-----Original Message-----
From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Friday, March 25, 2022 10:46 AM
Subject: Information Statement

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Belle Corporation
Reference Number: 0010086-2022
Date and Time: Friday, March 25, 2022 10:45 AM Template Name: Information Statement Report Number: CR01508-2022

Best Regards,
PSE EDGE

If verification is required, please request for a hard copy.

The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

CR01508-2022

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) 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

Metro Manila, Philippines

4. SEC Identification Number

52412

5. BIR Tax Identification Code

000-156-011-000

6. Address of principal office

5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City

Postal Code

1300

7. Registrant's telephone number, including area code

(+632) 8662 8888

8. Date, time and place of the meeting of security holders

April 28, 2022 at 2:00 P.M. Due to the current circumstances, the meeting will be conducted via remote communication.

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Mar 30, 2022

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

-

Address and Telephone No.

-

11. 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	9,696,464,297

13. Are any or all of registrant's securities listed on a Stock Exchange?

☑ Yes ☐ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange, Inc./Common Stock

Belle Corporation
BEL

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting
References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules

Date of Stockholders' Meeting	Apr 28, 2022
Type (Annual or Special)	Annual
Time	2:00 P.M.
Venue	Not applicable (the meeting will be held via remote communication)
Record Date	Mar 21, 2022

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information
Please see attached Definitive Information Statement.

Filed on behalf by:

Name	Michelle Angeli Hernandez
Designation	Chief Risk Officer and Vice President for Governance

COVER SHEET

5	2	4	1	2

S.E.C. Registration Number

BELLE CORPORATION

(Company's Full Name)

5/F, TOWER A, TWO E-COM CENTER
PALM COAST AVENUE, MALL OF ASIA
COMPLEX CBP-1A, PASAY CITY

(Business Address: No. Street City / Town / Province)

MICHELLE ANGELI T. HERNANDEZ	(+632) 8662 8888
Contact Person	Company Telephone Number

12	31	Definitive 20-IS		
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

1,764		
Total No. of Stockholders	Domestic	Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

BELLE CORPORATION

Notice of Annual Shareholders' Meeting

To all Shareholders:

The annual meeting of the shareholders of Belle Corporation (the "Company") will be held on **April 28, 2022**, Thursday at 2:00 P.M. Given the current circumstances, the meeting will be conducted virtually and voting conducted *in absentia* through the Company's secure online voting facility.

Agenda:

1. Call to Order
2. Proof of Notice of Meeting and Quorum
3. Approval of the Minutes of the Annual Meeting of Shareholders held on June 25, 2021
4. Approval of 2021 Operations and Results
5. Ratification of all Acts of the Board of Directors and Management during their term of office
6. Election of Directors for 2022-2023
7. Appointment of External Auditors
8. Other Matters
9. Adjournment

Please refer to Annex A for a brief explanation of each agenda item for approval.

The Board of Directors has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on **March 21, 2022** as the record date for the determination of shareholders entitled to the notice of, participationvia remote communication, and voting in absentia at such meeting, and any adjournment thereof.

The conduct of the meeting will be streamed live, and shareholders may attend the meeting by registering via ***asmregister.bellecorp.com*** and submitting the supporting documents listed there until **April 25, 2022**. Allinformation submitted shall be verified and validated by the Corporate Secretary.

Stockholders who wish to cast votes through a proxy may accomplish the corresponding proxy form (*whichneed not be notarized*) and submit the same on or before **April 19, 2022**. In view of the community quarantine, scanned forms will be accepted. Paper copies shall be sent to the office of the Corporate Secretaryat 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City once thecommunity quarantine is lifted.

Stockholders who successfully registered can cast their votes *in absentia* through the Company's secure online voting facility for this meeting. In order to participate remotely, they will also be provided with accessto the meeting that will be held virtually. The "Guidelines for Participation via Remote Communication andVoting *in Absentia* as appended to the Information Statement labeled as "Schedule A" will be posted in the Company's website ***(bellecorp.com/ASM2022)*** and PSE Edge.

Pasig City, March 22, 2022.

JASON C. NALUPTA
Corporate Secretary

RATIONALE FOR AGENDA ITEMS

Agenda Item 1. Call to Order.
The Chairman of the Board of Directors, Mr. Willy N. Ocier, will call the meeting to order.

Agenda Item 2. Proof of Notice of Meeting and Quorum
The Corporate Secretary, Atty. Jason C. Nalupta, will certify that copies of this Notice were sent to Stockholders of record as of March 21, 2022**.** Further, the Corporate Secretary will also certify the number of attendees, whether in person or by proxy or through remote communication or in absentia, for the purpose of determining the existence of quorum to validly transact business.

Agenda Item 3. Approval of the Minutes of the Annual Meeting of Stockholders held on June 25, 2021. The draft minutes of the June 25, 2021 Annual Stockholders' Meeting (ASM) are available on the Company's website: ***https://www.bellecorp.com/investor-relations/asm-minutes-and-results-asm*** Stockholders will be asked to approve the Minutes of the 2021 Annual Stockholders' Meeting as recommended by the Board of Directors.

Agenda Item 4. Approval of 2021 Operations and Results
A report on the highlights of the performance of the Company for the year ended 2021 will be presented to Stockholders. The same was reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who declared an unqualified opinion on the Audited Financial Statements (AFS). A summary of the 2021 AFS shall also be presented to the Stockholders. Stockholders, after identifying themselves, will be given an opportunity to raise questions regarding the operations and report of the Company.

Agenda Item 5. Ratification of all Acts of the Board of Directors and Management during their term of office
All actions, proceedings and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management from the date of the Stockholders Meeting held on June 25, 2021 to the date of this meeting shall be presented for confirmation, approval, and ratification.

Agenda Item 6. Election of Directors for 2022-2023
The list of nominees for the Board of Directors, as nominated, reviewed, qualified, and recommended by the Corporate Governance Committee, shall be presented for election. Their proven expertise and qualifications based on current regulatory standards and the Company's own norms, will help sustain the Company's solid performance that will result to its stockholders' benefit. The profiles of the nominees are contained in the IS for reference of the stockholders and are likewise posted on the Company's website. If elected, they shall serve as such from April 28, 2022 until their successors shall have been duly qualified and elected.

Agenda Item 7. Appointment of External Auditors
The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders to appoint Reyes Tacandong & Co. as the Company's External Auditor for 2022. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2022.

Agenda Item 8. Other Matters
The Chairman will open the floor for matters that the stockholders may want to take up. Questions raised by the stockholders on matters taken up at the meeting will be responded to at this stage of the meeting.

Agenda Item 9. Adjournment
After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

PROXY FORM

The undersigned stockholder of **Belle Corporation (the "Company")** registered in the name of Philippine Central DepositoryNominee Corporation, if applicable*, hereby appoints _______________, (as sub-proxy,*) or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Companyon April 28, 2022 and at any of the adjournments thereof for her purpose of acting on the following matters:

1. Approval of the Minutes of the Annual Meeting of Stockholders held on June 25, 2021

   ____Yes _____No _____Abstain

2. Approval of 2021 Operations and Results

   ____Yes _____No _____Abstain

3. Ratification of all Acts of the Board of Directors and Management during their term of office

   ____Yes _____No _____Abstain

a.

4. Election of Directors for 2022 to 2023
   _______Vote for all nominees listed below
   _______ Willy N. Ocier
   _______ Elizabeth Anne C. Uychaco
   _______ Manuel A. Gana
   _______ Jacinto C. Ng, Jr.
   _______ Jose T. Sio
   _______ Virginia A. Yap
   _______ Amando M. Tetangco, Jr. (Independent)
   _______ Jaime J. Bautista (Independent)
   _______ Maria Gracia M. Pulido Tan (Independent)

   ____Withhold authority for all nominees listed above

   ____Withhold authority to vote for the nominees listed below:
   ____________________ ____________________
   ____________________ ____________________
   ____________________ ____________________

* For PCD Participants/Brokers

5. Election of External Auditor

   ____Yes _____No _____Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters properlycome before the meeting.

   ____Yes _____No _____Abstain

____
Printed Name of Stockholder/Broker/PCD Participant

____
Signature of Stockholder or Name and Signatureof Authorized Signatory of Corporate Stockholder/Broker/PCD Participant

____
Date

This Proxy must be submitted together with the following:

For Individual Stockholders
If a representative will sign on behalf of stockholder, this proxy must be submitted together with a duly executed Special of General Power of Attorney showing the authorityof the representative to sign on behalf of the individual stockholder.

For Corporate Stockholders
A duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the stockholder corporation. Enclosed is a sample Secretary's Certificate for your reference.

For PCD Participants/Brokers
A duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the PCD Participant/Broker, as well as the duly accomplished proxy or certificate of shareholdings issued by the PDTC. Enclosed is a sample Secretary's Certificate for your reference.

This Proxy should be received by the Corporate Secretary on or before April 19, 2022, or at least seven (7) business days before the date set for the annual meeting as provided in the By-laws. The Chairman of the meeting shall act as the proxy in the eventno name is given. This Proxy Form shall be valid for five (5) years from date of signing.

This Proxy need not be notarized, and when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this Proxy will be voted "for" the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by Management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.

SPECIAL POWER OF ATTORNEY

Know all men by these presents:

I, ______________________________________,_________________citizen, of legal age and a residentof ____, do hereby name, constitute, and appoint__________________________,__________________citizenship, of legalage and a resident of____, to be my true and lawful attorney-in-fact for myself and in my name, place and stead, to do and perform the following acts and things, namely:

1. To attend the 2022 Annual Stockholders' Meeting of Belle Corporation, or at any adjournments thereof, of which I am a shareholder, and then and there to exercise my voice and vote and whatsoever privileges, rights, and prerogatives may correspond to me by reason of my shares therein; and

2. To delegate in whole or in part any or all of the powers and authorities herein covered, by means of an instrument in writing in favor of any third person or persons whom the attorney-in-fact may select.

Hereby giving and granting unto said attorney-in-fact full power and authority to do and perform any and every act and thing, whatsoever, requisite or necessary or proper to be done in and about the premises, as fully to all intents and purposes as I might or could do, with full power of substitution or revocation, and hereby ratifying and confirming all that the said attorney-in-fact or his substitute shall lawfully do or cause to be done under and by virtue of these presents.

IN WITNESS WHEREOF, I have signed this instrument in____________________________on ________________________2022.

____
Name and Signature of Stockholder

Signed in presence of:

_________________________________ _________________________________

Acknowledgement

Republic of the Philippines)
____________________)

Before me, a Notary Public for and in the City of ________________________________, this _____day of _______________ 2022 personally appeared ____ who presented to me his/her (Gov't. issued ID No.) issued on _____________________ at __________ and who was identified by me through his/her competent evidence of identity to be the sameperson described in the foregoing instrument, who acknowledged before me that his/her signature on the instrument was voluntarily affixed by him/her for the purposes stated therein, and who declared to me that he/shehas executed the instrument as his/her free and voluntary act and deed.

This instrument refers to the Special Power of Attorney consisting of (___) pages, including this page, and signed by the persons executing this instrument and sealed with the notarial seal.

WITNESS MY HAND AND SEAL on the date and place first above written.

Doc. No.______;
Page No._____;
Book No.______;
Series of______.

SECRETARY'S CERTIFICATE

I,____________________________________,___________________citizen, of legal age and with office address at____, do hereby certify that:

1. I am the duly appointed Corporate Secretary of____(the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office addressat _____________________________.

2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on ______________________, the following resolutions were passed and approved:

> "RESOLVED, That____, ____be authorized and appointed, ashe is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of Belle Corporation whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in Belle Corporation and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.
>
> "RESOLVED, FINALLY, That Belle Corporation be furnished with a certified copy ofthis resolution and Belle Corporation may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolutions have not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in___________________________on ________________________.

____
Printed Name and Signature of
theCorporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on ________________in ______________.
Affiant exhibited to me his Competent Evidence of Identity by way of _________________issued on _______________at ______________.

Doc. No.______;
Page No._____;
Book No.______;
Series of______.

PROFILES OF THE NOMINEES FOR ELECTION AS MEMBERS OF THE BOARD OF DIRECTORS FOR 2022-2023

WILLY N. OCIER
Chairman Executive Director
Date of First Election – June 1999
Chairman, Executive Committee

EDUCATION / EXPERIENCE

Mr. Willy Ocier, 65, is an Executive Director and Chairman of Belle Corporation. He is also the Chairman and Director of Premium Leisure Corp., APC Group, Inc., Pacific Online Systems Corporation, Total Gaming and Technologies, Inc. and PremiumLeisure and Amusement, Inc. He is also Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and The Country Club at the Tagaytay Highlands, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., He is a Director of Leisure and Resorts World Corporation. He also sits as a Director to the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.

ELIZABETH ANNE C. UYCHACO
Vice Chairperson
Non-Executive Director
Date of First Election – December 2009
Vice Chairperson, Executive Committee
Member, Compensation and Remuneration Committee

EDUCATION / EXPERIENCE

Ms. Uychaco, 66, Filipino, is Vice Chairperson, Executive Committee Vice Chairperson, and Compensation and Remuneration Committee member of Belle Corporation. She was first elected on December 2009. Ms. Uychaco is also Senior Vice President of SM Investments Corporation, Chairperson of Neo Group, and Board Director of Goldilocks Bakeshop, Inc., ACE Hardware Philippines, Inc., Philippines Urban Living Solutions, and Republic Glass Holdings Corporation. She is also a Trustee of Asia Pacific College and President and Trustee of Senior Member Social Club.

Ms. Uychaco is a graduate of St. Scholastica's College. She holds two Master's degrees in Business Economics from the University of Asia and Pacific and Business Administration from the Ateneo School of Business.

MANUEL A. GANA
President, Chief Executive Officer, Chief Information Officer, and Compliance Officer
Executive Director
Date of First Election – March 2017
Member, Executive Committee
Member, Compensation and Remuneration Committee

EDUCATION / EXPERIENCE

Mr. Gana, 64, Filipino, is an Executive Board Director and the President and Chief Executive Officer of Belle Corporation, to which he was first appointed on March 15, 2017. He is also a member of the Corporation's Executive Committee and Compensation & Remuneration Committee. Mr. Gana was appointed as the Vice President and Chief Financial Officer of the Company in September 2000, and was promoted to Executive Vice President and Chief Financial Officer in August 2007. He joined Belle in June 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, then a subsidiary of Sinophil Corporation (now called Premium Leisure Corp.). He is also a Director and the Treasurer of Tagaytay Highlands International Golf Club, Inc. Previously, he was Director of Investment Banking at Nesbitt Burns Securities Inc. in New York, USA. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York, USA), 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.

JACINTO C. NG, JR.
Non-Executive Director
Date of First Election – August 2000
Member, Executive Committee
Member, Audit Committee
Member, Risk Oversight Committee

EDUCATION / EXPERIENCE

Mr. Ng, Jr., 52, Filipino, is a Non-executive Director since August 2000, a member of the Executive Committee, Audit Committee, and Risk Oversight Committee of Belle Corporation, and concurrently a Director of Highlands Prime, Inc.

He is the Group Executive Officer of the Joy~Nostalg Group, chairman of the Joy~Nostalg Foundation, a member of the Rebisco Foundation, XS86 Men for Others Foundation, Xavier School Educational Trust Fund and Xavier School Inc.'s Board of Trustees.

Mr. Ng, Jr. holds a Bachelor of Science degree in Architecture from the University of the Philippines.

JOSE T. SIO
Non-Executive Director
Date of First Election – December 2009
Chairman, Compensation and Remuneration Committee

EDUCATION / EXPERIENCE

Mr. Sio, 82, Filipino, is a Non-executive director and Chairman of Compensation and Remuneration Committee, was first elected on December 2009. He is the Chairman of the Board of SM Investments Corporation and Director of China Banking Corporation, Atlas Consolidated Mining and Development Corporation, Far Eastern University, NLEX Corporation and Ortigas Land Corporation. Mr. Sio is also an Adviser to the Board of BDO Unibank, Inc. and Premium Leisure Corp. He is a former Senior Partner of SGV& Co. He is a Certified Public Accountant and obtained his Master's Degree in Business Administration (MBA) from New York University, USA.

VIRGINIA A. YAP
Non-Executive Director
Date of First Election – July 2010
Member, Executive Committee

EDUCATION / EXPERIENCE

Ms. Yap, 70, Filipino, is a Non-Executive Director of Belle Corporation. She is also a member of the Company's Executive Committee. Ms. Yap holds key positions in SM Investments Corporation as a Senior Vice President – Office of the Chairman and Securities Department. She is also a Director of the APC Group, Inc.

She holds a Bachelor of Science in Commerce (Major in Accounting) degree from the University of Mindanao.

INDEPENDENT DIRECTORS

AMANDO M. TETANGCO, JR.
Lead Independent Director
Date of First Election – December 2017 Chairperson,
Audit Committee
Member, Compensation and Remuneration Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee
Member, Risk Oversight Committee

EDUCATION / EXPERIENCE

Mr. Tetangco, 69, Filipino, is the Lead Independent Director of Belle Corporation who was elected on December 4, 2017. He is concurrently an independent director of SM Prime Holdings, Inc., Converge ICT Solutions, Inc. and Pilipinas Shell Petroleum Corporation. He also currently holds directorates in Manila Hotel, Toyota Motor Philippines, and CIBI Information, Inc. He is also a trustee of St. Luke's Medical Center, Tan Yan Kee Foundation and Foundation for Liberty and Prosperity.

Mr. Tetangco was the third Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board, and served for two consecutive 6-year terms from July 2005 to July 2017. He was a career central banker for over four decades, having joined the Central Bank of the Philippines (the predecessor of Bangko Sentral ng Pilipinas [BSP]) on 25 March 1974. During his term as Governor, he held other government positions, such as the Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council, and the Philippine International Convention Center. He was also Vice-Chair of the Agriculture Credit Policy Council; and a member of the Capital Markets Development Council and the Export Development Council. Prior to his first appointment as Governor in 2005, he was Deputy Governor in-charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He also was the Alternate Executive Director of the International Monetary Fund in Washington, D.C. from 1992 to 1994. Before joining the Central Bank, he worked briefly at the Management Services Division of SGV and Co. in 1973-74.

Overseas, he was the country's representative to the ASEAN Central Bank Forum; the Executives' Meeting of East Asia and Pacific Central Banks; the South East Asia Central Banks; the South East Asia, New Zealand and Australia; and the Center for Latin American Monetary Studies. He was the Governor for the Philippines at the International Monetary Fund and the Alternate Governor at the World Bank and the Asian Development Bank. At the Bank for International Settlements, he was Chair of the Meeting of Small Open Economies. He also chaired various international committees -- the BIS Asian Consultative Council; the Financial Stability Board Regional Consultative Group for Asia; and the Alliance for Financial Inclusion Steering Committee.

He was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He also received multiple recognition by a number of international organizations as one of the best central bank governors and chosen as MAP Management Man of the Year in 2015.

Mr. Tetangco graduated from Ateneo de Manila University with an AB Economics degree (cum laude), and obtained his Masters in Public Policy and Administration (Development Economics) at the University of Wisconsin at Madison, Wisconsin,USA, as a BSP scholar. He attended various training programs at different institutions, including the Harvard Business School and the New York Institute of Finance.

JAIME J. BAUTISTA
Independent Director
Date of First Election – June 2021
Chairperson, Related Party Transactions Committee
Chairperson, Corporate Governance Committee

EDUCATION / EXPERIENCE

Mr. Bautista, 64, Filipino, is an Independent Director of the Company. He is also an Independent Director of Premium Leisure Corp. and Nickel Asia Corp. He is the former President and Chief Operating Officer of Philippine Airlines, Inc., as well as a former Executive and Director in Macroasia Corporation, Macroasia Services Corporation, Macroasia Airport Services Corporation, Macroasia Properties Development Corporation and ETON Properties Philippines, Inc. He is also a former Treasurer of Tan Yan Kee Foundation, Inc. He served in various executive capacities in the the Lucio Tan group for 39 years, the last 24 years for Philippine Airlines and its subsidiaries.

Mr. Bautista is currently a Non-Executive director in Cosco Capital, Inc., Philippine Bank of Communications, Alphaland Corporation, Airspeed International Corporation, Gothong Southern ShippingLines, Inc. He is likewise the Vice Chairman of the Philippine Eagle Foundation and a member of the Board of Trustees of the University of the East, the UE Ramon Magsaysay Medical Memorial Center, and the International School of Sustainable Tourism.

Mr. Bautista graduated in 1977 from the Colegio de San Juan de Letran, Magna Cum Laude with a decree of Bachelor of Science in Commerce, major in Accounting. He is a Certified Public Accountant. He receivedhis Doctorate in Humanities (Honoris Causa) from the Central Luzon State University in 2018.

MARIA GRACIA M. PULIDO TAN
Independent Director
Date of First Election – June 2021
Chairperson, Risk Oversight Committee
Member, Audit Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee

EDUCATION AND EXPERIENCE

Atty. Tan, 66, Filipino, is an Independent Director of the Company. She is likewise an Independent Director of Premium Leisure Corp. and Pacific Online Systems Corporation. She is the former Chairperson of the Commission on Audit, Undersecretary of Finance and Commissioner of the Presidential Commission on Good Government. She is currently a Trustee of the International Budget Partnership, an international NGO based in Washington DC, USA. She is a director of several Philippine corporations, a tax consultantand legal adviser of some private clients, and an accredited Arbitrator of the Construction Industry Arbitration Commission, Philippines and Philippine Dispute Resolution Center, Inc, Philippines.

Atty. Tan served as Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a professor at the University of the Philippines for Mandatory Continuing Legal Education.

Backed by four decades of professional work in the Philippines and abroad as private law and accounting practitioner, government official, arbitrator and international consultant, she is an expert in the fields of legal, finance, audit, governance, dispute resolution and administration.

She graduated from the University of the Philippines in 1977 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Bachelor of Laws. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a Certified Public Accountant.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

Information Statement Pursuant to Section 20of
the Securities Regulation Code

a) Check the appropriate box
[ ] Preliminary Information Statement
[X] Definitive Information Statement

b) Name of Registrant as specified in its charter: **BELLE CORPORATION**

c) Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

d) SEC Identification Number: **52412**

e) BIR Tax Identification Number: **000-156-011-000**

f) Address of principal office: **5th Floor, Tower A, Two E-com Center, Palm Coast Avenue, Mall ofAsia Complex, Pasay City, 1300 Metro Manila, Philippines**

g) Registrant's telephone number, including area code: **(632) 8662-8888**

h) Date, time, and place of the meeting of security holders:
Date: April 28, 2022
Time: 2:00 PM
Venue: To protect the shareholders and other stakeholders from the ongoing COVID-19 pandemic, the meeting will be conducted via remote communication. The Chairman of the Board shall call and preside over the meeting from the Company's principal office as required by SEC regulations. The same will be livestreamed from the Company's principal office at 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, which was discussed and approved by the Board in its meeting held on February 24, 2022.

Approximate date on which the Information Statement is to be sent or given to security holders: **March 30, 2022**

i) 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
Common Stock, ₱1.00 par value	**9,696,464,297 (as of February 28, 2022)**
	Amount of Debt Outstanding
	₱7.080 Billion (as of February 28, 2022)

j) 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**

Statement that proxies are not solicited:

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

<u>Voting Securities</u>

The Record Date for purposes of determining the stockholders entitled to vote is March 21, 2022. The total number of shares outstanding and entitled to vote in the stockholders' meeting is 9,696,464,297 shares. Stockholders are entitled to cumulative voting in the election of the board of directors, as provided by the Corporation Code.

*The detailed guidelines for participation and voting for this meeting are set forth in the "**Guidelines for Participating via Remote Communication and Voting in Absentia**" appended as Schedule "A" in this Information Statement.*

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. BUSINESS AND GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders

a) Date: April 28, 2022(Thursday)
Time: 2:00 PM
Venue: To protect the shareholders and other stakeholders from the ongoing COVID 19 Pandemic, the meeting will be conducted via remote communication. The Chairman of the Board shall call and preside over the meeting from the Company's principal office as required by the SEC regulations. The same will be livestreamed from the Company's principal office at 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, which was discussed and approved by the Board in its meeting held on February 24, 2022.

b) The approximate date on which the Information Statement will be sent or given to security holders is on March 30, 2022.

c) The complete mailing address of the principal office of Belle Corporation (the "Company") is:
5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, 1300 Metro Manila, Philippines.

Item 2. Dissenter's Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on April 28, 2022 are not among the instances enumerated in Sections 41 and 80 of the Revised Corporation Code ("Revised Code") whereby the right of appraisal, defined to 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:

a) 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;

b) 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 Revised Code;

c) In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and

d) In case of merger or consideration.

Procedure:

The procedure for the exercise by a dissenting stockholder of his appraisal right is as follows:

(a) A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.

(b) The dissenting stockholder shall make a written demand on the corporation within 30 days after the date on which the vote was taken for payment for the fair value of his shares. The failure of the stockholder to make the demand within the 30-day period shall be deemed a waiver on his appraisal right;

(c) If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of corresponding certificate(s) of stock within 10 days after demanding payment for his shares (Sec. 85), the fair value thereof; and

(d) Upon payment of the agreed or awarded price, the stockholder shall transfer his share to the corporation.

No matter will be presented for stockholders' approval during the stockholders' meeting that may occasion the exercise of the right of appraisal.

Item 3. 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 2022.

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.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a) **Voting Securities**

As of February 28, 2022, the Registrant has 9,696,464,297 common shares outstanding and each share is entitled to one vote. As of February 28, 2022, the Shares Owned by Foreigners has 2,055,694,542 common shares outstanding and each share is entitled to one vote. Each share is entitled to notice of and to one vote at the Annual Stockholders' Meeting.

b) **Record Date**

The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is March 21, 2022.

c) **Voting Rights**

At every meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy and, unless otherwise provided by law, he shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Corporation. At all meetings of the stockholders, all elections and all questions shall be decided by the plurality of votes of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, except in cases where other voting requirement is required by statute. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy, if there be such proxy, and shall state the number of shares voted by him.

With respect to the election of directors, each stockholder may vote such number of shares for as many as the reduced number of director, or for nine (9) 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 nine (9) 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 nine (9).

In light of the community quarantine imposed over various areas of the country and to ensure the safety andwelfare of stockholders and everyone involved, this year's Annual Stockholders' Meeting will be conducted virtually, and will be broadcasted via livestreaming accessible to registered stockholders, the details of whichcan be found in ***bellecorp.com/ASM2022***. The Company will record in video the proceedings and maintain a copy with the office of the Corporate Secretary.

Stockholders as of Record Date must inform the Corporate Secretary of their intention to participate in the meeting via remote communication and to vote *in absentia* by registering at ***asmregister.bellecorp.com*** on or before April 25, 2022 (Monday), subject to the verification and validation by the Corporate Secretary. Stockholders who will participate through remote communication or *in absentia* shall be deemed present forpurposes of quorum for the meeting.

The Board of Directors adopted a resolution allowing stockholders to participate, and to exercise their rightto vote, via remote communication or *in absentia.* Voting will be made through a secure online voting facility accessibleonly to verified stockholders to protect the integrity and secrecy of votes cast.

The detailed guidelines for participation and voting for this meeting are set forth in the "Guidelines for Participation via Remote Communication and Voting in Absentia" appended to this Information Statement (see attached **Schedule "A"**).

d) **Security Ownership of Certain Record and Beneficial Owners as of February 28, 2022**

The following persons or groups 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 securitiesas of February 28, 2022:

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	**Belleshares Holdings, Inc.** 10th Floor LV Locsin Building, 6752 Ayala Avenue, Makati City	**Belleshares Holdings, Inc.**[1]	Filipino	2,604,740,622	26.86
Common	**PCD Nominee Corporation**[3] GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	**(see footnote)**	Filipino	2,513,745,424	25.92
Common	**PCD Nominee Corporation**[3] GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	**(see footnote)**	Non-Filipino	1,994,661,767	20.57
Common	**Sysmart Corporation** 10th Floor LV Locsin Building, 6752 Ayala Avenue, Makati City	**Sysmart Corporation**[2]	Filipino	1,629,355,469 (Direct) 270,000 (Indirect)	16.81
Common	**Sybase Equity Investments Corp.** 10th Floor LV Locsin Building, 6752 Ayala Avenue, Makati City	**Sybase Equity Investments Corp.**[2]	Filipino	531,320,577	5.48

[1] Belleshares Holdings, Inc. is a wholly-owned subsidiary of SM Investments Corporation, a publicly-listed corporation controlled by the members of the Sy Family.

[2] Based on publicly-available information, Sysmart Corporation and Sybase Equity Investments Corporation are beneficially-owned by the following:

1. Sysmart Corporation: Sycamore Pacific Corporation (38%)

2. Sybase Equity Investment Corporation: Tesece Corp. (15.6%), Somerset Bay Holdings, Inc. (15.6%), September High, Inc. (15.6%), Rockhampton Holdings, Inc. (15.6%), Stockmore Holdings Corp. (15.6%), HSBB, Inc. (15.6%).

[3] 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 PDCNC 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 shares held by Belleshares Holdings, Inc., Sysmart Corporation and Sybase Equity Investments Corp., Citibank N.A., BDO SecuritiesCorporation, and The Hong Kong Shanghai Business Corporation – Clients' Account, 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 from the Company, which is not later than seven (7) business 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.

1. Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of February 28, 2022:

Title of Securities	Name of Beneficial Owner of Common Stock	Citizenship	Amount and Nature of Beneficial Ownership D (Direct) / I (Indirect)	Class of Securities	Percent of Class
Common	Willy N. Ocier	Filipino	71,408,702 (D)	Voting	0.73
Common	Elizabeth Anne C. Uychaco	Filipino	1,000 (D)	Voting	0.000
Common	Manuel A. Gana	Filipino	51,000 (D)	Voting	0.00
Common	Jaime J. Bautista	Filipino	11,000 (D & I)	Voting	0.000
Common	Jacinto C. Ng, Jr.	Filipino	135,860,666 (D)	Voting	1.39
Common	Jose T. Sio	Filipino	1,000 (D)	Voting	0.000
Common	Maria Gracia M. Pulido Tan	Filipino	666 (D)	Voting	0.000
Common	Amando M. Tetangco, Jr.	Filipino	1,000 (D)	Voting	0.000
Common	Virginia A. Yap	Filipino	160,000 (D & I)	Voting	0.00
	All directors and executive officers as a group		**207,495,034**		**2.12**

2. Voting Trust Holders of Five Percent (5%) or More

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

Changes in Control

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

Item 5. Directors and Executive Officers

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 all of whom have been nominated for re-election:

WILLY N. OCIER

Mr. Willy Ocier, 65, Filipino, is an Executive Director and Chairman of Belle Corporation. He is also the Chairman and Director of Premium Leisure Corp., APC Group, Inc., Pacific Online Systems Corporation, Total Gaming and Technologies, Inc. and PremiumLeisure and Amusement, Inc. He is also Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and The Country Club at the Tagaytay Highlands, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc., He is a Director of Leisure and Resorts World Corporation. He also sits as a Director to the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.

ELIZABETH ANNE C. UYCHACO

Ms. Uychaco, 66, Filipino, is Vice Chairperson, Executive Committee Vice Chairperson, and Compensation and Remuneration Committee member of Belle Corporation. She was first elected on December 2009. Ms. Uychaco is also Senior Vice President of SM Investments Corporation, Chairperson of Neo Group, and Board Director of Goldilocks Bakeshop, Inc., ACE Hardware Philippines, Inc., Philippines Urban Living Solutions, and Republic Glass Holdings Corporation. She is also a Trustee of Asia Pacific College and President and Trustee of Senior Member Social Club.

Ms. Uychaco is a graduate of St. Scholastica's College. She holds two Master's degrees in Business Economics from the University of Asia and Pacific and Business Administration from the Ateneo School of Business.

MANUEL A. GANA

Mr. Gana, 64, Filipino, is an Executive Board Director and the President and Chief Executive Officer of Belle Corporation, to which he was first appointed on March 15, 2017. He is also a member of the Corporation's Executive Committee and Compensation & Remuneration Committee. Mr. Gana was appointed as the Vice President and Chief Financial Officer of the Company in September 2000, and was promoted to Executive Vice President and Chief Financial Officer in August 2007. He joined Belle in June 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, then a subsidiary of Sinophil Corporation (now called Premium Leisure Corp.). He is also a Director and the Treasurer of Tagaytay Highlands International Golf Club, Inc. Previously, he was Director of Investment Banking at Nesbitt Burns Securities Inc. in New York, USA. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York, USA), 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.

JACINTO C. NG, JR.

Mr. Ng, Jr., 52, Filipino, is a Non-executive Director since August 2000, a member of the Executive Committee, Audit Committee, and Risk Oversight Committee of Belle Corporation, and concurrently a Director of Highlands Prime, Inc.

He is the Group Executive Officer of the Joy~Nostalg Group, chairman of the Joy~Nostalg Foundation, a member of the Rebisco Foundation, XS86 Men for Others Foundation, Xavier School Educational Trust Fund and Xavier School Inc.'s Board of Trustees.

Mr. Ng, Jr. holds a Bachelor of Science degree in Architecture from the University of the Philippines.

JOSE T. SIO

Mr. Sio, 82, Filipino, is a Non-executive director and Chairman of Compensation and Remuneration Committee, was first elected on December 2009. He is the Chairman of the Board of SM Investments Corporation and Director of China Banking Corporation, Atlas Consolidated Mining and Development Corporation, Far Eastern University, NLEX Corporation and Ortigas Land Corporation. Mr. Sio is also an Adviser to the Board of BDO Unibank, Inc. and Premium Leisure Corp. He is a former Senior Partner of SGV& Co. He is a Certified Public Accountant and obtained his Master's Degree in Business Administration (MBA) from New York University, USA.

VIRGINIA A. YAP

Ms. Yap, 70, Filipino, is a Non-Executive Director of Belle Corporation. She is also a member of the

Company's Executive Committee. Ms. Yap holds key positions in SM Investments Corporation as a Senior Vice President – Office of the Chairman and Securities Department. She is also a Director of the APC Group, Inc.

She holds a Bachelor of Science in Commerce (Major in Accounting) degree from the University of Mindanao.

AMANDO M. TETANGCO, JR.*

Mr. Tetangco, 69, Filipino, is the Lead Independent Director of Belle Corporation who was elected on December 4, 2017. He is concurrently an independent director of SM Prime Holdings, Inc., Converge ICT Solutions, Inc. and Pilipinas Shell Petroleum Corporation. He also currently holds directorates in Manila Hotel, Toyota Motor Philippines, and CIBI Information, Inc. He is also a trustee of St. Luke's Medical Center, Tan Yan Kee Foundation and Foundation for Liberty and Prosperity.

Mr. Tetangco was the third Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board, and served for two consecutive 6-year terms from July 2005 to July 2017. He was a career central banker for over four decades, having joined the Central Bank of the Philippines (the predecessor of Bangko Sentral ng Pilipinas [BSP]) on 25 March 1974. During his term as Governor, he held other government positions, such as the Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council, and the Philippine International Convention Center. He was also Vice-Chair of the Agriculture Credit Policy Council; and a member of the Capital Markets Development Council and the Export Development Council. Prior to his first appointment as Governor in 2005, he was Deputy Governor in-charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He also was the Alternate Executive Director of the International Monetary Fund in Washington, D.C. from 1992 to 1994. Before joining the Central Bank, he worked briefly at the Management Services Division of SGV and Co. in 1973-74.

Overseas, he was the country's representative to the ASEAN Central Bank Forum; the Executives' Meeting of East Asia and Pacific Central Banks; the South East Asia Central Banks; the South East Asia, New Zealand and Australia; and the Center for Latin American Monetary Studies. He was the Governor for the Philippines at the International Monetary Fund and the Alternate Governor at the World Bank and the Asian Development Bank. At the Bank for International Settlements, he was Chair of the Meeting of Small Open Economies. He also chaired various international committees -- the BIS Asian Consultative Council; the Financial Stability Board Regional Consultative Group for Asia; and the Alliance for Financial Inclusion Steering Committee.

He was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He also received multiple recognition by a number of international organizations as one of the best central bank governors and chosen as MAP Management Man of the Year in 2015.

Mr. Tetangco graduated from Ateneo de Manila University with an AB Economics degree (cum laude), and obtained his Masters in Public Policy and Administration (Development Economics) at the University of Wisconsin at Madison, Wisconsin,USA, as a BSP scholar. He attended various training programs at different institutions, including the Harvard Business School and the New York Institute of Finance.

JAIME J. BAUTISTA*

Mr. Bautista, 64, Filipino, is an Independent Director of the Company. He is also an Independent Director of Premium Leisure Corp. and Nickel Asia Corp. He is the former President and Chief Operating Officer of Philippine Airlines, Inc., as well as a former Executive and Director in Macroasia Corporation, Macroasia Services Corporation, Macroasia Airport Services Corporation, Macroasia Properties Development Corporation and ETON Properties Philippines, Inc. He is also a former Treasurer of Tan Yan Kee Foundation, Inc. He served in various executive capacities in the the Lucio Tan group for 39 years, the last 24 years for Philippine Airlines and its subsidiaries.

Mr. Bautista is currently a Non-Executive director in Cosco Capital, Inc., Philippine Bank of Communications, Alphaland Corporation, Airspeed International Corporation, Gothong Southern ShippingLines, Inc. He is likewise the Vice Chairman of the Philippine Eagle Foundation and a member of the Board of Trustees of the University of the East, the UE Ramon Magsaysay Medical Memorial Center, and the International School of Sustainable Tourism.

Mr. Bautista graduated in 1977 from the Colegio de San Juan de Letran, Magna Cum Laude with a decree of Bachelor of Science in Commerce, major in Accounting. He is a Certified Public Accountant. He receivedhis Doctorate in Humanities (Honoris Causa) from the Central Luzon State University in 2018.

MARIA GRACIA M. PULIDO TAN*

Atty. Tan, 66, Filipino, is an Independent Director of the Company. She is likewise an Independent Director of Premium Leisure Corp. and Pacific Online Systems Corporation. She is the former Chairperson of the Commission on Audit, Undersecretary of Finance and Commissioner of the Presidential Commission on Good Government. She is currently a Trustee of the International Budget Partnership, an international NGO based in Washington DC, USA. She is a director of several Philippine corporations, a tax consultantand legal adviser of some private clients, and an accredited Arbitrator of the Construction IndustryArbitration Commission, Philippines and Philippine Dispute Resolution Center, Inc, Philippines.

Atty. Tan served as Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a professor at the University of the Philippines for Mandatory Continuing Legal Education.

Backed by four decades of professional work in the Philippines and abroad as private law and accounting practitioner, government official, arbitrator and international consultant, she is an expert in the fields of legal,finance, audit, governance, dispute resolution and administration.

She graduated from the University of the Philippines in 1977 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Bachelor of Laws. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a Certified Public Accountant.

Mr. Ocier, Ms. Uychaco, Messrs. Gana, Ng, Sio, and Ms. Yap are also nominated for re-election as members of the Board of Directors for 2022-2023, as certified on February 24, 2022 by the Corporate Governance Committee composed of Messrs. Bautista (Chairman) and Tetangco, Jr. and Atty. Tan. Likewise, the Corporate Governance Committee also endorsed the re-election of Messrs. Tetangco and Bautista and Atty. Tan as independent directors. Mr. Tetangco was nominated by Atty. A. Bayani K. Tan, Mr. Bautista by Ms. Nancy O. Hui while Atty. Tan was nominated by Mr. Frederic C. DyBuncio. The nominees are not related to their respective nominating stockholder.

***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 Company's By-Laws.

The Corporate Governance Committee, composed of Messrs. Jaime J. Bautista (Chairman) and Amando M. Tetangco, Jr., and Atty. Maria Gracia P. Tan, is tasked to determine that the nominees for election as Directors, including the Independent Directors, possess all the qualifications and have none of the disqualifications forindependent directors as set forth in the Company's Revised Manual on Corporate Governance and Rule 38of the Implementing Rules of the Securities Regulation Code (SRC).

The procedure for the nomination of directors is as follows:

1. Nomination of directors shall be conducted by the Corporate Governance Committee or such other committee of the Board of Directors tasked to review and evaluate nominations for election to the Board of Directors prior to a stockholders' meeting.

2. All nominations shall be submitted to the Corporate Governance Committee by any stockholder of record at least thirty (30) business days prior to the date of the regular annual meeting to allow the Corporate Governance Committee sufficient time to assess and evaluate the qualifications of the nominees.

3. All recommendations for the nomination of independent directors shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

4. After the nomination, the Corporate Governance Committee shall prepare a List of Candidates which

shall contain all the information about all the nominees for election as members of the Board of Directors, which list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports as the Corporation will be required to submit to the SEC.

5. The name of the person or group of persons who recommended the nomination of the independent director(s) shall be identified in such report including any relationship with the nominee.

6. Only nominees whose names appear on the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained after the List of Candidates shall have been prepared and finalized. No further nominations for election as director shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

7. Any vacancy occurring in the Board of Directors by reason of death, resignation, retirement or disqualification may be filled by the affirmative vote of a majority of the remaining directors constituting a quorum, upon the nomination of the Corporate Governance Committee, provided, that specific slots for independent directors shall not be filled by unqualified nominees. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Orientation and Continuing Education
All new directors undergo an orientation program soon after date of election. This is intended to familiarize the new directors on their statutory / fiduciary roles and responsibilities in the Board and its Committees, Belle's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Business Conduct and Ethics and the Revised Manual on Corporate Governance.

