***Board of Directors***

The information on the business affiliations and experiences of the following directors and officers are current and/or within the past five (5) years.

The following are the incumbent members of the Board of Directors who are also nominated herein, as certified by the Nomination Committee composed of Washington Z. SyCip (Chairman), Willy N. Ocier, Jose T. Sio and Virginia A. Yap, for re-election as members of the Board of Directors for 2011-2012:

#### **Benito Tan Guat**

Mr. Tan Guat is the Chairman of the Company. Currently, he is the Chairman and President of Eastern Securities Development Corporation, and the President of Guatson International Travel and Tours.

#### **Willy N. Ocier**

Mr. Ocier is one of the Vice Chairmen of the Company, and is currently the Chairman of Sinophil Corporation and APC Group, Inc. He is also one of the Vice Chairmen of Highlands Prime, Inc. He is also the Chairman of Tagaytay Midlands Golf Club, Inc.; Vice Chairman of Tagaytay Highlands International Golf Club, Inc.; and the Chairman and President of Pacific Online Systems Corporation. Previously, he was the President and the Chief Operating Officer of Eastern Securities Development Corporation.

Elizabeth Anne C. Uychaco

Ms. Uychaco is one of the Vice Chairmen of the Company. She is the Senior Vice President, Corporate Services of SM Investments Corporation. She was formerly Senior Vice President and Chief Marketing Officer of the Philippine American Life Insurance Company. She was also Director of the Philamlife Call Center. Prior to that, she was Vice-President of Globe Telecom, Inc. and was responsible for National and International Sales and Distribution as well as Retail Marketing and Management of the Globe Business Centers. She was previously President of Fontana Properties and Executive Vice President of Fontana Resort and Leisure Club. She was Director of Kuok Properties and served as consultant of Shangri-La Mall and was seconded as Chief Executive Officer to manage EPRC, a Kuok joint venture company. She also served as Director, Vice President and Managing Director of Transnational Diversified Group. Ms. Uychaco graduated from St. Scholastica's College in 1978 with Bachelor of Arts Degree. She obtained a Master's Degree in Business Economics from the University of Asia and Pacific in 1988, and a Master's Degree in Business Administration from the Ateneo Business School in 1992.

Rogelio R. Cabuñag

Mr. Cabuñag is the Officer-In-Charge and a Director of the Company. He is also the President of SM Development Corporation; Director and Executive Vice President of SM Synergy Properties Holdings Corporation; and a Director of the following companies: Highlands Prime, Inc., Keppel Philippines Holdings, Inc. and Tagaytay Highlands International Golf Club, Inc. Prior to joining the SM Group, he held key executive positions in other financial institutions.

Emilio De Quiros, Jr.

Mr. De Quiros, Jr. is a Director of the Company. He is currently the President and Chief Executive Officer of the Social Security System. He is also a Director of the Union Bank of the Philippines and BPI Investment Management, Inc. He served as Executive Vice President of the Bank of the Philippine Islands since May 2004, and President of Ayala Life Insurance, Inc., Ayala Plans, Inc. and BPI Bancassurance, Inc. He was also a Director of ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc. and the Philippine Stock Index Fund Corporation, and Treasurer of Far East Bank and Trust Company. Mr. De Quiros graduated from Ateneo de Naga with a Bachelor of Arts in Economics degree (Cum Laude), and is a holder of a Master of Arts Degree in Economics and a Doctorate in Economics from the University of the Philippines.

Gregorio U. Kilayko

Mr. Kilayko is an Independent Director of the Company. He is presently a Director of The Royal Bank of Scotland. He was founding head of ING Barings' stock brokerage and investment banking business in the Philippines and a Philippine Stock Exchange Governor in 1996 and 2000. Mr. Kilayko holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania.

Jacinto C. Ng, Jr.

Mr. Ng is a Director of the Company and currently a Director and Treasurer of Republic Biscuit Corporation and Suncrest Foods, Inc. Mr. Ng is also a Director of the following companies: Asia United Insurance Corporation, Extraordinary Development Corporation, Highlands Prime, Inc., Manila Bay Development Corporation, Earth+Style Corporation and Quantuvis Resources Corporation.

Jose T. Sio

Mr. Sio is a Director of the Company. He is also the Executive Vice President and Chief Finance Officer of SM Investments Corporation; a Director of China Banking Corporation, Generali Pilipinas Holding Company, Inc., Manila North Tollways Corporation, SM Keppel Land, Inc., as well as other companies within the SM Group of Companies. Mr. Sio is also an adviser to the Board of Directors of Banco de Oro Unibank, Inc. Mr. Sio holds a master's degree in Business Administration from New York University, is a Certified Public Accountant, and was formerly a Senior Partner at SyCip Gorres Velayo & Co. (a member practice of Ernst & Young). He was recently awarded as the 2009 CFO of the Year by ING



Bank N.V. (Manila) and Financial Executives Institute of the Philippines (FINEX). He has been with the SM Group of Companies for the last 19 years.

Washington Z. SyCip

Mr. SyCip is an Independent Director of the Company. He is the founder of The SGV Group, an auditing and management consulting group with operations throughout East Asia. He is the Chairman Emeritus of the Board of Trustees and Board of Governors of the Asian Institute of Management; a Member of the Board of Overseers of Columbia University Graduate School of Business, New York; the Honorary Chairman of Euro-Asia Centre, INSEAD, Fontainebleau, France since 1989; a Member of the International Advisory Board, Council on Foreign Relations, New York; and an Honorary Life Trustee of the Asia Society, New York. Additionally, he is a Member of the International Advisory Board of the American International Group in New York. Mr. SyCip is a Director of a number of major corporations in the Philippines and other parts of the world.

Virginia A. Yap

Ms. Yap is a Director of the Company. She is also a member of the Company's Executive and Nomination Committees. Ms. Yap holds key positions in the SM Group of Companies including Treasurer of SM Development Corporation, and Vice President – Office of the Chairman of the Board of Directors of SM Investments Corporation, SM Land, Inc. (formerly Shoemart, Inc.) and SM Retail Inc. She is also a Director and the Treasurer of Highlands Prime, Inc., and a member of its Executive, Compensation and Remuneration, and Audit Committees. She holds a Bachelor of Science in Commerce (Major in Accounting) degree from the University of Mindanao. She has been connected with the SM Group of Companies for the last twenty-five years.

Cesar E. A. Virata

Mr. Virata is an Independent Director of the Company. He is the President and Principal Consultant of C. Virata & Associates, Inc., Management Consultants. He is currently the Vice Chairman of Rizal Commercial Banking Corporation (RCBC); and Director of RCBC subsidiaries and some affiliates. He is also an Independent Director of Benpres Holdings Corporation, City & Land Development Corporation and Business World. Mr. Virata was formerly the Minister of Finance and Prime Minister of the Philippines.

#### ***Independent Directors***

The nomination, pre-screening and election of independent directors were made in compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws. The Nomination Committee constituted by the Company's Board of Directors, indorsed the respective nominations given in favor of Messrs. Kilayko (by Mr. Willy N. Ocier), SyCip (by Mr. Jose T. Sio) and Virata (by Ms. Virginia A. Yap). The Nomination Committee, composed of Washington Z. SyCip (Chairman), Willy N. Ocier, Jose T. Sio and Virginia A. Yap, has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Company's Manual on Corporate Governance and Rule 38 of the Implementing Rules of the Securities Regulation Code (SRC).

The nominees, whose required information are discussed above (Board of Directors section), are in no way related to the stockholders who nominated them and have signified their acceptance of the nominations. These nominees are expected to attend the scheduled Annual Stockholders' Meeting.

#### ***Executive Officers***

Manuel A. Gana

Mr. Gana is the Executive Vice President and Chief Financial Officer of the Company. He is also the President of Sinophil Corporation. He joined the Company in 1997 as Vice President for Corporate

Development and Special Projects, during which time he was also assigned as the Vice President-Finance and Chief Financial Officer for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (an affiliate of the Company). He is a Director of APC Group, Inc., Pacific Online Systems Corporation, Tagaytay Highlands International Golf Club, Inc. and Woodland Development Corporation. Previously, he was Director of Investment Banking at Nesbitt Burns Securities, Inc. in New York. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York), and for Procter & Gamble Philippine Manufacturing Corporation. Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

Joselito R. Consunji

Mr. Consunji is the Executive Vice President and Chief Operating Officer of the Company. Before joining the Company, Mr. Consunji was the General Manager of both Alsons Land Corporation and LIMA Land, Inc., responsible in the overall strategies and development directions of both companies. He also held key positions in various companies, including Lorenzo Shipping Corporation, Luisita Realty Corporation and the Department of Tourism (Region IV). Mr. Consunji is a graduate of San Beda College with a Bachelor of Arts degree, with major in Economics and minor in Mathematics (cum laude), and valedictorian of the collegiate class of 1983.