All directors are also encouraged to participate in continuing education programs annually, at Belle's expense, to promote relevance and effectiveness and to keep them abreast of the latest developments in corporate directorship and good governance.

On May 27, 2021, the incoming Independent Directors, Atty. Maria Gracia P. Tan and Mr. Jaime J. Bautista, were provided on-boarding session by the President and CEO, Chief Finance Officer, Chief Risk Officer, Compliance Officer and Business Unit Heads with topics including but not limited to the Corporation's various businesses, financial reports, compliance and governance matters. The session was also attended by the Chairman and the incumbent Independent Directors.

The annual training for directors and key officers was conducted on September 30, 2021 by the Institute of Corporate Directors.

Names	Training provider	Training date	Venue	Training course
Ocier, Willy N.	Institute of Corporate Directors	30-Sep-21	via Zoom Meetings	Advanced Corporate Governance Training
Uychaco, Elizabeth Anne C.				
Gana, Manuel A.				
Bautista, Jaime J.				
Ng, Jacinto C. Jr.				
Sio, Jose T.				
Tan, Maria Gracia P.				
Tetangco, Amando M. Jr.				
Yap, Virginia A.				

Executive Officers

MR. WILLY N. OCIER

Please refer to Mr. Ocier's profile under "Board of Directors".

MANUEL A. GANA

Please refer to Mr. Gana's profile under "Board of Directors".

JACKSON T. ONGSIP

Mr. Ongsip, 48, Filipino, is the Executive Vice President, CFO, and Treasurer of Belle Corporation. He is also the Vice President for Finance, Chief Financial Officer and Treasurer and Compliance Officer of Premium Leisure Corp., President and Chief Executive Officer of Pacific Online Systems Corporation, Non-Executive Director of APC Group, Inc., and Vice President for Portfolio Investments of SM Investments Corporation. Mr. Ongsip is a Certified Public Accountant with an extensive audit and finance background accumulated from 5 years in external audit with SyCip, Gorres, Velayo & Co., 11 years with Globe Telecom and 9 years now with the SM Group. He graduated from the University of Santo Tomas with a Bachelor of Science in Accountancy.

ARMIN ANTONIO B. RAQUEL SANTOS

Mr. Raquel Santos, 54, Filipino, is the Executive Vice President – Integrated Resorts of Belle Corporation, President, Chief Executive Officer, and a member of the Executive Committee and Compensation and Remuneration Committee of Premium Leisure Corp. He is likewise the President and CEO of Premium Leisure and Amusement, Inc. Mr. Raquel Santos is also a Director of Pacific Online Systems Corporation and Tagaytay Highlands International Golf Club, Inc., and a member of the Board of Trustees of Melco Resorts (Philippines) Foundation Corporation.

Formerly he was Chief Finance Officer of Aboitizland, Inc., Cebu Industrial Park, Inc. and Mactan EconomicZone II and First Philippine Electric Company. He was also former Governor of the Board of Investments (BOI), served as Assistant Secretary with the Department of Trade and Industry (DTI), Vice Chairman andCEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). Hisexperience includes stints with multinational companies; Securities 2000 Inc. (Singapore Technologies Group) and First Chicago Trust Company of New York.

Mr. Raquel Santos holds a Master of Arts in Liberal Studies from Dartmouth College, U.S.A. and Bachelorof Science in Business Administration Major in Finance from Iona College, U.S.A.

JASON C. NALUPTA

Mr. Nalupta, 50, Filipino, is the Corporate Secretary of the Company. He is also currently the Corporate Secretary of listed firms A. Brown Company, Inc., Asia United Bank, Pacific Online Systems Corporation, and Crown Asia Chemicals Corporation. He is also a Director and/or Corporate Secretary or Assistant Corporate Secretary of private companies, Mercury Ventures, Inc., Total Gaming Technologies, Inc., Parallax Resources, Inc., SLW Development Corporation, Belle Infrastructure Holdings, Inc. (Formerly: Metropolitan Leisure & Tourism Corporation), Belle Bay Plaza Corporation, Glypthstudios, Inc., Grabagility, Inc., Loto Pacific Leisure Corporation, Stage Craft International, Inc., FHE Properties, Inc., Stanley Electric Philippines, Inc., and Sta. Clara International Corporation. He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate on corporate, securities, and business laws. Atty. Nalupta earned his Juris Doctor degree, as well as his Bachelor of Science degree in Management (major in Legal Management), from the Ateneo de Manila University in 1996 and 1992, respectively. Atty. Nalupta was admitted to the Philippine Bar in 1997.

ARTHUR A. SY

Atty. Sy, 52, Filipino, is an Assistant Corporate Secretary of the Company. He is also the Senior Vice President for Legal Department of SM Investments Corporation, where he also serves as the Assistant Corporate Secretary. He is likewise the currently appointed Assistant Corporate Secretary of SM Prime Holdings, Inc., Premium Leisure Corp. and 2GO Group, Inc. and the Corporate Secretary of various major companies within the SM Group and the National University. A member of the New York Bar, Atty. Sy holds a Juris Doctor degree from the Ateneo de Manila University, School of Law.

ANNA JOSEFINA G. ESTEBAN

Ms. Esteban, 54, Filipino, is the Chief Audit Executive of the following publicly listed companies: (i) Belle Corporation; (ii) Premium Leisure Corp; (iii) Pacific Online Systems Corporation; and (iv) APC Group, Inc. Prior to joining the Belle Group, she served as Treasurer and Chief Finance Officer of Miriam (formerly Maryknoll) College Foundation, Inc. and worked at the Asian Development Bank for 18 years as Senior Officer at the Office of the Treasurer, Office of the Auditor General and Operations Evaluation Office. Earlier on, she was the Head of the Finance Systems and Audit Unit of Magnolia Nestle Corporation (a joint venture of San Miguel Corporation and Nestle S.A.). She was an auditor and management consultant at Carlos J. Valdes & Co. and was an accounting/finance professor at the College of St. Benilde and the Graduate School of Business of De La Salle University (DLSU). Ms. Esteban is a Certified Public Accountant, Certified Information Systems Auditor and Certified Data Privacy Auditor. She earned her Bachelor of Science degree in Accounting at the College of the Holy Spirit, Manila and her Master in Business Administration (with distinction) at DLSU.

MICHELLE ANGELI T. HERNANDEZ

Ms. Hernandez, 50, Filipino, is the Chief Risk Officer and Vice President for Governance, in which capacity she is mainly responsible for developing, implementing and managing various strategies, processes and policies related toCorporate Governance, Enterprise Risk Management and Corporate Affairs for the Company and its subsidiaries. She is also the Chief Risk Officer of Premium Leisure Corp. and APC Group, Inc. She has a bachelor’s degree in Tourism (Cum Laude) from the University of Sto. Tomas.

Period of Officership:

Name	Office	Period Served
Willy N. Ocier	Chairman and Executive Director	June 22, 2020 to present
	Vice Chairman	June 1999 to June 22, 2020
Manuel A. Gana	President, CEO, CIO, and CO	From March 15, 2017 to Present
	EVP and CFO	From September 2000 to March 15, 2017
	VP for Corporate Finance and Special Projects	From July 1997 to September 2000
Jackson T. Ongsip	EVP, CFO, Treasurer	From March 15, 2017 to Present
Armin Antonio B. Raquel Santos	EVP - Integrated Resorts	From September 2011 to Present
Jason C. Nalupta	Corporate Secretary	From March 26, 2021 to Present
Arthur A. Sy	Asst. Corporate Secretary	From April 2010 to Present
Anna Josefina G. Esteban	Chief Audit Executive	From September 2018 to Present
Michelle Angeli T. Hernandez	VP for Governance Chief Risk Officer	From March 2015 to Present From June 2021 to Present

The following will be nominated as Officers at the Organizational meeting of the Board of Directors to be held immediately after the Annual Stockholders’ Meeting:

	Name	Office
1	Manuel A. Gana	President, CEO, CIO
2	Jackson T. Ongsip	EVP, CFO, and Treasurer
3	Armin Antonio B. Raquel-Santos	EVP - Integrated Resorts
4	Jason C. Nalupta	Corporate Secretary

5	Arthur A. Sy	Asst. Corporate Secretary
6	Anna Josefina G. Esteban	Chief Audit Executive
7	Michelle Angeli T. Hernandez	Chief Risk Officer and Compliance Officer

a) Directorships in Other Publicly Listed Companies:

As of February 28, 2022, the following are directorships held by Directors and Officers in other reporting companies in the last five years:

Directors' and Officers' Names	Name of Listed Company	Type of Directorship (Executive, Non-Executive,Independent) Indicate if Director is also the Chairman
Willy N. Ocier	Premium Leisure Corp.	Chairman, Executive Director
	Pacific Online Systems Corporation	Chairman
	APC Group, Inc.	Chairman, Non-Executive Director
	AbaCore Capital Holdings, Inc.	Non-Executive Director
	Leisure & Resorts World Corporation	Non-Executive Director
	Vantage Equities, Inc.	Non-Executive Director
Elizabeth Anne C.Uychaco	Republic Glass Holdings Corporation	Non-Executive Director
Jose T. Sio	SM Investments Corporation	Chairman, Non-Executive Director
	China Banking Corporation	Non-Executive Director
	Atlas Consolidated Mining andDevelopment Corporation	Non-Executive Director
	Far Eastern University, Incorporated	Non-Executive Director
Amando M. Tetangco, Jr.	Converge ICT Solutions, Inc.	Independent Director
	Pilipinas Shell Petroleum Corporation	Independent Director
	SM Prime Holdings, Inc.	Independent Director
Maria Gracia M. Pulido Tan	Premium Leisure Corp.	Independent Director
	Pacific Online Systems Corporation	Independent Director
Jaime J. Bautista	Premium Leisure Corp.	Independent Director
	Cosco Capital, Inc.	Non-Executive Director
	Philippine Bank of Communications	Non-Executive Director
	Nickel Asia Corporation	Lead Independent Director
Virginia A. Yap	APC Group, Inc.	Non-Executive Director
Armin Antonio B. Raquel Santos	Premium Leisure Corp.	President, Chief Executive Officer, and Executive Director
	Pacific Online Systems Corporation	Non-Executive Director
Jackson T. Ongsip	APC Group, Inc.	Non-Executive Director
	Pacific Online Systems Corporation	President, Chief Executive Officer, and Executive Director

b) Significant Employees

There are no other significant employees.

c) Family Relationships

Mr. Willy N. Ocier, Chairman, and Ms. Nancy O. Hui, Vice President for Administration are siblings.

d) Involvement in Certain Legal Proceedings

A criminal and administrative complaint (OMB-C-C-13-0092) for alleged violation of Republic Act No. 3019 was filed against former officials of the Monetary Board, including then BSP Governor Amando M. Tetangco, with the Office of the Ombudsman. The Complaint was dismissed by the Ombudsman on May 132015. The dismissal was elevated to the Court of Appeals (CA) (CA-G.R. SP No. 144038), which sustained the dismissal on May 15, 2017. The CA's resolution was assailed with the Supreme Court (SC) (G.R. 234696) upon the filing of a Petition for Review dated November 29, 2017. The case remains pending with the SC.

This is a complaint for damages filed by Mr. Antonio Tiu, et al. against Mr. Amando M. Tetangco, Jr., et. al in connection with the Report of the Anti Money Laundering Council (AMLC), which served as the basis of AMLCs ex-parte petition for the issuance of Freeze Order issued by the Court of Appeals in CA G.R. AMLA No. 00134 dated 11 May 2015. Mr. Tetangco, Jr., et. al., were impleaded in their official capacity as members and/or officers of the AMLC.

In an order dated 27 March 2020, the Regional Trial Court of Quezon City dismissed the Complaint for Damages (Civil Case No. R-QZN-15-04513-CV) as to plaintiff Spouses James and Ann Lorraine Tiu against Mr. Tetangco Jr., Ms. Teresita Herbosa, Mr. Emmanuel Doc, and Ms. Julia Abad; and ordered Mr. Antonio Tiu to amend his complaint. Plaintiffs filed a Motion for Reconsideration, to which the Office of the Solicitor General (in representation of defendants Tetangco, et al) filed its Comment. In an Order dated 9 February 2021, the trial court denied the Motion for Reconsideration filed by the Spouses Tiu and upheld its earlier 27 March 2020 Order dismissing the case. Aggrieved Tiu, et al filed a Petition for Certiorari with the Court of Appeals (CA-G.R. SP No. 169478), assailing the 27 March 2020 and 09 February 2021 Orders. The case remains pending as of date.

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 involvedduring the past five (5) years:

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 tothat 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 SEC 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 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.

As summarized and disclosed in the its consolidated financial statements, in the ordinary course of business, the Company has transactions with related parties which consist mainly of extension or availment of noninterest-bearing advances. The outstanding balances at year-end are payable on demand. There have been no guarantees provided or received for any related party receivables or payables. Related party transactions are generally settled in cash.

Related party transactions amounting to 10% or higher of the Group's consolidated total assets are subject to the approval of the BOD.

Related Party	Relationship	Transaction		Transaction Amounts	Outstanding Balance	Terms	Conditions
				(In Thousands)			
APC	Associate	Advances to associate (see Note 17)	2021	₱–	₱79,976	Noninterest-bearing, due and demandable	Unsecured, partially provided amounting to ₱79,452 in 2021 (and 2020)
			2020	–	79,979		
Belle Jai Alai	Associate	Advances to associate (see Note 17)	2021	–	29,398	Noninterest-bearing, due and demandable	Unsecured, fully provided in 2021 (and 2020)
			2020	–	29,398		
Others	Associate	Advances to associates (see Note 17)	2021	–	11,486	Noninterest-bearing, due and demandable	Unsecured, fully provided in 2021 (and 2020)
			2020	–	11,486		
Belle Jai-Alai	Associate	Advances from associate	2021	21,936	(60,037)	Noninterest-bearing, due and demandable	Unsecured
			2020	–	(38,101)		
SM Prime Holdings, Inc.	With common stockholders	Lease (see Note 36)	2021	12,690	–	5 years, renewable	Unsecured
			2020	9,774	–		
			2019	9,209	–		
		Management and professional fees (see Note 32)	2021	12,690	–	1 year, renewable	Unsecured
			2020	14,568	–		
			2019	14,223	–		
SM Arena Complex Corporation	With common stockholders	Sponsorship agreement (see Notes 32 and 36)	2021	–	–	3 years	Unsecured
			2020	14,500	–		
			2019	18,000	4,950		
Highlands Prime, Inc. (HPI)	With common stockholders	Service fees (see Note 32)	2021	25,158	–	5 years, renewable	Unsecured
			2020	3,884	–		
			2019	13,726	–		
Directors and officers	Key management personnel	Short-term employee benefits	2021	67,441	–	Not applicable	Unsecured
			2020	61,553	–		
			2019	110,937	–		
		Long-term employee benefits	2021	7,086	–	Not applicable	Unsecured
			2020	7,833	–		
			2019	7,503	–		
SM Investments Corporation	With common stockholders	Service fees (see Note 32)	2021	60,500	–	Non-interest bearing, 30 days	Unsecured
			2020	60,500	–		
			2019	66,000	–		

The following table provides the summary of outstanding balances and transactions for the year ended December 31, 2021 (and for the years ended December 31, 2020, and 2019) in relation with the table above for the transactions that have been entered into with related parties:

Total Related Party Outstanding Balances before any Allowance for Impairment

	Note	2021	2020
		(In Thousands)	
Advances to associates	14	₱120,336	₱120,333
Advances from associates	17	60,037	38,101

Total Related Party Transactions

	(In Thousands)		
	2021	2020	2019
Short-term and long-term employee benefits	**₱74,527**	₱69,386	₱118,440
Service fee	**25,158**	3,884	13,726
Management fee	**12,690**	14,568	18,223
Rent	**9,774**	9,774	9,209
Sponsorship agreement	**–**	4,500	18,000

Allowance provided on advances to associates charged to "Investments in and Advances to Associates" amounted to Php 20.3 million as at December 31, 2021 (and 2020) (see Note 14 to the financial statements).

Transactions with other related parties are as follows:

1. In 2014, the Parent Company entered into a renewable one-year management and professional service agreement with SM Prime Holdings, Inc. Management and professional fees charged by SM Prime Holdings, Inc. to the Parent Company amounted to Php12.7 million in 2021 (Php14.6 million and Php18.2 million in 2020 and 2019, respectively) which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income (see Note 29 to the financial statements). The fees are payable within 30 days upon the receipt of billing.

2. In 2015, the Parent Company entered into a renewable one-year service agreement with HPI for manpower supervision. Service fees charged by HPI to the Parent Company amounted to Php85.7 million in 2021 (Php3.9 million and Php13.7 million in 2020 and 2019, respectively) which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income (see Note 29 to the financial statements).

3. In 2019, the Parent Company entered into a renewable one-year professional service agreement with SM Investments Corporation. Service fees charged by SMIC to the Parent Company amounted to Php60.5 million in 2021 (Php60.5 million and Php66.0 million in 2020 and 2019, respectively) which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income (see Note 29 to the financial statements). The fees are payable within 30 days upon the receipt of billing.

Aside from these transactions, the Company has no other significant transactions that need to be disclosed.

The related party transactions are described in Note 35 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

Item 6. Compensation of Directors and Executive Officers

Summary Compensation Table (Annual Compensation)

	Position	Year	Salary/ Per Diem Allowance	Bonus	Retirement Benefits
Willy N. Ocier	Chairman of the Board				
Manuel A. Gana	President and CEO				
Armin Antonio B. Raquel Santos	EVP – Integrated Resorts				
Jackson T. Ongsip	EVP and CFO				
Michelle Angeli T. Hernandez	VP – Governance	2022 (Estimate)	26,176,000	4,122,667	
		2021	26,176,000	2,061,333	
President and 4 Most Highly Compensated Executive Officers		2020	24,736,000	3,896,000	

All other officers and directors as a group unnamed	2022 (Estimate)	12,040,000	
	2021	13,838,795	
	2020	14,046,000	6,841,000

2021 Per Diem for Attendance to Meetings of Directors

Each member of the Board of Directors received the following as Directors for the year 2021. The amounts represent their per diem for the meetings attended and all other responsibilities undertaken for the Company.

	Directors		2021 Per Diem
1	Armando M. Tetangco Jr.	Independent Director	3 000 000
2	Maria Gracia M. Pulido Tan*	Independent Director	1 041 096
3	Jaime J. Bautista*	Independent Director	1 041 096
4	Willy N. Ocier	Executive Director	720 000
5	Elizabeth Anne C. Uychaco	Non-Executive Director	720 000
6	Manuel A. Gana	Executive Director	720 000
7	Jacinto C. Ng Jr.	Non-Executive Director	720 000
8	Jose T. Sio	Non-Executive Director	720 000
9	Virginia A. Yap	Non-Executive Director	720 000
	Total		**9,402,192**

** - elected on June 25, 2021*

As of December 31, 2021, 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.

Stock Warrants and Options Outstanding

There were no outstanding stock warrants and options held by directors and officers as of December 31, 2021.

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 consulted.

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

Item 7. Independent Public Accountants

Reyes Tacandong & Co. (RT&Co.) will be recommended for appointment as external auditor for 2022.

Representatives of Reyes Tacandong & Co. which performed the audit of the Company's 2021 financial statements are expected to be present at the Annual Stockholders' 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 previous external auditor or RT & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope of procedure.

In compliance with SRC Rule 68, paragraph 3 (b) and (ix) (Rotation of External Auditors), the Company beginning audit year 2021 engaged the services of a new external auditor, Reyes Tacandong and Co. ("RT&Co."), to replace the former external auditor Sycip Gorres Velayo & Co. ("SGV"). The engagement partner for Belle from RT&Co., Ms. Belinda B. Fernando, will only be on her second year as such in 2022.

The Company paid RT&Co. ₱1,450,000.00 for external audit services for 2021, and SGV P1,400,000.00 for 2020. For each of the last two (2) fiscal years, RT&Co. and 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, composed of Mr. Amando M. Tetangco, Jr. as Chairman, and Mr. Jacinto C. Ng, Jr. and Ms. Maria Gracia P. Tan as Members, 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. TheExecutive Committee approves the audit fees as recommended by the Audit Committee.

OTHER MATTERS

Item 15. Action with Respect to Reports

There is no action to be taken with respect to any report of the Corporation or of its directors, officers, or committees, except for the approval of the minutes of the previous annual meeting of the Corporation.

At the annual meeting on April 28, 2022, shareholders will be asked to approve and ratify the following:

1. Minutes of the Annual Stockholders' Meeting (ASM) held on June 25, 2021 as appended to this Information Statement as "Annex C". The minutes of the said ASM was posted on the Company's website: https://www.bellecorp.com/sites/default/files/investor_relations/Belle%20ASM%20Minutes_06252021%20dated%2006292021.pdf. These minutes reflect the proceedings during the meeting in accordance with Section 49 of the Revised Corporation Code, including. This includes the following:

   a. Voting procedure used and the tabulation for each agenda item during the June 25, 2021 and the engagement of Alberto, Pascual and Associates as the Company's third party validator of votes during the said meeting;
   b. Opportunities presented to the stockholders to participate by asking questions; questions and responses have been included in the minutes of the June 2021 ASM;
   c. List of directors and officers who attended the meeting, as well as description of the stockholders who attended, verified by the Company's stock transfer agent and validated by Alberto, Pascual and Associates.

   The office of the Corporate Secretary has in its full custody the list and names of the stockholders who participated in the June 25, 2021 ASM.

2. All acts of the Board of Directors, its Committees, and the Management during their term of office commencing from the date of the last annual stockholders' meeting up to the date of this year's meeting.

   These are covered by Resolutions of the Board of Directors and were entered into or made in the ordinary course of business, the significant acts or transactions which are covered by appropriate disclosures with the Securities and Exchange Commission and Philippine Stock Exchange, Inc., including:

   1) Approval of projects;
   2) Treasury matters related to opening of accounts and transactions with banks;
   3) Appointments of signatories and amendments thereof

3. 2021 Operations and Results are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement. Accordingly, approval of the AnnualReport

will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

There are no other matters that would require approval of the stockholders.

For the period ended December 31, 2021, there were no self-dealings or related party transactions by any director which require disclosure.

There is likewise no material information on the current stockholders and their voting rights requiring disclosure.

Two inspectors, who are 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 when the appointment shall be made by the presiding officer of the meeting.

A representative from Alberto, Pascual and Associates shall be present during the April 28, 2022 Annual Stockholders' Meeting for the purpose of validating and tallying the votes cast.

Item 16. 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 securityholders.

Item 17. Amendment of Charter, By-Laws or Other Documents

There is no action to be taken with respect to any amendment of charter, by-laws or other documents required to be submitted to a vote of the stockholders.

Item 18. Other Proposed Actions

The following are to be proposed for approval during the Annual Stockholders' Meeting:

a) Election of Directors for 2022-2023;
b) Appointment of External Auditors; and
c) Other Matters, if any.

Item 19. Voting Procedures

Vote required for approval

Matters subject to stockholder approval, except in cases where the law provides otherwise, shall be decidedby the plurality vote of stockholders present in person or by proxy and entitled to vote, a quorum being present in such meeting. Each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him.

Matters presented to stockholders for approval at this year's Annual Stockholders' Meeting require only a majority of the stockholders for approval. For election of directors, the stockholders are entitled to cumulatetheir votes as discussed in Item 4 (d) of this Information Statement.

Methods by which votes will be casted and counted

The Company's By-laws does not prescribe a specific manner of voting by stockholders. For this year's Annual Stockholders' Meeting, the Board of Directors approved a resolution allowing stockholders to participate in the meeting via remote communication and to vote *in absentia.*

Stockholders as of Record Date who have successfully registered their intention to participate in the annualmeeting via remote communication and to vote *in absentia,* duly verified and validated by the Company, shall be provided with unique log-in credentials to securely access the voting portal.

Stockholders and proxy holders can then cast their votes on specific matters for approval, including the election of directors.

Votes will then be automatically tabulated and counted at the close of voting for each agenda item during the meeting.

The Corporate Secretary is tasked and authorized to validate, count and tabulate votes by stockholders. Forthis year's annual meeting, Alberto, Pascual and Associates, has been engaged and appointed to independently count and validate tabulation of stockholder votes.

Pursuant to the Company's By-laws, duly accomplished proxy forms must be submitted to the Corporate Secretary at least seven (7) business days before the annual meeting. Original and duly signed proxy forms should therefore be submitted no later than 12:00 noon on April 19, 2022 (Tuesday) at the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center,Pasig City for validation. A sample format of the proxy form for individual, corporate stockholder and PCDparticipants/brokers are here attached and are also available at the Company website at ***bellecorp.com/ASM2022.***

The Corporate Secretary will lead the validation of proxies, in coordination with Belle Corporation's stock and transfer agent, and attended by Alberto, Pascual and Associates as independent validator and tabulator of votes. Any questionsand issues relating to the validity and sufficiency of proxies, both as to form and substance, shall be resolvedby the Corporate Secretary. The Corporate Secretary's decision shall be final and binding on the stockholders, and those not settled at such forum shall be deemed waived and may no longer be raised duringthe meeting.

The detailed guidelines for participation and voting for this meeting are set forth in the "**Guidelines for Participating via Remote Communication and Voting in Absentia**" appended as Schedule "A" in this Information Statement.

Stockholders holding Belle Corporation common shares as of March 21, 2022 are entitled to vote on the following matters which are also indicated in the Notice and Agenda included in this Information Statement:

1. **Approval of Minutes of the Annual Stockholders' Meeting held on June 25, 2021**

   The Minutes of the Annual Stockholders' Meeting (ASM) held on June 25, 2021 was posted on theCompany's website: **https://www.bellecorp.com/sites/default/files/investor_relations/Belle%20ASM%20Minutes_06252021%20dated%2006292021.pdf.** Copies of the Minutes of the ASMheld on June 25, 2021 are available for inspection during office hours at the office of the CorporateSecretary and will also be made available during this year's ASM. The results of last year's ASM were also timely disclosed to the Philippine Stock Exchange, Inc. (PSE) and the Securities and Exchange Commission (SEC). The Minutes are subject to stockholders' approval during this year's stockholders' meeting.

   Required vote: A majority vote of stockholders present or represented at the meeting.

2. **Approval of 2021 Operations and Results**

   The Company's 2021 performance results have been summarized in the Annual Report, which includes the Audited Financial Statements (AFS) of the Company for the year ended December 31, 2021. The AFS, as audited by the external auditor which expressed an unqualified opinion therefor,have been reviewed and approved by the Audit Committee and the Board. Stockholders will be given an opportunity to raise questions regarding the operations and report of the Company duringthe ASM.

Required vote: A majority vote of stockholders present or represented at the meeting.

3. Approval and ratification of all Acts of the Board of Directors, Board Committees and the ManagementDuring their Term of Office

All actions, proceedings and contracts entered into, as well as resolutions made, including approvalsof significant related party transactions of the Board, the Board Committees and the Management from the last ASM held on June 25, 2021 to the date of this meeting will be presented to the shareholders for their confirmation, approval, and ratification. The Company's performance in 2021, as detailed in the Annual Report, is attributed to the strategic directions and key policies set by the Board which were effectively executed and complied with by management in conformance with good corporate governance and ethical best practices. The ratification of the acts undertaken by the Board, Board Committees, and Management is subject to stockholders' approval during thisyear's stockholders' meeting.

Required vote: A majority vote of stockholders present or represented at the meeting.

4. Election of Directors for 2022-2023

Directors of the Company, including Independent Directors, have been pre-qualified by the Company's Corporate Governance Committee for election as directors for 2022-2023. Their provencompetence, expertise and qualifications based on current regulatory standards, will help sustain the Company's solid performance for the benefit of all its shareholders. The profiles of the Board are contained in the Information Statement for reference of the stockholders and are likewise postedon the Company's website. Directors for 2022-2023 will be elected during this year's stockholders'meeting.

Required vote: A majority vote of stockholders present or represented at the meeting.

5. Appointment of External Auditor

Upon recommendation of the Audit Committee, the Board approved and endorses for stockholder approval the appointment of Reyes Tacandong & Co. as the Company's external auditor for 2022.Reyes Tacandong & Co. is one of the top auditing firms in the country and is duly accredited withthe SEC. The appointment of Reyes Tacandong & Co. as external auditor of the Company for 2022is subject to stockholders' approval during this year's stockholders' meeting.

Required vote: A majority vote of stockholders present or represented at the meeting.

Omitted Items

Items 8, 9, 10, 11, 12, 13, 14 and 17 are not responded to in this report, the Company having no intention to take any action with respect to the information required within.

SIGNATURE

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

This report is signed in the City of Pasay, Metro Manila on March 22, 2022.

MANUEL A. GANA
President, CEO and Compliance Officer

MANAGEMENT REPORT
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 1977, 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 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 finishedresidential 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. In August 2013, Belle exchanged its 809million shares in Highlands Prime for approximately 109.2 million shares in SM Prime Holdings, Inc. ("SMPH"), pursuant to the tender offer with SM Land, Inc. for the shares of Highlands Prime and SM Development Corporation, Belle sold 47.4 million of its SMPH shares from 2015 to 2017, and holds 61.8 million shares as of December 31, 2021.

On April 14, 2011, Belle acquired all the shares of Premium Leisure & Amusement, Inc. ("PLAI") through the issuance of 2.7 billion new common shares. PLAI is a grantee by Philippine Amusement and Gaming Corporation ("PAGCOR") of a Certificate of Affiliation and License ("the License") to operate integrated resorts, including casinos, in the vicinity of the Bagong Nayong Pilipino Manila Bay Entertainment City ("Entertainment City" or "PAGCOR City"). PLAI's License, which was issued by PAGCOR as a Provisional License in 2008, runs concurrent with the PAGCOR's Congressional Franchise, which expires in 2033 unless renewed for another 25 years by the Philippine Congress. Belle started construction of foundation and structure of the integrated resorts in 2010 on a 6.2-hectare land along the entrance of Entertainment City. In October 2012, Belle and PLAI entered into a Cooperation Agreement with Melco Crown Entertainment Limited, now called Melco Resorts & Entertainment Limited, and its Philippine affiliates (collectively, "Melco"). The Cooperation Agreement placed Belle as a co-licensee and the owner of the land and buildings and Melco's Philippine affiliate, Melco Resorts & Entertainment (Philippines) Corporation ("MRP"), as a co-licensee, developer and operator of all facilities within the integrated resort, which was subsequently branded as "City of Dreams Manila". City of Dreams Manila had its soft opening on December 14, 2014 and its Grand Launch on February 2, 2015. Belle, PLAI and MRP fully complied with all the PAGCOR requirements under the License as of the date of the soft opening, and in May 2015, City of Dreams Manila became the first integrated resort in Entertainment City to have its License convertedfrom Provisional to Regular status by PAGCOR.

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 Tagaytay Highlands in 1989. Its property development projects are located in Tagaytay City and Batangas, and includes the following: Alta Mira, Fairfield, Lakeside Fairways, Lakeview Heights,Nob Hill, Pinecrest Village, Plantation Hills, Tagaytay Highlands International Gold Club, Tagaytay Midlands Golf Club, The Belle View, 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.

Lakeside Fairways comprises of Belle's largest development area in Batangas, and was introduced by Bellein April 2007. This project consists of subdivision lots located south of the existing 27-hole Tagaytay Midlands golf course in Talisay, Batangas. As of December 31, 2019, Belle's projects in Lakeside Fairwayswere comprised of Kew Gardens, Terrazas de Alava, Lakeside Enclave and Tivoli Place, Cotswold, Yume,Katsura and Sycamore Heights.

The Grove at Plantation Hills is our latest development within Tagaytay Highlands. A 22-hectare leisure farm community at the Greenlands provides ample green space for nurturing plants and is master-planned to be a residential and farming property-in-one. One that allows both organic and conventional farming practices, it offers picturesque views of the Midlands Golf Course, Batangas countryside, Mount Makiling, and Taal Lake and Volcano.

Pacific Online Systems Corporation ("Pacific Online"), incorporated in 1993, leases online betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery operations. 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 2, 2007. A total of 39.8 million shares were offered to the public at ₱8.88 per share. Because of high demand for Pacific Online shares, it opened in the market at ₱13.25 per share on the listing date. Belle's subsidiary, Premium Leisure Corp., owns 50.1% of all issued shares in Pacific Online as of December 31, 2021.

Premium Leisure Corp. ("PLC") comprises the group's vehicle for gaming investments. It was originally incorporated as Sinophil Oil Exploration Co., Inc. in 1993 with the primary purpose of engaging in oil and gas exploration and development activities. On June 3, 1997, its name was changed to Sinophil Corporation with a primary purpose of being an investment holding company and, on July 18, 2014, its stockholders approved a further change in its name to Premium Leisure Corp. with the primary purpose being investmentsin gaming-related businesses. On July 24, 2014, Belle completed transfers to PLC of its 100% stake in PLAI and approximately 102 million shares in Pacific Online (comprising about 34% of issued common shares inPacific Online), with the Company transferring Belle various real estate assets and corporate securities. PLC also increased its authorized capital stock from 16.1 billion shares to 43.6 billion shares, with Belle subscribing to 24.7 billion new common shares or approximately 90%. During September and October 2014,Belle, its subsidiaries and affiliates sold a total of approximately 3.5 billion shares in PLC in the secondary market, in order to increase PLC's public float. These share sales reduced Belle's consolidated ownership inPLC to 24.9 billion shares or 78.7%. On August 5, 2015,Belle sold its remaining 47.9 million shares in Pacific Online to PLC. As of December 21, 2021, Belle's ownership in PLC is at 79.8%.

As the owner of 100% of the outstanding shares of PLAI, PLC will directly benefit from PLAI's share in gaming operations of City of Dreams Manila. Under the operating agreement between Belle, PLAI and Melco, PLAI will be entitled to receive from MRP agreed-upon monthly payments, after the opening of gaming operations in City of Dreams Manila, consisting of the following:

- The higher of (i) one-half of mass market gaming earnings before interest, taxes, depreciation and amortization (after adjusting for certain agreed deductions and for adding back expenses related to the lease agreement with Belle) or (ii) 15% of net mass market gaming revenues (after deductions forPAGCOR's non-VIP license fees), whichever is higher; and
- The higher of (i) one-half of VIP gaming earnings before interest, taxes, depreciation and amortization(after adjusting for certain agreed deductions and for adding back expenses related to the lease agreement with Belle) or (ii) 5% of net mass market gaming revenues (after deductions for PAGCOR's VIP license fees, VIP commissions and incentives and VIP bad debts expenses),whichever is higher.

The Board of Directors of PLC has set a policy for PLC to declare as dividends to its shareholders in every year at least 80% of its unrestricted retained earnings as of the previous financial year that are qualified to be paid as dividends.

Investment Agreement on PLAI, and Lease and Cooperation Agreement with Melco

On April 14, 2011, Belle acquired PLAI through the issuance of 2.7 billion new common shares of Belle. PLAI is a grantee by PAGCOR of a License to operate integrated resorts, including casinos in the vicinity of Entertainment City. PLAI's License, which was issued by PAGCOR as a Provisional License in 2008, runs concurrent with PAGCOR's Congressional Franchise, which expires in 2033 unless renewed for another 25 years by the Philippine Congress. On October 16, 2010, the transfer and valuation of Belle and PLAI shares was approved by the Securities and Exchange Commission ("SEC"). The Certificate Authorizing Registration ("CAR") from the Bureau of Internal Revenue ("BIR"), which triggered the completion of the transfer, was approved on October 4, 2011.

The PAGCOR License stipulates certain requirements and guidelines that licensees will have to achieve

by
the opening date of their integrated resorts (the “PAGCOR Guidelines”). Among these are:

- Total investment commitment of US$1 billion, with at least US$650 million as of the opening dateof the integrated resort (including up to US$150 million in market value of land used for the resort)and the balance of US$350 million within three years of such opening date;
- At least 800 hotel rooms, with an average floor area of at least 40 square meters;
- Total gross floor area of at least 250,000 square meters;
- At least 20,000 square meters of gross floor area available for retail and food / beverage outlets;
- An entertainment feature that costs at least ₱1 billion to construct;
- Total gaming space not to exceed 7.5% of the resort’s total gross floor area;
- Maximum number of gaming tables and slot machines / electronic tables games to be set using a formula based on the total number of hotel rooms in the resort and the quality of such rooms.

On October 2012, Belle and PLAI entered into a Cooperation Agreement with Melco, which places Belle as a co-licensee and the owner of the land and buildings and Melco’s Philippine affiliate MRP as a co-licensee,developer and operator of all the facilities within the resort complex with March 13, 2013 as its effectivity date. As a result, both Belle and MRP were expected to make equal investment contributions to the $1 billionminimum investment for the project. Melco is the developer and owner of integrated resorts focused on theMacau Market, with its landmark project to date being the highly successful “City of Dreams”. On October25, 2012, the Belle, as a lessor, entered into a lease agreement with MRP for the lease of land and building structures to be used in the integrated casino development project. The lease period started on March 13, 2013 and is co-terminus with the operating agreement between the Company and MRP, which is in turn co-terminus with the License from PAGCOR, and provides for monthly rentals (with annual escalation) to be paid by MRP to Belle in respect of the land and buildings. PLAI and Melco also entered into an operating agreement that is similarly co-terminus with the License from PAGCOR, whereby MCE was given full management discretion on the operation of the integrated resort and PLAI was accorded a share of earningsfrom gaming operations in the resort.

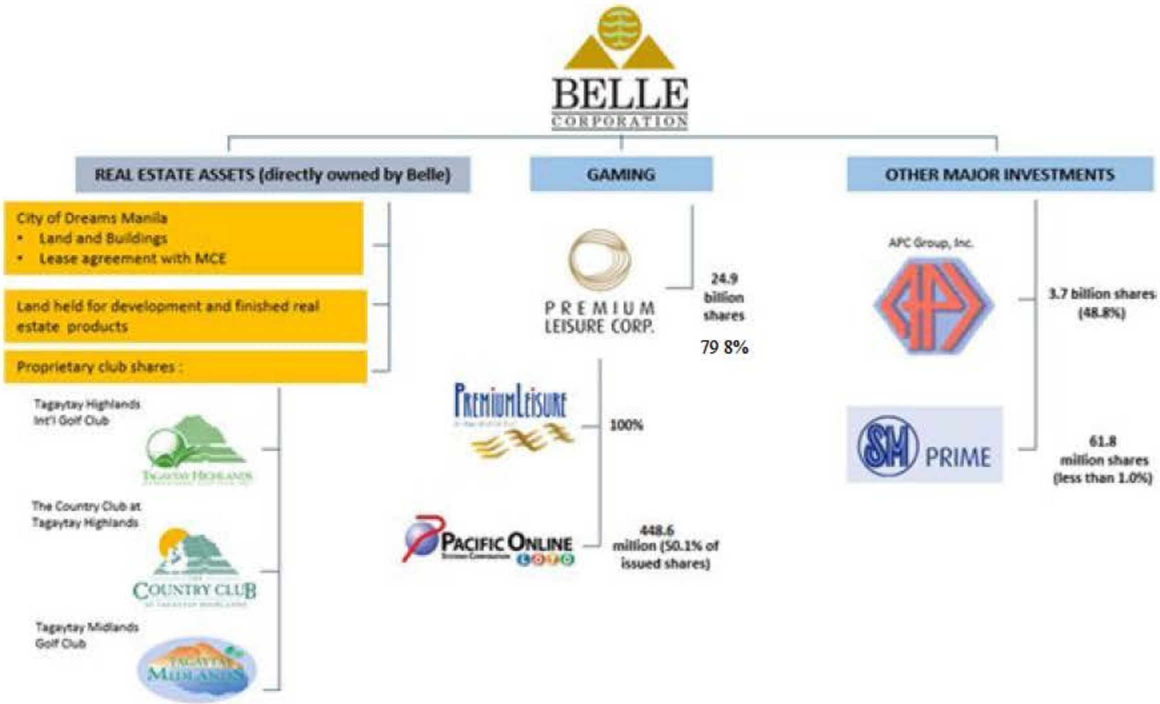
On October 9, 2013, MRP announced that the integrated resort will be branded as “City of Dreams Manila”,the namesake of Melco’s flagship integrated resort in Macau. MRP subsequently announced the branding ofthree hotels in City of Dreams as Nobu, Hyatt and Crown Towers (re-branded as “Nuwa” in 2017). MRP also announced plans for “DreamPlay”, City of Dreams Manila’s fully immersive, technology-rich, family entertainment center developed in collaboration with DreamWorks Animation, which is the first of its kindin the world.

City of Dreams Manila was substantially completed as of December 2014, with all requirements under the PAGCOR Guidelines being met by Belle and MRP, including the full US$1 billion investment commitment.The resort’s soft opening was held on December 14, 2014, on which date most of the resort’s facilities, including its mass market gaming operations, were officially open to the public. The Grand Launch of Cityof Dreams Manila was held on February 2, 2015. In May 2015, City of Dreams Manila became the first integrated resort in Entertainment City to have its License converted from Provisional to Regular status by PAGCOR.

BELLE CORPORATION

CORPORATE STRUCTURE AND MAJOR LINES OF BUSINESS/SUBSIDIARIES

AS OF DECEMBER 31, 2021



Bankruptcy, Receivership or Similar Proceedings

None for any of the companies above.

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

Sale of Lucky Circle Corporation ("LCC")

On July 1, 2017, LCC, a subsidiary of Pacific Online, acquired 100% ownership interest in the following nine entities engaged in lotto/keno outlets and retail of scratchit tickets: Athena Ventures, Inc., Avery Integrated Hub, Inc., Circle 8 Gaming Ventures, Inc., Luckydeal Leisure, Inc., Luckyfortune Business Ventures, Inc., Luckypick Leisure Club Corp., Luckyventures Leisure Corp., Lucky Games Entertainment Ventures Inc. and Orbis Valley Corporation. The acquisition is assessed by the Company to be an acquisition of a business. Goodwill recognized as at December 31, 2017 amounted to 3.7 million.

On February 6, 2020, POSC's BOD approved the sale of LCC for POSC to focus its resources to its principal business of providing modern and efficient online gaming facilities and equipment to its customers. LCC is included as part of "Lottery equipment, leasing, distribution and others" in the Company's reportable segment.

On February 13, 2020, POSC has concluded the sale of all of the POSC's equity interest in LCC, equivalent to 127.0 million shares for ₱.082 per share to a third party for a total consideration of ₱137.4 million.

On September 7, 2021, Pinoylotto, a joint venture corporation owned by Pacific Online, Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), was incorporated with the SEC. PinoyLotto was awarded the five years lease of the customized PCSO Lottery System, also known as ‘2021 PLS Project’.

The Group’s interest in PinoyLotto was classified as a joint operation. PinoyLotto is 50% owned by POSC but controlled jointly with the other owner. PinoyLotto has been classified as a joint operation because the parties have equal number of board representatives and because relevant activities that significantly affect the return on the investment requires approval of representatives from both partners.

Products

Belle is principally engaged in real estate development, gaming (through subsidiaries) and other leisure andresort activities. Since 2010, Belle has allocated significant resources to the development of its mixed-use gaming facility, the City of Dreams Manila integrated resort, which opened its doors to the public on December 14, 2014.

Belle's investments in companies engaged in gaming and gaming-related activities are indicated below. In the Philippines, the gaming industry is relatively untapped by 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. Premium Leisure Corp. ("PLC"), a 79.8%-owned publicly listed subsidiary of Belle with a primary purpose of investing gaming-related businesses. PLC owns 100% of PLAI and approximately 50.1% of issued shares of Pacific Online.

2. Premium Leisure and Amusement, Inc. ("PLAI"), is a grantee by PAGCOR of Certificate of Affiliations and Provisional License to operate integrated resorts, including casinos, in the vicinity of PAGCOR Entertainment City. The License runs concurrent with PAGCOR's Congressional Franchise, which expires in 2033, renewable for another 25 years by the Philippine Congress. PLAI is a wholly- owned unlisted subsidiary of PLC.

3. Pacific Online Systems Corporation ("Pacific Online"), is a publicly listed subsidiary of PLC that leases on-line betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery operations in the Visayas and Mindanao regions. PLC owns a total of 50.1% of all issued shares of Pacific Online.

   As of December 31, 2021, POSC together with its subsidiary, Total Gaming Technologies, Inc. (TGTI) had over 3,698 lottery terminals installed nationwide. All online lottery terminals located in PCSO authorized retail outlets are continuously connected to the PCSO’s central computer system that enables real time recording and monitoring of lottery sales and validation of winning tickets.

   Aside from the number of lottery terminals deployed, total PCSO online lottery sales depend highly on the average sales generated by the various online lottery games launched. The table below shows the minimum jackpot amounts and the draw frequencies of the different lotto games supported by POSC.

Lotto Game	Minimum Jackpot (Php)	Draw Frequency
6/42 Lotto	6,000,000.00	3x/week – Monday, Wednesday and Saturday
6/45 Mega Lotto	9,000,000.00	3x/week – Monday, Wednesday and Friday
6/49 Super Lotto	16,000,000.00	3x/week – Tuesday, Thursday and Sunday
6/55 Grand Lotto	30,000,000.00	3x/week – Monday, Wednesday and Saturday
6/58 Ultra Lotto	50,000,000.00	3x/week – Tuesday, Friday and Sunday
6D Lotto	150,000.00	3x/week – Tuesday, Thursday and Sunday
4D Lotto	10,000.00	3x/week – Monday, Wednesday and Friday
3D Lotto	4,500.00	Thrice daily
2D Lotto	4,000.00	Thrice daily

Revenues and Other Income

The following are the major revenue items in 2021 and 2020:

	2021		2020	
	Amount in Thousands	**% of Total Revenue**	**Amount in Thousands**	**% of Total Revenue**
Revenues and Other Income				
Gaming revenue share - net	**1,300,291**	38%	635,217	15%
Lease income	**807,921**	24%	2,663,226	64%
Sale of real estate and club shares	**587,812**	17%	234,965	6%
Equipment rental and instant scratch ticket sales	**426,346**	13%	328,438	8%
Revenue from property management	**179,618**	5%	168,296	4%
Distribution and commission income	**-**	0%	-	0%
Other revenues	**118,946**	3%	143,258	3%
Total	**3,420,934**	100%	4,173,400	100%

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 wellas after-sales service. The Company also accredits and taps the services of external brokers to complement its in-house marketing and sales teams.

Status of Projects (Real Estate):

The Grove: The project is currently ongoing, with percentage of completion at 70% as of December 31, 2021.

Alta Mira: The project was completed in 2000.

The Belle View: The project was completed in 1998.

The Country Club at Tagaytay Highlands, Inc.: The project was completed in 1996.

Fairfield: The project was completed in 2013.

Lakeside Fairways: The first seven phases (Kew Gardens, Terrazas de Alava,Lakeside Enclave, Tivoli Place, Cotswold, Katsura, and Yume) of the project were already 100% completed as of December 31, 2021. In 2011, Belle launched its newest subdivision within Lakeside Fairways, Sycamore Heights,with its first three phases having more than 23 hectares in gross land area, comprising 352 residential lots, averaging to 360 sqm per lot. As of December 31, 2019, Sycamore Heights Phases 1-4 were alreadycomplete.

Lakeview Heights: The project was completed in 2002.

Nob Hill: The project was completed in 2017.

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.

Plantation Hills: Only a few remaining slots in The Sanctuary, The Ridge, The Meadows, The Heights(Phases 1, 2, 3, and 5 of Plantation Hills, respectively) were unsold, and construction of these phases wasfully completed, as of December 31, 2007. Plantation Hills is a farm lots subdivision.

Tagaytay Highlands International Golf Club, Inc. ("THIGCI"): THIGCI comprises a clubhouse with restaurant and conferences facilities; and an 18-hole golf course. It was completed by Belle in 1994.

Tagaytay Midlands Golf Club, Inc.: The golf clubhouse and a 27-hole golf course are fully complete and operational.

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

The Woodlands: Belle started the delivery of units to homeowners in 1998. The project was completedin 1999.

Gaming

On April 14, 2011, the Company acquired PLAI, which holds a License from PAGCOR, through the issuance of 2.7 billion new common shares, then valued at ₱1.95 per share, in exchange for 100% of the outstanding capital stock of PLAI. This marked the Company's strategic entry into the Integrated Resort Industry. In October 2012, the Company entered into a Cooperation Agreement with Melco, which placedBelle as a co-licensee and owner of the land and buildings and Melco's Philippine affiliate MRP as co- licensee, developer and operator of the integrated resort, which was subsequently branded as "City of Dreams Manila". City of Dreams Manila is sited on 6.2 hectares of prime land at the corner of Roxas Boulevard and Aseana Avenue in Parañaque City, at the entrance of PAGCOR's Entertainment City complex. The construction of the integrated resort was substantially complete as of its Grand Launch in February 2, 2015, with approximately 300 hectares of gross floor area containing approximately 2.2 hectares of gaming areas, more than 2 hectares of retail and restaurant facilities, with more than 900 hotel rooms of 4-star, 5-star, and 6-star quality and other entertainment facilities. City of Dreams Manila is onlyabout 1 kilometer away from the Mall of Asia Complex.

Melco's major shareholder is Melco International Development Limited, a developer and owner of integrated resort facilities focused on the Macau market. Its operating complex in Macau's Cotai Strip, known as the "City of Dreams", is a highly successful project that houses a gaming facility, four luxury hotels (the Morpheus Hotel, Nuwa Hotel, a Grand Hyatt Hotel and the Countdown Hotel) and an upscale retail operation, along with a mix of bars and restaurants that are drawing crowns mainly from Hong Kong and China. The "City of Dreams" is also known for its spectacular show called "The House of Dancing Water", which has become one of Macau's major tourist attractions. During 2015, Melco launched its secondintegrated resort in Macau, called "Studio City".

Pacific Online, incorporated in 1993, leases online betting equipment to the PCSO for their lottery operations. It listed it shares on the Philippine Stock Exchange on April 12, 2007.

Competition

Property development has been Belle's historical core business area. Belle believes that its large-scale, self-contained, and community-type leisure its developments in Tagaytay Highlands and Tagaytay Midlands areunique in the Philippines. In general, Belle competes somewhat with the developers such as Ayala Land, Inc., Landco Pacific Corporation and Megaworld Corporation with respect to its residential and subdivision projects. Some of these developers, like Ayala Land, Inc., are bigger in size than Belle. Nevertheless, Belleis able to effectively compete with the above companies primarily on the basis of product quality, reliabilityto deliver the projects as promised, project location, and high-end property development expertise. Furthermore, Belle has a market base of more than 7,000 wealthy individuals who are existing members of Tagaytay Highlands International Golf Club, The Country Club at Tagaytay Highlands, and Tagaytay Midlands, which provides a marketing advantage.

In gaming, City of Dream Manila competes against casinos operated by PAGCOR and the other three licensees that are already operating – Resorts World Manila of Travelers International Hotel Group, Inc. ("Travelers"), Solaire Resort and Casino of Bloomberry Resorts Corporation, and Okada Manila of

Universal Entertainment Corporation. Travelers has also broken ground on its planned Westside City (formerly known as Resorts World Bayshore) project in PAGCOR City, with the opening of the casino in Westside City reportedly estimated by Travelers in late 2021.

In lottery equipment leasing, Pacific Online, expects the aggressive push for Small Town Lottery (STL) and the prevalence of illegal gambling particularly in interior towns and remote areas to continue to provide competition to its online lotto revenues. This mostly affects the VisMin region due to the popularity of the digit games, which are very similar to STL games. With the removal of the legal impediment for the Company to provide lotto equipment in Luzon, the Company was able to expand its operations in Luzon, where the additional revenues offset the lost sales in VisMin due to STL. Another recent competitor in the gaming market is esabong, which has grown in sales and number of outlets during the pandemic.

Suppliers
The Company has a broad base of local and foreign suppliers. As is the case with most property developmentcompanies, there is a risk that contractual arrangements with contractors my not meet the Company's performance standards. To serve as safeguards to these eventualities, therefore, performance bonds are normally required for these contractors.

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 and lots) to its golf or country club members.

On the other hand, Pacific Online has Philippine Charity Sweepstakes Office (PCSO) as its major customer, with which it has Equipment Lease Agreements (ELA). It brokers technology from leading global suppliers of integrated gaming systems and leases to PCSO the needed equipment for online lottery operations in the Visayas-Mindanao (VisMin) regions.

Transactions with and / or Dependence on Related Parties
No director or executive officer or any member of their immediate family, during the last two (2) years, hada direct, or indirect, material interest in a transaction or proposed transaction to which the Company was a party.

Licenses
Belle acquired all the shares of Premium Leisure & Amusement, Inc. ("PLAI") through the issuance of 2.7 billion new common shares. PLAI is a grantee by Philippine Amusement and Gaming Corporation ("PAGCOR") of a Certificate of Affiliation and License ("the License") to operate integrated resorts, including casinos, in the vicinity of the Bagong Nayong Pilipino Manila Bay Entertainment City ("Entertainment City" or "PAGCOR City"). PLAI's License, which was issued by PAGCOR as a Provisional License in 2008, runs concurrent with the PAGCOR's Congressional Franchise, which expires in 2033, renewable for another 25 years by the Philippine Congress. Belle started construction of foundation and structure of the integrated resorts in 2010 on a 6.2-hectare land along the entrance of Entertainment City. In October 2012, Belle and PLAI entered into a Cooperation Agreement with Melco Crown Entertainment Limited, now called Melco Resorts & Entertainment Limited, and its Philippine affiliates (collectively, "Melco"). The Cooperation Agreement placed Belle as a co-licensee and the owner of the land and buildings and Melco's Philippine affiliate, Melco Resorts & Entertainment (Philippines) Corporation ("MRP"), as a co-licensee, developer and operator of all facilities within the integrated resort, which was subsequently branded as "City of Dreams Manila". Belle, PLAI and MRP fully complied with all the PAGCOR requirements under the License as of the date of the soft opening, and in May 2015, City of Dreams Manila became the first integrated resort in Entertainment City to have its License converted fromProvisional to Regular status by PAGCOR.

Government Approvals / Regulations
As part of its normal course of real estate operation, the Company secures government approvals such as theEnvironment Compliance Certificate, Development Permits, DAR Clearances, and Licenses to

Sell, etc.

The Company is also subject to the regulations of PAGCOR for its Gaming License and Philippine EconomicZone Authority (PEZA) as the developer of the City of Dreams Manila.

Effect of Existing or Probable Government Regulations on the Business
Belle has complied with all the government requirements necessary for its operations. 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 and Environmental Laws Consultancy fees, engineering and architectural design, surveying, ECC, permits and licenses, etc. are beingadded to the cost of the project. Generally, these costs represent about 4% of gross revenues.

Number of Employees
As of December 31, 2021, Belle had sixty-seven (67) employees, all of whom are 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:

Executive	8
Senior Manager	2
Manager	12
Assistant Manager	5
Supervisor	16
Rank and File	24
Total	67

Aside from the basic salary and 13th month pay, other supplemental benefits or incentives that are being provided by Belle to its employees include: health card, life and accident insurance, retirement plan and salary loan facilities, among others.

Risks
Some of the risks that the Company and its related subsidiaries and affiliates may be exposed to 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 be sector and geography. Ingeneral, Belle may compete with other developers for purchases of land, as well as clientele for itsresidential and club projects.

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
The Company is not exposed to the risk of depreciation of the Peso since it does not have material financial assets and liabilities denominated in foreign currencies.

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 on on-line lottery system in the Visayas – Mindanao regions. Belle's subsidiary PLC owns PLAI, which holds a License granted to it by PAGCOR to operate integrated resorts, including casinos, within Entertainment City.

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 and borrowings.

Credit Risks
Customers who wish to purchase Belle properties on credit terms are subject to credit verification procedures, and receivable balances are monitored to reduce exposure to bad debts.

Information Technology
With the current business environment, Information technology risks are ever increasing. These cover unauthorized access to confidential data, loss or release of critical information, corruption of data, regulatory violation, and possible increase in costs and inefficiencies.

In order to address these risks, Belle has a co-location arrangement with redundant capability and automatic fail-over set-up disaster recovery. It also continues to implement enterprise security solutions to manage external and internal threats. Annual review of technology roadmap to ensure the alignment between the business and information technology is performed.

COVID-19
As to the impact of COVID-19 to our business/es, the Company strongly supports the Philippine government's efforts to curb the spread of the virus.

With Metro Manila placed on community quarantine and the rising number of cases in the country, the Company has experienced a slowdown in gaming revenues as the Philippine Amusement and Gaming Company suspended all casino operations on March 16, 2020, when the Metro Manila was placed under Enhanced Community Quarantine (ECQ). The casinos have since then been allowed to operate and resume operations with varying capacity limits as set by the Covid-19 Inter-Agency Task Force (IATF), depending on the Alert Level under which Metro Manila is placed. Very strict health and social distancing protocols are also required to be implemented.

The same is true for PLC's subsidiary, Pacific Online. The operations of the national lottery, Philippine Charity Sweepstakes Office (PCSO) was also suspended during the ECQ, and was also allowed to resume only after the second half of 2020. Because POSC leases online lottery equipment to the PCSO, its revenues are highly dependent on PCSO's lotto and KENO sales, which have been impacted by COVID-19 related developments and the implementation of community quarantines.

The Company has thus far identified critical functions, and set in place business continuity plans (BCP), to ensure that it continues to manage potential and actual risks, while prioritizing the overall interests of its investors, customers, employees, and other stakeholders. The BCP includes implementation, execution and enhancement of countermeasures to limit operational and employee health risk. It incorporates hybrid onsite and work-from- home schemes, employee healthcare monitoring as well as a system for internal/external communication management.

The Company communicates constantly with its partners and stakeholders for updates through further news releases and/or our company website, www.premiumleisurecorp.com.

Data Privacy
Belle may be at risk for breach of data privacy as detailed information is gathered from customers and prospective buyers, suppliers, contactors, and other business partners. The risk is mitigated through company-wide orientation on the Data Privacy Act, the topics of which include legal bases and implementing rules and regulations, rights of the individuals owning the information, exercising breach reporting procedures and other advisories.

Enterprise Risk Management Committee
The Company has an Enterprise Risk Management Committee (ERMC), comprised of certain Directors and Executives of the Company, which is an oversight committee created to act as the monitoring body for the individual risk management activities of the Company. The ERMC has the responsibility of developing a formal framework to assist the Company in managing its risks and is mandated to report regularly to the Risk Oversight Committee of the Board of Directors on any risk concerns.

DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

Pursuant to the requirement on Rotation of External Auditors under SEC Memorandum Circular No. 8 Series of 2003, the registrant appointed Reyes Tacandong & Co. as its external auditor for 2021, succeeding Sycip, Velayo & Co. who was its external auditor for 2020.

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

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE ANDFINANCIAL CONDITION

December 31, 2021 versus December 31, 2020 Results of Operations (in thousands)

	For the year ended December		Horizontal Analysis		Vertical Analysis	
	2021	2020	Increase (Decrease)		2021	2020
REVENUE						
Gaming revenue share	**P 1,300,291**	P 635,217	**665,074**	105%	**38%**	15%
Lease income	**807,921**	2,663,226	**(1,855,305)**	-70%	**24%**	64%
Sale of real estate	**587,812**	234,965	**352,847**	150%	**17%**	6%
Equipment rental, distribution and commission (POSC)	**426,346**	328,438	**97,908**	30%	**12%**	8%
Revenue from property management	**179,618**	168,296	**11,322**	7%	**5%**	4%
Others	**118,946**	143,258	**(24,312)**	-17%	**3%**	3%
TOTAL REVENUES	**3,420,934**	4,173,400	**(752,466)**	-18%	**100%**	100%
COST OF LEASE INCOME	**(1,294,948)**	(1,206,514)	**(88,434)**	7%	**-38%**	-29%
COST OF LOTTERY SERVICES	**(374,204)**	(494,211)	**120,007**	-24%	**-11%**	-12%
COST OF REAL ESTATE SOLD	**(301,406)**	(134,934)	**(166,472)**	123%	**-9%**	-3%
COST OF GAMING OPERATIONS	**(135,895)**	(135,692)	**(203)**	0%	**-4%**	-3%
COST OF PROPERTY MANAGEMENT SERVICES	**(113,574)**	(100,957)	**(12,617)**	12%	**-3%**	-2%
GENERAL AND ADMINISTRATIVE EXPENSES	**(693,103)**	(1,312,959)	**619,856**	-47%	**-20%**	-31%
TOTAL COSTS AND EXPENSES	**(2,913,130)**	(3,385,267)	**472,137**	-14%	**-85%**	-81%
INCOME FROM OPERATIONS	**507,804**	788,133	**(1,224,603)**	-155%	**15%**	19%
INTEREST EXPENSE AND OTHER FINANCE CHARGES	**(603,832)**	(559,570)	**(44,262)**	8%	**-18%**	-13%
INTEREST INCOME	**24,981**	55,451	**(30,470)**	-55%	**1%**	1%
UNREALIZED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS	**(23,623)**	(6,196)	**(17,427)**	281%	**-1%**	0%
NET FOREIGN EXCHANGE LOSS	**750**	(1,994)	**2,744**	-138%	**0%**	0%
OTHER INCOME (CHARGES)	**310,493**	843,194	**(532,701)**	-63%	**9%**	20%
INCOME BEFORE INCOME TAX	**216,573**	1,119,018	**(902,446)**	-81%	**6%**	27%
PROVISION FOR INCOME TAXES						
Current	**12,656**	36,653	**23,997**	65%	**0%**	1%
Deferred	**(541,285)**	190,664	**731,949**	384%	**-16%**	5%
	(528,629)	227,317	**755,946**	333%	**-15%**	5%
NET INCOME	**P 745,202**	P 891,701	**(146,500)**	-16%	**22%**	21%

Belle Corporation realized consolidated net income of Php 745.2 million for 2021 led by improved gaming performance at City of Dreams Manila. This was achieved despite ongoing restrictions on commercial operations imposed by authorities to help control the effects of the pandemic. General commercial restrictions negatively impacted real estate leasing operations, which caused Belle's net income to decrease overall by 16% in 2021 from Php 891.7 million in 2020.

The effects of the Covid-19 pandemic began in early 2020 with declining tourist arrivals prior to the implementation of the community quarantines nationwide, and was compounded by the temporary suspension of gaming operations at City of Dreams Manila on March 16, 2020 in compliance with government initiatives to contain the virus.

The share in the gaming revenues at City of Dreams Manila of Belle's subsidiary Premium Leisure Corporation ("PLC") more than doubled, from Php 635.2 million in 2020 to Php 1,300.3 million in 2021, as operations at City of Dreams Manila improved during 2021, although still with substantial limitations due to the continuing Covid-19 pandemic.

Pacific Online Systems Corporation ("Pacific Online"), which leases online betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery and keno operations, also experienced improvements during 2021, while still operating under limitations. Pacific Online, which is 50.1%-owned by PLC, posted a 30% increase in revenues, from Php 328.4 million for 2020 to Php 426.3 million for 2021.

Belle's real estate revenues, however, declined by 47% from Php 3,209.7 million in 2020 to Php 1,694.3 million in 2021. Of real estate revenues in 2021, Php 807.9 million were derived from Belle's lease of the land and buildings comprising City of Dreams Manila (CODM) to Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), which were 70% lower than its 2020 revenues of Php 2,663.2 million. On the other hand, Belle's real estate sales and property management activities at its Tagaytay Highlands complex contributed revenues of Php 886.4 million in 2021, 62% higher than revenues of Php 546.5 million in 2020.

Revenues
Total consolidated revenues of ₱3,420.9 million for 2021 were lower by ₱752.5 million (18%), compared to ₱4,173.4 million for 2020. The lease revenue from the land and buildings of CODM decreased by ₱1,855.3 million (70%), from ₱2,663.2 million for 2020 to ₱807.9 million for 2021, gaming revenue share in CODM increased by ₱665.1 million (105%) from ₱635.2 million in 2020 to ₱1,300.3 million in 2021, total revenues at Pacific Online increased by ₱97.9 million (30%), from ₱328.4 million in 2020 to ₱426.3 million in 2021, and revenue from real estate development and management activities increased by ₱339.9 million (62%), from ₱546.5 million in 2020 to ₱886.4 million in 2021.

Costs of Lease Income
Costs of lease income in respect of the CODM property increased by ₱88.4 million (7%), to ₱1,294.9 million in 2021 from ₱1,206.5 million in 2020 mainly due to higher related taxes and insurance payments in 2021.

Costs of Lottery Services
Costs of lottery services at Pacific Online decreased by ₱120.0 million (24%), to ₱378.6 million in 2021 from ₱494.2 million in 2020, mainly due to lower depreciation and amortization of lease equipment, as well as the deconsolidation of Lucky Circle Corporation ("LCC") brought about by its sale in February 2020.

Costs of Gaming Operations
The costs of gaming operations at PLC was virtually unchanged, from ₱135.9 million for 2021 and ₱135.7 million for 2020. PLAI has a direct economic participation in the gaming operations at CODM, by virtue of an operating agreement with MRP that accords PLAI a share of gaming revenue or earnings. MRP is a Philippine Corporation controlled by Melco Resorts and Entertainment Limited ("Melco"), a Hong Kong-based corporation which develops, owns and operates gaming and entertainment facilities around the world, mostly in Macau.

Costs of Real Estate sold
Costs of real estate sold increased by ₱166.5 million (123%) to ₱301.4 million in 2021, from ₱134.9 million in 2020, due to the higher revenue therefrom recognized during the period.

Costs of Property Management Services
Costs of property management services increased by ₱12.6 million (12%), to ₱113.6 million for 2021, from ₱101.0 million for 2020, due to higher utilities consumption arising from increased activities in the estate.

General and Administrative Expenses
General and administrative expenses decreased by ₱619.9 million (47%), to ₱693.1 million for 2021 from ₱1,313.0 million for 2020, due to cost reduction efforts.

Financial Income (Expense)
Interest expense and other finance charges increased by ₱44.3 million (8%) to ₱603.8 million for 2021, from ₱559.6 million for 2020. The increase in interest expense was largely due to higher imputed interest on Belle's lease liability. Interest income decreased by ₱30.5 million (55%), to ₱25.0 million in 2021, from ₱55.5 million in 2020, due to lower balances of, and average yields on, short-term investments.

Unrealized Loss on Financial Assets at FVTPL
Unrealized loss on Financial Assets at FVTPL increased by ₱17.4 million (181%) to ₱23.6 million for 2021, from ₱6.2 million for 2020. The increase was largely due to lower market prices of the Company's investments in financial assets at FVTPL.

Net foreign exchange gain (loss)
Net foreign exchange gain (loss) movements from 2020 to 2021 is dependent on the movement of foreign exchange rates during the year.

Other Income
Other income decreased by ₱532.7 million (63%) mostly due to the reversal of general provisions amounting to about ₱756.1 million in 2020.

Provision for Income Taxes
The Company's consolidated provision for income taxes decreased by ₱755.9 million (333%) in 2021, to income tax benefit of ₱528.6 million from income tax expense of ₱227.3 million in 2020, due to a nonrecurring adjustment arising from the lower income tax rate per the CREATE bill (from 30% to 25%), which was effective as of July 2020, but passed by Congress only in 2021.

Net Income
As a result of the foregoing, the Company realized consolidated net income of ₱745.2 million for 2021, a decrease of ₱146.5 million (16%) from its 2020 consolidated net income of ₱891.7 million.

Aside from what has been mentioned in the foregoing, there were no significant elements that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations of Belle Corp. in 2021.

December 31, 2021 vs December 31, 2020 Statement of Financial Position (in thousands)

		December 31			Horizontal Analysis		Vertical Analysis	
		2021		2020	**Inc (Dec)**	**%**	**2021**	2020
ASSETS								
Current Assets								
Cash and cash equivalents	**P**	**2,082,301**	P	2,592,070	(509,769)	-20%	**4%**	5%
Financial assets at fair value through profit or loss		**73,054**		84,261	(11,207)	-13%	**0%**	0%
Receivables		**4,219,351**		5,034,824	(815,473)	-16%	**8%**	10%
Contract assets		**70,319**		39,903	30,416	76%	**0%**	0%
Real estate for sale		**351,120**		470,609	(119,489)	-25%	**1%**	1%
Land held for future development		**3,021,120**		3,013,950	7,170	0%	**6%**	6%
Other current assets		**2,518,964**		1,872,788	646,176	35%	**5%**	4%
		12,336,229		13,108,405	(772,176)	-6%	**82%**	85%
Noncurrent Assets								
Investment properties		**24,371,435**		25,437,299	(1,065,864)	-4%	**48%**	51%
Financial assets at fair value through other comprehensive income		**7,270,420**		4,789,847	2,480,573	52%	**14%**	10%
Intangible asset		**4,233,538**		4,349,372	(115,834)	-3%	**8%**	9%
Installment Receivable - net of current portion		**941,115**		269,600	671,515	249%	**2%**	1%
Goodwill		**926,008**		926,008	-	0%	**2%**	2%
Investments in and advances to associates - net		**119,688**		121,356	(1,668)	-1%	**0%**	0%
Property and equipment		**86,082**		143,911	(57,829)	-40%	**0%**	0%
Right of Use		**54,812**		71,732	(16,920)	-24%	**0%**	0%
Deferred tax asset		**21,399**		82,415	(61,016)	-74%	**0%**	0%
Pension asset		**17,384**		14,012	3,372	24%	**0%**	0%
Contract assets - net of noncurrent portion		**-**		46,302	(46,302)	-100%	**0%**	0%
Other noncurrent assets		**649,467**		641,649	7,818	1%	**1%**	1%
		38,691,348		36,893,503	1,797,845	5%	**76%**	74%
TOTAL ASSET	**P**	**51,027,577**	P	50,001,908	1,025,669	2%	**100%**	100%
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other current liabilities	**P**	**1,809,301**	P	2,384,734	(575,433)	-24%	**4%**	5%
Loans payable		**1,995,017**		2,525,017	(530,000)	-21%	**4%**	5%
Income tax payable		**-**		6	(6)	-100%	**0%**	0%
Current portion of:								
Lease Liability - current		**345,679**		148,613	197,066	133%	**1%**	0%
Long-term debt		**15,000**		121,111	(106,111)	-88%	**0%**	0%
		4,164,997		5,179,481	(1,014,484)	-20%	**8%**	10%
Noncurrent portion of:								
Lease Liability - noncurrent		**6,196,415**		6,538,881	(342,466)	-5%	**12%**	13%
Long-term debt		**4,870,000**		4,445,556	424,444	10%	**10%**	9%
Deferred tax liabilities		**2,377,323**		2,968,910	(591,587)	-20%	**5%**	6%
Pension liability		**30,894**		59,291	(28,397)	-48%	**0%**	0%
Other noncurrent liability		**378,515**		375,672	2,843	1%	**1%**	1%
		13,853,147		14,388,310	(535,163)	-4%	**27%**	29%
TOTAL LIABILITIES		**18,018,144**		19,567,791	(1,549,647)	-8%	**35%**	39%
Equity								
Attributable to equity holders of parent:								
Common stock		**10,561,000**		10,561,000	-	0%	**21%**	21%
Additional paid-in capital		**5,503,731**		5,503,731	-	0%	**11%**	11%
Treasury stock		**(2,476,697)**		(2,476,700)	3	0%	**-5%**	-5%
Cost of Parent Company common and preferred shares shares held by subsidiaries		**(1,464,322)**		(1,464,322)	-	0%	**-3%**	-3%
Equity share in cost of Parent Company shares held by associates		**(2,501)**		(2,501)	-	0%	**0%**	0%
Other reserves		**5,715,643**		3,675,936	2,039,707	55%	**11%**	7%
Excess of net asset value of an investment over cost		**252,040**		252,040	-	0%	**0%**	1%
Retained Earnings		**12,175,075**		11,580,786	594,289	5%	**24%**	23%
Total equity attributable to equity holders of the Parent		**30,263,969**		27,629,970	2,633,999	10%	**59%**	55%
shares held by subsidiaries		**2,745,464**		2,804,147	(58,683)	-2%	**5%**	6%
TOTAL EQUITY		**33,009,433**		30,434,117	2,575,316	8%	**65%**	61%
TOTAL LIABILITIES AND EQUITY	**P**	**51,027,577**	P	50,001,908	1,025,669	2%	**100%**	100%

ASSETS
Total assets of the Company increased by ₱1,025.7 million (2%) to ₱51,027.6 million as of December 31, 2021, from ₱50,001.9 million as of December 31, 2020.

Cash and Cash equivalents
Cash and cash equivalents decreased by ₱509.8 million (20%), to ₱2,082.3 million as of December 31, 2021 from ₱2,592.1 million as of December 31, 2020, due mainly to lower cash flows from operations.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")
The Company's FVTPL decreased by ₱11.2 million (13%), to ₱73.1 million as of December 31, 2021 from ₱84.3 million as of December 31, 2020, due to the decrease in market value of listed shares held by Pacific Online. As at December 31, 2021, the Company's consolidated FVTPL consists of investments of Pacific Online in listed shares of Leisure and Resorts World Corporation, Vantage Equities, Inc., and PLDT, Inc.

Receivables, Contract Assets and Installment Receivables
Receivables, Contract Assets and Installment Receivables decreased by ₱160.0 million (3%), to a total of ₱5,230.8 million as of December 31, 2021 from ₱5,390.6 million as of December 31, 2020.

Real Estate for Sale
Real estate for sale decreased by ₱119.5 million (25%), to ₱351.1 million as of December 31, 2021 from ₱470.6 million as of December 31, 2020, due to real estate sale.

Investment Properties
This account consists mainly of carrying value of the CODM property and right of use assets for leases in Paranaque City. The ₱1,065.9 million (4%) decrease of Investment Properties, from ₱25,437.3 million as of December 31, 2020 to ₱24,371.4 million as of December 31, 2021, was due to the depreciation expense on the CODM building and amortization of right of use assets.

Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")
The Company's FVOCI increased by ₱2,480.6 million (52%), to ₱7,270.4 million as of December 31, 2021 from ₱4,789.8 million as of December 31, 2020, due additional investments as well as increase in the market values of these investments.

Intangible Asset
This pertains to the cost of the License to operate integrated resorts that was granted by the Philippine Amusement and Gaming Corp ("PAGCOR") to PLAI. Belle and MRP are Co-Licensees under PLAI's PAGCOR License. Amortization of the intangible asset on the License started on December 14, 2014, which is the effectivity date of the Notice to Commence Casino Operations granted by PAGCOR. Intangible assets decreased by ₱115.8 million (3%), from ₱4,349.4 million as of December 31, 2020 to ₱4,233.5 million as of December 31, 2021, mainly due to amortization expense on the PAGCOR License.

Goodwill
Goodwill was maintained at ₱926.0 million on December 31, 2021 and 2020.

Right of Use Assets
Right of use assets decreased by ₱16.9 million (24%) from ₱71.7 million as of December 31, 2020 to ₱54.8 million as of December 31, 2021, mainly due to amortization expense.

Property and Equipment
This account consists mainly of lottery equipment, leasehold improvements, machinery and equipment, condominium units and improvements, transportation equipment and office furniture and fixtures. This declined by ₱57.8 million (40%) from ₱143.9 million as of December 31, 2020 to ₱86.1 million as of December 31, 2021 due mainly to property and equipment being fully depreciated during the period.

Deferred Tax Assets
The Company's deferred tax assets declined by ₱61.0 million (74%) from ₱82.4 million as of December 31, 2020 to ₱21.4 million as of December 31, 2021. The decline is mainly brought about by lower deferred tax assets recognized during the period.

Pension Assets and Pension Liabilities
Pension assets of the Company increased by ₱3.4 million (24%) from ₱14.0 million in 2020 to ₱17.4 million in

2021. On the other hand, pension liabilities declined by ₱28.4 million (48%) from ₱59.3 million as of December 31, 2020 to ₱30.9 million as of December 31, 2021.

Other Assets (Current and Noncurrent)
Other assets increased by ₱654.0 million (26%), to ₱3,168.4 million as of December 31, 2021 from ₱2,514.4 million as of December 31, 2020, mainly due to increases in prepaid taxes.

LIABILITIES
Total liabilities decreased by ₱1,549.6 million (8%), to ₱18,018.1 million as of December 31, 2021 from ₱19,567.8 million as of December 31, 2020, mainly due to repayment of borrowings from local banks.

Trade and Other Current Liabilities
Trade and other current liabilities decreased from ₱2,384.7 million as of December 31, 2020 to ₱1,809.3 million as of December 31, 2021.

Loans Payable and Long-Term Debt
Total consolidated debt, amounting to ₱6,880.0 million as of December 31, 2021, consists of Peso-denominated borrowings of Belle from various local financial institutions, with an average interest rate of approximately 3.78% per annum during 2021. The outstanding amount of total debt decreased by ₱211.7 million (3%) from ₱7,091.7 million as of December 31, 2020, due to repayment of borrowings from local banks.

EQUITY
The Company's shareholders' equity as of December 31, 2021 of ₱33,009.4 million was higher by ₱2,575.3 million (8%), compared to its shareholders' equity of ₱30,434.1 million as of December 31, 2020, due to the increases in market value of financial assets at fair value through other comprehensive income of ₱2,039.7 million (55%) and Company's consolidated net income of ₱745.2 million for 2021.

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

Belle Corporation (consolidated)

	December 31, 2021	December 31, 2020
Asset to equity ratio	**1.55 : 1.00**	1.64 : 1.00
Current or Liquidity ratio	**2.96 : 1.00**	2.55 : 1.00
Debt-to-equity ratio	**0.21 : 1.00**	0.23 : 1.00
Net debt-to-equity ratio	**0.15 : 1.00**	0.15 : 1.00
Interest rate coverage ratio	**1.32 : 1.00**	2.90 : 1.00
Return on assets	**1.5%**	1.9%
Return on equity	**2.3%**	2.9%

Premium Leisure Corp. (consolidated)

	December 31, 2020	December 31, 2020
Asset to equity ratio	**1.04 : 1.00**	1.07 : 1.00
Current or Liquidity ratio	**9.18 : 1.00**	5.75 : 1.00
Debt-to-equity ratio	**0.00 : 1:00**	0.00 : 1:00
Interest rate coverage ratio	**1,582.21**	48.15
Return on assets	**6.44%**	1.72%
Return on equity	**6.81%**	1.87%

Pacific Online Systems Corporation (consolidated)

	December 31, 2021	December 31, 2020
Asset to equity ratio	**1.19 : 1.00**	1.28 : 1.00
Current or Liquidity ratio	**4.64 : 1.00**	2.89 : 1.00
Debt-to-equity ratio	**0.00 : 1.00**	0.00 : 1.00
Net debt-to-equity ratio	**0.00 : 1.00**	0.00 : 1.00

Interest rate coverage ratio	**(140.24): 1.00**	(75.64): 1.00
Return on assets	**-14.37%**	-28.08%
Return on equity	**-17.79%**	-35.03%

The above performance indicators are calculated as follows:

Current Ratio	Current Assets / Current Liabilities
Debt to Equity Ratio	Interest-bearing debt / Total Equity
Asset-to-equity Ratio	Total Assets / Total Equity
Return on Equity	Net Income / Average equity during the period
Return on Assets	Net Income / Average assets during the period
Interest Coverage Ratio	Income Before Interest & Tax / Interest Expense
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents / Total Equity

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of December 31, 2021, consolidated total debt of the Company of ₱6,880.0 million was comprised of borrowings from renewable short-term bank lines of ₱1,995.0 million and amortizing term loans from banks of ₱4,885 million. Belle has real estate projects, lease agreements and investments from which it expects to generate cash flow sufficient for its foreseeable requirements. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of December 31, 2021, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

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

December 31, 2020 versus December 31, 2019 Results of Operations (in Thousands)

	2020	2019	Horizontal Analysis Increase (Decrease)		Vertical Analysis 2020	Vertical Analysis 2019
REVENUE						
Lease income	P **2,663,226**	P 2,670,953	**(7,727)**	0%	**64%**	0%
Gaming revenue share	**635,217**	2,976,366	**(2,341,149)**	-79%	**15%**	40%
Equipment rental and instant scratch ticket sales	**281,763**	681,484	**(399,721)**	-59%	**7%**	0%
Sale of real estate	**234,965**	487,307	**(252,342)**	-52%	**6%**	0%
Revenue from property management	**168,296**	214,635	**(46,339)**	-22%	**4%**	0%
Distribution and commission income	**46,675**	308,381	**(261,706)**	-85%	**1%**	0%
Others	**143,258**	130,308	**12,950**	10%	**3%**	0%
TOTAL REVENUES	**4,173,400**	7,469,434	**(3,296,034)**	-44%	**100%**	100%
GENERAL AND ADMINISTRATIVE EXPENSES	**(1,312,959)**	(1,386,592)	**(73,633)**	-5%	**-31%**	-19%
COST OF LEASE INCOME	**(1,206,514)**	(836,938)	**369,576**	44%	**-29%**	-11%
COST OF LOTTERY SERVICES	**(494,211)**	(983,422)	**(489,211)**	-50%	**-12%**	-13%
COST OF GAMING OPERATIONS	**(135,692)**	(135,865)	**(173)**	0%	**-3%**	-2%
COST OF REAL ESTATE SOLD	**(134,934)**	(202,335)	**(67,401)**	-33%	**-3%**	-3%
COST OF PROPERTY MANAGEMENT SERVICES	**(100,957)**	(159,854)	**(58,897)**	-37%	**-2%**	-2%
TOTAL COSTS AND EXPENSES	**(3,385,267)**	**(3,705,006)**	**(126,471)**	-3%	**-9%**	-7%
INCOME FROM OPERATIONS	**788,133**	3,764,428	**(3,169,563)**	-84%	**91%**	93%
INTEREST EXPENSE AND OTHER FINANCE CHARGES	**(559,570)**	(478,880)	**80,690**	17%	**-13%**	-6%
INTEREST INCOME	**55,451**	75,157	**(19,706)**	-26%	**1%**	1%
UNREALIZED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS	**(6,196)**	(15,248)	**(9,052)**	59%	**0%**	0%
NET FOREIGN EXCHANGE LOSS	**(1,994)**	(2)	**1,992**	-99600%	**0%**	0%
OTHER INCOME (CHARGES)	**843,194**	(128,289)	**971,483**	757%	**20%**	-2%
INCOME BEFORE INCOME TAX	**1,119,018**	3,217,166	**(2,098,148)**	-65%	**27%**	43%
PROVISION FOR INCOME TAXES						
Current	**36,653**	274,033	**237,380**	87%	**1%**	4%
Deferred	**190,664**	19,406	**(171,258)**	883%	**5%**	0%
	227,317	293,439	**66,122**	23%	**5%**	4%
NET INCOME	P **891,701**	P 2,923,727	**(2,032,026)**	-70%	**21%**	39%

Belle Corporation ("Belle" or "The Company") realized consolidated net income of ₱891.7 million for 2020. While this is lower by 70% compared to consolidated income of ₱2,923.7 million for 2019, Belle's positive operating result for 2020 was achieved in spite of economic headwinds caused by the Covid-19 pandemic, as well as by the Taal Volcano eruption in January 2020 that affected its real estate operations in Tagaytay City and Batangas. Consolidated revenues declined by 44%, from ₱7,469.4 million in 2019 to ₱4,173.4 million in 2020.