Rudy P. Aninipot

Mr. Aninipot is the Vice President for Property Management and responsible for the efficient and effective operation and maintenance of buildings, infrastructures and facilities in Tagaytay Highlands, Tagaytay Midlands and The Greenlands. He joined the Company in 1995 as Assistant Vice President for Engineering. Prior to joining the Company, Mr. Aninipot held key positions in Shangri-La's EDSA Plaza Hotel, Mandarin Oriental and San Miguel Corporation. He also had previous work experience in the Middle East (Saudi Arabia and Yemen). A professional electrical engineer, Mr. Aninipot holds a degree in Electrical Engineering from the Mapua Institute of Technology.

Melvin U. Cadampog

Mr. Cadampog is the Vice President for Corporate Planning. As Head of Corporate Planning, he handles management reports, budgets and financial forecasts. He is also involved with corporate finance activities of the Company. Prior to joining the Company in 1998, Mr. Cadampog was a Financial Analyst under the Corporate Finance Group of Price Waterhouse Coopers (PwC). He holds a Bachelor of Business Economics degree from Charles Sturt University in Australia.

Ma. Cristina G. Fernandez

Ms. Fernandez is the Vice President for Sales. Prior to joining the Company, she held various positions in the following companies: Republic City Club and Club Corporation of America, Megaworld Land, Inc. and New World Hotel. She is a Director of Art Informal, a center for Art Education and Exhibitions. Ms. Fernandez graduated from Ateneo de Manila University with a degree in Communication Arts.

Michelle T. Hernandez

Ms. Hernandez is the Vice President for Marketing. She is responsible in promoting the Company's projects and ensuring that the Company's property/membership share buyers are provided excellent after-sales service. She graduated from the University of Santo Tomas with a degree in Tourism (cum laude). Prior to joining the Company, she worked at Thomas Cook Philippines, Inc., a member of Metrobank's Group of Companies.

Margaret Y. Hernando

Ms. Hernando is the Vice President for Finance. She is also the Vice President and Chief Financial Officer of Sinophil Corporation. As head of the Treasury Department, she is primarily responsible in managing and sourcing out funds for the Company. Prior to joining the Company, Ms. Hernando held

key positions in Dominion Asian Equities, Inc., Middle East Financial Group S.A. (Hong Kong) and National Development Company. She was also a Management Services Associate at SyCip Gorres Velayo & Co. Ms. Hernando holds a degree in Mathematics (magna cum laude) from De La Salle University and a Masters in Business Administration degree from the University of the Philippines.

Nancy O. Hui

Ms. Hui is the Executive Assistant to the Chairman and concurrently in-charge of the Logistics and Purchasing Division of the Company. Prior to joining the Company, Ms. Hui was the Managing Director of Guatson International Travel and Tours. An advocate for environmental concerns, Ms. Hui has a bachelor's degree in Biology and a degree in veterinary medicine from the University of the Philippines.

Marilyn G. Rico

Ms. Rico is the Vice President for Internal Audit. Her main responsibility is to provide an independent and objective assurance designed to improve the Company's operations. Prior to joining the Company, Ms. Rico headed the internal audit group of AB Capital Group of Companies. She has extensive audit exposures in investment banking, financing/leasing, stock brokering and transfer office. Ms. Rico is a Certified Public Accountant.

Rogelio I. Robang

Mr. Robang is the Vice President for Project Management and External Affairs and currently the President of both APC Mining Corporation and Aragorn Coal Resources, Inc. A BS Geodetic Engineering graduate, with studies in Civil Engineering, from the University of the Philippines, he joined the Company as the Assistant Project Director for the Tagaytay Highlands Golf Club project and also supervised the construction of the Tagaytay Midlands project. He also served as Technical Assistant to the President, and, subsequently, to the Vice Chairman. Prior to joining the Company, Mr. Robang was the Manager for Mining Tenements at Surigao Consolidated Mining Company. Mr. Robang, a board topnotcher, also holds a Master in Business Administration degree from De La Salle University.

Amelita B. Vanta

Ms. Vanta is the Vice President for Accounting. Prior to joining the Company, she was a Project Controller at Van Oord Gulf FZE, Dubai. She also previously worked for Philippine American Life and General Insurance Company, Lafarge Cement Services Philippines, Inc., William, Gothong & Aboitiz, Inc. And Punongbayan & Araullo. Ms. Vanta is a Certified Public Accountant.

A. Bayani K. Tan

Mr. Tan is the Corporate Secretary of the Company. He is currently a Director, Corporate Secretary or both of the following listed/reporting companies: Vantage Equities, Inc., Sinophil Corporation, Pacific Online Systems Corporation, I-Remit, Inc., TKC Steel Corporation, First Abacus Financial Holdings Corporation, Sterling Bank of Asia, Inc., Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., The Spa and Lodge at Tagaytay Highlands, Inc., Destiny Financial Plans, Inc., Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity PSE Index Fund, Inc. and Philequity Dollar Income Fund, Inc. He is the Managing Partner of Tan Venturanza Valdez and also a Director, Corporate Secretary, or both, of private companies such as Highlands Gourmet Specialist Corporation, City Cane Corporation, Club Asia, Inc., Destiny Lend Fund, Inc., E-Business Services, Inc., FHE Properties, Inc., Hella-Phil, Inc., Goodyear Steel Pipe Corporation, Discovery Country Suites, Inc., The Discovery Leisure Company, Inc., JTKC Equities, Inc., Star Equities, Inc., Oakridge Properties, Inc., Winsteel Manufacturing Corporation, Winstone Industrial Corporation, Monte Oro Resources and Energy, Inc., Yehey! Corporation and Yehey Money, Inc. He is a member of the Philippine Bar and holds a Master of Laws Degree from the New York University School of Law (1988), Bachelor of Laws Degree from the University of the Philippines (1980) and a Bachelor of Arts from San Beda College (1976).

### **Significant Employees**

There are no other significant employees.

### **Family Relationships**

Mr. Benito Tan Guat, Chairman, is the father of Mr. Willy N. Ocier, Vice Chairman, and Ms. Nancy O. Hui, Executive Assistant to the Chairman.

### **Involvement in Certain Legal Proceedings**

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc. (ULC), some of its members have initiated legal actions against ULC, the Universal Rightfield Property Holdings, Inc. (URPHI) and the Universal Leisure Corporation (ULCorp), as well as their respective incumbent and former officers and directors, including their former Corporate Secretary, Mr. A. Bayani K. Tan. The cases filed include a Complaint for Estafa (docketed as I.S. No. 08-K-19713) filed before the City Prosecutor of Manila. A Counter-Affidavit has already been filed before the City Prosecutor seeking to dismiss the Complaint for lack of cause of action.

Except as provided above, the Company is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter or control person were involved during the past five (5) years up to 28 February 2011:

- (a) any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and
- (c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

### **Certain Relationships and Related Transactions**

No director or executive officer or any member of their immediate family has, during the last two years, had a direct or indirect, material interest in a transaction or proposed transaction to which the Company was a party.

### **Disagreement with Director**

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Company on any matter relating to the latter's operations, policies, or practices.

### **Compensation of Directors**

All directors receive a per diem of ₱10,000.00 each for every meeting.

As of December 31, 2010, there were no outstanding warrants or options held by any of the Company's directors and officers.

### Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There was no compensatory plan or arrangement with respect to named executive officers that resulted or will result from the resignation, retirement or termination of such executive officer or from a change-in-control in the Company.

### Warrants and Options Outstanding

#### *Warrants*

On March 31, 1997, the Securities and Exchange Commission approved the issuance of 626,522,879 detachable subscription warrants, free of charge, on the basis of one warrant for every five common shares held as of record date. The warrants are exercisable at a date not earlier than one year but not later than three years after issue date, and the holder thereof has the right to subscribe to one common share for each warrant held at an exercise price of ₱8.50 per share, as may be adjusted to reflect potential change in the capital structure of the Company. As of the date of the expiration, October 6, 2000, 100 warrants were exercised. There were no outstanding warrants as of December 31, 2010.

#### *Options*

There are no option grants outstanding as of December 31, 2010.