The effects of the Covid-19 pandemic began with declining tourist arrivals prior to the implementationof the community quarantines nationwide, and was compounded by the temporary suspension of gaming operations at City of Dreams Manila on March 16, 2020 in compliance with government initiatives to contain the virus. The share in gaming revenues at City of Dreams Manila ("CODM") of Belle's subsidiary Premium Leisure Corporation ("PLC"), declined by 79%, from ₱2,976.4 million in 2019 to ₱635.2 million in 2020, as gaming operations were either suspended or substantially limited during the last nine months of 2020.

The pandemic also caused weak results at Pacific Online Systems Corporation ("Pacific Online"), which leases online betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for theirlottery and keno operations. Pacific Online, which is 50.1%-owned by PLC, posted a 67% decrease in revenues, from ₱989.9 million for 2019 to ₱328.4 million for 2020.

Belle's real estate operations recorded an 8% decrease in revenues, to ₱3,209.7 million in 2020 from ₱3,503.2 million in 2019. Of real estate revenues in 2020, ₱2,663.2 million came from Belle's lease of the land and buildings comprising CODM to Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), which were slightly lower from ₱2,671.0 million in 2019. Belle's real estate sales and property management activities at its Tagaytay Highlands complex, which were affected by the community quarantines and the Taal Volcano eruption, contributed revenues of ₱546.5 million in 2020, which were 34% lower than revenues of ₱832.3 million in 2019.

Revenues

Total consolidated revenues of ₱4,173.4 million for 2020 were lower by ₱3,296.0 million (44%), compared to ₱7,469.4 million for 2019. All the business units of the Company experienced decline in revenues as a result of Covid-19 Pandemic. The lease revenue from the land and buildings of CODM decreased by ₱7.7 million (0.3%), from ₱2,671.0 million for 2019 to ₱2,663.2 million for 2020, gaming revenue share in CODM decreased by ₱2,341.1 million (79%) from ₱2,976.4 million in 2019 to ₱635.2 million in 2020, total revenues at Pacific Online decreased by ₱661.4 million (67%), from ₱989.9 million in 2019 to ₱328.4 million in 2020, and revenue from real estate development and managementactivities decreased by ₱285.8 million (34%), from ₱832.3 million in 2019 to ₱546.5 million in 2020.

General and Administrative Expenses
General and administrative expenses decreased by ₱73.6 million (5%), to ₱1,313.0 million for 2020 from ₱1,386.6 million for 2019, due to lower expenses at PLC and Pacific Online.

Costs of Lease Income
Costs of lease income in respect of the City of Dreams Manila property increased by ₱369.6 million (44%), to ₱1,206.5 million in 2020 from ₱836.9 million in 2019, mainly due to higher amortization ofright of use asset on leases.

Costs of Lottery Services
Costs of lottery services at Pacific Online decreased by ₱489.2 million (50%), to ₱494.2 million in 2020 from ₱983.4 million in 2019, mainly due to lower consultancy and professional fees, as well as the deconsolidation of Lucky Circle Corporation brought about by its sale in February 2020.

Costs of Gaming Operations
The costs of gaming operations at PLC was virtually unchanged, from ₱135.9 million for 2019 to ₱135.7 million for 2020. PLAI has a direct economic participation in the gaming operations at City of Dreams Manila, by virtue of an operating agreement with MRP that accords PLAI a share of gaming revenue or earnings. MRP is a Philippine Corporation controlled by Melco Resorts and Entertainment Limited (“Melco”), a Hong Kong-based corporation which develops, owns and operates gaming and entertainment facilities around the world, mostly in Macau.

Costs of Real Estate sold
Costs of real estate sold decreased by ₱67.4 million (33%) to ₱134.9 million in 2020, from ₱202.3 million in 2019, due to the lower revenue therefrom recognized during the period.

Costs of Property Management Services
Costs of property management services decreased by ₱58.9 million (37%), to ₱101.0 million for 2020, from ₱159.9 million for 2019, due to lower utilities consumption due to decreased activities in the estate due to COVID-19 community quarantines and rationalization of costs.

Financial Income (Expense)
Interest expense and other finance charges increased by ₱80.7 million (17%) to ₱559.8 million for 2020, from ₱478.9 million for 2019. The increase in interest expense was largely due to higher imputed interest on Belle’s lease liability. Interest income decreased by ₱19.7 million (26%), to ₱55.5 million in 2020, from ₱75.2 million in 2019, due to lower balances of and average yields on short-term investments.

Other Income
Other income increased by ₱971.5 million (757%) mostly due to the reversal of general provisions amounting to about ₱756.1 million in 2020.

Provision for Income Taxes
The Company’s consolidated provision for income taxes decreased by ₱66.1 million (23%) in 2020, to ₱227.3 million from ₱293.4 million in 2019, due to lower operating income in 2020.

Net Income
As a result of the foregoing, the Company realized consolidated net income of ₱891.7 million for 2020,a decrease of ₱2,034.0 million (70%) from its 2019 consolidated net income of ₱2,923.7 million.

December 31, 2020 vs December 31, 2019 Statement of Financial Position (in thousands)

	December 31		Horizontal Analysis		Vertical Analysis	
	2020	2019	**Inc (Dec)**	**%**	**2020**	2019
ASSETS						
Current Assets						
Cash and cash equivalents	**P 2,592,070**	P 4,104,674	(1,512,604)	-37%	**5%**	9%
Financial assets at fair value through profit or loss	**84,261**	140,457	(56,196)	-40%	**0%**	0%
Receivables	**5,034,824**	2,463,605	2,571,219	104%	**10%**	6%
Contract assets	**39,903**	40,511	(608)	-2%	**0%**	0%
Real estate for sale	**470,609**	327,124	143,485	44%	**1%**	1%
Land held for future development	**3,013,950**	3,005,429	8,521	0%	**6%**	7%
Other current assets	**1,872,788**	1,637,773	235,015	14%	**4%**	4%
	13,108,405	11,719,573	1,388,832	12%	**26%**	26%
Noncurrent Assets						
Investment properties	**25,437,299**	20,257,604	5,179,695	26%	**51%**	45%
Financial assets at fair value through other comprehensive income	**4,789,847**	5,512,817	(722,970)	-13%	**10%**	12%
Intangible asset	**4,349,372**	4,465,206	(115,834)	-3%	**9%**	10%
Goodwill	**926,008**	1,343,809	(417,801)	-31%	**2%**	3%
Installment Receivable	**269,600**	404,518	(134,918)	-33%	**1%**	1%
Property and equipment	**143,911**	164,825	(20,914)	-13%	**0%**	0%
Deferred tax asset	**82,415**	52,825	29,590	56%	**0%**	0%
Investments in and advances to associates - net	**75,428**	77,950	(2,522)	-3%	**0%**	0%
Contract assets - net of noncurrent portion	**46,302**	89,612	(43,310)	-48%	**0%**	0%
Pension asset	**14,012**	10,312	3,700	36%	**0%**	0%
Right of Use	**71,732**	148,309	(76,577)	-52%	**0%**	0%
Other noncurrent assets	**641,649**	524,508	117,141	22%	**1%**	1%
	36,847,575	**33,052,295**	(1,568)	0%	**74%**	74%
TOTAL ASSET	**P 49,955,980**	P 44,771,868	1,387,264	3%	**100%**	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other current liabilities	**P 2,338,806**	P 2,301,824	36,982	2%	**5%**	5%
Loans payable	**2,525,017**	1,950,017	575,000	29%	**5%**	4%
Income tax payable	**6**	4,275	(4,269)	-100%	**0%**	0%
Current portion of:						
Long-term debt	**121,111**	944,444	(823,333)	-87%	**0%**	2%
Lease Liability - current	**148,613**	85,660	62,953	73%	**0%**	0%
	5,133,553	5,286,220	(152,667)	-3%	**10%**	12%
Noncurrent portion of:						
Long-term debt	**4,445,556**	3,566,667	878,889	25%	**9%**	8%
Lease Liability - noncurrent	**6,538,881**	918,275	5,620,606	612%	**13%**	2%
Pension liability	**59,291**	54,532	4,759	9%	**0%**	0%
Deferred tax liabilities	**2,968,910**	2,741,361	227,549	8%	**6%**	6%
Other noncurrent liability	**375,672**	343,424	32,248	9%	**1%**	1%
	14,388,310	7,624,259	6,764,051	89%	**29%**	17%
TOTAL LIABILITIES	**19,521,863**	12,910,479	6,611,384	51%	**39%**	29%
Equity						
Attributable to equity holders of parent:						
Common stock	**10,561,000**	10,561,000	-	0%	**21%**	24%
Additional paid-in capital	**5,503,731**	5,503,731	-	0%	**11%**	12%
Treasury stock	**(2,476,700)**	(2,476,700)	-	0%	**-5%**	-6%
Equity share in cost of Parent Company shares held by as	**(2,501)**	(2,501)	-	0%	**0%**	0%
Cost of Parent Company common and preferred shares h	**(1,464,322)**	(1,493,752)	29,430	-2%	**-3%**	-3%
Other reserves	**3,675,936**	4,379,383	(703,447)	-16%	**7%**	10%
Excess of net asset value of an investment over cost	**252,040**	252,040	-	0%	**1%**	1%
Retained Earnings	**11,580,786**	11,707,576	(126,790)	-1%	**23%**	26%
Total equity attributable to equity holders of the Parent	**27,629,970**	28,430,777	(800,807)	-3%	**55%**	64%
Non-controlling interests	**2,804,147**	3,430,612	(626,465)	-18%	**6%**	8%
Total Equity	**30,434,117**	31,861,389	(1,427,272)	-4%	**61%**	71%
TOTAL LIABILITIES AND EQUITY	**P 49,955,980**	P 44,771,868	5,184,112	12%	**100%**	100%

ASSETS
Total assets of the Company increased by ₱5,184.1 million (12%) to ₱49,956.0 million as of December 31, 2020, from ₱44,771.9 million as of December 31, 2019.

Cash and Cash equivalents
Cash and cash equivalents decreased by ₱1,512.6 million (37%), to ₱2,592.1 million as of December 31, 2020 from ₱4,104.7 million as of December 31, 2019, due mainly to lower cash flows from operations and the payment of the regular cash dividend of ₱1,171.5 million on March 27, 2020.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")
The Company's FVTPL decreased by ₱56.2 million (40%), to ₱84.3 million as of December 31, 2020 from ₱140.5 million as of December 31, 2019, due to the decrease in market value of listed shares held by Pacific Online. As at December 31, 2020, the Company's consolidated FVTPL consists of investments of Pacific Online in listed shares of Leisure and Resorts World Corporation, Vantage Equities, Inc., and PLDT, Inc.

Receivables and Contract Assets
Receivables and Contract Assets increased by ₱2,392.4 million (80%), to a total of ₱5,390.6 million as of December 31, 2020 from ₱2,998.2 million as of December 31, 2019.

Real Estate for Sale
Real estate for sale increased by ₱143.5 million (44%), to ₱470.6 million as of December 31, 2020 from ₱327.1 million as of December 31, 2019, due to additional finished inventory of real estate added in 2020.

Investment Properties
This account consists mainly of carrying value of the CODM property and right of use assets for leases in Paranaque City. The ₱5,179.7 million (26%) increase of Investment Properties, from ₱20,257.6 million as of December 31, 2019 to ₱25,437.3 million as of December 31, 2020, was due to the right of use asset recognized for leased property at Paranaque City, offset by the depreciation expense on the CODM building and amortization of right of use assets.

Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")
The Company's FVOCI decreased by ₱722.9 million (13%), to ₱4,789.8 million as of December 31, 2020 from ₱5,512.8 million as of December 31, 2019, due decreases in the market values of these investments.

Intangible Asset
This pertains to the cost of the License to operate integrated resorts that was granted by the Philippine Amusement and Gaming Corp ("PAGCOR") to PLAI. Belle and MRP are Co-Licensees under PLAI's PAGCOR License. Amortization of the intangible asset on the License started on December 14, 2014, which is the effectivity date of the Notice to Commence Casino Operations granted by PAGCOR. Intangible assets decreased by ₱115.8 million (3%), from ₱4,465.2 million as of December 31, 2019 to ₱4,349.4 million as of December 31, 2020, mainly due to amortization expense on the PAGCOR License.

Goodwill
Goodwill decreased by ₱417.8 million (31%), from ₱1,343.8 million on December 31, 2019 to ₱926.0 million on December 31, 2020, due to provisions for impairment on Pacific Online's Goodwill booked during 2020.

Right of Use Assets
Right of use assets decreased by ₱76.6 million (52%) from ₱148.3 million as of December 31, 2019 to ₱71.7 million as of December 31, 2020, mainly due to amortization expense.

Other Assets
Other assets increased by ₱352.2 million (16%), to ₱2,14.4 million as of December 31, 2020 from ₱2,162.3 million as of December 31, 2019, mainly due to increases in prepaid taxes.

LIABILITIES
Total liabilities increased by ₱6,611.4 million (51%), to ₱19,521.9 million as of December 31, 2020, from ₱12,910.5 million as of December 31, 2019, mainly due to the increase in contractual liabilities from leases and additional borrowings from local banks.

Trade and Other Current Liabilities
Trade and other current liabilities slightly increased from ₱2,301.8 million as of December 31, 2019 to ₱2,338.8 million as of December 31, 2020.

Loans Payable and Long-Term Debt
Total consolidated debt, amounting to ₱7,091.7 million as of December 31, 2020, consists of Peso-denominated borrowings of Belle from various local financial institutions, with an average interest rateof approximately 5.57% per annum during 2020. The outstanding amount of total debt increased by ₱630.6 million (10%) from ₱6,461.1 million as of December 31, 2019, due to financing requirements.

Other Liabilities
Other Liabilities increased by ₱5,720.6 million (408%) to ₱7,122.5 million as of December 31, 2020, from ₱1,401.9 million as of December 31, 2018, mainly due to increase in liabilities from long-term operating leases.

EQUITY
The Company's shareholders' equity as of December 31, 2020 of ₱30,434.1 million was lower by ₱1,427.3 million (4%), compared to its shareholders' equity of ₱31,861.4 million as of December 31, 2019, due to the decreases in market value of financial assets at fair value through other comprehensive income of ₱718.7 million (54%) and the ₱1,171.5 million regular cash dividend paid to its shareholders on March 27, 2020. The decreases were offset by Company's consolidated net income of ₱891.7 million for 2020.

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

Belle Corporation (consolidated)

	December 31, 2020	December 31, 2019
Asset to equity ratio	**1.64 : 1.00**	1.41 : 1.00
Current or Liquidity ratio	**2.55 : 1.00**	2.19 : 1.00
Debt-to-equity ratio	**0.23 : 1.00**	0.20 : 1.00
Net debt-to-equity ratio	**0.15 : 1.00**	0.07 : 1.00
Interest rate coverage ratio	**2.90 : 1.00**	7.56 : 1.00
Return on assets	**1.9%**	6.7%
Return on equity	**2.9%**	9.5%

Premium Leisure Corp. (consolidated)

	December 31, 2020	December 31, 2019
Asset to equity ratio	**1.07 : 1.00**	1.11 : 1.00
Current or Liquidity ratio	**5.75 : 1.00**	4.35 : 1.00
Debt-to-equity ratio	**0.00 : 1:00**	0.01 : 1.00
Interest rate coverage ratio	**48.15**	215.38
Return on assets	**1.72%**	10.74%
Return on equity	**1.87%**	11.82%

Pacific Online Systems Corporation (consolidated)

	December 31, 2020	December 31, 2019
Asset to equity ratio	**1.28 : 1.00**	1.30 : 1.00
Current or Liquidity ratio	**2.92 : 1.00**	2.40 : 1.00
Debt-to-equity ratio	**0.28 : 1.00**	0.30 : 1.00
Net debt-to-equity ratio	**0.00 : 1.00**	0.00 : 1.00
Interest rate coverage ratio	**(74.86): 1.00**	(55.40): 1.00
Return on assets	**-38.75%**	-18.7%
Return on equity	**-49.54%**	-24.4%

The above performance indicators are calculated as

follows:Current Ratio — Current Assets / Current Liabilities

Debt to Equity Ratio — Interest-bearing debt / Total Equity

Asset-to-equity Ratio — Total Assets / Total Equity

Return on Equity — Net Income / Average equity during the period

Return on Assets — Net Income / Average assets during the period

Interest Coverage Ratio — Income Before Interest & Tax / Interest Expense

Net debt-to-equity ratio — Interest-bearing debt less cash and cash equivalents / Total Equity

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of December 31, 2020, consolidated total debt of the Company of ₱7,091.7 million was comprised of borrowings from renewable short-term bank lines of ₱2,525.0 million and amortizing term loans from banks of ₱4,566.7 million. Belle has real estate projects, lease agreements and investments from which it expects to generate cash flow sufficient for its foreseeable requirements. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of December 31, 2021, 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:

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

December 31, 2019 versus December 31, 2018 Results of Operations (in thousands)

		December 31			Horizontal Analysis		Vertical Analysis	
		2019		2018	Increase (Decrease)		2019	2018
REVENUE								
Gaming revenue share	P	**2,976,366**	P	3,211,857	**(235,491)**	**-7%**	**40%**	38%
Lease income - Building		**2,670,953**		724,431	**1,946,522**	**269%**	**36%**	9%
Equipment rental and instant scratch ticket sales (POSC)		**681,484**		1,448,318	**(766,834)**	**-53%**	**9%**	17%
Sale of real estate		**487,307**		670,527	**(183,220)**	**-27%**	**7%**	8%
Distribution and commission income (POSC)		**308,381**		487,626	**(179,245)**	**-37%**	**4%**	6%
Revenue from property management		**214,635**		186,194	**28,441**	**15%**	**3%**	2%
Interest income on finance lease accounting		**-**		1,663,824	**(1,663,824)**	**-100%**	**0%**	20%
Others		**157,092**		122,235	**34,857**	**29%**	**2%**	1%
TOTAL REVENUES		**7,496,218**		8,515,012	**(1,018,794)**	**-12%**	**100%**	100%
COST OF GAMING OPERATIONS		**(135,865)**		(178,264)	**(42,399)**	**24%**	**-2%**	-2%
COST OF LEASE INCOME		**(836,938)**		(341,600)	**495,338**	**-145%**	**-11%**	-4%
COST OF LOTTERY SERVICES		**(983,422)**		(1,270,160)	**(286,738)**	**23%**	**-13%**	-15%
COST OF REAL ESTATE SOLD		**(202,335)**		(363,568)	**(161,233)**	**44%**	**-3%**	-4%
COST OF PROPERTY MANAGEMENT SERVICES		**(159,854)**		(134,960)	**24,894**	**-18%**	**-2%**	-2%
GENERAL AND ADMINISTRATIVE EXPENSES		**(1,386,592)**		(1,802,136)	**(415,544)**	**23%**	**-18%**	-21%
TOTAL COSTS AND EXPENSES		**(3,705,006)**		(4,090,688)	**(385,682)**	**9%**	**-49%**	-48%
INCOME FROM OPERATIONS		**3,791,212**		4,424,324	**(633,112)**	**-14%**	**51%**	52%
UNREALIZED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS		**(15,248)**		(11,903)	**(3,345)**	**28%**	**0%**	0%
INTEREST EXPENSE AND OTHER FINANCE CHARGES		**(478,880)**		(464,861)	**14,019**	**-3%**	**-6%**	-5%
INTEREST INCOME		**75,157**		58,251	**16,906**	**29%**	**1%**	1%
NET FOREIGN EXCHANGE LOSS		**(2)**		(683)	**681**	**-100%**	**0%**	0%
OTHER INCOME (CHARGES)		**(155,073)**		(191,084)	**36,011**	**-19%**	**-2%**	-2%
INCOME BEFORE INCOME TAX		**3,217,166**		3,814,044	**(596,878)**	**-16%**	**43%**	45%
PROVISION FOR INCOME TAXES								
Current		**274,033**		225,415	**48,618**	**22%**	**4%**	3%
Deferred		**19,406**		363,495	**(344,089)**	**-95%**	**0%**	4%
		293,439		588,910	**(295,471)**	**-50%**	**4%**	7%
NET INCOME	P	**2,923,727**	P	3,225,134	**(301,407)**	**-9%**	**39%**	38%

Belle realized consolidated revenues of ₱7,496.2 million for the year ended December 31, 2019, down 12% compared to revenues of ₱8,515.0 million for 2018. As a result, Belle's consolidated net income of ₱2,923.7 million for 2019 was 9% lower than consolidated net income of ₱3,225.1 million for 2018.

Belle's overall operating performance was affected by weaker results at Pacific Online Systems Corporation ("Pacific Online"), which leases online betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery and keno operations. Pacific Online, which is 50.1%-owned by Belle's subsidiary Premium Leisure Corp. ("PLC"), posted a 49% decrease in revenues, from ₱1,935.9 million in 2018 to ₱989.9 million in 2019. This was due to competition from the small-town lottery, and the temporary suspension of lottery and keno operations by the PCSO during the third quarter of 2019. With the suspensions since lifted, Pacific Online is working closely with the PCSO andits network of agents to boost the attractiveness of the pari-mutuel games it offers, and is working to implement cost efficiency measures across its operations.

Belle's real estate operations realized a 5% increase in revenues, to ₱3,530.0 million in 2019 from ₱3,367.2 million in 2018. Of real estate revenues in 2019, ₱2,671.0 million came from Belle's lease of the land and buildings comprising City of Dreams Manila to Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), which was a 12% improvement over 2018. Belle's real estate sales and property management activities at its Tagaytay Highlands complex contributed the balance of ₱859.0 million during 2019.

Belle's primary growth driver, its share in the gaming revenues at City of Dreams Manila, remains resilient. PLC registered a ₱2,976.4 million share in gaming earnings of City of Dreams Manila in 2019, which was lower by 7% compared to ₱3,211.9 million in 2018. To mitigate this, Belle decreased its total costs and expenses by 9%, to ₱3,705.0 million in 2019 from ₱4,090.7 million in 2018. As a result, excluding extraordinary and non-recurring items, Belle's recurring net income of ₱3,437.6 million for 2019 was within range of its recurring net income of ₱3,464.2 million for 2018.

Revenues
Total consolidated revenues of ₱7,496.2 million for 2019 were lower by ₱1,018.8 million (12%), compared to ₱8,515.0 million for 2018. The lease revenue from the land and buildings of City of Dreams Manila increased by ₱282.7 million (12%) in 2019, from ₱2,388.3 million for 2018 to ₱2,671.0 millionfor 2019. This was offset by decreases in revenues of Pacific Online by ₱946.1 million (49%), from ₱1,935.9 million in 2018 to ₱989.9 million in 2019, gaming revenue share in City of Dreams Manila by ₱235.5 million (7%) from ₱3,211.9 million in 2018 to ₱2,976.4 million in 2019 and revenue from real estate development and management activities by ₱120.0 million (12%), from ₱979.0 million in 2018 period to ₱859.0 million in 2019.

Costs of Gaming Operations
The costs of gaming operations at PLC decreased by ₱42.4 million (24%) to ₱135.9 million for 2019, from ₱178.3 million for 2018, due to lower consultancy fees and other costs at PLC's wholly-owned subsidiary, Premium Leisure and Amusement Inc. ("PLAI"). PLAI has a direct economic participationin the gaming operations at City of Dreams Manila, by virtue of an operating agreement with MRP that accords PLAI a share of gaming revenue or earnings. MRP is a Philippine Corporation controlled by Melco Resorts and Entertainment Limited ("Melco"), a Hong Kong-based corporation which develops, owns and operates gaming and entertainment facilities around the world, mostly in Macau.

Costs of Lease Income
Costs of lease income in respect of the City of Dreams Manila property increased by ₱495.3 million (145%), to ₱836.9 million in 2019 from ₱341.6 million in 2018, mainly due to depreciation expense recognized as a result of the change in the accounting basis for the lease of the buildings at City of Dreams Manila from finance lease to operating lease, starting in October 2018 and adoption of PFRS 16, Leases.

Costs of Lottery Services
Costs of lottery services at Pacific Online decreased by ₱286.8 million (23%), to ₱983.4 million in 2019 from ₱1,270.2 million in 2018, mainly due to lower consultancy and professional fees.

Costs of Real Estate Sold
Costs of real estate sold decreased by ₱161.3 million (44%) to 202.3 million in 2019, from ₱363.6 million in 2018, due to the lower revenue therefrom recognized during the period.

Costs of Property Management Services
Costs of property management services increased by ₱24.9 million (18%), to ₱159.9 million for 2019, from ₱135.0 million for 2018, due to additional depreciation on service equipment.

General and Administrative Expenses
General and administrative expenses decreased by ₱415.5 million (23%), to ₱1,386.6 million for 2019 from ₱1,802.1 million for 2018, due to lower expenses at PLC.

Financial Income (Expense)
Interest expense and other finance charges increased by ₱14.0 million (3%) to ₱478.9 million for 2019, from ₱464.9 million for 2018. In 2019, as a result of PFRS 16 (Leases) adoption, the Company recognized an interest expense on lease liabilities amounting to ₱71.4 million. The interest expense paid to financial institutions was lower by ₱57.4 million (12%) due to a ₱1,076.7 million (14%) reduction in the Company's total interest-bearing debt in 2019, to ₱6,461.1 million as of December 31, 2019, from ₱7,537.8 million as of December 31, 2018. Interest income increased by ₱16.9 million (29%), to ₱75.2 million in 2019, from ₱58.3 million in 2018, due to higher balances of and average yields on short-term investments.

Provision for Income Taxes
The Company's consolidated provision for income taxes decreased by ₱295.5 million (50%) in 2019, to

₱293.4 million from ₱588.9 million in 2018, due to the net operating loss at Pacific Online during 2019.

Net Income
As a result of the foregoing, the Company realized consolidated net income of ₱2,923.8 million for 2019. While the Company's total consolidated net income was ₱301.3 million (9%) lower than consolidated net income of ₱3,225.1 million for 2018, Belle's core operations continued to be stable. Earnings before interest, taxes, depreciation and amortization ("EBITDA") excluding Pacific Online for 2019 increased by ₱665.1 million (14%) to ₱5,554.2 million, compared to ₱4,889.1 million for the2018 period.

Belle's consistent profitability allowed the Company to declare a regular cash dividend to its shareholders on February 27, 2020 in the amount of ₱1,171.5 million (0.12 per outstanding share), payable on March 27, 2020 to shareholders of record as of March 13, 2020.

December 31, 2019 vs December 31, 2018 Statement of Financial Position (in thousands)

		December 31			Horizontal Analysis		Vertical Analysis	
		2019		2018	Inc (Dec)	%	2019	2018
ASSETS								
Current Assets								
Cash and cash equivalents	P	**4,104,674**	P	2,653,717	1,450,957	55%	**9%**	6%
Financial assets at fair value through profit or loss		**140,457**		155,705	(15,248)	-10%	**0%**	0%
Receivables		**2,463,605**		1,688,453	775,152	46%	**6%**	4%
Contract assets		**40,511**		37,892	2,619	7%	**0%**	0%
Real estate for sale		**327,124**		475,785	(148,661)	-31%	**1%**	1%
Land held for future development		**3,005,429**		2,998,577	6,852	0%	**7%**	7%
Other current assets		**1,637,773**		1,763,057	(125,284)	-7%	**4%**	4%
		11,719,573		9,773,186	1,946,387	20%	**26%**	23%
Noncurrent Assets								
Contract assets - net of noncurrent portion		**89,612**		130,123	(40,511)	-31%	**0%**	0%
Installment receivables		**404,518**		510,446	(105,928)	-21%	**1%**	1%
Financial assets at fair value through other comprehensive income		**5,512,817**		4,770,772	742,045	16%	**12%**	11%
Investments in and advances to associates - net		**77,950**		78,017	(67)	0%	**0%**	0%
Investment properties		**19,491,825**		20,094,843	(603,018)	-3%	**44%**	47%
Intang ble asset		**4,465,206**		4,581,040	(115,834)	-3%	**10%**	11%
Goodwill		**1,343,809**		1,721,327	(377,518)	-22%	**3%**	4%
Property and equipment		**164,825**		363,939	(199,114)	-55%	**0%**	1%
Right of Use		**914,088**		-	914,088	N/A	**2%**	0%
Pension asset		**10,312**		7,856	2,456	31%	**0%**	0%
Deferred tax asset		**52,825**		8,864	43,961	496%	**0%**	0%
Other noncurrent assets		**524,508**		450,673	73,835	16%	**1%**	1%
		33,052,295		32,717,900	334,395	1%	**74%**	77%
TOTAL ASSET	P	**44,771,868**	P	42,491,086	2,280,782	5%	**100%**	100%
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other current liabilities	P	**2,301,824**	P	2,110,143	191,681	9%	**5%**	5%
Loans payable		**1,950,017**		1,500,017	450,000	30%	**4%**	4%
Income tax payable		**4,275**		9,415	(5,140)	-55%	**0%**	0%
Current portion of:								
Long-term debt		**944,444**		2,091,319	(1,146,875)	-55%	**2%**	5%
Lease Liability		**85,660**		-	85,660	N/A	**0%**	0%
Obligations under finance lease		**-**		19,379	(19,379)	-100%	**0%**	0%
		5,286,220		5,730,273	(444,053)	-8%	**12%**	13%
Noncurrent portion of:								
Long-term debt		**3,566,667**		3,911,111	(344,444)	-9%	**8%**	9%
Lease Liability		**918,275**		-	918,275	N/A	**2%**	0%
Obligations under finance lease		**-**		15,995	(15,995)	-100%	**0%**	0%
Pension liability		**54,532**		8,582	45,950	535%	**0%**	0%
Deferred tax liabilities		**2,741,361**		2,667,581	73,780	3%	**6%**	6%
Other noncurrent liability		**343,424**		312,313	31,111	10%	**1%**	1%
		7,624,259		6,915,582	708,677	10%	**17%**	16%
TOTAL LIABILITIES		**12,910,479**		12,645,855	264,624	2%	**29%**	30%
Equity								
Attr butable to equity holders of parent:								
Common stock		**10,561,000**		10,561,000	-	0%	**24%**	25%
Additional paid-in capital		**5,503,731**		5,503,731	-	0%	**12%**	13%
Treasury stock		**(2,476,700)**		(2,476,700)	-	0%	**-6%**	-6%
Equity share in cost of Parent Company shares held by associates		**(2,501)**		(2,501)	-	0%	**0%**	0%
Cost of Parent Company common and preferred shares held by subsidiaries		**(1,493,752)**		(1,695,369)	201,617	-12%	**-3%**	-4%
Unrealized gain on financial assets at fair value through other comprehensive income		**1,386,615**		1,047,057	339,558	32%	**3%**	2%
Other reserves		**2,992,768**		3,059,718	(66,950)	-2%	**7%**	7%
Excess of net asset value of an investment over cost		**252,040**		252,040	-	0%	**1%**	1%
Retained Earnings		**11,707,576**		10,221,830	1,485,746	15%	**26%**	24%
Total equity attributable to equity holders of the Parent		**28,430,777**		26,470,806	1,959,971	7%	**64%**	62%
Non-controlling interests		**3,430,612**		3,374,425	56,187	2%	**8%**	8%
Total Equity		**31,861,389**		29,845,231	2,016,158	7%	**71%**	70%
TOTAL LIABILITIES AND EQUITY	P	**44,771,868**	P	42,491,086	2,280,782	5%	**100%**	100%

ASSETS
Total assets of the Company increased by ₱2,280.8 million (5%) to ₱44,771.9 million as of December 31, 2019, from ₱42,491.1 million as of December 31, 2018.

Cash and Cash equivalents
Cash and cash equivalents increased by ₱1,451.0 million (55%), to ₱4,104.7 million as of December 31, 2019 from ₱2,653.7 million as of December 31, 2018, due mainly to cash flows from operations, offset by the regular cash dividend of ₱1,171.5 million paid on March 28, 2019.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")
The Company's FVTPL decreased by ₱15.2 million (10%), to ₱140.5 million as of December 31, 2019 from ₱155.7 million as of December 31, 2018, due to the decrease in market value of listed shares held by Pacific Online. As at December 31, 2019, the Company's consolidated FVTPL consists of investments of Pacific Online in listed shares of Leisure and Resorts World Corporation, Vantage Equities, Inc., and PLDT, Inc.

Receivables, Contract Assets and Installment Receivables
Receivables, Contract Assets and Installment Receivables increased by ₱631.3 million (27%), to ₱2,998.2 million as of December 31, 2019 from ₱2,366.9 million as of December 31, 2018.

Real Estate for Sale
Real estate for sale decreased by ₱148.7 million (31%), to 327.1 million as of December 31, 2019 from ₱475.8 million as of December 31, 2018, due to sales of real estate.

Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")
The Company's FVOCI increased by ₱742.0 million (16%), to ₱5,512.8 million as of December 31, 2019 from ₱4,770.8 million as of December 31, 2018, due increases in the market values of these investments.

Intangible Asset
This pertains to the cost of the License to operate integrated resorts that was granted by the Philippine Amusement and Gaming Corp ("PAGCOR") to PLAI. Belle and MRP are Co-Licensees under PLAI's PAGCOR License. Amortization of the intangible asset on the License started on December 14, 2014, which is the effectivity date of the Notice to Commence Casino Operations granted by PAGCOR. Intangible assets decreased by ₱115.8 million (3%) in 2019 mainly due to amortization expense on the License.

Investment Properties
This account consists mainly of carrying value of the City of Dreams Manila land and building in Entertainment City in Aseana Business Park in Paranaque City. The ₱603.0 million (3%) decrease during 2019 were due to depreciation expense on the City of Dreams Manila building.

Goodwill
Goodwill decreased by ₱377.5 million due to provision for impairment on Pacific Online's Goodwill in 2019.

Right-Of-Use Assets
Right-Of-Use Assets increased in 2019 by ₱914.0 million due to the adoption of PFRS 16, Leases startingJanuary 1, 2019.

Other Assets
Other assets decreased by ₱51.4 million (2%), to ₱2,162.3 million as of December 31, 2019 from ₱2,213.7 million as of December 31, 2018, mainly due to decreases in advances to contractors.

LIABILITIES
Total liabilities increased by ₱264.6 million (2%), to ₱12,910.5 million as of December 31, 2019, from ₱12,645.8 million as of December 31, 2018, due to the recognition of contractual liabilities from leases as a result of the adoption of PFRS 16 (Leases) starting January 1, 2019.

Trade and Other Current Liabilities
Trade and other current liabilities increased by ₱191.7 million (9%) to ₱2,301.8 million as of December 31, 2019, from ₱2,110.1 million as of December 31, 2018, due to increases in trade payables.

Loans Payable and Long-Term Debt
Total consolidated debt, amounting to ₱6,461.1 million as of December 31, 2019, consists of Peso-denominated borrowings of Belle from various local financial institutions, with an average interest rateof approximately 5.57% per annum during the year ended December 31, 2019. The outstanding amountof total debt decreased by ₱1,076.7 million (14%) from ₱7,537.8 million as of December 31, 2018, dueto debt principal repayments.

Other Noncurrent Liabilities
Other Noncurrent Liabilities increased by ₱1,069.1 million (35%) to ₱4,057.6 million as of December 31, 2019, from ₱2,988.5 million as of December 31, 2018, due to the recognition of liabilities from long-term operating leases as a result of the adoption of PFRS 16 (Leases).

EQUITY
The Company's shareholders' equity as of December 31, 2019 of ₱31,861.4 million was higher by ₱2,016.2 million (7%), compared to its shareholders' equity of ₱29,845.2 million as of December 31, 2018, due to the Company's consolidated net income of ₱2,923.8 million for 2019 and the ₱339.6 million increase in market values of financials assets at FVOCI. The increases were offset by the ₱1,541.9 million regular cash dividend paid to its shareholders on March 28, 2019.

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

Belle Corporation (consolidated)

	December 31, 2019	December 31, 2018
Asset to equity ratio	**1.41 : 1.00**	1.42: 1.00
Current or Liquidity ratio	**2.22 : 1.00**	1.71: 1.00
Debt-to-equity ratio	**0.20 : 1.00**	0.25: 1.00
Net debt-to-equity ratio	**0.07 : 1.00**	0.16: 1.00
Interest rate coverage ratio	**7.56 : 1.00**	9.08:1.00
Return on assets	**6.7%**	7.7%
Return on equity	**9.5%**	10.7%

Premium Leisure Corp. (consolidated)

	December 31, 2019	December 31, 2018
Asset to equity ratio	**1.11 : 1.00**	1.09 : 1.00
Current or Liquidity ratio	**4.35 : 1.00**	4.58 : 1.00
Debt-to-equity ratio	**0.008 : 1:00**	0.00 : 1:00
Net debt-to-equity ratio	**0.00 : 1.00**	(0.17) : 1.00
Interest rate coverage ratio	**215.38 : 1:00**	5.996 : 1:00
Return on assets	**10.74%**	12.2%
Return on equity	**11.82%**	13.3%

Pacific Online Systems Corporation (consolidated)

	December 31, 2019	December 31, 2018
Asset to equity ratio	**1.30 : 1.00**	1.19 : 1.00
Current or Liquidity ratio	**2.40 : 1.00**	4.00 : 1.00
Debt-to-equity ratio	**0.30 : 1.00**	0.19 : 1.00
Net debt-to-equity ratio	**0.00 : 1.00**	(0.30) : 1.00
Interest rate coverage ratio	**(55.40): 1.00**	79.04 : 1.00
Return on assets	**-18.7%**	14.5%
Return on equity	**-24.4%**	17.3%

The above performance indicators are calculated as follows:

Current Ratio	Current Assets / Current Liabilities
Debt to Equity Ratio	Interest-bearing debt / Total Equity
Asset-to-equity Ratio	Total Assets / Total Equity
Return on Equity	Net Income / Average equity during the period
Return on Assets	Net Income / Average assets during the period
Interest Coverage Ratio	Income Before Interest & Tax / Interest Expense
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents / Total Equity

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of December 31, 2019, consolidated total debt of the Company of ₱6,461.1 million was comprised of borrowings from renewable short-term bank lines of ₱1,950.0 million and amortizing term loans from banks of ₱4,511.1 million. Belle has real estate projects, lease agreements and investments from which it expects to generate cash flow sufficient for its foreseeable requirements. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of December 31, 2019, 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:

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

expenditures:

v. Any Known Trends, Events or Uncertainties (Material Impact on Sales)

vi. Any Significant Elements of Income or Loss (from continuing operations)

PART II – OTHER INFORMATION

Financial Risk Management Objectives and Policies
The Group's principal financial liabilities are composed of trade and other current liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and cash equivalents, receivables and installment receivables. The Group also holds financial assets at FVPL, financial assets at FVOCI, deposits, refundable deposits and construction bonds, guarantee deposits, loans payable, long-term debt, lease liability, and obligations under finance lease.

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

Interest Rate Risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial assets and financial liabilities. The Group's exposure to interest rate risk relates primarily to the Group's long-term debt which are subject to cash flow interest rate risk.

The Group's policy is to manage its interest cost by limiting its borrowings and entering only into borrowings at fixed and variable interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with other variables held constant of the Company's income before income tax

	(In Thousands)	
	2021	2020
Increase (decrease) in basis points:		
100	**₱6,038**	(₱8,750)
(100)	**(6,038)**	8,750
50	**3,019**	(5,250)
(50)	**(3,019)**	5,250

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

As at December 31, 2021 (and 2020), foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	(In Thousands)	
	2021	2020
Cash and cash equivalents	**₱10,679**	₱19,636
Consultancy and software license fee payable*	**(733)**	(17,207)
Foreign currency-denominated financial assets (liabilities)	**₱9,946**	₱2,429

**Presented under "Trade and other current liabilities" account in the consolidated statement of financial position.*

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was ₱51.09 to US$1.0 and ₱48.02 to US$1.0, as at December 31, 2021 and 2020, respectively.

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

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before tax as at December 31, 2021 (and 2020). There is no other impact on the Group's equity other than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	2021		2020	
	Increase in US$ Rate	**Decrease in US$ Rate**	Increase in US$ Rate	Decrease in US$ Rate
Change in US$ rate*	**5%**	**(5%)**	**5%**	**(5%)**
Effect on income before income tax (in thousands)	**₱1,339**	**(₱1,339)**	**₱4,213**	**(₱4,213)**

The increase in US$ rate means stronger US dollar against peso while the decrease in US$ means stronger peso against the US dollar.

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

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2021 and 2020 consolidated total comprehensive income before income tax:

	(In Thousands)	
Increase (Decrease) in Equity Price	**2021**	2020
Impact in profit or loss		
5%	**₱3,653**	₱4,213
(5%)	**(3,653)**	(4,213)
Impact in comprehensive income		
5%	**₱363,521**	₱239,567
(5%)	**(363,521)**	(239,567)

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

In the Group's real estate business, title to the property is transferred only upon full payment of the purchase price. There are also provisions in the sales contract which allow forfeiture of installments/deposits made by the customer in favor of the Group and retain ownership of the property. The Group has the right to sell, assign or transfer to third party and any interest under sales contract, including its related receivables from the customers. The Group's primary target customers are high-income individuals and top corporations, in the Philippines and overseas. These measures minimize the credit risk exposure or any margin loss from possible default in the payments of installments.

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

With respect to credit risk arising from the financial assets of the Group, which comprise of cash and cash equivalents, investments held for trading, receivables, finance lease receivables, advances to associates, financial assets at FVOCI, deposits, refundable deposits and construction bonds, and guarantee bonds, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these financial assets.

The table below shows the Group's aging analysis of financial assets.

	(In Thousands)						
	2021						
	Neither Past Due nor Impaired	Past Due but not Impaired: Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalents*	**₱2,081,651**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,081,651**
Financial assets at FVPL	**73,054**	**–**	**–**	**–**	**–**	**–**	**73,054**
Receivables:							
Trade	**4,854,185**	**–**	**9,407**	**5,181**	**45,982**	**212,458**	**5,127,213**
Others	**245,711**	**–**	**–**	**–**	**–**	**162,108**	**407,819**
Advances to associates**	**527**	**–**	**–**	**–**	**–**	**–**	**527**
Financial assets at FVOCI	**7,270,420**	**–**	**–**	**–**	**–**	**–**	**7,270,420**
Advances to contractors***	**139,740**	**–**	**–**	**–**	**–**	**–**	**139,740**
Refundable deposit***	**88,285**	**–**	**–**	**–**	**–**	**–**	**88,285**
Guarantee bonds***	**14,500**	**–**	**–**	**–**	**–**	**–**	**14,500**
	₱14,768,073	**₱–**	**₱9,407**	**₱5,181**	**₱45,982**	**₱374,566**	**₱15,203,209**

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	(In Thousands)						
	2021						
	Neither Past Due nor Impaired	Past Due but not Impaired: Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalents*	₱2,579,407	₱–	₱–	₱–	₱–	₱–	₱2,579,407
Financial assets at FVPL	84,261	–	–	–	–	–	84,261
Receivables:							
Trade	2,492,468	23,984	9,658	30,973	323,571	212,458	3,093,112
Others	420,494	–	–	–	–	162,108	582,602
Advances to associates**	524	–	–	–	–	–	524
Financial assets at FVOCI	4,789,847	–	–	–	–	–	4,789,847
Advances to contractors***	139,740	–	–	–	–	–	139,740
Refundable deposit***	104,394	–	–	–	–	–	104,394
Guarantee bonds***	17,920	–	–	–	–	–	17,920
	₱10,629,055	₱23,984	₱9,658	₱30,973	₱323,571	₱374,566	₱11,391,807

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

Financial assets are considered past due when collections are not received on due date.

Past due accounts which pertain to trade receivables from sale of real estate units and club shares are recoverable since the legal title and ownership of the real estate units and club shares will only be transferred to the customers upon full payment of the contract price.

Credit Quality of Financial Assets
The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	(In Thousands)			
	2021			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents*	**₱2,081,651**	**₱–**	**₱–**	**₱2,081,651**
Advances to associates**	**527**	**–**	**–**	**527**
Advances to contractors***	**139,740**			**139,740**
Refundable deposits***	**88,285**	**–**	**–**	**88,285**
Guarantee bonds***	**14,500**	**–**	**–**	**14,500**
Receivables:				
Trade	**4,863,592**	**51,163**	**212,458**	**5,127,213**
Others	**245,711**	**–**	**162,108**	**407,819**
Financial assets at FVOCI	**7,270,420**	**–**	**–**	**7,270,420**
Financial assets at FVPL	**73,054**	**–**	**–**	**73,054**
Gross Carrying Amount	**₱14,777,480**	**₱51,163**	**₱374,566**	**₱15,203,209**

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	(In Thousands)			
	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents*	₱2,579,407	₱–	₱–	₱2,579,407
Advances to associates**	524	–	–	524
Advances to contractors***	139,740			139,740
Refundable deposit and construction bonds***	104,394	–	–	104,394
Guarantee bonds***	17,920	–	–	17,920
Receivables:				
Trade	2,526,110	354,544	212,458	3,093,112
Others	420,494	–	162,108	582,602
Financial assets at FVOCI	4,789,847	–	–	4,789,847
Financial assets at FVPL	84,261	–	–	84,261
Gross Carrying Amount	₱10,662,697	₱354,544	₱374,566	₱11,391,807

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

High grade financial assets pertain to receivables from clients or customers who have no history of delayed payment while medium grade includes receivables from clients or customers who have history of delayed payment but is currently updated.

Cash in banks, cash equivalents and short-term investments are deposited with the top ten banks in the Philippines; hence, considered high grade.

Unquoted investments held for trading and financial assets at FVOCI are unrated while quoted financial assets at FVOCI are assessed as high grade based on financial status of the counterparty and its current stock price performance in the market.

Liquidity Risk. Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Group considers obtaining borrowings as the need arises.
The following table summarizes the maturity profile of the Group's financial liabilities as at December 31, 2021 and 2020 based on contractual undiscounted cash flows.

	(In Thousands)					
	2021					
	On Demand	**< 6 Months**	**6 Months to 1 Year**	**1–3 Years**	**> 3 Years**	**Total**
Financial Liabilities						
Trade and other current liabilities*	**₱1,574,211**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,574,211**
Loans payable**	**1,995,017**	**–**	**–**	**–**	**–**	**1,995,017**
Long-term debt**	**–**	**75,065**	**91,309**	**5,200,445**	**–**	**5,366,819**
Refundable deposit***	**–**	**–**	**–**	**–**	**153,999**	**153,999**
	₱3,569,228	**₱75,065**	**₱91,309**	**₱5,200,445**	**₱153,999**	**₱9,090,046**

**Excluding withholding and output tax payable.*
***Including future interest payments.*
****Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.*

	(In Thousands)					
	2020					
	On Demand	< 6 Months	6 Months to 1 Year	1–3 Years	> 3 Years	Total
Financial Liabilities						
Trade and other current liabilities*	₱253,124	₱1,599,110	₱486,028	₱–	₱–	₱2,338,262
Loans payable**	2,525,017	–	–	–	–	2,525,017
Long-term debt**	–	121,111	–	2,065,556	2,380,000	4,566,667
Refundable deposit***	–	–	–	–	199,311	199,311
	₱2,778,141	₱1,720,221	₱788,200	₱2,065,556	₱2,579,311	₱9,629,257

** Excluding withholding and output tax payable.*
***Including future interest payments.*
****Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.*

The Group expects to settle its maturing obligations on long-term debt from its gaming revenues from casino operations, rental income on land and casino building (see Note 35) and expected profits from real estate development operations.

Capital Management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2021 (and 2020).

The Group considers the following as its capital:

	(In Thousands)	
	2021	2020
Common stock	**₱10,561,000**	₱10,561,000
Additional paid-in capital	**5,503,731**	5,503,731
Treasury stock	**(2,476,697)**	(2,476,700)
Equity share in cost of Parent Company shares held by associates	**(2,501)**	(2,501)
Cost of Parent Company common shares held by subsidiaries	**(1,494,322)**	(1,493,752)
Retained earnings	**12,175,075**	11,580,786
	₱24,266,286	₱23,672,564

Fair Value of Assets and Financial Liabilities

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

	(In Thousands) 2021					
	Valuation Date	**Carrying Value**	**Fair Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets						
Assets measured at fair value:						
Through profit or loss	**December 31, 2021**	**₱73,054**	**₱73,054**	**₱73,054**	**₱–**	**₱–**
Through other comprehensive income (quoted)	**December 31, 2021**	**7,270,420**	**7,270,420**	**7,270,420**	**–**	**–**
Assets for which fair value is disclosed:						
Nonfinancial assets*	**December 31, 2021**	**24,371,435**	**41,782,462**	**–**	**–**	**41,782,462**
Advances to contractors**	**December 31, 2021**	**112,529**	**69,708**	**–**	**–**	**69,708**
Liabilities						
Liabilities for which fair value is disclosed:						
Refundable deposits	**December 31, 2021**	**387,459**	**223,431**	**–**	**–**	**223,431**
Long-term debt	**December 31, 2021**	**4,885,000**	**4,987,980**	**–**	**–**	**4,987,980**
Lease liability	**December 31, 2021**	**6,542,094**	**6,474,460**	**–**	**–**	**6,474,460**

**Consist of investment properties*
***Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	(In Thousands) 2020					
	Valuation Date	Carrying Value	Fair Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets						
Assets measured at fair value:						
Through profit or loss	December 31, 2020	₱84,261	₱84,261	₱84,261	₱–	₱–
Through other comprehensive income (quoted)	December 31, 2020	4,789,847	4,789,847	4,789,847	–	–
Assets for which fair value is disclosed:						
Nonfinancial assets*	December 31, 2020	25,437,299	43,609,782	–	–	43,609,782
Advances to contractors**	December 31, 2020	139,740,	134,587	–	–	134,587
Liabilities						
Liabilities for which fair value is disclosed:						
Refundable deposits	December 31, 2020	199,311	215,564	–	–	215,564
Long-term debt	December 31, 2020	4,566,667	4,946,284	–	–	4,946,284
Lease liability	December 31, 2020	6,696,360	7,243,504	–	–	6,696,360

**Consist of investment properties*
***Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

The Company has no financial liabilities measured at fair value as at December 31, 2021 (and 2020). There were no transfers between fair value measurements in 2021 (and 2020).

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

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

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

Long-term Debt. The fair value long-term loans payable is determined by discounting the obligations' expected future cash flows using the discount rate of 2.91% to 3.74% in 2021 (and 1.75% to 2.49% in 2020).

Lease Liabilities. The fair value is based on the discounted value of expected future cash flows using the applicable interest rate for similar types of instruments. Discount rates used are 0.99% to 4.87% in 2021 (and 0.99% to 3.95% in 2020).

<u>Other Required Disclosures</u>

A. The attached financial reports were prepared in accordance with accounting standards generally accepted in the Philippines.

B. Impact of Covid-19 to Belle's business and operations.

   The Covid-19 pandemic has disrupted the business operations of the Company and its impact was explained in the management discussion and analysis of financial performance and financial condition.

C. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period.

D. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current period.

E. Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities. There were no changes in the composition of the Company during the period such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations, except for the accounting for the PinoyLotto Technologies Corporation as a joint operation as discussed above.

F. There were no material events subsequent to December 31, 2021 up to the date of this report that needs disclosure herein.

G. There were no changes in contingent liabilities or contingent assets since December 31, 2021, as of the date of this report

H. There exist no material contingencies affecting the current period.

2022 Plan of Operations

Belle shifted its principal activity from mining and oil exploration to property development when it developed Tagaytay Highlands in 1989. Residential projects in Tagaytay City include Pinecrest Village, TheVillas, The Belle View, and The Woodlands. Residential projects in Batangas comprise the Midlands and Greenlands development areas. Among the Midlands residential projects are Alta Mira, Lakeview Heights, and Lakeside Fairways. Greenlands residential projects are Plantation Hills, The Parks at Saratoga Hills, TheVerandas at Saratoga Hills, Fairfield and Nob Hill.

Development shifted to the Midlands starting with Alta Mira and Lakeview Heights, which were situated near the Tagaytay Midlands Golf Club. Midlands' themed residential subdivisions adjacent to the TagaytayMidlands golf course were thereafter developed as Lakeside Fairways in 2007.

In August 2019, the Company launched The Grove, an expansion of Plantation Hills, which offers a combined leisure residential and farming concept within the Tagaytay Highlands Complex. With a 70% completion rate as of December 31, 2021, the Company targets to complete the construction of said project and turn-over the lots to buyers within the Q4 of 2023.

With many families looking for new normal homes resulting from the ongoing covid-19 pandemic, the Company endeavors to sell out its remaining inventory within the year, and look for properties that are available in its land bank for future development.

With the Taal Volcano eruption in January 2020 and the lingering pandemic, the Company continues to rely on good risk assessment and responsive actions to safeguard its operations. The Company prioritizes the safety of its employees and other stakeholders, and concentrates on the survival of its businesses, especially throughout the community lockdowns. Cost-cutting programs shall be pursued to help preserve future profitability, and it put emphasis on the minimization of waste and maximization of operating efficiency to help sustain the Company in the foreseeable future.

The Company remains fully committed to the principles of good corporate governance, ensuring that all its businesses adhere to the highest standards of transparency and accountability.

For the gaming side, construction of the Company's integrated resort at the entrance of PAGCOR's Entertainment City was completed in 2015. The site of the integrated resort is on a 6.2 hectare of prime landat the corner of Roxas Boulevard and Aseana Avenue in Parañaque City, and it is about one kilometer awayfrom the Mall of Asia Complex. On October 25, 2012, Belle and PLAI signed a Cooperation Agreement placing Belle as the licensee and owner of the resort's land and buildings, while Melco's Philippine affiliate,Melco Resorts & Entertainment (Philippines) Limited ("MRP") will be the developer and operator of all facilities within the resort complex. Melco is the developer and owner of integrated resort facilities historically focused on the Macau market. Its highly successful "City of Dreams" integrated resort complexon Macau's Cotai Strip houses a gaming facility, several international luxury hotels, and an upscale retail operation, along with a mix of bars and restaurants that draw large crowds from Hong Kong and China on October 9, 2013, MRP announced the use of the name of Melco's flagship Macau resort to bran the integratedresort as "City of Dreams Manila", and later announced Crown Towers (changed to Nuwa in 2017), Hyatt and Nobu as the hotel brands to be used for the resort's more than 900 hotel rooms. City of Dreams Manilahas approximately 30 hectares of gross floor area, which houses more than two hectares of gaming space, more than two hectares of retail and restaurant facilities, more than 900 high-quality hotel rooms, and variousentertainment facilities. As of December 31, 2019, it is allowed to operate a maximum of approximately 302gaming tables, 1,891 slot machines, and 234 electronic table games.

The combined investment of Belle and MRP in City of Dreams Manila as of the official opening date on February 2, 2015, including the estimated value of land used for the project, was approximately US$1.3 billion. The soft opening of City of Dreams Manila took place on December 14, 2014, and the Grand Launchtook place on February 2, 2015. Belle and MRP already satisfied the US$1 billion minimum required level of investment and all other PAGCOR Guidelines by the time of its Grand Launch, resulting in City of DreamsManila being the first property in Entertainment City to be issued a Regular License on May 5, 2015.

Existing investments will continue to be managed at Belle's listed gaming subsidiary, PLC. PLC, which is 79.8%-owned by Belle as of December 31, 2017, owns 100% of the capital stock of PLAI and 50.1% of allissued shared of Pacific Online. PLAI is a co-licensee with Belle and MRP under the PAGCOR license for City of Dreams manila, and is entitled to a share of gaming earning therefrom through an Operating Agreement with MRP. Pacific Online is a listed company that leases online equipment to the Philippine Charity Sweepstakes Office for its lottery and keno operations.

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 and 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 consolidated Financial Statements and Supplementary Schedules as of and for the year ended December 31, 2021 listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Information Statement. Supplementary information are as follows:

k) Supplementary Schedules
1. Financial Assets
2. Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders(other than related parties)
3. Amounts Receivable from related parties which are eliminated during consolidation offinancial statements
4. Intangible Assets – Other Assets
5. Long-Term Debt
6. Indebtedness to Related Parties
7. Guarantees of Securities of Other Issuers
8. Capital Stock
9. Reconciliation of Retained Earnings Available for Dividend Declaration
10. Key Financial Ratios

l) Schedule of all effective standards and interpretations

m) Map of the relationships of the companies within the group

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 in ₱		
	High	**Low**
2021		
First Quarter	**1.74**	**1.41**
Second Quarter	**1.61**	**1.30**
Third Quarter	**1.50**	**1.31**
Fourth Quarter	**1.43**	**1.32**
2020		
First Quarter	2.02	1.00
Second Quarter	1.49	1.2
Third Quarter	1.46	1.32
Fourth Quarter	1.77	1.33

As of January 31 2022, Belle Corporation's market capitalization on 9,763,127,297 outstanding shares in thePSE amounted to ₱13,180,224,550.95 based on the closing price of ₱1.35.

Security Holders

Belle has 1,764 shareholders as of February 28, 2022. Common shares outstanding as of February 28, 2022 totaled 9,696,464,297.

The top 20 stockholders as of February 28, 2022, with their corresponding shareholdings and percentage thereof to total shares outstanding, are:

RANK	STOCKHOLDER'S NAME	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
1	BELLESHARES HOLDINGS, INC.	2,604,740,622	24.664
2	PCD NOMINEE CORPORATION (FILIPINO)	2,513,745,424	23.802
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	1,994,661,767	18.887
4	SYSMART CORPORATION	1,629,355,469	15.428
5	SYBASE EQUITY INVESTMENTS CORPORATION	531,320,577	5.031
6	SOCIAL SECURITY SYSTEM	442,402,786	4.189
7	JACINTO C. JR. NG	135,860,666	1.286
8	EASTERN SECURITIES DEV. CORP.	111,730,866	1.058
9	SINOPHIL CORPORATION	99,987,719	0.947
10	JACINTO L. SR. NG	88,835,833	0.841
11	PARALLAX RESOURCES INC.	86,308,131	0.817
12	SLW DEVELOPMENT CORPORATION	66,082,333	0.626
13	F. YAP SECURITIES, INC.	57,803,732	0.547
14	EASTERN SEC. DEVT. CORP.	50,000,000	0.473
15	WILLY N. OCIER	32,092,709	0.304
16	JACINTO JR. NG &/OR ANITA C. NG	18,293,333	0.173
17	L M SIEW K M	6,200,000	0.059
18	JAMES GO	4,816,999	0.046
19	WILLIAM T. GABALDON	4,000,000	0.038
20	PACITA K. YAP OR PHILIP K. YAP	3,500,000	0.033
	PHILIP KING YAP OR PACITA K. YAP	3,500,000	0.033

Dividends

From 2015-2017, the Company's Board of Directors approved the declaration of a regular dividend of ₱0.095 per share, totaling at least ₱1 billion payable in March of each year. The Company also paid a specialdividend of ₱0.180 per share, totaling ₱1.9 billion, on March 9, 2015.

From 2018-2019, the Company's Board of Directors approved the declaration of a regular dividend of ₱0.120 per share, totaling about ₱1.2 billion, payable in March of each year.

On February 27, 2020, the Company's Board of Directors approved the declaration of a regular dividend of ₱0.120 per share, totaling about ₱1.2 billion, payable on March 27, 2020 to stockholders of record as of May21, 2020.

There is no legal restriction that limits or would likely limit Belle's ability to pay dividends, aside from its retained earnings available for such.

Dividend Policy

a) Subject to the discretion of the Board of Directors, all shareholders have the right to receive dividends.
b) Dividends shall be paid to all shareholders within thirty (30) days from declaration.
c) The Company shall be compelled to declare dividends when its retained earnings shall be in excessof 100% of its paid-in capital stock, except:
    1. When justified by definite corporate expansion projects or programs approved by the Board;
    2. When the Company is prohibited from declaring dividends under any loan agreement withany financial institution or creditor, whether local or foreign, without its consent, and suchconsent has not been secured;
    3. When it can be clearly shown that such retention is necessary under special circumstancesobtaining in the Company, such as when there is a need for special reserve for probable contingencies.

Recent Sales of Unregistered Securities

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

DIRECTORS AND EXECUTIVE OFFICERS

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

COMPLIANCE WITH THE REVISED MANUAL OF CORPORATE GOVERNANCE

Corporate Objectives:

1. **Deliver the finer things in life to our customers.**
   - Identify trends and opportunities in tourism and leisure industries.
   - Forge partnerships with world-class organizations: Belle has always looked for businesspartners with a proven track record, domain expertise, and similar values.
   - Enhance and launch prime leisure amenities and developments.

2. **Enhance a shareholder value.**
   - Realize sustained recurring earnings growth year on year.
   - Endeavor to model global good governance best practices, and continue to be one of the top 100 Philippine publicly-listed companies scoring above 90 points in the annual ASEANCorporate Governance Scorecard.
   - Pay consistent dividends to shareholders.

3. **Establish a culture of sustainability across our business.**
   - Embed sustainability in its operations: Sustainability is a core value of Belle Corporation and working with the communities we operate in is a priority for our operations, including programs to lower use of fossil fuels, achieve more efficient waste management, care for the environment, and uplift the lives of the less privileged in our communities.
   - Establish social partnerships: Belle Kaagapay partners with a number of non-government organizations to expand the reach of its community initiatives.

The company remains focused on insuring the adoption of systems and practices of good corporategovernance in enhancing value for its shareholders.

Board Attendance

Regular meetings of the Board are scheduled before the beginning of the year and are held at least six (6) times annually. Special meetings may also be called by the Chairman, the President or Corporate Secretary.The Board and Committee Meetings for 2022 were scheduled during the Board Meeting in October 2021. A director's absence or non-participation in more than 50% of all meetings in a year is a ground for temporary disqualification in the succeeding election. During 2021, each of the Company's Directors have complied with the requirements. Below table shows the attendance of each board member in the meetings conducted during the year:

BOD	24-Feb-21	25-Mar-21	14-Apr-21	19-Apr-21	12-May-21	25-Jun-21[1]	25-Jun-21	29-Jul-21	28-Oct-21	9-Dec-21
Ocier, Willy N.	x	x	x	x	x	x	x	x	x	x
Uychaco, Elizabeth Anne C.	x	x	x	x	x	x	x	x	x	x
Gana, Manuel A.	x	-	x	x	x	x	x	x	x	x
Ng, Jacinto C. Jr.	x	x	x	x	x	x	x	x	x	x
Sio, Jose T.	x	x	x	x	x	x	x	x	x	x
Tetangco, Amando M. Jr.	x	x	x	x	x	x	x	x	x	x
Yap, Virginia A.	x	x	x	x	x	x	x	x	x	x
Bautista, Jaime J.[2]	-	-	-	-	-	x	x	x	x	x
Tan, Maria Gracia P.[2]	-	-	-	-	-	x	x	x	x	x

[1] - Annual Stockholders' Meeting
[2] - elected on June 25, 2021

Board Assessment

The Company conducts annual performance evaluations of the Board of Directors, its individual members and Board Committees to ensure optimum Board performance. In this evaluation process, directors identifyareas for improvement, some of which are: the timelines and integrity of information given to them, directors' access to management, the Corporate Secretary and Board Advisors, and other form of assistanceas needed. The Board reviews the results of these evaluations and agrees on clear action plans to address anyissues raised.

In line with governance best practices, the board evaluations shall be facilitated by a third-party independentassessor every three (3) years reckoned from January 1, 2017 (effectivity date of the 2016 Code of CorporateGovernance for Publicly Listed Companies).

The Board members assessed the Board as a whole based on their balance/diversity, competencies, background and experience for its 2020 performance in 2021. Board efficiency and importance as well as board activities were also given the appropriate ratings.

The six (6) Board Committees, as follows, were also assessed:
1. Executive Committee
2. Audit Committee
3. Compensation and Remuneration Committee
4. Corporate Governance Committee
5. Related Party Transactions Committee
6. Risk Oversight Committee

Individual performances of the Board were likewise assessed based on independence, participation and diligence.

Further, the Chairman of the Board and Chief Executive Officer were appraised for their leadership, integrity, diligence and adherence to corporate governance practices, while the following key officers were also evaluated for their over-all performance:

1. Chief Finance Officer
2. Chief Risk Officer
3. Compliance Officer
4. Chief Audit Executive

Comments and suggestions were also solicited from the members of the Board in order to identify the areas which need improvement, and any other forms of assistance which may be needed as they carry out their duties and responsibilities.

The appraisal of the Board, Board Committees, member of the Board and Key Officers for their 2021 performance shall be conducted within March 2022.

Continuing Education Programs

The Board identifies areas of continuing education on corporate governance topics they require. To keep the Board and key officers well-informed of governance related developments, regular annual education programs are conducted in coordination with SM Investments Corporation and training providers duly accredited by the Securities and Exchange Commission.

In 2021, the annual continuing education was conducted on September 30 by the Institute of Corporate Directors.

Names	Training provider	Training date	Venue	Training course
Ocier, Willy N.	Institute of Corporate Directors	30-Sep-21	via Zoom Meetings	Advanced Corporate Governance Training
Uychaco, Elizabeth Anne C.				
Gana, Manuel A.				
Bautista, Jaime J.				
Ng, Jacinto C. Jr.				
Sio, Jose T.				
Tan, Maria Gracia P.				
Tetangco, Amando M. Jr.				
Yap, Virginia A.				

Revised Manual on Corporate Governance

In compliance with the initiative of the Securities and Exchange Commission ("SEC"), BELLE submitted its Revised Manual on Corporate Governance (the "Manual") to the SEC. This manual institutionalizes the principles of good corporate governance in the entire Company. The Company believes that corporate governance, the framework of rules, systems, and processes governing the performance of the Board of Directors and Management of their respective duties and responsibilities, and from which the organization'svalues and ethics emerge, is of utmost importance to the Company's shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government, and community in which it operated. The Company undertakes every effort possible to create awareness throughout the entireorganization.

The Board approved on February 24, 2021 the Revised Corporate Governance Manual and has been postedin the Company's website:
https://www.bellecorp.com/sites/default/files/governance/Amended%20MCG%2002242021%20-%20WEBSITE.pdf

Board Committees

Even prior to the submission of its Manual, however, the Company already created various Board-level committees. These committees were comprised of:

1. **Executive Committee** – oversees the management of the Company and is responsible for the Company's finances, goals, and policies. Further, it is also tasked to foster the long-term success of the Company and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders through sound strategic directions and policies, guidelines and programs that can sustain the Company's long-term viability and strength;
2. **Audit Committee** – directly interfaces with the internal and external auditors in the conduct of their duties and responsibilities. Its mandate includes the review of the Company's financial reports and subsequent recommendation to the Board for approval. The Committee also reviews the Company's Internal Control System, its audit plans and audit processes, and the Internal Audit Charter;
3. **Compensation and Remuneration Committee** oversees the development and implementation of policies on salaries and benefits, as well as promotions and other forms of career advancement. The Committee also reviews existing human resource policies to ensure the continued growth and development of the Company's workforce.
4. **Risk Oversight Committee** reviews and assesses the effectiveness of the Company's risk management system in the mitigation of financial and non-financial risks.

Subsequently, the following Board Committees were created:

5. **Related Party Transactions Committee** assists the Board in assessing material agreements with a related party to determine whether to approve, ratify, disapprove or reject a RPT. The Committee takes into account whether the RPT is entered into on terms favorable to the

Corporation than terms generally available to an unaffiliated third party under the same or similar circumstances.;

6. **Corporate Governance Committee** advises and assists the Board of Directors in performing its responsibilities with regard to corporate governance compliance in relation to the Company's Manual on Corporate Governance, PSE's rules on disclosures and corporate governance guidelines of the SEC. Likewise, it is also responsible for monitoring the trends on corporate governance and for making the appropriate recommendations to the Board of Directors.

Below is the summary of Board Committee meetings in 2021:

	EXECUTIVE COMMITTEE	28-Jan-21	24-Jun-21	29-Sep-21	19-Oct-21	25-Nov-21	16-Dec-21
Chairman	Ocier, Willy N.	x	x	x	x	x	x
Member	Uychaco, Elizabeth Anne C.	x	x	x	x	x	x
Member	Gana, Manuel A.	x	x	x	x	x	x
Member	Ng, Jacinto C. Jr.	x	x	x	x	x	x
Member	Yap, Virginia A	x	x	x	x	x	x

	AUDIT COMMITTEE	23-Feb-21	24-Mar-21	14-Apr-21	11-May-21	28-Jul-21	15-Oct-21	27-Oct-21
Chairman	Kilayko, Gregorio U.[1] (ID)	x	x	x	x	-	-	-
Member	Virata, Cesar E. A.[2] (ID)	x	x	x	x	-	-	-
Member	Ng, Jacinto C. Jr.	x	x	x	x	x	x	x
Chairman	Tetangco, Amando M. Jr.[3] (ID)	-	-	-	-	x	x	x
Member	Tan, Maria Gracia P.[4] (ID)	-	-	-	-	x	x	x

[1] - Audit Committee Chairman until the end of his term as Independent Director on June 25, 2021

[2] - Audit Committee member until the end of his term on June 25, 2021

[3] - appointed as Audit Committee Chairman on June 25, 2021

[4] - elected as Independent Director on June 25, 2021

	CORPORATE GOVERNANCE COMMITTEE	23-Feb-21	24-Mar-21	11-May-21	27-May-21	27-Oct-21	26-Nov-21
Chairman	Tetangco, Amando M. Jr.[1] (ID)	x	x	x	x	-	-
Member	Kilayko, Gregorio U.[2] (ID)	x	x	x	x	-	-
Member	Virata, Cesar E. A.[2] (ID)	x	x	x	x	-	-
Chairman	Bautista, Jaime J.[3] (ID)	-	-	-	-	x	x
Member	Tan, Maria Gracia P.[4] (ID)	-	-	-	-	x	x
Member	Tetangco, Amando M.[5]	-	-	-	-	x	x

[1]- Corporate Governance Committee Chairman until June 25, 2021

[2] - Corporate Governance Committee member until the end of his term as Independent Director on June 25, 2021

[3] - elected as Independent Director and appointed as Corporate Governance Committee Chairman on June 25, 2021

[4] - elected as Independent Director and appointed as Corporate Governance Committee Member on June 25, 2021

[5] - apppointed as Corporate Governance Committee Member beginning June 25, 2021

	COMPENSATION AND REMUNERATION COMMITTEE	24-Feb-21	27-Jul-21
Chairman	Sio, Jose T.	x	x
Member	Uychaco, Elizabeth Anne C.	x	x
Member	Gana, Manuel A.	x	x
Member	De Quiros, Emilio S. Jr.[1]	x	-
Member	Kilayko, Gregorio U.[1]	x	-
Member	Tetangco, Amando M. Jr.[2]	-	x

[1] - tenure as Director ended on June 25, 2021

[2] - appointed as Compensation and Remuneration Committee Member on June 25, 2021

	RISK OVERSIGHT COMMITTEE	23-Feb-21	24-Mar-21	11-Aug-21	27-Oct-21	26-Nov-21
Chairman	Virata, Cesar E. A[1] (ID)	x	x	-	-	-
Member	Kilayko, Gregorio U.[2] (ID)	x	x	-	-	-
Member	Ng, Jacinto C. Jr.	x	x	-	-	-
Chairman	Tan, Maria Gracia P.[3] (ID)	-	-	x	x	x
Member	Tetangco, Amando M. Jr. (ID)	-	-	x	x	x
Member	Bautista, Jaime J.[5] (ID)	-	-	x	x	x

[1]- Risk Oversight Committee Chairman until the end of his term as Independent Director on June 25, 2021
[2] - term as Independent Director ended on June 25, 2021
[3] - elected as Independent Director and appointed as Risk Oversight Committee Chairperson on June 25, 2021
[4] - appointed as Risk Oversight Committee Member on June 25, 2021
[5] - elected as Independent Director and appointed as Risk Oversight Committee Member on June 25, 2021

	RELATED PARTY TRANSACTIONS COMMITTEE	23-Feb-21
Chairman	Tetangco, Amando M. Jr.[1] (ID)	x
Member	Kilayko, Gregorio U.[2] (ID)	x
Member	Virata, Cesar E. A.[2] (ID)	x
Chairman	Bautista, Jaime J.[3] (ID)	-
Member	Tan, Maria Gracia P.[4] (ID)	-
Member	Tetangco, Amando M. Jr.[5] (ID)	-

[1]- Related Party Transactions Committee Chairman until June 25, 2021
[2] - term as Independent Director ended on June 25, 2021
[3] - elected as Independent Director and appointed as Related Party Transactions Committee Chairman on June 25, 2021
[4] - elected as Independent Director and appointed as Related Party Transactions Committee Member on June 25, 2021
[5] - apppointed as Related Party Transactions Committee Member beginning June 25, 2021

	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE[1]	24-Feb-21
Chairman	De Quiros, Emilio S. Jr.	x
Member	Gana, Manuel A.	x
Member	Uychaco, Elizabeth Anne C.	x
Member	Yap, Virginia A.	x

[1]- merged with the Corporate Social Responsibility Committee effective June 25, 2021

	ENVIRONMENTAL-SOCIAL COMMITTEE[1]	24-Feb-21
Chairman	Uychaco, Elizabeth Anne C.	x
Member	De Quiros, Emilio S. Jr.	x
Member	Ocier, Willy N.	x
Member	Yap, Virginia A.	x

[1]- merged with the Corporate Social Responsibility Committee effective June 25, 2021

Risk Oversight Committee

The Company has adopted a risk management policy that establishes a culture of disclosing, evaluating andmanaging risks, from the Board and throughout the organization toward achieving its goals and objectives, which include, among others, the protection and preservation its employees' and clients' safety and welfare, the value and condition of its properties and assets, and its local and global reputation. The Company alignsits risk appetite with its long-term strategic objectives.

The Risk Oversight Committee (ROC) evaluates the effectiveness of the Company's risk management system on an annual basis. The Board of Directors, through the ROC, has reviewed in August the Company's risk management system for 2021 and has found the same effective and adequate.

The Audit Committee

The Audit Committee reviews annually the effectiveness of the Company's internal control system, including information technology security and controls. To facilitate their review, the Committee understands and evaluates the scope of the internal and external auditors' review of internal controls over financial reporting, and obtains regular reports on significant findings and recommendations, together with management's responses, to obtain reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate and complied with.

The Board of Directors, through the Audit Committee, has reviewed the effectiveness of the Company's internal control system, including the information technology security controls. Effective and adequate internal control mechanisms are in place, implemented and properly complied with for the year 2021.

Code of Business Conduct and Ethics

The Company remains committed to align with the best corporate governance practices following the releaseof the 2016 Code of Corporate Governance for Publicly Listed Companies. In addition to the Revised Manualon Corporate Governance (Manual), the Company's Code of Business Conduct and Ethics (CBCE) definesgood governance, ethics and compliance practices expected throughout the organization. The Manual and CBCE are communicated to directors, officers and employees to ensure familiarity and adherence. These documents are also made public through the Company's corporate website.

Governance Policies

Company policies on governance were developed, submitted to and approved by the Board to protect the interests and rights of the shareholders and stakeholders and to promote transparency and accountability. Such governance related policies are shown below and may be viewed through the corporate website: https://www.bellecorp.com/corporate-governance/company-policies. These policies andprocedures are initially cascaded throughout the organization via email blast, intranet portal and annual corporate governance trainings.

a) Accountability, Integrity, and Vigilance (Whistle-Blowing)
b) Alternative Dispute Resolution
c) Board Diversity
d) Conflict of Interest
e) Corporate Disclosures
f) Data Privacy Act (Records Management)
g) Directors' Board Seats Held in Other Companies
h) Employees' Safety, Health and Welfare
i) Gifts / Hospitality / Entertainment
j) Guidelines of Placing of Advertisements
k) Insider Trading
l) Material Related Party Transactions
m) Safeguarding Creditors' Rights
n) Succession Planning and Retirement Age for Directors and Key Officers
o) Tenure of Independent Directors

p) Vendor Accreditation and Selection

Board Diversity

The Company values and promotes a diversity policy in the composition of our Company's Board of Directors to reinforce its effectiveness in providing strategic direction, oversight, and compliance with lawsand regulations.

The Belle Board matrix below demonstrates compliance with this policy.

BELLE Board Skill Set Matrix				**INDUSTRY EXPERIENCE / EXPERTISE / COMPETENCIES**																			
NAME and DESIGNATION	**AGE**	**GENDER**	**EDUCATIONAL BACKGROUND**	Accounting / Audit	Anti-Money Laundering	Banking	Construction	Corp. Gov.	Economics	Finance	Hospitality / Leisure	IT / Comm	Insurance	Investment	Internal Control	Law	Management	Manufacturing	Mining	Real Estate	Retail	Risk Management	Sales & Mktg.
Willy N. Ocier Chairman Executive Director	65	M	Bachelor of Arts in Economics					✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓
Elizabeth Anne C. Uychaco Vice Chairperson Non-Executive Director	66	F	Bachelor of Arts Degree Master in Business Economics Master in Business Administration				✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓	✓	
Manuel A. Gana President & CEO Executive Director	64	M	Bachelor of Arts in Economics Bachelor of Science in Accounting Master of Business Administration	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓		✓	✓		✓		✓	
Jaime J. Bautista Independent Director	64	M	Bachelor of Science - Commerce major in Accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Jacinto C. Ng, Jr. Non-Executive Director	52	M	Bachelor of Science Degree Architecture	✓	✓	✓	✓	✓	✓	✓	✓			✓			✓			✓		✓	✓
Jose T. Sio Non-Executive Director	82	M	Accounting Degree Master in Business Administration	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓		✓	✓	✓	✓	
Maria Gracia M. Pulido Tan Independent Director	66	F	Bachelor of Science - Business Administration and Accounting, and Bachelor of Laws Masters in Law (Tax)	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓			✓		✓	
Amando M. Tetangco, Jr. Lead Independent Director	69	M	AB Economics Degree Master in Business Administration Master in Public Policy & Administration	✓	✓	✓		✓	✓	✓		✓	✓	✓			✓			✓		✓	
Virginia A. Yap Non-Executive Director	70	F	Bachelor of Science Degree Commerce, Accounting Major	✓				✓	✓	✓		✓		✓	✓		✓			✓		✓	

Insider Trading Policy

Belle Corporation prohibits the Company's directors, officers, and employees from using privileged company information for personal gain.

Directors' disclosures on self-dealing and related party transactions.

All business decisions and actions must be based on the best interests of the Company and not motivated bypersonal considerations or relationships which may interfere with the exercise of independent judgment.

The Company aims to conduct business in accordance with the highest standards of business ethics. To thisend, all business dealings should be compliant with all applicable laws and must not in any way compromisethe good name and reputation of the Company.

All Directors, Officers and Employees shall act with utmost integrity and shall not engage in unfair dealingpractices. The Company prohibits any conflict of interest, unfair competition, breach of trust, insider trading,or any other act inimical to the Company's interest.

All Directors, Officers and Employees are required to disclose in writing to the Management, within forty-eight (48) hours, any financial or personal interest in any transaction involving the Company to ensure that potential conflicts of interest are brought to the attention of Management.

Directors shall inhibit themselves from participating in any discussion, deliberation and decision-making concerning any issue or transaction where they may be conflicted.

The Company shall not extend loans to Directors and Officers unless these grants are conducted at arms- length basis and at prevailing market rates.

Directors, Officers and Employees are prohibited from buying or selling (trading) shares of stock of Belle Corp. using material non-public information and obtained by reason of position, contact within or other relationship with the Company. They are also prohibited from passing on such information to someone elsewho then buys or sells the Company's shares of stock.

Trading Restriction Period – Directors, Officers and Employees and covered persons mentioned above are prohibited from trading in Belle shares within the period five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results and any other material information.

This is pursuant to Section 13.2 of the PSE Disclosure Rules – "A Director or Principal Officer of an Issuermust not deal in the Issuer's securities during the period within which a material non-public information is obtained and up to two full trading days after the price sensitive information is disclosed."

Reporting Requirements – Directors, Officers and Employees are required to report to the Governance, Corporate Affairs and Investor Relations (GCAIR) Department all dealings in Belle shares within three (3) business days from the date of trading. All Directors and Key Officers covered by the SEC and PSE's reporting requirements with regard to their shareholdings in the Company shall do so immediately and correctly.

Below is the summary of trading of company shares by its directors as of December 31, 2021:

Name of Director / Officer	Number of Shares held as of 12.31.2020	Acquisition (+)	Disposition (-)	Number of Shares held as of 12.31.2021	% of Ownership
Ocier, Willy N.	69,928,702	1,480,000	-	71,408,702	0.73
Uychaco, Elizabeth Anne C.	1,000	-	-	1,000	0
Gana, Manuel A.	51,000	-	-	51,000	0
Bautista, Jaime J.*	-	-	-	11,000	0
Ng, Jacinto Jr. C.	135,860,666	-	-	135,860,666	1.39
Sio, Jose T.	1,000	-	-	1,000	0
Tan, Maria Gracia M. Pulido*	-	-	-	666	0
Tetangco, Amando Jr. M.	1,000	-	-	1,000	0
Yap, Virginia A.	160,000	-	-	160,000	0
TOTALS	**206,003,368**	**1,480,000**	**0**	**207,495,034**	**2.12**

Directorships of Non-Executive Directors in Other Listed Companies

In February 2018, the Board of Directors has approved the setting of a maximum limit of five (5) publicly-listed corporations, including Belle Corporation, for Non-Executive Directors to simultaneously hold at anygiven time.

Tenure of Independent Directors

Further, the Board has approved the setting of maximum tenure of nine (9) years with year 2012, or the commencements of their term assuming it is later than January 2012, as reckoning date. The Independent Director (ID) may serve as a Non-Executive Director after his term as an ID.

Compliance Officer

The Company, through its Compliance Officer, stresses full compliance with applicable laws and adherence to ethical practices as stated in the Code of Business Conduct and Ethics (CBCE) and the RevisedManual on Corporate Governance.

The Board established 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 controlmechanisms are implemented and properly complied in all levels.