Pursuant to Section 5.2 of the Amended Stock Option Plan, the number of shares granted under the Plan shall be correspondingly adjusted in the event of any merger, consolidation, reorganization, recapitalization, reclassification of stock, stock dividends, splits, rights, or any other change in the corporate structure or capitalization of the Company's common stock as presently constituted.

### Compensation of Directors and Executive Officers

#### Summary Compensation Table (Annual Compensation)

Name and Principal Position	Year	Salary (₱)	Benefits (₱)	Other Annual Compensation
Willy N. Ocier Vice Chairman				
Rogelio R. Cabuñag Officer-In-Charge				
Manuel A. Gana Executive Vice President and Chief Financial Officer				
Joselito R. Consunji Executive Vice President and Chief Operating Officer				
Rudy P. Aninipot Vice President for Property Management				
Melvin U. Cadampog Vice President for Corporate Planning				
Ma. Cristina G. Fernandez Vice President for Sales				
Michelle T. Hernandez Vice President for Marketing				

Margaret Y. Hernando Vice President for Finance				
Nancy O. Hui Vice President and Executive Assistant to the Chairman				
Marilyn G. Rico Vice President for Internal Audit				
Rogelio I. Robang Vice President for Project Management and External Affairs				
Amelita B. Vanta Vice President for Accounting				
Total for the group	2011 <sup>1</sup>	22,731,705	2,722,322	
	2010	20,665,186	2,474,838	
	2009	16,329,541	1,948,860	
	2008	17,628,078	1,469,007	
All directors as a group unnamed	2011 <sup>1</sup>	N/A	N/A	
	2010	N/A	N/A	2,190,294
	2009	N/A	N/A	1,991,176
	2008	N/A	N/A	1,036,680
All officers and directors as a group unnamed	2011 <sup>1</sup>	24,115,490	2,837,637	
	2010	21,923,173	2,579,670	2,190,294
	2009	20,388,841	2,377,763	1,991,176
	2008	21,071,494	1,719,461	1,036,680

<sup>1</sup>2011 figures are estimates only.

### **Independent Public Accountants**

SyCip Gorres Velayo & Co. ("SGV"), the Company's external auditors for 2010-2011 will be recommended for re-appointment as such for the current year. Representatives of SGV are expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Over the past five (5) years, there was no event where SGV and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

In Compliance with the SEC Memorandum Circular No. 8 Series of 2003, Mr. Jose Joel M. Sebastian was assigned in 2002 as SGV's engagement partner for the Company to replace Ms. Betty C. Siy. Mr. Sebastian's five-year assignment has ended after the 2006-2007 audit engagement.

Mr. Juanito A. Fullecido was assigned in 2007 as SGV's engagement partner for the Company to replace Mr. Sebastian. Mr. Fullecido's assignment has ended after the 2009-2010 audit engagement. SGV appointed Mr. Roel E. Lucas as the engagement partner for the Company starting 2010.

The Company and its subsidiaries paid SGV ₱0.87 million for external audit services for 2010, and ₱1.52 million for 2009.

For each of the last two (2) fiscal years, SGV did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

The Audit Committee recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee's recommendation. The Executive Committee approves the audit fees as recommended by the Management Committee.

### **Compensation Plans**

The Company will not be taking any action as regards its existing Stock Option Plan.

## **OTHER MATTERS**

### **Action with Respect to Reports**

The Company will seek the approval by the stockholders of the Minutes of the previous Stockholders' Meeting during which the following were taken up: (1) Call to Order, (2) Proof of Notice of Meeting, (3) Certification of Quorum, (4) Approval of the Minutes of the Previous Meeting of Stockholders, (5) Approval of 2009 Operations and Results, (6) Ratification of all Acts of the Board of Directors and Officers, (7) Election of Directors, (8) Appointment of SyCip Gorres Velayo & Co. as External Auditors, (9) Other Matters, and (10) Adjournment.

The Company will also seek approval by the stockholders of the 2010 Operations and Reports, contained and discussed in the Annual Report attached and made part of this Information Statement. Approval of the reports will constitute approval and ratification of the acts of management and of the Board of Directors for the past year.

Two inspectors, who shall be officers or employees of the Company, shall be appointed by the Board of Directors to count the votes to be cast before or at each meeting of the stockholders; if no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend then the appointment shall be made by the presiding officer of the meeting.

### **Matters Not Required to be Submitted**

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

### **Amendment of Charter, By-Laws or Other Documents**

There are no matters to be voted upon by the stockholders of the Company pertaining to any amendment of Company By-laws and other documents.

### **Other Proposed Actions**

The following are to be proposed for approval during the stockholders' meeting:

1. Minutes of the Previous Meeting of Stockholders;
2. 2010 Operations and Results;
3. Ratification of all Acts of the Board of Directors and Officers;
4. Election of Directors for 2011-2012;
5. Appointment of SyCip Gorres Velayo & Co. as External Auditors;
6. Other Matters.

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

- (a) Membership in the relevant committees such as the Executive Committee;
- (b) Designation of authorized signatories;
- (c) Financing activities;
- (d) Opening of accounts;
- (e) Appointments in compliance with corporate governance policies; and
- (f) Funding support for projects.

Management reports which summarize the acts of management for the year 2010 are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

#### Voting Procedures

- (a) Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.
- (b) Two inspectors, who shall be officers or employees of the Company, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place; if no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on 28 April 2011, the Corporate Secretary and/or his representative together with the Audit Partner of the External Auditor and/or his representative, have been designated as inspectors who have been tasked to oversee the counting of votes.
- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company; provided, however, that in the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law.
- (d) The By-Laws of the Company is silent as to the method by which votes are to be counted. In practice, however, the same is done by the raising of hands or *viva voce*.
- (e) With respect to the election of eleven (11) directors, each stockholder may vote such number of shares for as many as eleven (11) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by eleven (11) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by eleven (11).
- (f) Upon confirmation by the inspectors that there is a mathematical impossibility for certain nominees to be elected into office based on proxies held and votes present/represented in the meeting, the actual casting and counting of votes for the election of Directors may be dispensed with.

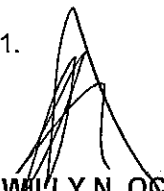
#### Omitted Items

Items 2, 4, 11, 12, 13, 14, 15 and 16 are not responded to in this report, the Company having no intention to take any action with respect to the information required therein.

#### **SIGNATURE**

After reasonable inquiry and to the best of our knowledge and belief, we hereby certify that the information set forth in this report are true, complete and correct.

This report is signed in the City of Pasig, Metro Manila on 22 March 2011.

  
**WILLY N. OCIER**  
Vice Chairman



# BELLE CORPORATION

## BUSINESS AND GENERAL INFORMATION

### Background

Belle Corporation ("Belle" or the "Company") was incorporated in 1973 as Belle Mining and Oil Exploration, Incorporated ("Belle Resources") and, in 1976, was listed on the Philippine Stock Exchange. In 1989, Belle Resources developed a golf club named Tagaytay Highlands International Golf Club, Incorporated ("Tagaytay Highlands"), which became its initial foray into the property development sector. In 1994, Belle Resources changed its name to Belle Corporation to underscore the shift in its principal activity. In 1996, a publicly-listed affiliate, Dominion Asian Equities, Incorporated, was merged into Belle, with Belle being the surviving entity. Dominion was Belle's partner in its gaming-related investments and selected property ventures. The merger resulted in the consolidation of the gaming and property development activities of Belle and Dominion. Belle has since refocused its activities away from gaming and onto property development.

In early 2001, Belle decided to spin-off some of its property development assets. The spin-off involved the transfer of approximately 534 hectares of undeveloped land, 70 developed subdivision lots and 25 finished residential units into a newly formed subsidiary, Highlands Prime, Incorporated ("Highlands Prime"). Highlands Prime was registered with the Securities and Exchange Commission on February 15, 2001, and its shares became listed on the Philippine Stock Exchange on April 23, 2002, at which time Belle sold approximately 64% of its interest in Highlands Prime to investors.