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

For governance related issues or concerns, stakeholders may refer to:

Governance and Corporate Affairs Department
5th Floor Tower A, Two E-com Center
Palm Coast Avenue, Mall of Asia Complex
Pasay City 1300 Philippines
Tel. No.:(632) 8662-8888
Email: governance@bellecorp.com

Investor Relations
Michelle T. Hernandez
Vice President - Governance and Corporate Affairs
Belle Corporation
5th Floor Tower A, Two E-com Center
Palm Coast Avenue, Mall of Asia Complex
Pasay City 1300 Philippines
Tel.No.:(632) 8662-8888
Email: michelle,hernandez @bellecorp.com

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 SHAREHOLDERWITH 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:

ATTY. JASON C. NALUPTA
Corporate Secretary

BELLE CORPORATION
5th FLOOR TOWER A, TWO E-COM CENTER
PALM COAST AVENUE, MALL OF ASIA COMPLEX
CBP-1, PASAY CITY 1300, PHILIPPINES
Email:
governance@bellecorp.com
Tel No.: 632-8662-8888
Fax no.: 632-6862-8890

2022 ANNUAL STOCKHOLDERS’ MEETING

Guidelines for Participating via Remote Communication and Voting *in Absentia*

The 2022 Annual Stockholders’ Meeting (**ASM**) of Belle Corporation (“**Belle”** or the “**Company”**) will beheld on **April 28, 2022** at 2:00 P.M. and the Board of Directors of the Company has fixed the end of tradinghours of the Philippine Stock Exchange, Inc. on **March 21, 2022** (“**Record Date”**) as the record date for the determination of stockholders entitled to the notice of, to attend, and to vote at such meeting and any adjournment thereof.

The Board of Directors of the Company has approved and authorized stockholders to participate in the ASMvia remote communication and to exercise their right to vote *in absentia* or by proxy. This is in view of the community quarantine currently implemented in various areas of the country and in consideration of healthand safety concerns of everyone involved.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until **April 25, 2022**, 12:00 noon via ***asmregister.bellecorp.com*** and by submitting the following requirementsand documents, subject to verification and validation:

1. Individual Stockholders
   - 1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholder(up to 2MB)
   - 1.2. Stock certificate number
   - 1.3. Active e-mail address/es
   - 1.4. Active contact number/s, with area and country codes

2. Multiple Stockholders or with joint accounts
   - 2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders (up to 2MB)
   - 2.2. Stock certificate number/s
   - 2.3. Active e-mail addresses of the stockholders
   - 2.4. Active contact numbers, with area and country codes
   - 2.5. Digital copy of an authorization letter executed by all named holders, authorizing aholder to vote for and on behalf of the account

3. Corporate Stockholders
   - 3.1. Digital copy of the Secretary’s Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation
   - 3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver’s license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative (no more than 2MB)
   - 3.3. Active e-mail address/es of the authorized representative
   - 3.4. Active contact number of an authorized representative, with area and country codes

4. PCD Participants/Brokers
   4.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the PCD participant/broker
   4.2. Digital copy of the certificate of shareholdings issued by the PCD/broker
   4.3. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative (no more than 2MB)
   4.4. Active e-mail address/es of the authorized representative
   4.5. Active contact number of the authorized representative, with area and country codes

Important Reminder: Please refrain from sending duplicate and inconsistent information/documents as these can result in failed registration. All documents/information shall be subject to verification and validation by the Company.

An active/valid email address is required for the registration. Any single email address can be used to register up to five (5) times for multiple shareholdings with the Company under different classifications, i.e., single, joint, multiple/joint, corporate and under broker account. If you have exceeded this number of allowable requests, please contact the Company's Governance and Corporate Affairs Department at (+632) 8662-8888 local 2179 or via email at governance@bellecorp.com.

ONLINE VOTING

Stockholders who have successfully registered shall be notified via email of their unique log-in credentials for the voting portal. Stockholders can then cast their votes for specific items in the agenda, as follows:

1. Access the voting portal by clicking the link, and log in using the unique credentials sent by email to the email-address of the stockholder provided to the Company.

2. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval are appended as **Annex A** to the Notice of Meeting.

   2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.

   2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees (abstain), or vote for certain nominees only.

   Note: *A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (11 directors for the Company) multiplied by the number of his shares 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 shall not exceed the number of shares owned by the stockholder.*

   Example*: A stockholder who has one hundred (100) shares in the Company will have one thousand one hundred (1,100) votes (one hundred shares multiplied by eleven directors to be elected) to distribute among the candidates. Thus, he or she may 1) divide all votes among all candidates equally; or 2) allocate all votes to one or some candidates in any manner so long as the total number of votes does not exceed one thousand one hundred (1,100).*

3. Once the stockholder has finalized his or her vote, he or she can proceed to submit the same by clicking the “Submit” button.

4. The stockholder can still change and re-submit votes, provided, such new votes are submitted using the same log-in credentials. Previous votes will be automatically overwritten and replaced by the system with the new votes cast.

ASM LIVESTREAM

The ASM will be broadcasted live and stockholders who have successfully registered will be provided accessto participate via remote communication. Instructions on how to access the livestream will also be posted at ***bellecorp.com/ASM2022***.

Video recordings of the ASM will be adequately maintained by the Company and will be made available toparticipating stockholders upon request.

OPEN FORUM

During the virtual meeting, the Company will have an Open Forum, during which, the meeting’s moderatorwill read and where representatives of the Company shall endeavor to answer as many of the questions andcomments received from stockholders as time will allow.

Stockholders may send their questions in advance by sending an email bearing the subject “**ASM 2022 OpenForum**” to ***corsec@bellecorp.com*** on or before April 26, 2022. A section for stockholder comments/questionsor a “chatbox” shall also be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Company’s Investor Relations.

For any concerns, please contact the Company’s Governance and Corporate Affairs Department at (+632) 8662-8888 local 2113 or via email at governance@bellecorp.com.

For complete information on the annual meeting, please visit (bellecorp.com/ASM2022 in the DIS).

BELLE
CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Belle Corporation and Subsidiaries (the Company)** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2021 and 2020**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co. and SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the periods December 31, 2021 and 2020, respectively, have audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

WILLY N. OCIER
Chairman of the Board

MANUEL A. GANA
President and Chief Executive Officer

JACKSON T. ONGSIP
Executive Vice President
and Chief Financial Officer

Signed February 24, 2022

SUBSCRIBED AND SWORN to before me this FEB 28 2022 day of ________2022 affiants exhibiting to me their Passport and Tax Identification Numbers, as follows:

NAME	PASSPORT/ TAX IDENTIFICATION NUMBER	DATE OF EXPIRY	PLACE OF ISSUE
WILLY N. OCIER	[redacted]		
MANUEL A. GANA	[redacted]		
JACKSON T. ONGSIP	[redacted]		

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PAGE NO. : 5

BOOK NO. : 29

SERIES OF : 2022.

JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-19 / Until 12-31-23
Roll No. 45790 / IBP Life No. 04897 / 07-03-03
PTR-O.R. No. 8852510 / 01-03-22 / Makati City
MCLE No. VI-0016565 / 01-14-19
G/F Fedman Suites, 199 Salcedo St.
Legaspi Village, 1229 Makati City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	2	4	1	2

COMPANY NAME

BELLE CORPORATION AND SUBSIDIARIES

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	Not Applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@bellecorp.com	(02) 8662-8888	Not Applicable

No. of Stockholders	Annual Meeting	Calendar Year (Month / Day)
1,764	4th Monday of April	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Mr. Jackson T. Ongsip	info@bellecorp.com	(02) 8662-8888	0917-5578203

CONTACT PERSON'S ADDRESS

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

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

2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

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INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Belle Corporation
5th Floor, Tower A, Two E-Com Center
Palm Coast Avenue, Mall of Asia Complex
CPB-1A, Pasay City

Opinion

We have audited the accompanying consolidated financial statements of Belle Corporation and Subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of financial reporting relief issued and approved by the Philippine Securities and Exchange Commission (SEC).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for Lease Concessions (As Lessor)
The Group granted lease concessions to its lessee and accounted the lease concessions as adjustment to its lease income. The Group recognized its lease income only to the extent collectible. The Group's accounting of lease concession is significant to our audit because the recorded amounts are material to the consolidated financial statements and involves application of significant judgment and estimation.

We obtained understanding of the type, extent and periods covered in the lease concessions granted by the Group and evaluated management's judgments, reviewed the calculation of the financial impact of lease concession prepared by management and assessed the adequacy of the related disclosures in Notes 3, *Significant Judgments, Accounting Estimates and Assumptions,* 10, *Investment Properties,* and 33, *Lease Commitments,* to the consolidated financial statements.

Assessing Recoverability of Goodwill in Pacific Online Systems Corporation (POSC)
At each reporting date, the Group is required to assess the recoverability of goodwill. As at December 31, 2021, assessing goodwill arising from acquisition of POSC amounting to ₱926.0 million is considered significant to the consolidated financial statements because management's assessment involves significant judgment such as determination of revenue growth rate, discount rate and the long-term growth rate. These judgments are based on assumptions that are subject to high level of estimation uncertainty especially during the current economic condition where coronavirus pandemic is still prevailing.

Our audit procedures, include, among others, assessing management's assessment of the recoverable amount of goodwill considering the potential impact of regulatory processes and decisions and changes in business strategies. We evaluated the appropriateness of the assumptions used by the Group in the impairment assessment, in particular those involving the forecasted cash flows from existing and committed contracts, discount rate and other areas to which the outcome of the impairment test is most sensitive. We also review the adequacy of the Group's related disclosures in Note 3, *Significant Judgments, Accounting Estimates and Assumptions*, and Note 15, *Goodwill and Business Combination*, to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

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

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

Other Matter

The consolidated financial statements of the Group as at December 31, 2020 and for the years ended December 31, 2020 and 2019 were audited by another auditor whose report dated April 14, 2021, expressed an unmodified opinion on those consolidated financial statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Belinda B. Fernando.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 81207-SEC Group A
Issued January 30, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8851706
Issued January 3, 2022, Makati City

February 24, 2022
Makati City, Metro Manila

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

(With Comparative Figures for 2020)

(Amounts in Thousands)

	Note	2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents	5	**₱2,082,301**	₱2,592,070
Financial assets at fair value through profit or loss (FVPL)	6	**73,054**	84,261
Receivables	7	**4,219,351**	5,034,824
Current portion of contract assets	7	**70,319**	39,903
Real estate for sale - at cost	8	**351,120**	470,609
Land held for future development - at cost	8	**3,021,120**	3,013,950
Other current assets	9	**2,518,964**	1,872,788
Total Current Assets		**12,336,229**	13,108,405
Noncurrent Assets			
Installment receivables - net of current portion	7	**941,115**	269,600
Investment properties	10	**24,371,435**	25,437,299
Financial assets at fair value through other comprehensive income (FVOCI)	11	**7,270,420**	4,789,847
Intangible asset	12	**4,233,538**	4,349,372
Goodwill	15	**926,008**	926,008
Investments in and advances to associates - net	14	**119,688**	121,356
Property and equipment	13	**86,082**	143,911
Right-of-use assets	33	**54,812**	71,732
Deferred tax assets - net	32	**21,399**	82,415
Pension asset	34	**17,384**	14,012
Contract assets - net of current portion	7	**–**	46,302
Other noncurrent assets	16	**649,467**	641,649
Total Noncurrent Assets		**38,691,348**	36,893,503
		₱51,027,577	₱50,001,908
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	18	**₱1,995,017**	₱2,525,017
Trade and other current liabilities	17	**1,809,301**	2,384,734
Income tax payable		**–**	6
Current portion of:			
Lease liabilities	33	**345,679**	148,613
Long-term debt	20	**15,000**	121,111
Total Current Liabilities		**4,164,997**	5,179,481

(Forward)

	Note	2021	2020
Noncurrent Liabilities			
Noncurrent portion of:			
Lease liabilities	33	**₱6,196,415**	₱6,538,881
Long-term debt	20	**4,870,000**	4,445,556
Deferred tax liabilities - net	32	**2,377,323**	2,968,910
Pension liability	34	**30,894**	59,291
Other noncurrent liabilities	19	**378,515**	375,672
Total Noncurrent Liabilities		**13,853,147**	14,388,310
Total Liabilities		**18,018,144**	19,567,791
Equity Attributable to Equity Holders of the Parent Company			
Common stock	21	**10,561,000**	10,561,000
Additional paid-in capital	21	**5,503,731**	5,503,731
Treasury stock	21	**(2,476,697)**	(2,476,700)
Cost of Parent Company shares held by subsidiaries	21	**(1,464,322)**	(1,464,322)
Equity share in cost of Parent Company shares held by associates	14	**(2,501)**	(2,501)
Other reserves		**5,715,643**	3,675,936
Excess of net assets over acquisition cost of acquired subsidiaries		**252,040**	252,040
Retained earnings	21	**12,175,075**	11,580,786
		30,263,969	27,629,970
Noncontrolling Interests		**2,745,464**	2,804,147
Total Equity		**33,009,433**	30,434,117
		₱51,027,577	₱50,001,908

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Figures for 2020 and 2019)
(Amounts in Thousands, Except for Earnings per Share)

	Note	**2021**	2020	2019
REVENUES				
Gaming revenue share - net	22	**₱1,300,291**	₱635,217	₱2,976,366
Lease income	10	**807,921**	2,663,226	2,670,953
Sale of real estate		**587,812**	234,965	487,307
Equipment rental	33	**426,346**	328,438	681,484
Revenue from property management		**179,618**	168,296	214,635
Commission and distribution income	36	**–**	–	308,381
Others	23	**118,946**	143,258	130,308
		3,420,934	4,173,400	7,469,434
COSTS AND EXPENSES				
Cost of lease income	27	**(1,294,948)**	(1,206,514)	(836,938)
Cost of lottery services	24	**(374,204)**	(494,211)	(983,422)
Cost of real estate sold	26	**(301,406)**	(134,934)	(202,335)
Cost of gaming operations	25	**(135,895)**	(135,692)	(135,865)
Cost of services for property management	28	**(113,574)**	(100,957)	(159,854)
General and administrative expenses	29	**(693,103)**	(1,312,959)	(1,386,592)
		(2,913,130)	(3,385,267)	(3,705,006)
OTHER INCOME (CHARGES)				
Interest expense	30	**(603,832)**	(559,570)	(478,880)
Interest income	30	**24,981**	55,451	75,157
Unrealized loss on financial asset at fair value through profit or loss	6	**(23,623)**	(6,196)	(15,248)
Net foreign exchange gain (loss)		**750**	(1,994)	(2)
Others - net	31	**310,493**	843,194	(128,289)
		(291,231)	330,885	(547,262)
INCOME BEFORE INCOME TAX		**216,573**	1,119,018	3,217,166
PROVISION FOR (BENEFIT FROM) INCOME TAX	32			
Current		**12,656**	36,653	274,033
Deferred		**(541,285)**	190,664	19,406
		(528,629)	227,317	293,439
NET INCOME		**745,202**	891,701	2,923,727
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss in subsequent years:				
Unrealized valuation gain (loss) on financial assets at FVOCI	11	**2,044,638**	(713,764)	477,455
Remeasurement gain (loss) on pension asset/liability - net of tax		**27,133**	17,021	(24,296)
		2,071,771	(696,743)	453,159
TOTAL COMPREHENSIVE INCOME		**₱2,816,973**	₱194,958	₱3,376,886

(Forward)

	Note	2021	2020	2019
Net income attributable to:				
Equity holders of the Parent Company		**₱576,983**	₱1,001,281	₱2,609,733
Noncontrolling interests		**168,219**	(109,580)	313,994
		₱745,202	₱891,701	₱2,923,727
Total comprehensive income attributable to:				
Equity holders of the Parent Company		**₱2,633,997**	₱302,824	₱2,891,414
Noncontrolling interests		**182,976**	(107,866)	485,472
		₱2,816,973	₱194,958	₱3,376,886
Basic/Diluted Earnings Per Share	37	**₱0.061**	₱0.106	₱0.276

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Figures for 2020 and 2019)
(Amounts in Thousands, Except for Par Value and Number of Shares)

	Note	**2021**	2020	2019
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
CAPITAL STOCK - ₱1 par value				
Authorized - 14,000,000,000 shares				
Issued - 10,560,999,857 shares	21	**₱10,561,000**	₱10,561,000	₱10,561,000
ADDITIONAL PAID-IN CAPITAL	21	**5,503,731**	5,503,731	5,503,731
TREASURY STOCKS - at cost	21			
Balance at beginning of year		**(2,476,700)**	(2,476,700)	(2,476,700)
Issuance of treasury stocks		**3**	–	–
Balance at end of year		**(2,476,697)**	(2,476,700)	(2,476,700)
COST OF PARENT COMPANY SHARES HELD BY SUBSIDIARIES	21			
Balance at beginning of year		**(1,464,322)**	(1,493,752)	(1,695,369)
Sale of Parent Company shares by a subsidiary		**–**	29,430	201,617
Balance at end of year		**(1,464,322)**	(1,464,322)	(1,493,752)
EQUITY SHARE IN COST OF PARENT COMPANY SHARES HELD BY ASSOCIATES	21	**(2,501)**	(2,501)	(2,501)
OTHER RESERVES				
Cumulative unrealized marked to market gain (loss) on financial assets at FVOCI				
Balance at beginning of year		**616,228**	1,334,901	1,047,057
Unrealized gain (loss)		**2,029,880**	(713,683)	296,917
Realized gain transferred to retained earnings	11	**(17,306)**	(4,990)	(9,073)
Balance at end of year		**2,628,802**	616,228	1,334,901
Accumulated share in cumulative unrealized marked to market gain on financial assets at FVOCI of associate		**14,061**	14,061	14,061
Cumulative remeasurement on pension asset/ liability				
Balance at beginning of year		**1,519**	(13,707)	1,529
Remeasurement gain (loss) - net of tax		**27,133**	15,226	(15,236)
Balance at end of year		**28,652**	1,519	(13,707)
Transaction with noncontrolling interests		**3,044,128**	3,044,128	3,044,128
		5,715,643	3,675,936	4,379,383

(Forward)

	Note	**2021**	2020	2019
EXCESS OF NET ASSETS OVER ACQUISITION COST OF ACQUIRED SUBSIDIARIES		**₱252,040**	₱252,040	₱252,040
RETAINED EARNINGS				
Balance at beginning of year		**11,580,786**	11,707,576	10,221,830
Net income		**576,983**	1,001,281	2,609,733
Realized gain transferred to retained earnings	11	**17,306**	4,990	9,073
Cash dividends	21	**–**	(1,133,061)	(1,133,060)
Balance at end of year		**12,175,075**	11,580,786	11,707,576
		30,263,969	27,629,970	28,430,777
NONCONTROLLING INTERESTS				
Balance at beginning of year		**2,804,147**	3,430,612	3,374,425
Share in dividends declared by a subsidiary		**(241,660)**	(298,169)	(429,285)
Share in net income (loss)		**168,219**	(109,580)	313,994
Share in unrealized gain (loss) on financial assets at FVOCI		**14,758**	(81)	180,538
Share in remeasurement gain (loss) on pension asset/liability		**–**	1,795	(9,060)
Purchase of treasury share of a subsidiary		**–**	(220,430)	–
Balance at end of year		**2,745,464**	2,804,147	3,430,612
		₱33,009,433	₱30,434,117	₱31,861,389

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Figures for 2020 and 2019)
(Amounts in Thousands)

	Note	**2021**	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱216,573**	₱1,119,018	₱3,217,166
Adjustments for:				
Depreciation and amortization	10, 13	**1,289,144**	1,277,876	1,080,631
Interest expense	30	**603,832**	559,570	478,880
Gain from reversal of provisions	31	**(281,317)**	(756,115)	–
Amortization of discount on trade receivables	7	**(72,600)**	(69,517)	(80,854)
Interest income	30	**(24,981)**	(55,451)	(75,157)
Unrealized loss on financial assets at FVPL	6	**23,623**	6,196	15,248
Pension cost	34	**6,078**	14,432	8,786
Dividend income	31	**(5,275)**	(13,995)	(26,784)
Equity in net loss of associates	14	**1,671**	2,519	–
Unrealized foreign exchange loss (gain) – net		**(750)**	1,994	2
Gain on termination of leases	31	**(567)**	(13,114)	–
Gain on sale of property and equipment	13	**(176)**	(16)	(840)
Impairment of goodwill	15	**–**	417,801	377,518
Gain on disposal of net assets of subsidiaries	15	**–**	(70,338)	–
Impairment loss on right-of-use assets	29	**–**	9,325	–
Operating income before working capital changes		**1,755,255**	2,430,185	4,994,596
Decrease (increase) in:				
Receivables and contract assets		**232,444**	(2,326,250)	(575,963)
Real estate for sale and land held for future development		**112,319**	(152,006)	141,809
Other current assets		**(644,332)**	(287,951)	–
Noncurrent assets		**(22,317)**	(218,070)	58,931
Increase (decrease) in trade and other current liabilities		**(310,468)**	1,204,806	260,079
Net cash generated from operations		**1,122,901**	650,714	4,879,452
Interest received		**24,981**	55,453	100,643
Income taxes paid		**(6)**	(1,895)	(277,022)
Retirement benefits paid	34	**–**	(1,810)	–
Net cash provided by operating activities		**1,147,876**	702,462	4,703,073
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Financial assets at FVOCI	11	**(522,651)**	(9,243)	(310,769)
Property and equipment	13	**(26,817)**	(106,064)	(45,323)
Financial assets at FVPL	6	**(12,416)**	–	–
Proceeds from disposal of:				
Property and equipment	13	**1,749**	9,243	992
Financial assets at FVOCI	11	**86,716**	18,449	46,179
Financial assets at FVPL	6	**–**	50,000	–
Dividends received	31	**5,275**	13,995	26,784
Expenditures on investment properties	10	**–**	(293,553)	–
Proceeds from disposal of net assets of subsidiaries	16	**–**	74,026	–
Decrease (increase) in investments in and advances to associates and related parties		**(2)**	3	67
Net cash used in investing activities		**(468,146)**	(243,144)	(282,070)

(Forward)

	Note	**2020**	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Long-term debt and loans payable	18, 20	**(₱3,831,667)**	(₱4,044,444)	(₱4,691,319)
Lease liabilities	33	**(152,285)**	(404,102)	(138,242)
Interest	30	**(584,637)**	(574,152)	(429,755)
Proceeds from:				
Availment of loans and long-term debt	18, 20	**3,620,000**	4,675,000	3,650,000
Acquisition of Parent Company shares held by a subsidiary		**–**	–	201,617
Dividends paid		**(241,660)**	(1,401,800)	(1,562,345)
Acquisition of treasury shares by a subsidiary		**–**	(220,430)	–
Net cash used in financing activities		**(1,190,249)**	(1,969,928)	(2,970,044)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**750**	(1,994)	(2)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(509,769)**	(1,512,604)	1,450,957
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,592,070**	4,104,674	2,653,717
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱2,082,301**	₱2,592,070	₱4,104,674

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(With Comparative Information for 2020 and 2019)

1. **General Information**

Corporate Information

Belle Corporation (Belle or the Parent Company) is a stock corporation organized in the Philippines on August 20, 1973 and was listed at the Philippine Stock Exchange (PSE) on February 2, 1977. The businesses of Belle, direct and through subsidiaries and associates, include mainly real estate development, principally in the high-end leisure property market, gaming and various investment holdings. Belle and its subsidiaries are collectively referred to as "the Group."

The registered office address of Belle is 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, CBP-1A, Pasay City.

The subsidiaries and interest in a joint operation of the Parent Company, which are all incorporated in the Philippines, are as follows:

		2021			2020			2019		
		Percentage of Ownership			Percentage of Ownership			Percentage of Ownership		
	Industry	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total			
Subsidiaries:										
Belle Bay Plaza Corporation (Belle Bay Plaza)*	Investment	**100.0**	**–**	**100.0**	100.0	–	100 0	100.0	–	100.0
Belle Infrastructure Holdings, Inc., (formerly Metropolitan Leisure and Tourism Corporation)*	Investment	**100.0**	**–**	**100.0**	100.0	–	100 0	100.0	–	100.0
Parallax Resources, Inc. (Parallax)*	Investment	**100.0**	**–**	**100.0**	100.0	–	100 0	100.0	–	100.0
SLW Development Corporation (SLW)*	Investment	**100.0**	**–**	**100.0**	100.0	–	100 0	100.0	–	100.0
Belle Grande Resource Holdings Inc. (BGRHI)	Investment	**100.0**	**–**	**100.0**	100.0	–	100 0	100.0	–	100.0
Premium Leisure Corp. (PLC) and Subsidiaries:	Gaming	**79.8**	**–**	**79.8**	79.5	0.3	79 8	79.5	0.3	79.8
PremiumLeisure and Amusement, Inc. (PLAI)	Gaming	**–**	**100.0**	**100.0**	–	100.0	100 0	–	100.0	100.0
Foundation Capital Resources Inc.*	Investment	**–**	**100.0**	**100.0**	–	100.0	100 0	–	100.0	100.0
Sinophil Leisure and Resorts Corporation*	Investment	**–**	**100.0**	**100.0**	–	100.0	100 0	–	100.0	100.0
Pacific Online Systems Corporation (POSC) and Subsidiaries:	Gaming	**–**	**50.1**	**50.1**	–	50.1	50.1	–	50.1	50.1
Loto Pacific Leisure Corporation (LotoPac)	Gaming	**–**	**100.0**	**100.0**	–	100.0	100 0	–	100.0	100.0
Lucky Circle Corporation (LCC) and Subsidiaries**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Athena Ventures, Inc.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Avery Integrated Hub, Inc.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Circle 8 Gaming Ventures, Inc.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Luckydeal Leisure, Inc.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Luckyfortune Business Ventures, Inc.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Luckypick Leisure Club Corp.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Luckyventures Leisure Corp.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Lucky Games Entertainment Ventures Inc.**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Orbis Valley Corporation**	Gaming	**–**	**–**	**–**	–	–	–	–	100.0	100.0
Total Gaming Technologies, Inc. (TGTI)	Gaming	**–**	**98.9**	**98.9**	–	98.9	98 9	–	98.9	98.9
Falcon Resources Inc. (FRI)	Gaming	**–**	**100.0**	**100.0**	–	100.0	100 0	–	100.0	100.0
TGTI Services, Inc.	Gaming	**–**	**100.0**	**100.0**	–	100.0	100 0	–	100.0	100.0
Interest in a Joint Operation - PinoyLotto Technologies Corp. (PinoyLotto)	Gaming		**50.0**	**50.0**	–	–	–	–	–	–

**Non-operating*

The consolidated financial statements as at and for the year ended December 31, 2021 were approved and authorized for issuance by the Board of Directors (BOD) on February 24, 2022.

2. **Summary of Significant Accounting Policies**

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) as modified by the application of financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The following are the financial reporting reliefs issued and approved by the SEC:

SEC Memorandum Circular (MC) No. 34, Series of 2020, *Deferral of PIC Q&A No. 2018-12 (as amended by PIC Q&A 2020-05) and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23-Borrowing Cost) for Real Estate Industry,* provides relief to the real estate industry by deferring the application of SEC MC No. 14, Series of 2018 with respect to accounting for significant financing component and exclusion of land in the calculation of POC, and IFRIC Agenda Discussion on over time transfer of constructed goods under PAS 23, *Borrowing Cost*, for another period of three (3) years or until 2023.

SEC MC No. 8, Series of 2021, *Amendments to SEC MC No. 14 Series of 2018, SEC MC No. 3 Series of 2019, SEC MC No. 4 and 34 Series of 2020 to Clarify Transitory Provision*, provides real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when adopting the provisions of PIC Q&A and IFRIC pronouncements.

Among the financial reporting reliefs, the Group applied only the relief with respect to accounting for significant financing component. The impact of the application of such financial reporting relief is discussed in "Amendments to PFRS Issued But Not Yet Effective" section.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All amounts are rounded to the nearest thousands unless otherwise stated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values are included in Notes 10, 11, 14 and 39.

Adoption of Amendment to PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendment to PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2021:

- *PIC Q&A 2018-12 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-05) - Treatment of Uninstalled Materials in the Calculation of POC* – The PIC Q&A provides guidance in recognizing revenue using a cost-based input method. Customized materials should be included in the measurement of the progress of work while materials that are not customized should be excluded.

- *PIC Q&A 2018-12-H Accounting for Common Usage Service Area (CUSA) Charges* – The PIC Q&A provides guidance in assessing whether a real estate developer is acting as a principal or agent in certain services to its tenants. The assessment considers the indicators of when an entity controls the specified service (and is, therefore, a principal) such as whether the entity is primarily responsible for fulfilling the promise to provide the service, whether the entity has inventory risk and whether the entity has discretion in establishing the price.

- *Adoption of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost) for the Real Estate Industry* – In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of IFRS 15 (PFRS 15). IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.

  On December 15, 2020, the Philippine SEC issued SEC MC No. 34, Series of 2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023.

  The Group did not avail of the relief provided by the SEC. The adoption of the IFRIC agenda decision did not have impact in the consolidated financial statements of the Group since there were no borrowing costs that were capitalized to projects.

- *PIC Q&A 2018-12-E Treatment of land in the determination of the POC* – The PIC Q&A clarified that the cost of the land should be excluded in measuring the progress of completion of performance obligation and should be accounted for as fulfillment cost.

  On December 15, 2020, the Philippine SEC issued SEC MC No. 34, Series of 2020, which extends the relief on the application of the PIC Q&A 2018-12-E until December 31, 2023.

  The Group did not avail of the relief provided by the SEC. The adoption of the PIC Q&A did not have impact in the consolidated financial statements since Group's accounting policy is already consistent with PIC Q&A No. 2018-12.

The adoption of the foregoing PIC Q&A and IFRIC Agenda Decision did not have any material effect on the consolidated financial statements. Additional disclosures were included in the notes to consolidated financial statements, as applicable.

Amendments to PFRS Issued But Not Yet Effective
Relevant amendments to PFRS which are not yet effective for the year ended December 31, 2021 and have not been applied in preparing the consolidated financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* or IFRIC 21, *Levies,* instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are fist applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

- Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

- Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

Deferred effectivity:

- Amendments to PFRS 10, *Consolidated Financial Statements,* and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

- Deferral of PIC Q&A 2018-12-D, *PFRS 15 Implementing Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-04)*. On October 25, 2018 and December 15, 2020, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 34-2020 providing relief to the real estate industry by deferring the application of "assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)" until December 31, 2020 and 2023, respectively.

  The Group availed of the SEC relief with respect to accounting for significant financing component. The adoption of this guidance would have an impact to the interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings in the year of adoption. The Group is still assessing if the mismatch between the percentage of completion (POC) and right to an amount of consideration constitutes a significant financing component.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS, except for the potential impact of assessing if the transaction price includes a significant financing component as discussed in PIC Q&A No. 2018-12-D (as amended by PIC Q&A 2020-04), is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries and interests in a joint operation. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

NCI represents the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statement of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statement of comprehensive income. NCI represents the equity interest in PLC and POSC not held by the Parent Company.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

If the Parent Company loses control over a subsidiary, it derecognizes the assets including goodwill, liabilities and NCI in the subsidiary. The Parent Company recognizes the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the consolidated statement of comprehensive income.

Business Combinations and Goodwill. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method is used. Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. Under the acquisition method, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed and included in "General and administrative expenses" account in the consolidated statement of comprehensive income.

For accounting similar to pooling of interest method, the assets, liabilities and equity of the acquired companies for the reporting period in which the common control business combinations occur, and for any comparative periods presented, are included in the consolidated financial statements of the Group at their carrying amounts as if the combinations had occurred from the date when the acquired companies first became under the control of the Group. The excess of the net carrying amounts of the assets and liabilities of the acquired companies over the cost of business combinations is recognized under "Excess of net assets over acquisition cost of acquired subsidiaries" account in the equity section of the consolidated statement of financial position.

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

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with the changes in fair value recognized in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in consolidated statement of comprehensive income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group measures in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group also recognizes additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. The measurement period does not exceed one year from the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGU), or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment or determined in accordance with PFRS 8, *Operating Segment*.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash generating unit or group of cash generating units, to which the goodwill relates. When the recoverable amount of the cash generating unit or group of cash generating units is less than the carrying amount, an impairment loss is recognized. Impairment loss with respect to goodwill cannot be reversed in future periods.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the goodwill is allocated. These budgets and forecasts calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

When goodwill has been allocated to a cash generating unit or group of cash generating units and part of the operations within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

When business combination involves more than one exchange transaction (occurs in stages), each exchange transaction is treated separately by the Company, using the cost of transaction and fair value information at the date of each exchange transactions, to determine the amount of goodwill associated with that transaction. Any adjustment to fair value relating to the previously held interest is a revaluation and is accounted for as such.

When subsidiaries are sold, the difference between the selling price and the net assets plus goodwill is recognized in profit or loss.

Joint Arrangements. Joint arrangements represent activities where the Parent Company has joint control established by a contractual agreement. Joint control requires unanimous consent for financial and operational decisions. A joint arrangement is either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities, or a joint venture, whereby the parties have rights to the net assets.

For a joint operation, the consolidated financial statements include the Parent Company's proportionate share of the assets, liabilities, revenues, expenses and cash flows of the joint arrangement. The Parent Company reports items of a similar nature to those on the financial statements of the joint arrangement, on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

Joint ventures are accounted for using the equity method of accounting and recognized at cost and adjusted thereafter for the post-acquisition change in the Parent Company's share of the joint venture's net assets.

Classification of a joint arrangement as either joint operation or joint venture requires judgment. Management's considerations include, but are not limited to, determining if the arrangement is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity direct rights to the assets and obligations for the liabilities within the normal course of business. Other facts and circumstances are also assessed by management, including the entity's rights to the economic benefits of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

Material Partly-owned Subsidiary

PLC

The non-controlling interests in PLC are material to the Group in 2021, 2020 and 2019. NCI hold 20.2% as at December 31, 2021 and 2020. The summarized financial information of PLC is provided below. This information is based on amounts before intercompany eliminations.

Summarized consolidated statements of financial position as at December 31, 2021 and 2020:

	(In Thousands)	
	2021	2020
Total current assets	**₱6,002,149**	₱6,753,160
Total noncurrent assets	**11,082,747**	11,057,854
Total current liabilities	**653,483**	1,172,208
Total noncurrent liabilities	**32,880**	63,219
Total equity	**₱16,398,533**	₱16,557,587
Attributable to:		
Equity holders of the Parent	**₱16,130,762**	₱16,220,076
Non-controlling interests	**267,771**	337,511
Total	**₱16,398,533**	₱16,557,587

Summarized consolidated statements of comprehensive income for the years ended December 31, 2021, 2020 and 2019:

	(In Thousands)		
	2021	2020	2019
Revenue	**₱1,726,637**	₱963,656	₱3,966,232
Costs and expenses	**(963,909)**	(1,697,851)	(2,186,175)
Other income - net	**421,434**	1,054,855	262,150
Income before income tax	**1,184,162**	320,660	2,042,207
Benefit from (provision for) income tax	**(61,252)**	3,056	59,417
Net income	**1,122,910**	323,716	2,101,624
Other comprehensive loss	**(25,243)**	(43,462)	(71,381)
Total comprehensive income	**₱1,097,667**	₱280,254	₱2,030,243
Attributable to:			
Equity holders of the Parent	**₱1,167,407**	₱481,629	₱2,210,285
Non-controlling interests	**(69,740)**	(201,375)	(180,042)
Total	**₱1,097,667**	₱280,254	₱2,030,243

Summarized consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019:

	(In Thousands)		
	2021	2020	2019
Operating	**₱1,219,710**	₱578,921	₱3,046,487
Investing	**(507,539)**	47,273	(326,356)
Financing	**(1,269,549)**	(1,944,958)	(1,497,068)
Net increase (decrease) in cash and cash equivalents	**(₱557,378)**	(₱1,318,764)	₱1,223,063

Dividends paid in 2021, 2020 and 2019 to non-controlling interests amounted to ₱241.7 million, ₱298.2 million and ₱429.3 million, respectively.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classifications.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at FVOCI. The classification of a financial asset largely depends on the Group's business model and on the purpose for which the financial instruments are acquired or incurred and whether these are quoted in an active market.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

As at December 31, 2021 and 2020, the Group does not have financial liabilities at FVPL and debt instruments measured at FVOCI.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Classified under this category are the Group's cash and cash equivalents, receivables, installment receivables, advances to contractors, advances to associates, refundable deposits and construction bonds and guarantee bonds (presented as part of "Other noncurrent assets").

Financial Assets at FVPL. Financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "unrealized gain (loss) on financial assets at FVPL" account in profit or loss.

Classified under this category are the Group's investment in shares of stocks that are held for trading.

Financial Assets at FVOCI. Equity securities which are not held for trading are irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in OCI and are included under "Other comprehensive income" account in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative valuation gains or losses will be reclassified to retained earnings.

Classified under this category are the Group's investments in quoted and unquoted shares of stock and club shares.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

Classified under this category are the Group's trade payables and other current liabilities, loans payable and lease liabilities.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

Trade Receivables. The Group has applied the simplified approach in measuring the ECL on trade receivables. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial assets, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

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

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

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

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Real Estate for Sale and Land Held for Development
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Costs include:

- Cost of the land;
- Construction and development costs; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated specifically identifiable costs to complete and the estimated costs to sell. NRV in respect of land under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion.

Other Assets
This account mainly consists of creditable withholding taxes (CWT), excess of input value-added tax (VAT) over output VAT, advances to contractors and suppliers, prepayments, spare parts and supplies, and refundable deposits and construction bond, among others.

CWT. CWT represents the amount withheld by the Group’s customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at its net realizable amount. CWT that are expected to be utilized as payment for income taxes beyond 12 months from the reporting date, are presented as part of “Other noncurrent assets” account in the consolidated statement of financial position.

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

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

The net amount of tax recoverable from the taxation authority is included as part of "Other current assets" account in the consolidated statement of financial position.

Advances to Contractors and Suppliers. Advances to contractors and suppliers represent advance payments on goods and services to be incurred in connection with the Group's projects and operation. These are charged to expense or capitalized to projects in the consolidated statement of financial position, upon actual receipt of services or goods. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers. Refundable advances to contractors and suppliers are classified as financial assets. Advance payments to contractors and suppliers that will be applied against future billings or expected to be refunded beyond 12 months from the reporting date, are presented as part of "Other noncurrent assets" account in the consolidated statement of financial position.

Prepayments. Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as current asset. Otherwise, these are classified as noncurrent asset.

Spare Parts and Supplies. Spare parts and supplies are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method and includes expenditures incurred in acquiring the supplies and bringing them to their existing location and condition. Net realizable value is the current replacement cost.

Refundable Deposits. Refundable deposits represent payments made as security deposits in relation to the Group's various leases. Deposits that are expected to be refunded for no more than 12 months after the reporting period are classified as current asset. Otherwise, these are classified as noncurrent asset.

Investment Properties

Investment properties comprise of land and building held by the Group to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount includes the cost of replacing part of existing investment properties at the time that cost is incurred and if the recognition criteria are met, and excludes the costs of day-to-day servicing of investment properties. Subsequent to initial recognition, investment properties, except land, are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Land is stated at cost less accumulated impairment loss, if any.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets. The depreciation and amortization periods for investment properties, based on the above policies, are as follows:

Asset Type	Number of Years
Building	17 to 40 years
Building improvements	15 years or the term of the lease, whichever is shorter

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy on property and equipment up to the date of change in use.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no further economic benefit is expected from its disposal. Any gain or loss on the retirement of disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of comprehensive income in the year the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from the indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

The Group made upfront payments to purchase a license. The license has been granted for a period of 18.6 years, renewable for another 25 years, by the relevant government agency. The license was assessed as having a finite life and is amortized on a straight-line basis over the period of the license, i.e., 43.6 years.

Property and Equipment

Property and equipment, except land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at cost less accumulated impairment loss, if any.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Each part of the property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets. The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Asset Type	Number of Years
Lottery equipment	4–10 years or term of lease, whichever is shorter
Leasehold improvements	15 years or the term of the lease, whichever is shorter
Machinery and equipment	5 years
Condominium units and improvements	17 years
Transportation equipment	4–5 years or the term of the lease, whichever is shorter
Office furniture, fixtures and equipment	3–5 years

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation is consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Construction in progress, which includes cost of construction and other direct costs, is stated at cost and is not depreciated until such time as the relevant assets are completed and put into operational use. Assets under construction are reclassified to a specific category of property and equipment when the construction and other related activities necessary to prepare the assets for their intended use are completed and the assets are available for use.

Fully depreciated assets are retained in the accounts until these are no longer in use.

<u>Investments in Associates</u>
An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or control are similar to those necessary to determine control over subsidiaries. Investments in associates are accounted for under the equity method.

Under the equity method, the investments in associates are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associates since their respective acquisition dates. Goodwill relating to the associates is included in the carrying amount of the investments and is not tested for impairment individually.

The profit or loss in the consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associates, the Parent Company recognizes its share of any changes and discloses this, when applicable, as part of other comprehensive income and in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The aggregate of the Group's share in income or loss of associates is shown under "Other income (expenses)" line item in the consolidated statement of comprehensive income. This is the income or loss attributable to equity holders of the associates and therefore is income or loss after tax and non-controlling interest in the subsidiaries of the associates.

If the Group's share of losses of an associate equals or exceeds the carrying amount of an investment, the Group discontinues including its share of further losses. After the Group's investment is reported at zero value, additional losses are provided for and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of net losses not recognized.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that each of the investment in associates is impaired. If such evidence exists, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value and recognizes the loss in profit or loss in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the investment in associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss in the consolidated statement of comprehensive income.

The financial statements of the associates are prepared for the same reporting period as the Parent Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Parent Company.

Impairment of Nonfinancial Assets (excluding Goodwill and Investments in Associates)
Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock and Additional Paid-in Capital
Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity.

Treasury Stock
Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

Equity Share in Cost of Parent Company Shares Held by Associates
Equity share in cost of Parent Company common shares held by associates represents the amount that reduces the Parent Company's "Investments in and advances to associates" account and equity balance by the effective ownership in Parent Company common shares held by associates.

Cost of Parent Company Common Shares Held by Subsidiaries
Parent's shares which are held by a subsidiary are treated similar to treasury shares and recognized and deducted from equity at cost. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other reserves.

NCI
NCI represents the portion of profit or loss and the net assets not held by the Parent Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from total equity attributable to owners of the Parent Company. Any losses applicable to a non-controlling shareholder of a consolidated subsidiary in excess of the non-controlling shareholder's equity in the subsidiary are charged against the NCI even if this results in NCI having a deficit.

NCI represent the equity interest in PLC and POSC not held by the Parent Company.

Other Reserves
Other reserves comprise of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. Other reserves of the Group pertain to cumulative unrealized gains (losses) on financial assets at FVOCI, accumulated share in unrealized gain (loss) on financial assets at FVOCI of associates, cumulative remeasurement gains (losses) on pension asset/liability and transactions with NCI.

Retained Earnings
Retained earnings represent the cumulative balance of the Group's results of operations, net of dividends declared to date.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has generally concluded that it is the principal in its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Real Estate. The Group derives its real estate revenue from sale of lots, house and lots and construction of house. Revenue from the sale of these real estate project spread over time across the course of the development or construction since the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties without consideration of significant financing component under PFRS 15 as allowed by the SEC as discussed in Note 2 to the consolidated financial statements.

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using performance completed to date. This is based on the monthly project accomplishment report prepared by the Group's engineers which integrates the surveys of performance to date of the construction.

Estimated development costs include costs of land development, house construction costs, building costs, professional fees and payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Contract Balances

Receivables (Including Installment Receivables). A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). It also includes the difference between the considerations received from the customer and the transferred goods or services to a customer.

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

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

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced and payments in excess of percentage of completion.

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

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

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

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

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

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

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

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

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

Gaming Revenue Share - Net. Revenue representing monthly payments from Melco Resorts Leisure (PHP) Corporation (Melco) based on the performance of gaming operations of City of Dreams Manila integrated resort and casino is recognized when earned pursuant to an Operating Agreement and is measured at the fair value of the consideration received or receivable, net of Philippine Amusement and Gaming Corporation (PAGCOR) license fee.

In determining the transaction price for gaming revenue share, the Group considers the effect of variable consideration. The Group estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Interest Income. Interest income from trade receivables and finance lease receivables is recognized as the interest accrues using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount. Interest income from bank deposits is recognized as it accrues.

Equipment Rental. Revenue is recognized based on a certain percentage of gross sales of the lessee's online lottery operations, as computed by the lessee in accordance with the agreement, or a fixed annual rental per terminal in commercial operations, whichever is higher.

Commission and Distribution Income. Revenues from the distribution of lottery, sweepstakes and scratch tickets to customers, including retailers and sub-distributors, representing the Company's share from the sales, are recognized upon delivery of the tickets to the customers. Revenue from the monthly fixed payment from Powerball Marketing & Logistics Corp. (PMLC), formerly Powerball Gaming and Entertainment Corporation, is recognized monthly in accordance with the Outsourcing Memorandum of Agreement (OMOA).

Lease Income. Lease income arising from operating leases on investment properties is accounted for on a straight-line basis over the terms of the lease. If the collection of the rentals is not probable, operating lease income is recognized only to the extent collectable.

Revenue from Property Management. Revenue is recognized as services of providing utilities and maintenance are performed.

Dividends (presented under "Other income/charges" account). Revenue is recognized when the Company's right to receive the payment is established.

Income from Forfeitures (presented under "Other revenue" account). This represents income from forfeitures of the deposits and, to a certain extent, installments from customers in the event of a default and/or from cancellations of sales. Revenue is recognized upon approval of cancellation.

Penalty (presented under "Other revenue" account). Penalty pertains to income from surcharges for buyers' default and late payments. Income is recognized when penalty is actually collected.

Income from Playing Rights (presented under "Other revenue" account). Revenue from sale of club shares and playing rights are recognized when the risk and rewards of ownership of the shares and playing rights have been passed to the buyer and the amount of revenue can be reliably measured.

Other Income. Revenue is recognized when there is an incremental economic benefit, other than the usual business operations, that will flow to the Group and the amount of the revenue can be measured reliably.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Cost of Real Estate Sold. Cost of real estate sold is recognized consistent with the revenue recognition method applied. Cost of real estate sold includes all direct materials and labor costs, and those indirect costs related to contract performance. Cost of real estate sold before the completion of the development includes estimated costs for future development work, all estimated by the Parent Company's project engineers. When it is probable that the labor contract cost will exceed total contract revenue, the expected loss is recognized immediately. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements which may result in revisions to estimated costs and gross margins, are recognized in the year in which the revisions are determined. The cost of inventory recognized in profit or loss in the consolidated statement of comprehensive income upon sale is determined with reference to the specific costs incurred on the property, allocated to the saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Cost of Services. Cost of services is recognized as expense when services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

a) the right to obtain substantially all of the economic benefits from the use of the identified asset; and
b) the right to direct the use of the identified asset.

At the commencement date, the Group recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense in profit or loss on a straight-line basis. For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Group will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

ROU Assets. At commencement date, the Group measures ROU assets at cost which is comprised of the following:

a) the amount of the initial measurement of lease liabilities;
b) any lease payments made at or before the commencement date less any lease incentives received;
c) any initial direct costs; and
d) an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets as follow:

Asset Type	Number of Years
Land*	16 years and 4 months
Air rights	14 years and 6 months
Equipment	1 year
Office and warehouse	1 year to 2 years
Corporate Suites	2 years and 5 months

**presented as part of Investment Properties in the consolidated statement of financial position*

Lease Liabilities. At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability consist of the following:

a) fixed payments, including in-substance fixed payments;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable by the lessee under residual value guarantees; and

d) the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

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

The Group accounts for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group, at the effective date of the lease modification:

- Allocate the consideration in the modified contract;
- Determine the lease term of the modified lease; and
- Remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, of the lessee’s incremental

borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined. The lessee shall account for the remeasurement of the lease liability by:

- Decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to partial or full termination of the lease.
- Making corresponding adjustment to the right-of-use asset for all other lease modifications.

Group as a Lessor. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income under operating leases is recognized on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

Operating income is recognized if it is probable that the entity will collect the consideration. In evaluating whether collectability of the amount of consideration is probable, the Company considers the customer's ability and intention to pay. If the collection of the rentals is not probable, operating lease income is recognized only to the extent collectible.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term.

In case of a lease modification, the Group account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Investment properties" accounts in the consolidated statement of financial position). Capitalization ceases when pre-selling of real estate inventories under construction commences. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.
The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

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

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

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

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

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

Past service costs are recognized in the profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognize related restructuring costs.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting period.

Foreign Currency Denominated Transactions

Transactions denominated in foreign currencies are initially recorded in Philippine Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income tax relating to item recognized directly in equity is recognized in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

- When it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

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

Related Parties and Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or a member of the key management personnel of the reporting entity. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Transactions between related parties are accounted for at arm’s length prices or on terms similar to those offered to non-related parties in an economically comparable market.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group’s total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group’s total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with the Group’s related party transactions policy.

Earnings Per Share (EPS)

Basic EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the Parent Company, after recognition of the dividend requirement of preferred shares, as applicable, by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the parent by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on EPS.

As the Group has no dilutive potential common shares outstanding, basic and diluted EPS are stated at the same amount.

Operating Segments
The Group is organized into business units wherein operating results are regularly monitored by the chief operating decision maker (CODM) for the purpose of making decisions about resource allocation and performance assessment. As permitted by PFRS 8, *Operating Segments*, the Group has aggregated these segments into a single operating segment to which it derives its revenues and incurs expenses as these segments have the same economic characteristics and are similar in the following respects:

- the nature of products and services;
- the nature of production processes;
- the type or class of customer for the products and services; and
- the methods used to distribute their products and services.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the consolidated financial statements. The judgment, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgment

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Recognizing Revenue and Cost of Sale from Real Estate Sales:

- *Existence of a Contract*. The Group's primary document for a contract with a customer is a signed contract to sell, which contains all the criteria to qualify as contract with the customer under PFRS 15. In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history of customer, age of receivables and contract assets and pricing of the property. Management regularly evaluates the historical cancellations if it would still support its current threshold of customers' equity before commencing revenue recognition.

- *Revenue Recognition Method and Measure of Progress*. The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

  The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

- *Identifying Performance Obligation*. The Group has various contracts to sell covering (a) serviced lot and (b) condominium unit. The Group concluded that there is one performance obligation in each of these contracts because, for serviced lot, the developer integrates the plots it sells with the associated infrastructure to be able to transfer the serviced land promised in the contract. For the contract covering condominium unit, the developer has the obligation to deliver the condominium unit duly constructed in a specific lot and fully integrated into the serviced land in accordance with the approved plan. Included also in this performance obligation is the Group's service is to transfer the title of the real estate unit to the customer.

- *Recognition of Revenue and Cost of Sale of Real Estate*. Selecting an appropriate revenue recognition method for a particular sale transaction requires certain judgments based on sufficiency of cumulative payments by the buyer, completion of development and existence of a binding sales agreement between the Group and the buyer. The completion of development is determined based on actual costs incurred over the total estimated development costs reconciled with the Group engineer's judgment and estimates on the physical portion of contract work done if the development cost is beyond preliminary stage.

Business Combinations. The Group acquires subsidiaries which own real estate and gaming operations. At the time of acquisition, the Group considers whether the acquisition represents an acquisition of a business or a group of assets and liabilities. The Group accounts for an acquisition as a business combination where an integrated set of business processes is acquired in addition to the asset acquired. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary.

When the acquisition of subsidiary does not constitute a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values and no goodwill or deferred tax is recognized.

The Group's business combinations in prior years are discussed in Note 15.

Assessing Joint Control and Determining Proper Classification of a Joint Arrangement. Management has used judgment in relation to the classification of the Group's interest in PinoyLotto and classified it as a joint operation. PinoyLotto is 50% owned by the Parent Company but controlled jointly with the other owner. PinoyLotto has been classified as a joint operation because the parties have equal number of board representatives and because relevant activities that significantly affect the return on the investment requires approval of representatives from both partners. Management's considerations include, but are not limited to, determining if the arrangement is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity direct rights to the assets and obligations for the liabilities within the normal course of business. Other facts and circumstances are also assessed by management, including the entity's rights to the economic benefits of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

Determining Subsidiaries with Material Non-controlling Interests and Material Associates. The Group is required to disclose certain financial information on its subsidiaries with material NCI and material associates. There are also qualitative considerations including the nature of relationship between the Group and the subsidiary or associate and the nature of their businesses.

Management determines material subsidiaries with material NCI as those with assets, non-controlling interests, revenues and net income greater than 5% of consolidated assets, NCI, revenues and net income. Material associates are those where the carrying amount of investment or equity in net earnings is greater than 5% of the consolidated assets or net income at year end.

The Group has determined PLC as a subsidiary with material NCI in 2021, (2020 and 2019) (see Note 2).

Determination of Lease Term of Contracts with Renewal – Group as a Lessee. The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Estimating the Incremental Borrowing Rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Group's lease liabilities amounted to ₱6,542.1 million as at December 31, 2021 (and ₱6,687.5 million as at December 31, 2020) (see Note 33).

Evaluation of Lease Commitments. The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains a lease when the fulfillment of the arrangement depends on specific asset or assets and the arrangement conveys a right to use the asset.

Operating Lease – as a Lessor. The Parent Company, as a lessor, has accounted for the lease agreements for its land and building under an operating lease. The Parent Company has determined that it has not transferred the significant risks and rewards of ownership of the leased properties to the lessee because of the following factors:

a) the lessee will not acquire ownership of the leased properties upon termination of the lease;
b) the lessee was not given an option to purchase the assets at a price that is sufficiently lower than the fair value at the date of the option;
c) the lease term is not a major part of the economic life of the asset; and
d) the present value of the minimum lease payments is not substantially all of the fair value of the leased asset.

Lease income earned from lease of land and building amounted to ₱807.9 million in 2021 (₱2,663.2 million and ₱2,671.0 million in 2020 and 2019, respectively) (see Notes 10 and 33).

POSC and TGTI leases to Philippine Charity Sweepstakes Office (PCSO) the lottery equipment it uses for its nationwide on-line lottery operations. POSC and TGTI have determined that it has retained substantially all the risks and benefits of ownership of the lottery equipment being leased to PCSO. The ownership of the asset is not transferred to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and, the lease term is not for the major part of the asset's economic life. Accordingly, the lease is accounted for as an operating lease.

Revenue from equipment rental amounted to ₱426.3 million in 2021 (₱328.4 million and ₱681.5 million in 2020 and 2019, respectively) (see Note 33).

Assessing the Collectability of Contracts with Customers. The Group assesses whether it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers the customer's ability and intention to pay the amount of consideration when it is due. The amount of consideration to which the Group will be entitled may also be less than the consideration stated in the contract because the parties may agree on a price concession.

The Group assesses the collectability of these contracts at the inception and reassesses if there is an indication of a significant change in facts and circumstances. In 2021, the Group, as a lessor, agreed to a concession wherein the minimum guaranteed rental payments were reduced by 65% of the original rent and additional lease payments are subject to certain conditions such as operating capacity, lifting of age restrictions and inbound international flight restrictions. Accordingly, the rental income in 2021 was recognized only up to the extent collectible amounting to ₱807.9 million (see Notes 10 and 33).

Determining the Classification of Financial Instruments. The Group exercises judgments in classifying a financial instrument on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

Determining the Fair Value of Financial Instruments. PFRS requires certain financial assets and liabilities to be carried at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any changes in fair value of these financial assets would affect profit and loss and equity.

The fair value of the Group's financial assets and liabilities are disclosed in Note 38.

Classifying Investment Properties and Owner-Occupied Properties. The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Determining Transfers. Transfers between investment properties, land and development costs and property and equipment of the Group are made after determining that there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or commencement of development with a view to sale. These transfers are recorded using the carrying amounts of the investment properties, land and development costs and property and equipment at the date of change in use.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determining Impairment of Receivables, Installment Contract Receivables and Advances to Associates. The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group did not recognize provision for ECL amounting in 2021. Provision for ECL amounted to ₱139.7 million and ₱2.1 million in 2020 and 2019, respectively (see Notes 7 and 29). Allowance for doubtful accounts aggregated to ₱494.9 million as at December 31, 2021 (and 2020) (see Notes 7 and 14). The aggregate carrying values of receivables, installment receivables and advances to associates amounted to ₱5,161.0 million as at December 31, 2021 (and ₱5,304.9 million as at December 31, 2020) (see Notes 7 and 14).

Determining NRV of Real Estate for Sale and Supplies Inventory. Real estate for sale and supplies inventory are stated at lower of cost and NRV. The Group writes down the carrying value of real estate for sale and supplies inventory whenever the NRV becomes lower than cost due to changes in estimated selling prices less cost to sell. The carrying value is reviewed at least annually for any decline in value.

In 2020, the Group recognized provision for probable loss on spare parts and supplies amounting to ₱43.5 million. In 2021, the Group recognized reversal of provision for probable loss on spare parts and supplies amounting to ₱10.9 million. No provision was recognized in 2019 (see Note 9). The carrying values of inventories and supplies inventory carried at lower of cost and NRV are as follows:

		(In Thousands)	
	Note	**2021**	2020
Real estate for sale and land held for future development	8	**₱3,372,240**	₱3,484,559
Spare parts and supplies*	9	**31,557**	21,785

**Included under "Other current assets" account in the consolidated statements of financial position.*

Estimating Useful Life of Gaming License. The useful life of the Group's gaming license recognized as "Intangible asset" account in the consolidated statement of financial position is estimated based on the period over which the asset is expected to be available for use. The estimated useful life of intangible asset is reviewed periodically and updated if expectations differ from previous estimates. The gaming license runs concurrent with PAGCOR's congressional franchise which is set to expire in 2033, renewable for another 25 years by the Philippine Congress.

There were no changes in the estimated useful life of gaming license in 2021 (and 2020). The carrying value of the gaming license amounted to ₱4,233.5 million as at December 31, 2021 (and ₱4,349.4 million as at December 31, 2020) (see Note 12).

Estimating the Useful Lives of Depreciable Investment Properties, Property and Equipment and ROU Assets. The Group estimates the useful lives of the depreciable investment properties, property and equipment and ROU assets based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of depreciable investment properties, property and equipment and ROU assets in 2021 (2020 and 2019). The aggregate carrying amount of depreciable investment properties, property and equipment and ROU assets amounted to ₱22,502.4 million as at December 31, 2021 (and ₱23,568.2 million as at December 31, 2020) (see Notes 10, 13 and 33).

Estimating Impairment of Goodwill. Impairment exists when the carrying value of the CGU, including the goodwill, exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flows model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flows model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are disclosed and further explained in Note 15.

The Group did not recognize an impairment loss on goodwill amounting in 2021. Impairment loss on goodwill amounted to ₱417.8 million and ₱377.5 million in 2020 and 2019, respectively. The carrying amount of goodwill amounted to ₱926.0 million as at December 31, 2021 (and 2020) (see Note 15).

Determining Impairment of Nonfinancial Assets (Except Goodwill). The Group assesses whether there are any indicators of impairment for all nonfinancial assets at each reporting date. Investments in associates, investment properties, property and equipment and intangible assets are reviewed for impairment when there are indicators that the carrying amounts may not be recoverable. Intangible asset is reviewed annually for impairment while it is still not yet available for use. Determining the value in use of these nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that such nonfinancial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's consolidated financial statements.

Provision for impairment loss on right-of-use asset amounted to nil in 2021 (₱9.3 million in 2020 and nil in 2019, respectively) (see Note 33). The carrying values of nonfinancial assets subjected to assessment of impairment indicators or review as at December 31, 2020 and 2019 are as follows:

		(In Thousands)	
	Note	**2021**	2020
Investment properties	10	**₱24,371,435**	₱25,437,299
Intangible asset	12	**4,233,538**	4,349,372
Investments in associates	14	**119,161**	120,832
Property and equipment	13	**86,082**	143,911
Right-of-use assets	33	**54,812**	71,732

Determining Pension Cost. The cost of defined benefit pension plans and present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Pension asset amounted to ₱17.4 million as at December 31, 2021 (and ₱14.0 million as at December 31, 2020). Pension liability amounted to ₱30.9 million as at December 31, 2021 (₱59.3 million as at December 31, 2020) (see Note 34). Pension cost recognized in profit or loss amounted to ₱10.4 million in 2021 (₱23.6 million and ₱27.6 million in 2020 and 2019, respectively). The remeasurement gain (loss) recognized in other comprehensive income amounted to ₱27.1 million in 2021 (₱24.3 million and ₱34.7 million in 2020 and 2019, respectively) (see Note 34).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Further details about the assumptions used are provided in Note 34.

Assessing the Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Recognized deferred tax assets of the Group amounted to ₱2,085.8 million as at December 31, 2021 (and ₱2,588.6 million as at December 31, 2020). Unrecognized deferred tax assets amounted to ₱1,432.2 million as at December 31, 2021 (and ₱978.5 million as at December 31, 2020) (see Note 32). Management believes that it is not probable that sufficient taxable income will be available to allow all these deferred tax assets to be utilized.

Evaluating Contingencies. The Group recognizes provision for possible claims when it is determined that an unfavorable outcome is probable and the amount of the claim can be reasonably estimated. The determination of reserves required, if any, is based on analysis of such individual issue, often with the assistance of outside legal counsel.

4. **Segment Information**

The primary segment reporting format is presented based on business segments in which the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Thus, the operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is primarily in the businesses of real estate development, property management and gaming and gaming-related activities. Others pertain to investment companies which are mostly dormant.

Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, receivables, finance lease receivables, real estate for sale, land held for future development, investment properties, property and equipment and right use assets, net of accumulated depreciation and impairment. Segment liabilities include all operating liabilities and consist principally of accounts payable and other liabilities. Segment assets and liabilities do not include deferred income taxes, investments and advances, and borrowings.

Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in consolidation.

The amounts of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring principles that are similar to those used in measuring assets and liabilities and profit or loss in the consolidated financial statements, which are in accordance with PFRSs.

Financial information about the Group's business segments are shown below:

	(In Thousands) 2021				
	Real Estate Development and Property Management	**Gaming and Gaming Related Activities**	**Others**	**Eliminations/ Adjustments**	**Consolidated**
Earnings Information					
Revenue	**₱1,748,297**	**₱1,726,637**	**₱–**	**(₱54,000)**	**₱3,420,934**
Costs and expenses	**(2,122,722)**	**(963,909)**	**(3,363)**	**176,864**	**(2,913,130)**
Interest expense	**(715,440)**	**(749)**	**–**	**112,357**	**(603,832)**
Interest income	**2,231**	**135,104**	**3**	**(112,357)**	**24,981**
Other income – net	**1,019,589**	**287,078**	**186**	**(1,019,233)**	**287,620**
Income before income tax	**(68,045)**	**1,184,161**	**(3,174)**	**(896,369)**	**216,573**
Benefit from (provision for) income tax	**589,881**	**(61,252)**	**–**	**–**	**528,629**
Net income for the year	**₱521,836**	**₱1,122,909**	**(₱3,174)**	**(₱896,369)**	**₱745,202**
Net income attributable to equity holders of the parent	**₱521,836**	**₱1,193,903**	**(₱3,174)**	**(₱1,135,582)**	**₱576,983**
Other Information					
Investments in and advances to associates	**₱9,775,606**	**₱–**	**₱–**	**(₱9,701,846)**	**₱73,760**
Investments at FVPL	**–**	**73,054**	**–**	**–**	**73,054**
Investments at FVOCI	**6,773,226**	**721,167**	**213,699**	**(437,672)**	**7,270,420**
Total assets	**52,001,006**	**17,084,896**	**364,770**	**(18,469,024)**	**50,981,648**
Total liabilities	**20,993,655**	**686,364**	**2,663,651**	**(6,371,454)**	**17,972,216**
Capital expenditures	**(14,745)**	**(508,847)**	**–**	**–**	**(523,592)**
Depreciation and amortization	**(1,091,963)**	**(81,572)**	**–**	**(115,609)**	**(1,289,144)**

	(In Thousands) 2020				
	Real Estate Development and Property Management	Gaming and Gaming Related Activities	Others	Eliminations/ Adjustments	Consolidated
Earnings Information					
Revenue	₱3,263,745	₱963,655	₱–	(₱54,000)	₱4,173,400
Costs and expenses	(2,140,490)	(1,696,940)	(5,967)	458,130	(3,385,267)
Interest expense	(719,114)	(6,800)	–	166,344	(559,570)
Interest income	3,820	217,964	11	(166,344)	55,451
Other income – net	1,276,563	842,781	18,528	(1,302,868)	835,004
Income before income tax	1,684,524	320,660	12,572	(898,738)	1,119,018
Benefit from (provision for) income tax	(230,374)	3,057	–	–	(227,317)
Net income for the year	₱1,454,150	₱323,717	₱12,572	(₱898,738)	₱891,701
Net income attributable to equity holders of the parent	₱1,454,150	₱351,229	₱12,572	(₱816,670)	₱1,001,281
Other Information					
Investments in and advances to associates	₱9,813,256	₱–	₱–	(₱9,737,828)	₱75,428
Investments at FVPL	–	84,261	–	–	84,261
Investments at FVOCI	4,782,865	287,554	267,099	(547,671)	4,789,847
Total assets	50,485,244	17,793,014	418,139	(18,740,417)	49,955,980
Total liabilities	22,040,246	1,235,427	2,657,369	(6,411,179)	19,521,863
Capital expenditures	399,597	90,839	–	–	490,436
Depreciation and amortization	(1,064,149)	(336,366)	–	122,639	(1,277,876)

	(In Thousands)				
	2019				
	Real Estate Development and Property Management	Gaming and Gaming Related Activities	Others	Eliminations/ Adjustments	Consolidated
Earnings Information					
Revenue	₱3,557,203	₱3,966,231	₱–	(₱54,000)	₱7,469,434
Costs and expenses	(1,726,285)	(2,198,729)	(2,247)	222,255	(3,705,006)
Interest expense	(683,485)	(9,526)	–	214,131	(478,880)
Interest income	9,429	279,859	–	(214,131)	75,157
Other income – net	1,475,574	(17,163)	(112,780)	(1,489,170)	(143,539)
Income before income tax	2,632,436	2,020,672	(115,027)	(1,535,044)	3,217,166
Benefit from (provision for) income tax	(352,850)	59,411	–	–	(293,439)
Net income for the year	₱2,279,586	₱2,080,083	(₱115,027)	(₱1,535,044)	₱2,923,727
Net income attributable to equity holders of the parent	₱2,279,586	₱2,069,534	(₱115,027)	(₱1,624,360)	₱2,609,733
Other Information					
Investments in and advances to associates	₱10,087,874	₱–	₱–	(₱10,009,924)	₱77,950
Investments at FVPL	–	140,457	–	–	140,457
Investments at FVOCI	5,505,286	643,459	–	(635,928)	5,512,817
Total assets	43,566,040	20,304,508	136,746	(19,235,426)	44,771,868
Total liabilities	16,856,407	2,084,284	389,085	(6,419,297)	12,910,479
Capital expenditures	15,776	29,547	–	–	45,323
Depreciation and amortization	(677,458)	(525,812)	–	122,812	(1,080,631)

Revenues from a certain customer in the Group's real estate development business and gaming revenue share - net amounting to ₱2,108.2 million for the year ended December 31, 2021 (₱3,298.4 million and ₱5,647.3 million for the year ended December 31, 2020 and 2019, respectively) are solely collectible from Melco while revenues from the Company's gaming and other gaming-related activities amounting to ₱426.3 million for the year ended December 31, 2021 (₱328.4 million and ₱681.5 million for the year ended December 31, 2020 and 2019, respectively) are solely collectible from PCSO.

The following shows the reconciliations of reportable segment revenues, net profit, assets and liabilities to the Group's corresponding amounts:

	2021	2020	2019
Revenues			
Total revenue for reportable segments	**₱3,474,934**	₱4,393,745	₱7,737,363
Elimination for intercompany revenue	**(54,000)**	(220,345)	(268,129)
Total consolidated revenues	**₱3,420,934**	₱4,173,400	₱7,469,234
Net Profit for the Year			
Total profit for reportable segments	**₱1,641,571**	₱1,956,784	₱4,458,771
Elimination for intercompany profits	**(896,369)**	(1,065,083)	(1,535,044)
Consolidated net profit	**₱745,202**	₱891,701	₱2,923,727
Assets			
Total assets for reportable segments	**₱43,564,415**	₱45,006,444	₱39,040,644
Investments in and advances to associates	**73,760**	75,428	77,950
Investments at FVOCI	**7,270,420**	4,789,847	5,512,817
Investments at FVTPL	**73,054**	84,261	140,457
Total assets	**₱50,981,649**	₱49,955,980	₱44,771,868

	2021	2020	2019
Liabilities			
Total liabilities for reportable segments	**₱8,654,839**	₱9,423,168	₱3,647,237
Loans payable	**1,995,017**	2,525,017	1,950,017
Long-term debt	**4,885,000**	4,566,667	4,511,111
Deferred tax liabilities – net	**2,377,323**	2,968,910	2,741,361
Advances from related parties*	**60,037**	38,101	60,753
Total liabilities	**₱17,972,216**	₱19,521,863	₱12,910,479

**Presented under "Trade payables and other current liabilities" account in the consolidated statement of financial position.*

The Parent Company's BOD, the chief operating decision maker of the Group, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, financing (including interest expense and interest income) and income taxes are managed as a whole and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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

Capital expenditures consist of additions of property and equipment and expenditures on investment properties.

<u>Disaggregated revenue information</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31, 2021, 2020 and 2019:

	(In Thousands)		
	2021		
Type of service	**Real Estate Development and Property Management**	**Gaming and gaming related activities**	**Total**
Gaming revenue share - net	**₱–**	**₱1,300,291**	**₱1,300,291**
Sale of real estate	**587,812**	**–**	**587,812**
Revenue from property management	**179,618**	**–**	**179,618**
Revenue from contracts with customers	**₱767,430**	**₱1,300,291**	**₱2,067,721**

	(In Thousands)		
	2020		
Type of service	Real Estate Development and Property Management	Gaming and gaming related activities	Total
Gaming revenue share - net	₱–	₱635,217	₱635,217
Sale of real estate	234,965	–	234,965
Revenue from property management	168,296	–	168,296
Revenue from contracts with customers	₱403,261	₱635,217	₱1,038,478

Type of service	(In Thousands) 2019 Real Estate Development and Property Management	Gaming and gaming related activities	Total
Gaming revenue – share - net	₱–	₱2,976,366	₱2,976,366
Sale of real estate	487,307	–	487,307
Commission and distribution income	–	308,381	308,381
Revenue from property management	214,635	–	214,635
Revenue from contracts with customers	₱701,942	₱3,284,747	₱3,986,689

All revenue from contracts with customers pertains to revenue transferred over time.

Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information follows:

Type of service	**(In Thousands) 2021 Real Estate Development and Property Management**	**Gaming and gaming related activities**	**Total**
Revenue per segment reporting	**₱1,748,297**	**₱1,726,637**	**₱3,474,934**
Lease income	**(807,912)**	**–**	**(807,912)**
Equipment rental	**–**	**(426,346)**	**(426,346)**
Other revenues	**(118,946)**	**–**	**(118,946)**
	821,439	**1,300,291**	**2,121,730**
Intracompany eliminated balances			
Other revenues	**(54,000)**	**–**	**(54,000)**
Total revenue from contracts with Customers	**₱767,439**	**₱1,300,291**	**₱2,067,730**

Type of service	(In Thousands) 2020 Real Estate Development and Property Management	Gaming and gaming related activities	Total
Revenue per segment reporting	₱3,263,745	₱1,130,000	₱4,393,745
Lease income	(2,663,226)	–	(2,663,226)
Other revenues	(143,258)	–	(143,258)
Equipment rental	–	(328,438)	(328,438)
	457,261	801,562	1,258,823
Intracompany eliminated balances			
Other revenues	(54,000)	(166,345)	(220,345)
Total revenue from contracts with Customers	₱403,261	₱635,217	₱1,038,478

	(In Thousands)		
	2019		
Type of service	Real Estate Development and Property Management	Gaming and gaming related activities	Total
Revenue per segment reporting	₱3,557,203	₱4,180,360	₱7,737,563
Lease income	(2,670,953)	–	(2,670,953)
Other revenues	(130,308)	–	(130,308)
Equipment rental	–	(681,484)	(681,484)
Intracompany eliminated balances			
Other revenues	(54,000)	(214,129)	(268,129)
Total revenue from contracts with Customers	₱701,942	₱3,284,747	₱3,986,689

5. Cash and Cash Equivalents

This account consists of:

	(In Thousands)	
	2021	2020
Cash on hand and in banks	**₱678,621**	₱623,989
Cash equivalents	**1,403,680**	1,968,081
	₱2,082,301	₱2,592,070

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term investments which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term investment rates.

Interest income earned from cash in banks and cash equivalents amounted to ₱18.9 million in 2021 (₱49.9 million and ₱66.6 million in 2020 and 2019, respectively) (see Note 30).

6. Financial Assets at Fair Value through Profit or Loss

This account consists of the Group's investments in quoted shares of stocks. Movements in this account are as follows:

	(In Thousands)	
	2021	2020
Balance at beginning of year	**₱84,261**	₱140,457
Unrealized marked-to-market loss	**(23,623)**	(6,196)
Additions	**12,416**	–
Disposals	**–**	(50,000)
Balance at end of year	**₱73,054**	₱84,261

The fair values of these securities are based on the quoted prices on the last market day of the year. The Group determines the cost of investments sold using specific identification method.

Unrealized marked-to-market loss in 2021 amounted to ₱23.6 million (₱6.2 million and ₱15.2 million in 2020 and 2019, respectively) were recognized under "Unrealized loss on financial asset at fair value through profit or loss" account in the consolidated statement of comprehensive income.

There was no realized gain from sale of investments at FVPL recognized in 2021 (2020 and 2019).

Dividend income realized from financial assets at FVPL amounted to nil in 2021 (₱2.4 million and ₱4.8 million in 2020 and 2019, respectively) (see Note 31).

7. Receivables and Contract Assets

Receivables

This account consists of:

		(In Thousands)	
	Note	**2021**	2020
Trade receivables:			
Leases	33	**₱3,523,861**	₱3,278,221
Real estate sales and installment receivables		**1,326,777**	1,448,246
Gaming revenue share		**117,792**	353,635
Property management		**107,053**	187,853
Equipment rental and instant scratch ticket sales		**51,730**	114,881
Advances to LCC		**113,678**	113,678
Advances to consultants		**104,000**	–
Others		**190,141**	182,476
		5,535,032	5,678,990
Less allowance for doubtful accounts		**374,566**	374,566
		5,160,466	5,304,424
Less installment receivables - noncurrent portion		**941,115**	269,600
		₱4,219,351	₱5,034,824

Trade receivables from leases, equipment rental and instant scratch ticket sales and property management are on a 30 to 60 days credit term.

Trade receivables from real estate sales are noninterest-bearing and are generally collected in installment within 3 to 5 years.

Gaming revenue share is collectible on a 20 days credit term. This pertains to the Group's receivable from Melco for the gaming revenue share in the operations of City of Dreams Manila.

Advances to consultant are noninterest-bearing and are subject to liquidation but are for refund to the Group in the absence of any output.

Other receivables pertain primarily to receivables from sale of land to third parties. These are noninterest-bearing and generally have 30 to 90 days term.

Movement in allowance for doubtful accounts is as follows:

	(In Thousands)		
	2021		
	Trade	**Others**	**Total**
Balance at beginning and end of year	**₱98,780**	**₱275,786**	**₱374,566**

		(In Thousands)		
		2020		
	Note	Trade	Others	Total
Balance at beginning of year		₱98,780	₱162,108	₱260,888
Provisions	29	–	113,678	113,678
Balance at end of year		₱98,780	₱275,786	₱374,566

Movement of unamortized discount on trade receivables from real estate sales are as follows:

		(In Thousands)	
	Note	**2021**	2020
Trade receivables at nominal amount		**₱1,499,336**	₱1,532,285
Less unamortized discount on trade receivables:			
Balance at beginning of year		**84,039**	98,035
Discount recognized during the year		**161,120**	55,521
Amortization during the year	23	**(72,600)**	(69,517)
Balance at end of year		**172,559**	84,039
		₱1,326,777	₱1,448,246

As at December 31, 2021 (and 2020), receivables from real estate with nominal amount of ₱1,449.3 million (and ₱1,532.3 million) were recorded initially at fair value. The fair value of the receivables was obtained by discounting future cash flows using applicable interest rates ranging from 4.11% to 18.23% in 2021 (2.13% to 23.72% in 2020).

Contract Assets
This account consists of:

	(In Thousands)	
	2021	2020
Contract assets	**₱70,319**	₱112,205
Less allowance for doubtful accounts	**–**	26,000
	70,319	86,205
Less current portion	**70,319**	39,903
Contract asset - net of current portion	**₱–**	₱46,302

Contract assets were recognized for the earned consideration but not yet billed for the transfer of right to use POSC's brand and trademark license. Interest income earned during the period amounted to ₱6.1 million in 2021 (₱5.6 million and ₱8.6 million in 2020 and 2019, respectively) (see Notes 30 and 36).

Movements in allowance for doubtful accounts on contract assets are as follows:

		(In Thousands)	
	Note	**2021**	2020
Balance at beginning of year		**₱26,000**	₱–
Reversal of provision		**(26,000)**	–
Provision for impairment loss	29	**–**	26,000
Balance at end of year		**₱–**	₱26,000

8. Real Estate for Sale and Land Held for Future Development

These accounts, measured at cost, consist of:

	(In Thousands)	
	2021	2020
Land held for future development	**₱3,021,120**	₱3,013,950
Real estate for sale	**351,120**	470,609
	₱3,372,240	₱3,484,559

Real Estate for Sale

A summary of the movements in real estate for sale is set out below:

		(In Thousands)	
	Note	**2021**	2020
Balance at beginning of year		**₱470,609**	₱327,124
Cost of real estate sold	26	**(301,406)**	(134,934)
Construction/development costs incurred		**121,361**	108,586
Repossession		**60,556**	169,833
Balance at end of year		**₱351,120**	₱470,609

Land Held for Future Development

A summary of the movement in land held for development in 2021 and 2020 is set out below:

	(In Thousands)	
	2021	2020
Balance at beginning of year	**₱3,013,950**	₱3,005,429
Land acquired/additional costs during the year	**7,170**	8,521
Balance at end of year	**₱3,021,120**	₱3,013,950

Land held for future development consists of properties in Tagaytay City, Batangas and Cavite. It includes certain parcels of land with a carrying value amounting to ₱909.9 million as at December 31, 2021 (and 2020), which are already in the Group's possession but are not yet fully paid pending the transfer of certificates of title to the Group. Outstanding payable related to the acquisition shown under "Trade and other current liabilities" account in the consolidated statement of financial position amounted to ₱169.1 million as at December 31, 2021 (and 2020) (see Note 17).

As at December 31, 2021 (and 2020), the cost of real estate held for sale and land held for future development were lower than its net realizable value. There were no provision for impairment losses recognized in 2021 (and 2020).

9. **Other Current Assets**

This account consists of:

		(In Thousands)	
	Note	**2021**	2020
CWT - net of allowance for impairment		**₱871,164**	₱790,229
Input VAT - net of allowance for impairment		**700,795**	547,576
Advances to contractors and suppliers - net of allowance for impairment		**499,685**	278,500
Prepaid expenses		**399,902**	234,673
Spare parts and supplies - net of allowance for impairment		**31,557**	21,785
Guarantee deposits	33	**14,500**	–
Advances to officers and employees - net of allowance for impairment		**–**	–
Others		**1,361**	25
		₱2,518,964	₱1,872,788

CWT pertains to the withholding tax related to the goods sold and services rendered by the Group. Impairment of CWT amounted to nil in 2021 (₱0.5 million and nil in 2020 and 2019, respectively) (see Note 29). In 2020, the Group wrote off CWT amounting to ₱0.5 million.

Advances to contractors and suppliers are noninterest-bearing and are expected to be applied against future billings.

Prepaid expenses and others pertain to various prepaid expenses such as insurance, commission, subscription and refundable deposits for various contracts.

Spare parts and supplies are carried at lower of cost or net realizable value.

Guarantee deposits pertain to cash bonds held in escrow account as part of the agreement with PCSO.

Movements in allowance for impairment losses are as follows:

	(In Thousands) 2021					
	CWT	**Input VAT**	**Advances to Contractors**	**Spare parts and supplies**	**Advances to officers and employees**	**Total**
Balance at beginning of year	**₱4,320**	**₱1,564**	**₱14,931**	**₱43,534**	**₱3,519**	**₱67,868**
Reversal of provisions	**–**	**(63)**	**–**	**(10,861)**	**–**	**(10,924)**
Balance at end of year	**₱4,320**	**₱1,501**	**₱14,931**	**₱32,673**	**₱3,519**	**₱56,944**

		(In Thousands) 2020					
	Note	CWT	Input VAT	Advances to Contractors	Spare parts and supplies	Advances to officers and employees	Total
Balance at beginning of year		₱4,320	₱1,564	₱14,931	₱–	₱3,519	₱24,334
Provisions	29	472	–	–	43,534	–	44,006
Write-off		(472)	–	–	–	–	(472)
Balance at end of year		₱4,320	₱1,564	₱14,931	₱43,534	₱3,519	₱67,868

10. Investment Properties

This account consists of:

	(In Thousands) 2021				
	Land	**Building**	**ROU Building Improvements**	**ROU Land**	**Total**
Cost					
Balance at beginning and end of year	**₱1,869,026**	**₱18,434,219**	**₱2,509,013**	**₱7,026,706**	**₱29,838,964**
Accumulated Depreciation and Amortization					
Balance at beginning of year	**–**	**3,402,198**	**560,154**	**439,313**	**4,401,665**
Depreciation and amortization	**–**	**713,532**	**85,737**	**266,595**	**1,065,864**
Balance at end of year	**–**	**4,115,730**	**645,891**	**705,908**	**5,467,529**
Net Carrying Amount	**₱1,869,026**	**₱14,318,489**	**₱1,863,122**	**₱6,320,798**	**₱24,371,435**

		(In Thousands) 2020				
	Note	Land	Building	ROU Building Improvements	ROU Land	Total
Cost						
Balance at beginning of year		₱1,869,026	₱20,943,232	₱–	₱815,717	₱23,627,975
Reclassifications	33	–	(2,509,013)	2,509,013	–	–
Additions		–	–	–	6,298,835	6,298,835
Termination of lease	33	–	–	–	(87,846)	(87,846)
Balance at end of year		1,869,026	18,434,219	2,509,013	7,026,706	29,838,964
Accumulated Depreciation and Amortization						
Balance at beginning of year		–	3,320,434	–	49,938	3,370,372
Reclassification	33	–	(401,910)	401,910	–	–
Depreciation and amortization		–	483,674	158,244	389,375	1,031,293
Balance at end of year		–	3,402,198	560,154	439,313	4,401,665
Net Carrying Amount		₱1,869,026	₱15,032,021	₱1,948,859	₱6,587,393	₱25,437,299

The fair values of investment properties as at December 31, 2021 (and 2020), are higher than its carrying value, as determined by management and an independent appraiser who holds a recognized and relevant professional qualification (see Note 38). The valuation of investment properties was based on income approach for the building and sales comparison approach for the land. The fair value represents the amount at which the assets can be exchanged between a knowledgeable, willing seller and a knowledgeable, willing buyer in an arm's length transaction at the date of valuation, in accordance with International Valuation Standards as set out by the International Valuation Standards Committee and management's assessment.