### Development of the Business of the Registrant and its Subsidiaries/Affiliates during the Past 3 Years

*Belle*, the registrant, shifted its principal activity from mining and oil exploration to property development when it developed a golf course named Tagaytay Highlands Golf Club in 1989. Its property development projects are located in Tagaytay City and Batangas, and include the following: Alta Mira, Fairfield, Lakeside Fairways, Lakeview Heights, Pinecrest Village, Plantation Hills, Tagaytay Highlands Golf Club, Tagaytay Midlands Golf Club, The Belleview, The Country Club at Tagaytay Highlands, The Parks at Saratoga Hills, The Spa and Lodge at Tagaytay Highlands, The Verandas at Saratoga Hills, The Villas, and The Woodlands. Due to the overwhelming success of Plantation Hills, Belle launched its fourth phase (named "The Heights") in 2005. The Heights was completed during the first quarter of 2007. Land development work for The Parks at Saratoga Hills ("The Parks"), a house and lot development north of Plantation Hills, was completed as of December 31, 2007. Construction of individual houses is ongoing, as units are sold. Land development for The Verandas at Saratoga Hills ("The Verandas") was also completed as of December 31, 2007. The Verandas was launched during the fourth quarter of 2006 as a subdivision lots project. Saratoga Hills follows an American Country theme. In October 2009, Belle launched a new subdivision project named Fairfield in Tanauan, Batangas, within The Saratoga Hills development area. Fairfield, located adjacent to The Verandas, was 90% complete as of December 31, 2010. In April 2010, Nob Hill, the second phase of Fairfield was launched and was 24% complete as of December 31, 2010.

Lakeside Fairways was introduced by Belle in April 2007. This project consists of subdivision lots located south of the existing 18-hole Tagaytay Midlands golf course in Talisay, Batangas. The construction of 9 more holes for the Tagaytay Midlands golf course also commenced after ground breaking for Lakeside Fairways, during the first half of 2008. As of December 31, 2010, the first four phases of Lakeside Fairways (Kew Gardens, Terrazas de Alava, Lakeside Enclave and Tivoli Place) average a completion rate of 98%. The fifth and sixth phases (Cotswold and Katsura, respectively) were both 90% complete as of December 31, 2010. In April 2010, Belle launched the addition to its Katsura line of Japanese themed subdivision projects namely Yume, which was 8% complete as of December 31, 2010.

*Highlands Prime* (incorporated in 2001) is a 36%-owned affiliate of Belle. Its properties are located mainly in the vicinity of the Tagaytay Highlands and Tagaytay Midlands golf clubs in Calamba, Tagaytay City and Batangas. In 2002, Highlands Prime started the development of The Woodridge, a high-end multi-family condominium complex with an environmentally-sensitive "highlands rustic" design, located in Tagaytay Highlands, which was completed and fully sold in 2006. In 2004, Highlands Prime started construction of another condominium project, called The Horizon at Tagaytay Midlands, a 220-unit condominium development beside the north fairways of the Tagaytay Midlands golf course. In 2007, Highlands Prime launched Woodridge Park, a 65-unit, 7-building condominium complex near The Woodridge, and The Hillside, a lots-only subdivision. In 2008, Woodlands Point, a subdivision of 60 log houses, was launched. In 2009, Highlands Prime launched Pueblo Real, a subdivision overlooking the Tagaytay Midlands golf course. Highlands Prime shares became listed on the Philippine Stock Exchange on April 23, 2002. For 2010, Highlands Prime launched two projects namely: Phase 2 of Woodridge Place, a mid-rise condominium project with a total of 88 units; and Sierra Lago, a subdivision project with 187 lots.

*Belle Bay City Corporation* ("BBCC"), incorporated in 1996, is a 35%-owned affiliate of Belle. BBCC was incorporated with originally about 19 hectares (gross) of reclaimed land located along Roxas Boulevard in Parañaque, part of which had been earmarked for future development into "Belle Bay Plaza", a mixed-use complex. Due to the Asian Financial Crisis and related economic reasons, the shareholders of BBCC decided to dissolve BBCC and distribute the property among the shareholders as a return of their investments. In January 2005, the Securities and Exchange Commission and the Bureau of Internal Revenue approved the dissolution of BBCC. Subdivision of the property is ongoing, with Belle expected to receive approximately 5 hectares of the property upon the dissolution of BBCC. The said property will be the future site of the casino and entertainment complex of Premium Leisure & Amusement Inc. named the "Belle Grande Manila Bay".

*Metro Manila Turf Club, Inc.* ("MMTC"), incorporated in 1993, has a congressional franchise for horse racing, which was granted in 1995, and is still in its pre-operating stage. Belle and Sinophil owned a combined 100% of MMTC as of December 31, 2007. As of December 31, 2009, Belle and Sinophil had sold a combined 87.5% of MMTC to a group of investors who are working towards the activation of MMTC's congressional horse racing franchise and seeking financing for the construction of a race track. Belle's ownership interest in MMTC was 8.75% as of December 31, 2010. Prior to 2006, MMTC had approximately 121 hectares of land in Tanauan, Batangas, which was originally intended as the site for a racetrack (the "Land"). However, the construction activity on the racetrack never commenced, and MMTC returned the Land pro-rata to Belle and Sinophil in 2006, as a return of their investments or deposits. Belle and Sinophil plan to use the land for real estate projects in the future. In 2010, the new majority shareholders of MMTC unveiled a plan to build a racetrack on another track of land in Batangas, with construction to commence during the first half of 2011. This racetrack is targeted for launch in the first quarter of 2012.

*Pacific Online Systems Corporation* ("Pacific Online"), incorporated in 1993, leases on-line betting equipment to the Philippine Charity Sweepstakes Office (PCSO) for their lottery operations in the Visayas and Mindanao. Pacific Online has been consistently profitable since its fiscal year 2002. Pacific Online listed its shares on the Philippine Stock Exchange with a successful initial public offering on April 12, 2007. A total of 39.8 million shares were offered to the public at P8.88 per share. Because of high demand for Pacific Online shares, it opened in the market at P13.25 per share on the listing date. Belle owned 35% of Pacific Online as of December 31, 2010.

*Investment agreement on Premium Leisure & Amusement, Inc. ("PLAI")*

On November 10, 2009, Belle and SM Commercial Properties, Inc. (SMCPI) entered into a Memorandum of Agreement (MOA) for the acquisition by Belle of all the outstanding capital stock of PLAI from SMCPI in exchange for the 2.7 billion new common shares of Belle, to be issued out of its existing authorized but unissued shares of 7.6 billion.

PLAI is a grantee by the Philippine Amusement and Gaming Corporation (PAGCOR) of a Certificate of Affiliation and Provisional License (the "License") to operate integrated resorts, including casinos, in the

vicinity of the Bagong Nayong Pilipino Manila Bay Entertainment City and the Newport City Integrated Resort. PLAI's License runs concurrent with PAGCOR's Congressional Franchise, which expires in 2033.

In consideration of the License, the SM Consortium, of which PLAI is a member, had committed to PAGCOR that the Consortium shall invest US\$1.0 billion (the "Investment Commitment"), or the equivalent of ₱46.0 billion at the exchange rate fixed with PAGCOR, over twenty-three years, comprised of the value of land used for the projects and the construction costs of various facilities and infrastructure within the site of the project, provided that 40% of the Investment Commitment is spent within two years from the date of approval of the License. With respect to the ₱46.0 billion Investment Commitment of the SM Consortium, PLAI will assume and undertake about 30% of the Investment Commitment, in the amount of ₱14.0 billion over twenty-three years, of which 40% of said amount or ₱5.6 billion will be spent through 2012. Belle and PLAI do not expect any problem in meeting its share of the investment commitment, with capital expenditures on the project (including the value of its land deployed for the project) estimated to exceed ₱5.6 billion by 2012.

On October 6, 2010, the transfer and valuation of Belle and PLAI shares was approved by the Securities and Exchange Commission (SEC). However, the approval of the Certificate Authorizing Registration (CAR) from the Bureau of Internal Revenue, which is the final step before the transfer is executed, has yet to be approved pending the resolution of the SM Consortium with certain issues with the BIR.

On January 14, 2011, the Operating Agreement between PLAI and AB Leisure Global, Inc. (ABGLI), a 100% subsidiary of Leisure and Resorts World Corporation (LRWC), whereby ABGLI shall operate PLAI's casino with the help of a management partner and the Lease Agreements between Belle and LRWC/ABGLI for the land and building owned by Belle which will be used for the casino operations and to be leased to LRWC/ABGLI, have both been signed.

#### **Bankruptcy, Receivership or Similar Proceedings**

None for any of the companies above.

#### **Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (Not Ordinary)**

None for any of the companies above.

#### **Products**

Belle is principally engaged in real estate development, particularly the development of golf courses, country clubs, residential properties and related facilities. Aside from its property development business, Belle is indirectly engaged in communications and gaming-related activities through its investments in various subsidiaries and affiliates.

The Company's other subsidiaries/affiliates in real estate development are:

1. Highlands Prime, Incorporated ("Highlands Prime"), whose properties are located around the vicinity of Tagaytay Highlands and Tagaytay Midlands in Tagaytay City and Batangas.
2. Belle Bay City Corporation ("BBCC"), whose major project is the development of a mixed-use complex (the "Belle Bay City") on its 19-hectare reclaimed property located along Roxas Boulevard in the City of Manila. In January 2005, the Securities and Exchange Commission and the Bureau of Internal Revenue approved the eventual dissolution of BBCC, which is presently still in process.

Belle also has investments in companies engaged in gaming and gaming-related activities. In the Philippines, the gaming industry is largely untapped by other companies in the private sector, creating opportunities for experienced leisure operators. Belle's gaming businesses are undertaken, or will be

undertaken, mainly by the following subsidiaries/affiliates:

1. Metro Manila Turf Club, Incorporated ("MMTC"), through its congressional franchise to engage in horse racing related gaming activities, and/or build and operate a racetrack.
2. Pacific Online Systems Corporation ("Pacific Online"), an affiliate of Belle that leases on-line betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery operations in the Visayas and Mindanao regions.
3. Premium Leisure & Amusement, Inc. ("PLAI"), which Belle has agreed to acquire from SM Commercial Properties, Inc. (SMCPI) in exchange for 2.7 billion new common shares of Belle, to be issued out of its existing authorized but unissued shares of 7.6 billion. PLAI is a grantee by Philippine Amusement and Gaming Corporation (PAGCOR) of a Certificate of Affiliations and Provisional Licenses (the "License") to operate integrated resorts, including casinos, in the vicinity of the Bagong Nayong Pilipino Manila Bay Entertainment City and the New Port City Integrated Resort. The License runs concurrent with PAGCOR's Congressional Franchise, which expires in 2033.

### Revenues

The following are the major revenue items in 2010 and 2009:

Description	2010		2009	
	Amount (in millions)	% to Total Revenue	Amount (in millions)	% to Total Revenue
Sale of real estate and club shares	P 1,164.0	81.7%	P 1,259.8	82.7%
Interest and investment income	3.6	0.3%	2.8	0.2%
Equity in net earnings of associates	156.2	11.0%	117.9	7.7%
Other Revenues and Income	99.1	7.0%	143.3	9.4%
	P 1,422.9	100.0%	P 1,523.8	100.0%

### Distribution Methods of Products

Belle's high-end real estate products are sold principally to the A and B property market segments. The Company has its own in-house staff responsible for marketing and sales of the Company's products, as well as after-sales service. The Company also accredits and taps the services of external brokers to complement its in-house marketing and sales teams. In 2005, Belle started to actively sell its products to wealthy Filipinos abroad through its accredited overseas brokers. Today, approximately 20% of total sales have been sold overseas.

### Status of Projects

In 2010, revenues from operations came mainly from sales of Lakeside Fairways lots, sales of club shares, sales of Saratoga Hills properties namely The Parks Saratoga Hills, The Verandas at Saratoga Hills and Fairfied, and sales of farm lots in Plantation Hills.

The Belle View:

This project was completed and fully sold in 1998.

The Woodlands:

Belle started the delivery of units to homeowners in 1998. The project was completed in 1999.

**Alta Mira:**

The project was completed in 2000.

**Fairfield:**

As of December 31, 2010, Fairfield was 90% complete. The project was launched in October 2009.

**Nob Hill:**

As of December 31, 2010, Nob Hill was 24% complete. The project was launched in April 2010.

**Lakeview Heights:**

The project was completed in 2002.

**Lakeside Fairways:**

As of December 31, 2010, the first four phases (Kew Gardens, Terrazas de Alava, Lakeside Enclave and Tivoli Place) of the project were approximately 98% completed, while the fifth and sixth phases (Cotswold and Katsura) were both 90% completed. Yume, the addition to Belle's Japanese themed Katsura line launched in April 2010, was 8% complete as of December 31, 2010.

**Plantation Hills:**

Only a few remaining lots in The Sanctuary, The Ridge and The Heights (Phases 1, 2 and 5 of Plantation Hills, respectively) were unsold, and construction of these phases was 100% complete, as of December 31, 2007. Plantation Hills is a farm lots subdivision.

**The Parks at Saratoga Hills:**

The Parks at Saratoga Hills ("The Parks"), located in Tanauan, Batangas, was launched in 2005. As of December 31, 2007, land development for The Parks was fully completed. The Parks is a house-and-lot subdivision.

**The Verandas at Saratoga Hills:**

The Verandas at Saratoga Hills ("The Verandas"), located in Tanauan, Batangas beside The Parks, was launched in 2006. It was fully completed as of December 31, 2007. The Verandas is a lots-only subdivision project.

**Tagaytay Midlands:**

The golf clubhouse and 18-hole golf course is fully operational.

**The Spa and Lodge:**

The Spa and Lodge was completed in 2001. The Spa and Lodge structure is a hotel-like facility that boasts 25 five-star suites and spa facilities.

**Tagaytay Highlands Country Club:**

The project was completed in 1996.

**Gaming:**

MMTC is currently developing its 14-hectare racetrack which is targeted for launch on the first quarter of 2012. Pacific Online has been profitable since 2002, and listed its shares on the Philippine Stock Exchange on April 12, 2007.

**Competition**

Property development has been Belle's historical core business area. Belle believes that, at present, there is no other company in the Philippines that has successfully launched large-scale, self-contained and community-type leisure properties such as the developments around Tagaytay Highlands and Tagaytay Midlands.

In general, Belle competes somewhat with developers such as Ayala Land, Landco, Fil-Estate, and

Brittany Corporation, with respect to its residential and subdivision projects. Some of these developers, like Ayala Land, are bigger in size than Belle. Nevertheless, Belle is able to effectively compete with the above companies primarily on the basis of product quality, reliability to deliver the projects as promised, project location and high-end property development expertise. Furthermore, Belle has a market base of more than 6,000 wealthy individuals who are existing members of Tagaytay Highlands, Tagaytay Highlands Country Club and Tagaytay Midlands, which provides a marketing advantage over other developers.

### **Suppliers**

The Company has a broad base of local and foreign suppliers.

### **Customers**

Belle's market base includes wealthy local and foreign individual and institutional clients. The Company has historically sold its real estate projects (residential units) to its golf or country club members.

### **Transactions with and/or Dependence on Related Parties**

Please refer to the portion on "Certain Relationships and Related Transactions".

### **Licenses**

Please refer to the portion on "Government Regulations".

### **Government Approvals/Regulations**

As part of its normal course of operation, the Company secures government approvals such as the Environment Compliance Certificate, Development Permits, DAR Clearances and Licenses to Sell, etc.

### **Effect of Existing or Probable Government Regulations on the Business**

Belle has complied with all the government requirements necessary for its operations.

The implementation of the 12% R-VAT on real estate sales in February 2006 had very little impact on the salability of Belle's real estate products since it caters principally to the A and B market segments. Likewise, the implementation of a 35% income tax on corporations effective November 2005 and until December 2008 did not significantly hamper Belle's liquidity and profitability, since the Company has ample tax credits which it can offset against future income tax liability. The reduction of income tax to 30% in 2009 somewhat contributed positively to Belle's net income for the year.

Future government regulations are perceived to have no material impact to the normal operations of the Company.

### **Amount Spent on Research and Development Activities and Compliance with Environmental Laws**

Consultancy fees, engineering and architectural design, surveying, ECC, permits and licenses, etc. are being added to the cost of the project. Generally, these costs represent about 4% of gross revenues.

### **Number of Employees**

As of December 31, 2010, Belle had 153 employees, all of whom were full-time employees. Belle employees are not subject to Collective Bargaining Agreements. Belle's management had generally not encountered any significant difficulties with its labor force, and no major strikes had been staged in the past.

The following are the breakdown of Belle employees according to type:

Officers	14
Managers	23
Supervisors and Rank and File	<u>116</u>
Total	153

Aside from the basic salary and 13<sup>th</sup> month pay, other supplemental benefits or incentives that are being provided by Belle to its employees include: service car for executives, medical and dental benefits, life and accident insurance, medical allowance and various loan facilities, among others.

### **Risks**

Some of the risks that the Company and its related subsidiaries and affiliates may be exposed to are the following:

#### *Economic and Political Conditions*

The Company's business is mainly the development and sale of high-end leisure properties in the Philippines which is generally influenced by the Philippine political and macroeconomic climate. Events and conditions that may negatively impact the Philippine economy as a whole may also adversely affect the Company's ability to sell its real estate projects.

#### *Competition*

The degree of competition in the property industry varies considerably by sector and geography. In general, Belle may compete with other developers for purchases of land, as well as clientele for its residential and club projects. However, the Company believes that other major property companies do not generally pursue leisure property development as a core business area.

#### *Changes in Local and International Interest Rates*

Belle's local and foreign-denominated borrowings may be adversely affected by drastic increases in interest rates.

#### *Changes in the Value of the Peso*

Depreciation of the Peso will negatively affect Belle's foreign-denominated borrowings, as well as the cost of some of the goods that Belle imports as part of its ordinary course of business.

#### *Contractors and Suppliers*

As is the case with most property development companies, there is a risk that contractual arrangements with contractors may not meet the Company's performance standards. To serve as safeguards to these eventualities, therefore, performance bonds are normally required for these contractors.

#### *Government Regulations*

Belle's property development business is subject to certain laws and regulations of various branches of the government, such as the local governments, the Department of Environment and Natural Resources ("DENR") and the Housing and Land Use Regulatory Board ("HLURB"). Belle has complied with the licensing and regulatory requirements necessary for its operations.

Belle's gaming businesses are also subject to certain laws and regulations. Belle's involvement in the lottery run by the PCSO is via its ownership in Pacific Online, which holds an equipment lease agreement with the PCSO for the operation of online lottery system in the Visayas-Mindanao regions. For horse-racing and the operation of off-track betting stations, MMTC (a subsidiary of Belle in 1995,

and owned 8.75% as of December 31, 2010), was granted a franchise in 1995 by the Philippine Congress to construct, operate and maintain a horse racetrack and to establish branches thereof for booking purposes, and hold or conduct horse races with betting, on the results of the races either directly or by means of any mechanical, electrical or computerized system. In 2009, Belle agreed to acquire from SMCPI a PAGCOR License to operate integrated resorts, including casinos, through PLAI, which will become a wholly-owned subsidiary of Belle after the transaction is executed.

#### *Changes to the Philippine Laws and Regulations*

Although laws and regulations are enacted for the common benefit, changes to these laws and regulations may create negative effects to the operating and financial condition of Belle including its subsidiaries and affiliates.

In order to mitigate the risks mentioned above, the Company will continue to exercise fiscal prudence and adopt what it considers conservative financial and operational controls.

#### **Working Capital**

Belle finances its working capital requirements through a combination of internally-generated funds, pre-selling, borrowing and discounting of receivables.

#### **DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES**

No principal accountant or independent accountants of the registrant has resigned, was dismissed or has ceased to perform services during the two (2) most recent fiscal years or any subsequent interim period.

There have been no disagreements with any accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope of procedure.

#### **GOVERNMENT REGULATIONS**

Belle's property development business is subject to certain laws and regulations of various branches of the government, such as the local governments, the Department of Environment and Natural Resources ("DENR") and the Housing and Land Use Regulatory Board ("HLURB"). Belle has complied with the licensing and regulatory requirements necessary for its operations.

Belle's gaming businesses are also subject to certain laws and regulations. Belle's involvement in the lottery run by the PCSO is via its ownership in Pacific Online, which holds an equipment lease agreement with the PCSO for the operation of online lottery system in the Visayas-Mindanao regions. For horse racing and the operation of off-track betting stations, MMTTC (a subsidiary of Belle in 1995, and owned 8.75% as of December 31, 2010), was granted a franchise in 1995 by the Philippine Congress to construct, operate and maintain a horse racetrack and to establish branches thereof for booking purposes, and hold or conduct horse races with betting on the results of the races either directly or by means of any mechanical, electrical or computerized system. In 2009, Belle agreed to acquire from SMCPI a PAGCOR License to operate integrated resorts, including casinos, through PLAI, which will become a wholly-owned subsidiary of Belle after the transaction is executed.



## MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE AND FINANCIAL CONDITION

### 2010 Compared to 2009

Belle Corporation ("Belle" or the "Company") realized consolidated net income of P465.5 million for the year ended December 31, 2010. This is P79.7 million (21%) higher than the consolidated net income of P385.8 million for the year ended December 31, 2009. Moreover, the Company's consistent and substantial profitability has allowed it to post positive consolidated retained earnings of P137.7 million as of December 31, 2010. The Company's consolidated retained earnings became positive for the first time since 1998, wiping out a consolidated deficit that peaked at P5.8 billion as of December 31, 2001.

Gross revenue for 2010 of P1,263.1 million was lower by P140.1 million (10%), compared to P1,403.2 million during 2009. Net revenues of P1,249.1 million was also lower by P43.4 (3%), compared to P1,292.5 million in 2009. In spite of the lower revenues, gross profit as of December 2010 of P740.1 million was higher than gross profit as of December 2009 of P726.2 million by P13.9 million (2%), due to higher gross profit margin during 2010 of 59%, compared to 56% in 2009. This is due to the greater proportion in the 2010 revenue mix of Cotswold, which had a project gross margin of 62% and comprised 25% of 2010 gross revenues (compared to 10% of gross revenues in 2009) and Fairfield, which had a project gross margin of 65% and comprised 11% of 2010 gross revenues (compared to 3% in 2009). In contrast, a combined 27% of gross revenues in 2009 were comprised of Lakeside Fairways Phases 1- 5 (with an average project gross margin of 49% and a proportion to gross revenues of 12%) and Katsura (with a project gross margin of 50% and a proportion to gross revenues of 15%).

Total operating expenses including depreciation and amortization were virtually unchanged at P174.0 million in 2010 from P173.8 million in 2009. Based on the preceding, the Company realized operating income in 2010 of P566.1 million, which was P13.7 million (2%) higher than the operating income level of P552.4 million in 2009.

The Company's equitized net earnings from associated companies increased by P38.3 million (32%) to P156.2 million in 2010, from P117.9 million in 2009. Equitized earnings were mainly from its 36%-owned associate, Highlands Prime, Inc. (HPI), from its 35%-owned associate, Pacific Online Systems Corporation (Pacific Online). HPI is also engaged in real estate development within the Tagaytay Highlands and Midlands complexes, while Pacific Online leases on-line equipment to the Philippine Charity Sweepstakes Office for their lottery operations in the Visayas and Mindanao. Interest expense decreased by P15.7 million (8%), to P191.4 million, from P207.1 million in 2009. With the appreciation of the Philippine Peso against the US Dollar to P43.84:US\$1.00 as of December 31, 2010, from P46.20:US\$1.00 as of December 31, 2009, the Company posted a P51.5 million foreign exchange translation gain in 2010 from its US\$22 million US Dollar-denominated debt, compared to a foreign exchange translation gain of P28.9 million in 2009.

Total assets of the Company increased by P554.6 million (6%), to P10,528.1 million as of December 31, 2010, from P9,973.5 million as of December 31, 2009, due to the increases of the value of investments and fixed assets. Cash and cash equivalents decreased by P45.3 million (52%), to P41.1 million from P86.4 million in 2009. Receivables decreased by P108.6 million (9%), to P1,116.4 million in 2010 from P1,225.0 million in 2009. Real estate for sale increased by P77.0 million (3%), to P3,012.9 million in 2010 from P2,935.9 million in 2009, due to the development of raw lands for various projects. Club shares held by the Company, valued at historical cost, increased by P22.3 million (1%), to P2,816.4 million in 2010 from P2,794.1 million in 2009. Investments and advances increased by P109.4 million (5%), to P2,514.6 million in 2010 from P2,405.2 million in 2009, due mainly to equity in net earnings of associates for the year. Investment properties under construction and property and equipment increased by P500.3 million (292%), from P171.4 million as of December 31, 2009 to P671.7 million as of December 31, 2010, due mainly to the construction cost of the "Belle Grande Manila Bay", an integrated resort complex located along Roxas Boulevard in Parafique City. Other assets remain virtually the same at P355.0 million as of December 31, 2010 and 2009.

Total liabilities increased by P76.2 million (2%) to P4,349.8 million as of December 31, 2010, from P4,273.6 million as of December 31, 2009. Total debt amounting to P2,708.1 million were comprised mostly of Peso loans from various local financial institutions, with interest at an approximate range of

7.0% to 7.5% per annum, with the total of such Peso loans amounting to P1,743.1 million, and which are predominantly secured. Foreign-currency denominated debt (Floating Rate Notes), with a Peso equivalent amounting to P965.0 million as of December 31, 2010, comprise the balance of Belle's total debt. The Floating Rate Notes have a principal amount of US\$22 million due on May 10, 2014 and carry interest at 2% per annum above the six-month LIBOR. Total debt increased by P145.3 million (6%), from P2,562.8 million in 2009 to P2,708.1 million in 2010. The increase was due mainly to the availment of new peso loans. Accounts payable and other liabilities decreased by P83.6 million (5%), to P1,558.3 million in 2010 compared to P1,641.9 million in 2009. Comprising accounts payable and other liabilities are principally trade payables of P558.9 million, advances from related parties of P212.7 million, accrued expenses of P421.4 million, non-trade payables of P307.0 million, customers' deposits of P47.0 million and pension liability of P11.3 million. Deferred tax amounted to P78.3 million and P50.8 million in 2010 and 2009, respectively. Accounts receivable assigned with recourse decreased by P11.4 million (69%) from P16.4 million in 2009, to P5.0 million in 2010, due to debt servicing to a bank in 2010.

The Company's equity as of December 31, 2010 of P6,178.3 million was higher by P478.4 million (8%) compared to the year-end 2009 level of P5,699.9 million, due mainly to the net income recorded for 2010. Due to its consistent profitability since 2002, the Company attained consolidated retained earnings of P137.7 million as of December 31, 2010, compared to a consolidated deficit of P327.8 million as of December 31, 2009.

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

		<u>Dec 31, 2010</u> (audited)	<u>Dec 31, 2009</u> (audited)
Debt-to-equity ratio	Interest-bearing debt over stockholders' equity	0.44 : 1.00	0.45 : 1.00
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents over stockholders' equity	0.43 : 1.00	0.43 : 1.00
Return on assets	Net income over average total assets during the period	4.5%	3.9%
Return on equity	Net income over average stockholders' equity during the period	7.8%	7.0%

The Company does not foresee any cash flow or liquidity problems over the next twelve months. The P1,743.1 million of debt obligations classified as loans payable have historically been mostly renewed or rolled-over, with Belle paying only interest. Belle has also a number of revenue-generating real estate projects in the pipeline to enhance cash flow. The Company is in compliance with all of its debt obligations.

As of December 31, 2010, 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:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company from the year ended December 31, 2009 to December 31, 2010.

## 2009 Compared to 2008

The Company realized consolidated net income of P385.8 million for the fiscal year ended December 31, 2009. This is P180.0 million (87%) higher than the consolidated net income of P205.8 million for the fiscal year ended December 31, 2008.

Gross revenue for 2009 of P1,403.2 million was higher by P53.9 million (4%), compared to P1,349.3 million during 2008. The Company's gross profit increased by P60.2 million (9%), to P726.2 million, from P666.0 million in 2008, due to higher revenue in 2009. Total operating expenses including depreciation and amortization increased by P8.7 million (5%), to P173.8 million, from P165.1 million in 2008, mainly due to increased project activities. Based on the preceding, the Company realized operating income in 2009 of P552.4 million, which was P51.5 million (10%) higher than the operating income level of P500.9 million in 2008.

The Company's equitized net earnings from associated companies increased by P36.6 million (45%) to P117.9 million in 2009, from P81.3 million in 2008. Equitized earnings were mainly from its 36%-owned associate, Highlands Prime, Inc. (HPI), from its 35%-owned associate, Pacific Online Systems Corporation (POSC). HPI is also engaged in real estate development within the Tagaytay Highlands and Midlands complexes, while POSC leases on-line equipment to the Philippine Charity Sweepstakes Office for their lottery operations in the Visayas and Mindanao. Interest expense increased by P0.5 million (0.2%), to P207.1 million, from P206.6 million in 2008, due mainly to slightly higher interest rates. With the appreciation of the Philippine Peso against the US Dollar to P46.20:US\$1.00 as of December 31, 2009, from P47.52:US\$1.00 as of December 31, 2008, the Company posted a P28.9 million foreign exchange translation gain in 2009 from its US\$22 million US Dollar-denominated debt, compared to a foreign exchange translation loss of P135.4 million in 2008.

Total assets of the Company increased by P60.9 million (0.6%), to P9,973.5 million as of December 31, 2009, from P9,912.6 million as of December 31, 2008. Cash and cash equivalents increased by P25.2 million (41%), to P86.4 million from P61.2 million in 2008. Receivables increased by P411.4 million (46%), to P1,300.7 million in 2009 from P889.3 million in 2008 due mainly to additional receivables from the Company's increased sales of real estate projects. Condominium units and residential lots decreased by P165.8 million (21%), to P625.7 million in 2009 from P791.5 million in 2008, due mainly to higher sales. Club shares held by the Company, valued at historical cost, decreased by P232.0 million (8%), to P2,794.1 million in 2009 from P3,026.1 million in 2008, due to sales of Tagaytay Midlands Golf Club and Tagaytay Highlands Country Club shares in 2009. Land held for future development increased by P2.3 million (0.1%), to P2,310.2 million in 2009 from P2,307.9 million in 2008, due to the development of raw lands for various projects. Investments and advances decreased by P16.2 million (0.7%), to P2,399.0 million in 2009 from P2,415.2 million in 2008, due mainly to unrealized gross profit on intercompany sales credited against investment. Property and equipment increased by P52.1 million (44%), from P119.3 million as of December 31, 2008 to P171.4 million as of December 31, 2009, due mainly to the capitalization of the main water and power distribution lines. Other assets decreased by P16.0 million (5%), to P286.1 million as of December 31, 2009, from P302.1 million as of December 31, 2008, due mainly to the use of creditable withholding tax to pay the Company's income tax obligations.

Total liabilities decreased by P303.2 million (7%) to P4,273.6 million as of December 31, 2009, from P4,576.8 million as of December 31, 2008. Total bank debt amounting to P2,564.5 million were comprised mostly of Peso loans from various local financial institutions, with interest at an approximate range of 7.5% to 8.9% per annum, with the total of such Peso loans amounting to P1,547.5 million, and which are predominantly secured. Foreign-currency denominated debt (Floating Rate Notes), with a Peso equivalent amounting to P1,016.9 million as of December 31, 2009, comprise the balance of Belle's total bank debt. The Floating Rate Notes have a principal amount of US\$22 million due on May 10, 2014 and carry interest at 2% per annum above the six-month LIBOR. Total debt decreased by P33.7 million (1%), from P2,598.2 million in 2008 to P2,564.5 million in 2009. The decrease was due mainly to the appreciation in the peso equivalent of Belle's Floating Rate Notes, as the Peso appreciated against the U.S. Dollar from P47.52:US\$1.00 as of December 31, 2008 to P46.20:US\$1.00 as of December 31, 2009. Accounts payable and other liabilities decreased by P238.5 million (13%), to P1,641.9 million in 2009 compared to P1,880.4 million in 2008. Comprising accounts payable and other liabilities are principally trade payables of P736.3 million, advances from related parties of P227.2

million, accrued expenses of P504.0 million, and non-trade payables of P160.2 million and pension liability of P14.1 million. Deferred tax amounted to P50.8 million and P57.5 million in 2009 and 2008, respectively. Accounts receivable assigned with recourse decreased by P24.3 million (60%) from P40.7 million in 2008, to P16.4 million in 2009, due to payment to a bank in 2009.

The Company's stockholders' equity as of December 31, 2009 of P5,699.9 million was higher by P364.1 million (7%) compared to the year-end 2008 level of P5,335.8 million, due mainly to the net income recorded for 2009.

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

		<u>Dec 31, 2009</u> (audited)	<u>Dec 31, 2008</u> (audited)
Debt-to-equity ratio	Interest-bearing debt over stockholders' equity	0.45 : 1.00	0.49 : 1.00
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents over stockholders' equity	0.43 : 1.00	0.48 : 1.00
Return on assets	Net income over average total assets during the period	3.9%	2.1%
Return on equity	Net income over average stockholders' equity during the period	7.0%	3.9%

The Company does not foresee any cash flow or liquidity problems over the next twelve months. The P1,545.8 million of debt obligations classified as loans payable have historically been mostly renewed or rolled-over, with Belle paying only interest. Belle has also a number of revenue-generating real estate projects in the pipeline to enhance cash flow. The Company is in compliance with all of its debt obligations.

As of December 31, 2009, 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:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company from the year ended December 31, 2008 to December 31, 2009.

### **2011 Plan of Operations**

As of December 31, 2010, construction on the first six phases of Lakeside Fairways and on the second eighteen holes of the Tagaytay Midlands golf course were on-going, and are expected to continue in 2011. Belle will also continue with construction of houses in The Parks at Saratoga Hills, and will work towards the completion of land development for Fairfield, in 2011. Construction of the two new projects, namely Yume and Nob Hill commenced in 2010 and shall be in full swing in 2011.

During 2007, Belle launched four upscale residential subdivisions adjacent to the Tagaytay Midlands golf course, which comprised the initial phases of the Lakeside Fairways project. These subdivisions, named Kew Gardens, Terrazas de Alava, Lakeside Enclave and Tivoli Place, are located alongside 9 new holes being built for the Tagaytay Midlands golf course, which will augment the existing 18-hole

golf course therein. During 2008 and 2009, Belle launched the sixth and seventh phases of Lakeside Fairways, named Cotswold and Katsura, respectively. Construction of Cotswold and Katsura will also continue in 2011.

Belle is set to launch at least three new projects in 2011. The first is the eighth phase of Lakeside Fairways, a lot-only subdivision project. Second would be the condotel on top of the podium of Belle Grande Manila Bay, currently being constructed along Roxas Boulevard and Macapagal Avenue. Third would be the second phase of Nob Hill.

On the gaming side, existing investments will continue to be managed at MMTC and Pacific Online. During 2008 and 2009, Belle and Sinophil sold 87.5% of their investments in MMTC to an investor group, with their ownership being reduced thereby to 8.75% and 3.75% for Belle and Sinophil, respectively. Prior to 2006, MMTC had approximately 121 hectares of land in Tanauan, Batangas, which was originally intended as the site for a racetrack (the "Land"). However, there has been no construction activity on the Land and MMTC returned the Land pro-rata to Belle and Sinophil, as a return of their investments or deposits during 2006. Belle and Sinophil plan to use the land for real estate projects in the future.

As of December 31, 2010, construction of the Belle Grande Manila Bay is in full swing. The targeted soft opening of the Belle Grande is on the fourth quarter of 2011. It is estimated that construction of the entire complex (including the hotel, condotel and theater components) will take approximately 2-3 years.

#### **ANNEX TO MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) SECTION**

**Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of obligation**

None. The Company does not foresee any events that may trigger material financial obligation to the Company, including default or acceleration of an obligation.

**All material off-balance sheet transactions, arrangement, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period**

None. There were no material off-balance sheet transactions, arrangement, obligations, and other relationships of the Company with unconsolidated entities or other persons that the Company is aware of during the reporting period.

#### **FINANCIAL STATEMENTS**

The audited consolidated Financial Statements and Supplementary Schedules as of and for the year ended December 31, 2010 listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Information Statement. Supplementary information are as follows:

##### **Balance Sheet**

Cash and Cash Equivalents (in millions)

As of December 31, 2010, the Company has ₱41.05 million in cash on hand and in bank.

Accounts Receivable

- As of December 31, 2010, the Company's level of doubtful accounts was not material. The Company reserves the right to cancel the sale, retain ownership of the property and forfeit any amount already received if a buyer defaults payment of the amounts due.
- Receivables are mostly due and collectible within the Company's normal operating cycle.

#### Real Estate for Sale

There were no unusual purchase commitments covering these accounts.

#### Property and Equipment

There was neither commitment nor a pre-determined program for acquisition of Property and Equipment. Additions were based on the operational needs of the Company and were evaluated based on certain cost and benefit considerations.

#### Accounts Payable and Accrued Expenses

There were no secured liabilities and no liabilities guaranteed by others.

#### Subscriptions Payable

Payment of Subscriptions Payable is upon call by the investees.

#### Income Statement

Breakdown of certain accounts are as follows:

Gross revenues and operating costs are as follows (in ₱ millions):

Revenues from sale of real estate	873.3	
Revenues from sale of club shares	290.7	
Other revenues	<u>99.1</u>	1,263.1
Less: Cost of real estate and club share sales	509.0	
Selling expenses	14.0	
Salaries, Wages and employee benefits	63.5	
Depreciation and amortization	21.2	
Administrative and other expenses	<u>89.3</u>	697.0
Operating Income		<u>566.1</u>

Interest and Other Investment Income: In 2010, this account consisted mainly of interest income of ₱3.6 million.

### MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### Market Information

The principal market where the registrant's common equity is traded is the Philippine Stock Exchange ("PSE").

The high and low sales prices for each quarter within the last two (2) fiscal years of the registrant's common shares, as quoted on the PSE, are as follows:

Stock Prices		
	High	Low
2010		
First Quarter	1.84	1.34
Second Quarter	2.06	1.74

Third Quarter	2.61	1.78
Fourth Quarter	4.84	2.27
2009		
First Quarter	0.70	0.53
Second Quarter	0.85	0.65
Third Quarter	1.66	0.74
Fourth Quarter	1.50	1.26

As of December 31, 2010, Belle's market capitalization amounted to ₱29.2 billion based on the closing price of ₱4.60 per share. Likewise, Belle's market capitalization as of February 17, 2011 amounted to ₱32.4 billion based on the closing price of ₱5.10 per share.

### Security Holders

The Company had 2,204 shareholders as of February 28, 2011. Common shares outstanding as of December 31, 2010 totaled 6,350,899,542. The top 20 stockholders as of February 28, 2011, with their corresponding shareholdings and percentage thereof to total shares outstanding, are:

	Name	No. of Shares Held	% to Total
1	PCD Nominee Corporation (Filipino)	2,246,629,837	35.38%
2	Sysmart Corporation	1,266,889,521	19.95%
3	PCD Nominee Corporation (Non Filipino)	801,090,469	12.61%
4	SM Commercial Properties, Inc.	685,951,000	10.80%
5	SM Development Corporation	572,291,503	9.01%
6	Sybase Equity Investment Corporation	261,950,000	4.12%
7	Eastern Securities Development Corporation	138,087,031	2.17%
8	Ng, Jacinto C. Jr.	116,452,000	1.83%
9	Ng, Jacinto L. Sr.	76,145,000	1.20%
10	Ocier, Willy N.	26,982,166	0.42%
11	Ng, Jacinto Jr. &/or Anita C. Ng	15,680,000	0.25%
12	Lim Siew Kim	6,200,000	0.10%
13	Dynaland Properties and Developers, Inc.	5,000,000	0.08%
14	Safeco Holdings, Inc.	4,000,000	0.06%
15	Gabaldon, William T.	3,127,000	0.05%
16	Cu, Oscar S. ITF Anthony Cu	2,950,000	0.05%
17	Duca, Elpidio T.	2,759,999	0.04%
18	Bulchand, Bebu	2,702,000	0.04%
19	TDG Retirement Fund	2,536,800	0.04%
20	Crownstone Resources, Inc.	2,240,000	0.04%

### Dividends

No dividends on common stock were declared in 2010 and 2009. There is no restriction that limits or would likely limit the Company's ability to pay dividends.

### Recent Sales of Unregistered Securities

The Company did not sell or issue securities within the past three (3) years which were not registered under the Securities Regulation Code.

### DIRECTORS AND EXECUTIVE OFFICERS

Please refer to the portion of this Information Statement on "Directors and Executive Officers"

## **COMPLIANCE WITH THE MANUAL OF CORPORATE GOVERNANCE**

The Company remains focused on insuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

In compliance with the initiative of the Securities and Exchange Commission ("SEC") under Memorandum Circular No. 2, Series of 2002, Belle, on 30 August 2002, submitted its Corporate Governance Manual (the "Manual") to the SEC. Even prior to the submission of its Manual, the Company, during its Stockholders' Meeting on 22 August 2002, created various Board level committees. These committees were comprised of an Executive Committee, a Nomination Committee for the selection and evaluation of qualifications of directors and officers, a Compensation and Remuneration Committee to look into an appropriate remuneration system, and an Audit Committee to review financial and accounting matters. A Compliance Officer was also appointed on that date. Members of various committees are expected to serve for a term of one (1) year. On 1 January 2003, the Company formally adopted the Manual. In July 2003, the Company submitted to the SEC its Corporate Governance Self-Rating Form as proof of its compliance with the leading practices and principles on good corporate governance. Appointment of members of various board committees for the period 2011-2012 will be held on 28 April 2011 during the Company's stockholders meeting.

The Board establishes the major goals, policies and objectives of the Company, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that adequate internal control mechanisms are implemented and properly complied in all levels.

The Company is not aware of any non-compliance with its Manual of Corporate Governance, by any of its officers or employees.

## **UNDERTAKING TO PROVIDE PRINTED COPIES OF THE INFORMATION STATEMENT AND ANNUAL REPORT**

**UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT (ON SEC FORM 20-IS) AND ANNUAL REPORT (ON SEC FORM 17-A) WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:**

THE CORPORATE SECRETARY  
BELLE CORPORATION  
28/F EAST TOWER, PSE CENTRE  
EXCHANGE ROAD, ORTIGAS CENTER  
PASIG CITY, PHILIPPINES