In determining the fair value of the investment properties, management and the independent appraisers considered the neighborhood data, community facilities and utilities, land data, sales prices of similar or substitute properties and the highest and best use of investment properties. The Group assessed that the highest and best use of its properties does not differ from their current use. Lease income generated from investment properties amounted to ₱807.9 million in 2021 (₱2,663.2 million and ₱2,671.0 million in 2020 and 2019, respectively). Direct cost related to the investment properties amounted to ₱1,294.9 million in 2021 (₱1,206.5 million and ₱836.9 million in 2020 and 2019, respectively) (see Note 27).

Depreciation and amortization arise from the following:

		(In Thousands)		
	Note	**2021**	2020	2019
Investment properties		**₱1,065,964**	₱1,031,293	₱652,956
Intangible asset	12	**115,834**	115,834	115,834
Property and equipment	13	**83,073**	93,546	235,660
ROU asset	33	**24,372**	37,203	76,180
		₱1,289,243	₱1,277,876	₱1,080,630

Depreciation and amortization are allocated as follows:

		(In Thousands)		
	Note	**2021**	2020	2019
Cost of lease income	27	**₱1,069,566**	₱1,034,996	₱656,658
Cost of gaming operations	25	**115,834**	115,834	115,834
Cost of lottery services	24	**71,071**	97,893	184,640
General and administrative expenses	29	**23,372**	20,541	75,807
Cost of services for property management	28	**9,300**	8,612	47,691
		₱1,289,143	₱1,277,876	₱1,080,630

11. **Financial Assets at Fair Value Through Other Comprehensive Income**

These accounts pertain to investments in equity instruments classified as financial assets at FVOCI as at December 31, 2021 (and 2020).

These accounts consist of:

	(In Thousands)	
	2021	2020
Shares of stock:		
Quoted	**₱2,746,363**	₱2,545,595
Unquoted	**851**	851
Club shares	**4,523,206**	2,243,401
	₱7,270,420	₱4,789,847

The Group has a Development Agreement (DA) with TMGCI for the construction and development of a 36-hole golf course which was amended on December 15, 1999. The terms of the amended DA call for as many subscriptions as there are shares, such that the club shares issued by TMGCI to the Group as the development progresses were in proportion to pre-agreed amount of development cost, inclusive of the initial capital contribution.

The movements of financial assets at FVOCI in 2021 (and 2020) are as follows:

	(In Thousands)	
	2021	2020
Cost		
Balance at beginning of year	**₱3,992,995**	₱3,997,211
Additions	**522,651**	9,243
Disposals	**(69,410)**	(13,459)
Balance at end of year	**4,446,236**	3,992,995
Cumulative unrealized marked to market gain (loss) on financial assets at FVOCI		
Balance at beginning of year	**796,852**	1,515,606
Unrealized gain (loss) during the year	**2,044,638**	(713,764)
Realized gain on disposal during the year	**(17,306)**	(4,990)
Balance at end of year	**2,824,184**	796,852
	₱7,270,420	₱4,789,847

The fair values of these securities are based on the quoted prices on the last market day of the year. The Group determines the cost of investments sold using specific identification method.

Dividend income earned from financial assets at FVOCI amounted to ₱5.3 million in 2021 (₱11.6 million and ₱22.0 million in 2020 and 2019, respectively) were recognized in "Other income (loss) - net" account in the consolidated statement of comprehensive income (see Note 31).

Realized gain from sale of financial assets at FVOCI amounted to ₱17.3 million in 2021 (₱5.0 million and ₱9.1 million in 2020 and 2019, respectively) were reclassified from "Other reserves" account to "Retained earnings" account in the consolidated statement of financial position.

12. Intangible Asset

Intangible asset includes the gaming license granted by PAGCOR for which PLAI is a co-licensee to operate integrated resorts, including casinos. On April 29, 2015, PAGCOR granted the Regular Gaming License ("License"), which has the same terms and conditions of the provisional license. The License runs concurrent with PAGCOR's Congressional Franchise, set to expire in 2033, renewable for another 25 years by the Philippine Congress.

The amortization of the intangible asset started on December 14, 2014, the effectivity of the Notice to Commence Casino Operations granted by PAGCOR.

The movements in intangible asset are as follows:

	Note	(In Thousands) 2021	2020
Cost			
Balance at beginning and end of year		**₱5,261,186**	₱5,261,186
Accumulated Amortization			
Balance at beginning of year		**911,814**	795,980
Amortization	10	**115,834**	115,834
Balance at end of year		**1,027,648**	911,814
Net Carrying Amount		**₱4,233,538**	₱4,349,372

The unamortized life of the license as at December 31, 2021 is 36.5 years.

13. Property and Equipment

The movements of this account are as follows:

		In Thousands 2021						
	Note	Lottery Equipment	Land and Leasehold Improvements	Machinery and Equipment	Condominium Units and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost								
Balance at beginning of year		₱814,177	₱379,159	₱311,096	₱245,361	₱98,495	₱138,345	₱1,986,633
Additions		10,796	701	11,412	–	1,978	1,930	26,817
Disposal		(297,333)	(15,348)	–	–	(16,987)	(1,979)	(331,647)
Balance at end of year		527,640	364,512	322,508	245,361	83,486	138,296	1,681,803
Accumulated Depreciation and Impairment								
Balance at beginning of year		750,319	375,625	263,044	242,008	78,474	133,252	1,842,722
Depreciation	10	61,350	1,620	7,221	821	8,259	3,802	83,073
Disposal		(296,499)	(15,347)	–	–	(16,249)	(1,979)	(330,074)
Balance at end of year		515,170	361,898	270,265	242,829	70,484	135,075	1,595,721
Net Carrying Amount		₱12,470	₱2,614	₱52,243	₱2,532	₱13,002	₱3,221	₱86,082

		In Thousands						
		2021						
	Note	Lottery Equipment	Land and Leasehold Improvements	Machinery and Equipment	Condominium Units and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost								
Balance at beginning of year		₱742,769	₱450,150	₱299,620	₱245,268	₱119,563	₱298,116	₱2,155,487
Additions		89,370	211	11,476	93	1,892	3,022	106,064
Disposal		(17,962)	(3,007)	–	–	(8,249)	(4,048)	(33,266)
Disposal of subsidiaries		–	(68,196)	–	–	(14,711)	(158,745)	(241,652)
Balance at end of year		814,177	379,159	311,096	245,361	98,495	138,345	1,986,633
Accumulated Depreciation and Impairment								
Balance at beginning of year		696,805	440,899	256,828	241,188	89,109	265,833	1,990,662
Depreciation	10	71,476	2,578	6,216	820	2,621	9,835	93,546
Disposal		(17,962)	(3,007)	–	–	(2,638)	(432)	(24,039)
Disposal of subsidiaries		–	(64,845)	–	–	(10,618)	(141,984)	(217,447)
Balance at end of year		750,319	375,625	263,044	242,008	78,474	133,252	1,842,722
Net Carrying Amount		₱63,858	₱3,534	₱48,052	₱3,353	₱20,021	₱5,093	₱143,911

Allowance for impairment loss on property and equipment amounted to ₱186.3 million as at December 31, 2021 (and 2020).

14. Investments in and Advances to Associates

This account mainly consists of investments in APC Group, Inc., an entity incorporated in the Philippines, where the Parent Company has an effective interest of 48.8%.

	(In Thousands)	
	2021	2020
Investments in associates - net of allowance for impairment in value of ₱354.0 million	**₱119,161**	₱120,832
Advances to associates - net of allowance for impairment loss of ₱120.3 million in 2021 and 2020	**527**	524
Net Carrying Amount	**₱119,688**	₱121,356

Investments in associates as of December 31, 2021 (and 2020) consist of:

		(In Thousands)	
	Note	**2021**	2020
Acquisition cost		**₱5,716,536**	₱5,716,536
Accumulated equity in net losses			
Balance at beginning of year		**(5,253,245)**	(5,250,726)
Share in net loss	31	**(1,671)**	(2,519)
Balance at end of year		**(5,254,916)**	(5,253,245)
Accumulated share in unrealized gain on financial assets at FVOCI of associates - Balance at beginning and end of year		**14,061**	14,061
Total		**475,681**	477,352
Allowance for impairment in value		**(354,019)**	(354,019)
Equity share in cost of Parent Company common shares held by associates		**(2,501)**	(2,501)
		₱119,161	₱120,832

The Group has an outstanding balance of subscription payable pertaining to these investments amounting to ₱45.9 million as at December 31, 2021 (and 2020) (see Note 17).

Fair values of investment in APC, which is publicly listed in the Philippine stock exchange, amounted to ₱770.0 million as at December 31, 2021 (₱1,417.5 million as at December 31, 2020). Fair values were determined by reference to quoted market price at the close of business as at reporting date.

15. **Goodwill and Business Combination**

Goodwill acquired from business combinations as at December 31, 2021 and 2020 consist of:

	(In Thousands)	
	2021	2020
Acquisition of:		
POSC	**₱1,717,644**	₱1,717,644
FRI	**110,934**	110,934
	1,828,578	1,828,578
Allowance for impairment	**(902,570)**	(902,570)
	₱926,008	₱926,008

Movements in this account are as follow:

	(In Thousands)	
	2021	2020
Balance at beginning of year	**₱926,008**	₱1,343,809
Impairment	**–**	(417,801)
Balance at end of year	**₱926,008**	₱926,008

Movements in the allowance for impairment loss is as follows:

		(In Thousands)	
	Note	**2021**	2020
Balance at beginning of year		**₱902,570**	₱488,452
Impairment during the year	29	**–**	417,801
Disposal of subsidiaries		**–**	(3,683)
Balance at end of year		**₱902,570**	₱902,570

The goodwill from the acquisitions has been subjected to the annual impairment review in 2021 and 2020. The recoverable amounts of the operations have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management. The cash flow projections cover five years, taking into consideration the effect of significant events (i.e., Covid-19) on the macroeconomic factors used in developing the assumptions.

On February 6, 2020, POSC’s BOD approved the sale of LCC for POSC to focus its resources to its principal business of providing modern and efficient online gaming facilities and equipment to its customers. LCC operates and/or manages several outlets throughout the Philippines which sell products of the PCSO, including lotto, keno and instant scratch tickets. LCC is included as part of “Gaming and gaming related activities” in the Group’s reportable segment.

On February 13, 2020, POSC has concluded the sale of all of its equity interest in LCC, equivalent to 125.0 million shares for ₱1.082 per share to a third party for a total consideration of ₱137.4 million. Cash received from the disposal of LCC, net of cash disposed amounted to ₱74.0 million. Gain from the disposal of the net assets of LCC group in 2020 amounting to ₱70.3 million was recognized under "Other income (expense) - net" (see Note 31).

In 2020, the Group recognized impairment of its goodwill in POSC amounting to ₱417.8 million and derecognized goodwill in LCC subsidiaries as a result of its disposal (see Note 29). In 2019, the Group recognized impairment of its goodwill in POSC and LCC subsidiaries amounting to ₱373.8 million and ₱3.7 million, respectively (see Note 29).

Key assumptions used in value in use calculations

The calculation of value in use for the cash-generating units are most sensitive to the following assumptions explained as follows:

POSC

Discount Rate. Discount rate reflects management's estimate of the risks specific to the cash generating unit. The pre-tax discount rate of 5.08% based on BVAL rate was used in 2021 while a pre-tax discount rate of 8.8% based on the Weighted Average Cost of Capital (WACC) of POSC was used in 2020.

Revenue Growth Rate, Long-Term Growth Rate and Terminal Values. No growth rate was applied in the 5-year cash flow projections in 2021 (5% to 87% in 2020), considering the contract of PinoyLotto with PCSO and historical performance of POSC.

In 2020, the long-term growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts is 5%. The long-term growth rate used in the normalization of free cash flows represents the expected growth rate of the economy at the end of the 5th year and onwards, with reference to growth rates compiled by industry specialist. Management assessed that an increase in pre-tax discount rate by 1% or decrease in revenue growth rate by 1% would result to additional impairment.

FRI

The recoverable amount of goodwill from the acquisition of FRI by TGTI was determined based on value-in-use calculations using actual past results and observable market data such as growth rates, operating margins, among others. With the change in FRI's exclusivity arrangement with its principal, the carrying amount of the goodwill and cash generating unit to which goodwill relates to materially exceed its recoverable amount.

Growth rates and operating margins used to estimate future performance are equally based on past performance and experience of growth rates, operating margins achievable in the relevant industry. The expected cash flows are discounted by applying a suitable WACC. The pre-tax discount rate applied to cash flow projections is 9.4%. As at December 31, 2021 and 2020, goodwill in FRI was fully provided with provision for impairment.

16. **Other Noncurrent Assets**

This account consists of:

	Note	(In Thousands) 2021	2020
CWT		**₱374,792**	₱347,386
Advances to contractors		**139,740**	139,740
Refundable deposits and construction bond		**88,285**	104,394
Deferred input VAT		**4,729**	18,571
Guarantee deposits	33	**–**	14,500
Software development		**–**	11,138
Others		**41,921**	5,920
		₱649,467	₱641,649

Advances to contractors are advances to a contractor that are expected to be refunded within two years.

Refundable deposits are subject to adjustments every year if rent rates increase and shall be returned to the Group without interest.

Deferred input VAT pertains to noncurrent portion of unamortized input VAT on purchases of capital goods.

17. **Trade and Other Current Liabilities**

This account consists of:

	Note	(In Thousands) 2021	2020
Trade		**₱315,282**	₱593,227
Accrued expenses		**525,101**	916,990
Unearned income		**320,241**	486,028
Withholding and output tax payable		**238,020**	46,472
Payables pertaining to land acquisitions	8	**169,095**	169,095
Advances from related parties		**60,037**	38,101
Customers' deposits		**54,949**	36,201
Consultancy, software and license and management fees payable		**37,019**	29,727
Refundable deposit and others		**46,559**	22,965
Subscription payable	14	**45,928**	45,928
		₱1,812,231	₱2,384,734

Trade payables are non-interest bearing with an average term of 90 days.

Accrued expenses pertain to accruals for land transfer fees, professional and management fees, selling, interest, salaries, communication, rent and utilities and other expenses which are normally settled with an average term of 30 to 90 days. Accrued expenses also include provisions. The Group regularly provides for its usual potential liabilities. Provision represents estimated probable losses. The information required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the Group's position. In 2021, reversal of provisions amounting to ₱281.3 million (₱756.1 million in 2020) was recognized in "Other income (loss) - net" account in the consolidated statement of comprehensive income (see Note 31).

Unearned income pertains to the advance payment from Melco, which will be applied as payment of PLAI's gaming revenue share and lease of land and building with the Parent Company in the following financial year.

Payables pertaining to land acquisitions represent unpaid purchase price of land acquired from various land owners (see Note 8). These are noninterest-bearing and are due and demandable.

Customers' deposits pertain to collections received from buyers for projects with pending recognition of sale.

18. Loans Payable

Loans payable represent unsecured peso-denominated loans obtained from local banks with interest of 2.60% to 4.75% in 2021 (and 4.00% to 5.10% in 2020). Loans payable have historically been renewed or rolled over.

The carrying amount of outstanding loans payable amounted to ₱1,995.0 million as at December 31, 2021 (and ₱2,525.0 million as at December 31, 2020).

Interest expense on loans payable charged to operations amounted to ₱58.0 million in 2021 (₱81.0 million and ₱91.2 million in 2020 and 2019, respectively) (see Note 30).

19. Other Noncurrent Liabilities

This account consists of the following:

		(In Thousands)	
	Note	**2021**	2020
Deferred lease income		**₱214,535**	₱167,333
Refundable deposits	36	**153,999**	199,311
Contract liabilities - net of current portion		**–**	4,741
Others		**7,051**	4,287
		₱375,585	₱375,672

Deferred lease income is recognized initially as the difference between the principal amount and present value of refundable deposits at the lease inception date and subsequently amortized on a straight-line basis over the lease term.

20. **Long-term Debt**

This account consists of the following:

	(In Thousands)	
	2021	2020
Loans	**₱4,885,000**	₱4,566,667
Current portion of long-term debt	**(15,000)**	(121,111)
Noncurrent long-term debt	**₱4,870,000**	₱4,445,556

BDO Unibank, Inc.
On March 6, 2018, Belle availed ₱3,000.0 million facility for the purpose of refinancing its short-term loans with other banks and other general funding requirements. The seven-year term loan shall be availed within six months from the signing of the loan agreement. On September 12, 2018, ₱800.0 million was drawn from the facility. The seven-year term loan is unsecured and bears an interest rate of 4.9515% per annum fixed for 90 days, to be repriced every 30 to 180 days as agreed by the parties. Outstanding balance of the loan amounted ₱800.0 million as at December 31, 2021 and 2020.

On July 5, 2019, Belle drew down an additional ₱600.0 million from the ₱3,000.0 million facility. The terms of the new drawdown will be co-terminus with the September 12, 2018 drawdown. The loan is unsecured and bears an interest rate of 5.50% per annum fixed for 90 days, to be repriced every 30 to 180 days as agreed by parties. Outstanding balance of the loan amounted to ₱600.0 million as at December 31, 2021 (and 2020).

Chinabank
On November 14, 2020, Belle availed ₱1,500.0 million facility for the purpose of financing capital expenditures, refinancing of existing debt obligations and other general corporate purposes. These are unsecured five-year term loan with annual interest fixed rate 4.75%. On November 20, 2020, ₱1,000.0 million was drawn from the facility. In 2021, Belle drew down an additional ₱500.0 million and ₱2,000.0 million from the ₱3,500.0 million facility. Outstanding balance of the loan amounted to ₱3,485.0 million as at December 31, 2021 (and ₱1,000 million as at December 31, 2020).

Maybank Philippines, Inc. (Maybank)
On May 26, 2017, Belle obtained an unsecured five-year term loan from Maybank in the amount of ₱500.0 million. The five-year term loan shall be availed within ninety days from the signing of the loan agreement and bears a fixed interest rate based on applicable 5-year Philippine Dealing System Treasury Reference Rate-R2 (“PDST-R2”) plus spread or Bangko Sentral ng Pilipinas (BSP) Overnight Borrowing rate plus spread, whichever is higher. On June 23, 2017, ₱500.0 million was drawn from the facility. Outstanding balance of the loan amounting to ₱166.7 million as at December 31, 2020 was fully settled in 2021.

Robinsons Bank
In February and March 2017, Belle availed ₱1,000.0 million and ₱1,000.0 million, respectively, from its ₱2,000.0 million facility. These are unsecured five-year term loan with fixed annual interest rate based on applicable 5-year PDST-R2 plus spread. Outstanding balance of the loan amounting to ₱2,000.0 million as at December 31, 2020 was fully settled in 2021.

United Coconut Planters Bank (UCPB)
On February 11, 2015, Belle obtained an unsecured four-year term loan from UCPB in the amount of ₱1,000.0 million for the purpose of financing the construction of City of Dreams Manila. The term loan bears a fixed rate of 6.25% per annum. During the term of the loan, Belle agrees not to make investments in, or enter into any other business substantially different from the business in which the Belle is presently engaged, or make capital investments in excess of two percent (2%) of the consolidated stockholder's equity as at end of the last fiscal year, except for the total capital expenditures for City of Dreams project in the amount not exceeding ₱4,000.0 million, and those allocated for the real estate development projects. Amounts of ₱500.0 million and ₱500.0 million were drawn on February 23, 2015 and December 29, 2015, respectively. The loan was fully settled in 2020.

EastWest Bank (EWB)
On January 30, 2015, Belle obtained an unsecured five-year term loan from EWB in the amount of ₱1,500.0 million for the purpose of financing its capital expenditures. The term loan bears a fixed rate of 5.75% per annum. On January 30, 2015, ₱1,500.0 million was drawn from the facility. The loan was fully settled in 2020.

Covenants
The loan agreements provide certain restrictions and requirements principally with respect to maintenance of required financial ratios and material change in ownership or control. During the term of the loan, Belle should comply with the minimum current ratio of 1.0x to 1.3x and maximum debt to equity ratio of 2.0x to 3.0x.

As at December 31, 2021 (and 2020), the Parent Company is in compliance with the terms of its loan covenants.

Repayment Schedule
The repayment schedules of long-term debt are as follows:

	(In Thousands)	
	2021	2020
2021	**₱–**	₱121,111
2022	**15,000**	2,065,556
2023	**29,000**	24,000
2024	**2,029,000**	24,000
2025	**2,812,000**	2,332,000
	₱4,885,000	₱4,566,667

Interest expense on the loans from long-term debt amounted to ₱225.2 million in 2021 (₱237.4 million and ₱302.0 million in 2020 and 2019, respectively) (see Note 30).

21. **Equity**

Preferred Stock
As at December 31, 2021 (and 2020), the Parent Company has not issued any preferred stock out of the authorized 6,000,000,000 shares with a ₱1 par value. Under the provisions of the Parent Company's articles of incorporation, the rights and features of the preferred stock shall be determined through a resolution of the BOD prior to issuance.

Common Stock
As at December 31, 2021 (and 2020), the authorized common stock of the Parent Company is 14,000,000,000 shares with a ₱1 par value.

Movements in the number of issued, treasury and outstanding stocks of the Parent Company are as follows:

	2021	2020	2019
Issued shares			
Balance at beginning and end of year	**10,560,999,857**	10,560,999,857	10,560,999,857
Treasury shares			
Balance at beginning of year	**797,874,560**	797,874,560	797,874,560
Reissuance of treasury shares	**(1,000)**	–	–
Balance at end of year	**797,873,560**	797,874,560	797,874,560
Outstanding shares	**9,763,126,297**	9,763,125,297	9,763,125,297

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/ Offer Price
August 20, 1973	6,000,000,000	6,000,000,000	₱0.01
March 19, 1976	2,000,000,000	464,900,000	0.01
December 7, 1990	–	920,000,000	0.01
1990	–	833,500,000	0.01
October 19, 1990	(7,000,000,000)	(8,136,216,000)	1.00
June 18, 1991	–	3,381,840	1.00
1991	–	47,435,860	1.00
1992	–	11,005,500	1.00
December 7, 1993	–	473,550,000	1.00
1993	–	95,573,400	1.00
January 24, 1994	–	100,000,000	1.00
August 3, 1994	–	2,057,948	7.00
August 3, 1994	–	960,375	10.00
June 6, 1995	–	138,257,863	1.00
February 14, 1995	1,000,000,000	–	1.00
March 8, 1995	–	312,068,408	1.00
March 17, 1995	2,000,000,000	–	1.00
March 28, 1995	–	627,068,412	1.00
July 5, 1995	–	78,060,262	1.00
September 1, 1995	–	100,000,000	1.00
March 1, 1995	–	94,857,072	1.00
September 13, 1995	–	103,423,030	1.00
1995	–	123,990,631	1.00
1996	–	386,225,990	1.00
February 21, 1997	10,000,000,000	–	1.00
1997	–	57,493,686	1.00
1998	–	36,325,586	1.00

(Forward)

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/ Offer Price
March 19, 1999	–	16,600,000	₱1.00
April 26, 1999	–	450,000,000	1.00
April 27, 1999	–	300,000,000	1.00
1999	–	306,109,896	1.00
2000	–	2,266,666	1.00
2001	–	2,402,003,117	1.00
April 14, 2011	–	2,700,000,000	1.95
July 18, 2011	–	119,869,990	3.00
July 18, 2011	–	1,388,613,267	3.00
October 6, 2015	–	1,617,058	1.00
	14,000,000,000	10,560,999,857	

Additional paid-in capital

This pertains to paid-in subscriptions in excess of par value.

Treasury Stock

The number of treasury shares held total to 797,873,560 shares with a cost amounting to ₱2,476.7 million as at December 31, 2021 (797,874,560 shares with a cost amounting to ₱2,476.7 million as at December 31, 2020 and 2019).

Cost of Parent Company Shares Held by Subsidiaries

As at December 31, 2021 (and 2020), Parallax, SLW, PLC and POSC collectively hold Parent Company common shares totaling 319,041,183 with a cost aggregating to ₱1,464.3 million. These are presented as "Cost of Parent Company common shares held by subsidiaries" account in the consolidated statement of financial position.

Retained Earnings

The consolidated retained earnings as at December 31, 2021 and 2020 includes accumulated earnings of the subsidiaries and associates which are not currently available for dividend declaration unless declared by the subsidiaries and associates of the Parent Company. The Parent Company's retained earnings available for dividend declaration, computed based on the regulatory requirements of SEC, amounted to ₱1,926.2 million as at December 31, 2021 (and ₱5,526.1 million as at December 31, 2020).

Dividends

On February 28, 2019, the Parent Company's BOD approved the declaration of cash dividends of Twelve Centavos (₱0.012) per share, totaling ₱1,133.1 million, net of dividends attributed to shares of the Parent Company held by subsidiaries. The record date to determine the shareholders entitled to receive the cash dividends was set to March 14, 2019 with the payment made on March 28, 2019.

On February 27, 2020, the Parent Company's BOD approved the declaration of cash dividends of Twelve Centavos (₱0.12) per share, totaling ₱1,133.1 million, net of dividends attributed to shares of the Parent Company held by subsidiaries. The record date to determine the shareholders entitled to receive the cash dividends was set to March 13, 2020 with the payment made on March 27, 2020.

22. Gaming Revenue Share - net

Gaming revenue share is determined as follows:

	(In Thousands)		
	2021	2020	2019
Gaming revenue share - gross	**₱2,040,109**	₱1,017,666	₱5,954,696
Less PAGCOR license fee paid by Melco	**739,818**	382,449	2,978,330
Gaming revenue share - net	**₱1,300,291**	₱635,217	₱2,976,366

23. Other Revenue

This account consists of:

		(In Thousands)		
	Note	**2021**	2020	2019
Amortization of discount on trade receivables	7	**₱72,600**	₱69,517	₱80,854
Penalty		**2,192**	2,215	3,281
Income from forfeitures		**1,152**	23,040	6,517
Income from playing rights		**536**	1,250	3,214
Gain on sale of model unit		**–**	10,153	–
Others		**42,466**	37,083	36,442
		₱118,946	₱143,258	₱130,308

Income from forfeitures represents deposits, and to a certain extent, installment payments from customers forfeited in the event of default and/or cancellations of real estate sales.

Penalty pertains to income from surcharges for buyers' default and late payments. Income is recognized when penalty is actually collected.

Others pertain to revenues from sale of scrap supplies and various administrative fees, such as utilities charges and payroll processing fees, during the year.

24. Cost of Lottery Services

This account consists of:

		(In Thousands)		
	Note	**2021**	2020	2019
Online lottery system expenses		**₱112,725**	₱99,095	₱285,446
Technical, software development and service fees		**66,818**	126,590	–
Depreciation and amortization	10	**71,071**	97,893	184,640
Communication fees		**59,064**	95,157	155,949
Software and license fees	36	**54,498**	40,566	136,318
Rental and utilities	33	**10,028**	11,261	71,314
Personnel costs		**–**	15,773	111,762
Operating supplies		**–**	7,876	37,993
		₱374,204	₱494,211	₱983,422

25. Cost of Gaming Operations

This account consists of:

	Note	2021	2020	2019
		(In Thousands)		
Depreciation and amortization	10	**₱115,834**	₱115,834	₱115,834
Payroll-related expenses		**11,919**	11,808	12,163
Transportation and travel		**4,191**	4,145	4,050
Representation and entertainment		**3,951**	3,905	3,818
		₱135,895	₱135,692	₱135,865

26. Cost of Real Estate Sold

The cost of real estate sold amounted to ₱301.4 million in 2021 (₱134.9 million and ₱202.3 million in 2020 and 2019, respectively).

27. Cost of Lease Income

This account consists of:

	Note	2021	2020	2019
		(In Thousands)		
Depreciation and amortization	10	**₱1,069,566**	₱1,034,996	₱656,658
Taxes		**171,587**	137,680	137,555
Insurance		**49,205**	29,245	29,600
Maintenance		**4,590**	4,593	13,125
		₱1,294,948	₱1,206,514	₱836,938

28. Cost of Services for Property Management

This account consists of:

	Note	2021	2020	2019
		(In Thousands)		
Power and maintenance		**₱52,649**	₱42,167	₱75,709
Water services		**51,625**	50,178	36,454
Depreciation and amortization	10	**9,300**	8,612	47,691
		₱113,574	₱100,957	₱159,854

29. General and Administrative Expenses

This account consists of:

	Note	2021 (In Thousands)	2020	2019
Security, janitorial and service fees	35	**₱166,700**	₱137,688	₱237,763
Personnel costs	34	**128,413**	168,142	247,818
Transportation and travel		**95,574**	104,417	96,387
Taxes and licenses		**92,307**	102,398	96,234
Pre-operating expenses		**48,630**	–	–
Management and professional fees	35, 36	**30,459**	18,093	46,516
Representation and entertainment		**29,203**	50,480	52,837
Selling expenses		**23,529**	23,982	29,368
Depreciation and amortization	10	**23,372**	20,541	75,807
Rentals and utilities	33, 35	**7,327**	22,257	38,212
Repairs and maintenance		**7,154**	7,177	16,008
Registration fees		**6,339**	5,322	4,910
Insurance		**5,182**	5,848	9,738
Communication		**4,819**	5,689	6,376
Marketing and advertising	35	**640**	3,068	9,036
Impairment of goodwill	15	**–**	417,801	377,518
Provision for doubtful accounts	7	**–**	139,678	2,147
Provision for probable loss on spare parts and supplies and CWT	9	**–**	44,006	–
Provision for impairment of ROU assets	33	**–**	9,325	–
Others		**23,455**	27,047	39,917
		₱693,103	₱1,312,959	₱1,386,592

Others pertain to office supplies, seminar fees and association dues incurred during the year and regular provisions of the Group.

30. Interest Income and Interest Expense

The sources of the Group's interest income follow:

	Note	2021 (In Thousands)	2020	2019
Cash and cash equivalents	5	**₱18,868**	₱49,861	₱66,557
Contract assets	7	**6,113**	5,590	8,600
		₱24,981	₱55,451	₱75,157

The sources of the Group's interest expense follow:

		(In Thousands)		
	Note	**2021**	2020	2019
Lease liabilities	33	**₱288,653**	₱214,408	₱71,384
Long-term debt	20	**225,189**	237,418	301,955
Loans payable	18	**57,996**	81,011	91,204
Others		**31,994**	26,733	14,337
		₱603,832	₱559,570	₱478,880

31. **Other Income (Charges)**

This account consists of:

		(In Thousands)		
	Note	**2021**	2020	2019
Gain from reversal of provisions	17	**₱281,317**	₱756,115	₱–
Dividend income	6, 11	**5,275**	13,995	26,784
Share in net loss of associates	14	**(1,671)**	(2,519)	–
Pre-termination gain (loss) on leases	33	**(567)**	13,114	–
Gain on sale of property and equipment		**176**	16	840
Gain from disposal of net assets of subsidiaries	15	**–**	70,338	–
Bank service charges		**–**	(10,174)	(5,243)
Others - net		**25,963**	2,309	(150,670)
		₱310,493	₱843,194	(₱128,289)

32. **Income Taxes**

The provision for current income tax consists of the following:

	(In Thousands)		
	2021	2020	2019
RCIT	**₱11,118**	₱36,653	₱274,033
MCIT	**1,538**	–	–
	₱12,656	₱36,653	₱274,033

The components of the net deferred tax liabilities of the Group are as follows:

	(In Thousands)	
	2021	2020
Deferred tax assets:		
Lease liabilities	**₱1,632,667**	₱2,002,766
NOLCO	**344,374**	470,990
Discount on trade receivables	**42,960**	24,996
Deferred lease income	**40,702**	50,200
Accretion of refundable deposits	**9,737**	9,977
Doubtful accounts	**5,950**	7,140
Unamortized past service costs	**4,018**	14,230
Pension liability	**4,016**	6,003
Accrued expenses	**–**	813
Unrealized foreign exchange loss	**–**	174
Provision for dismantling cost	**1,138**	1,273
	2,085,562	2,588,562
Deferred tax liabilities:		
Excess of carrying amount of investment property over construction costs	**(1,787,407)**	(2,219,450)
Right-of-use assets	**(1,497,483)**	(1,906,636)
Lease incentives	**(487,274)**	(600,983)
Accrued rent income	**(358,539)**	(442,206)
Unrealized gain on sale of real estate	**(228,678)**	(200,776)
Unaccreted discount on refundable deposits	**(44,579)**	(56,640)
Contract assets	**(17,580)**	(33,662)
Deferred lease expense	**(10,214)**	(9,664)
Deferred income on real estate sales	**(5,168)**	(797)
Pension asset	**(4,346)**	(4,204)
Unrealized foreign exchange gain - net	**(218)**	(39)
	(4,441,486)	(5,475,057)
Net deferred tax liabilities	**(₱2,355,924)**	(₱2,886,495)

The components of deferred tax are presented as follows:

	(In Thousands)	
	2021	2020
In profit or loss	**(₱2,348,396)**	(₱2,889,681)
In other comprehensive income	**(7,528)**	3,186
	(₱2,355,924)	(₱2,886,495)

The deferred taxes presented in the consolidated statement of financial position as at December 31, 2021 (and 2020) are as follows:

	(In Thousands)	
	2021	2020
Deferred tax assets	**₱21,399**	₱82,415
Deferred tax liabilities	**(2,377,323)**	(2,968,910)
Net deferred tax liabilities	**(₱2,355,924)**	(₱2,886,495)

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 to implement Section 4 of the Republic Act No. 11494 (Bayanihan to Recover as One Act) allowing the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The components of the Group's unrecognized deferred tax assets as at December 31, 2021 (and 2020) are as follows:

	(In Thousands)	
	2021	2020
Allowances for:		
Impairment of project development costs	**₱2,136,820**	₱2,136,820
Impairment losses	**830,455**	830,455
Doubtful accounts	**574,880**	551,502
Probable losses	**33,309**	33,309
NOLCO	**260,974**	26,653
Excess MCIT over RCIT	**1,538**	1,503
	₱3,837,976	₱3,580,242

The details of the Group's unused NOLCO which can be claimed as deduction from future taxable income during the stated validity are as follows:

	(In Thousands)				
Year Incurred	Beginning Balance	Incurred	Applied/Expired	Ending Balance	Valid Until
2021	₱–	₱723,017	₱–	₱723,017	2026
2020	1,438,939	–	–	1,438,939	2025
2019	191,856	–	(40,342)	151,514	2022
2018	5,709	–	(5,709)	–	2021
	₱1,636,504	₱723,017	(₱46,051)	₱2,313,470	

The deferred tax assets of the above temporary differences amounting to ₱1,432.2 million as at December 31, 2021 (and ₱978.5 million as at December 31, 2020) were not recognized since management believes that it is not probable that taxable income will be available against which the deferred tax assets can be utilized.

The details of the Group's MCIT which can be claimed as deduction against income tax liability during the stated validity are as follows:

	(In Thousands)				
Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Valid Until
2021	₱–	₱1,538	₱–	₱1,538	2024
2018	1,503	–	(1,503)	–	2021
	₱1,503	₱1,538	(₱1,503)	₱1,538	

The reconciliation between the provision for income tax computed at statutory tax rate and the provision for (benefit from) income tax shown in the consolidated statement of comprehensive income is as follows:

	(In Thousands)		
	2021	2020	2019
Income tax at statutory income tax rate	**₱278,236**	₱335,705	₱965,150
Change in income tax rate	**(361,013)**	–	
Income tax effects of:			
Nontaxable income	**(628,689)**	(194,737)	(893,093)
Nondeductible expenses and others	**89,231**	65,318	177,242
Reversal of deferred tax assets	**–**	26,158	–
Income subjected to final tax	**(4,848)**	(15,004)	(6,811)
Change in unrecognized deferred tax assets	**97,027**	2,881	44,222
Expired NOLCO	**1,427**	29	12
Mark-to-market loss on securities	**–**	–	4,574
Others	**–**	6,967	2,143
	(₱528,629)	₱227,317	₱293,439

Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)
On March 26, 2021, the CREATE was approved and signed into law by the country's President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three (3) years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

The enactment of CREATE subsequent to reporting date is considered as a non-adjusting subsequent event for financial reporting. Accordingly, the income tax rates used in preparing the financial statements as at and for the year ended December 31, 2020 are 30% and 2% for RCIT and MCIT, respectively. The amount of current and deferred tax expense (benefit) relating to changes in income tax rates in 2020 which were recognized in 2021 amounted to nil and ₱361.0 million, respectively.

33. Lease Commitments

Group as Lessee
The Parent Company entered into a lease agreement for a parcel of land situated in Aseana Business Park, Parañaque City. The 20,218 square meter (sqm) land lease shall be for a period of 10 years commencing on April 23, 2010, inclusive of two years construction period. The contract may be renewed or extended by written agreement of the parties and upon such terms and conditions that are mutually acceptable to the parties. In 2012, the lease term was extended until April 2035. The rental payments are based on a fixed amount and subject to annual escalation until its 10th year. The annual rate on the 11th year shall be repriced in accordance with the terms of the agreement but in no case that the lease be less than the 10th year rental rate plus 10% escalation. The rental rate is subject to review and conformity of both the lessor and lessee every 5 years, based on 4% average fair rental value or the escalated rate, whichever is higher. The annual escalation rate within the appraisal cycle is 5%.

In 2020, pursuant to providing continued and uninterrupted use of the Leased Premises to its Lessee, the Parent Company entered into amendment of lease agreements for the lease of land until July 31, 2033 and transfer of land improvements to Social Security System (SSS). The lease rates are based on fixed amount, subject to annual escalation. The lease of the land will be subjected to repricing on its 6th year and 11th year in accordance with the terms of the agreement. The Parent Company accounted for these agreements as linked transactions resulting to a lease modification, considering the gain on the partial termination of the lease for the shortening of the lease term and adjustment to right-of-use asset for the remeasurement of lease liability by discounting the revised lease payments using a revised discount rate. The Parent Company derecognized the right-of-use asset and lease liabilities due to shortening of the lease term from April 22, 2035 to July 31, 2033 amounting to ₱87.8 million and ₱99.8 million, respectively (see Note 10). Gain on the shortening of the lease term amounting to ₱11.9 million was recognized as part of "Pre-termination gain on leases" under "Other income (loss) - net" account in the consolidated statement of comprehensive income (see Note 31). Adjustment to right of use assets and lease liabilities as a result of the lease modification amounted to ₱6,298.8 million and ₱6,020.1 million, respectively (see Note 10).

In 2020, SSS granted lease concession to the Parent Company by deferring the lease payments due from December 2020 to May 2021 totaling ₱100.0 million, which will be paid in 2022. The Parent Company applied the practical expedient under amendment to PFRS 16, the revised timing of lease payments was not accounted for as a lease modification.

The Parent Company and Belle Bay City, through its Board of Liquidators, entered into a Memorandum of Agreement granting the Parent Company an absolute and exclusive right to build and use "air rights" a bridge way over a particular lot owned by Belle Bay City. The agreement shall be a period of 50 years or upon termination of the Parent Company's business operation on the bridge way whichever comes earlier. The air rights shall be used to connect City of Dreams Manila Phase 1 and Phase 2. Rental payments are subject to escalation as stated in the agreement.

On May 12, 2012, the Parent Company entered into a lease agreement with SM Prime Holdings, Inc. (formerly SM Land, Inc.) covering its office space. The lease term is five years, with option to renew subject to mutually agreed upon terms and conditions. Rent is payable within 30 days upon receipt of the billing. On August 1, 2017, the operating lease agreement was renewed for another five years ending on July 31, 2022.

The Group has various lease contracts for office spaces, warehouses, retail equipment and retail outlets and corporate suites. The leases generally have lease terms of between 2 and 5 years.

The Group also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases. Rent expense related to short-term leases amounted to ₱18.6 million in 2021 (and ₱27.7 million in 2020) (see Notes 24 and 29).

In 2020, rent concession (i.e., rent reduction) on one of the Group's right-of-use office space amounting to ₱0.3 million was recognized as variable lease, adjusted against rent expense.

In 2020, the lease of corporate suites was terminated. Gain on termination of the lease recognized under "Other income (loss) - net" account amounted to ₱1.2 million (see Note 31).

Movements of right-of-use assets follows:

		(in Thousands)			
		2021			
	Note	**Right-of-use Air Rights**	**Right-of-use Office and Warehouse**	**Right-of-use Equipment**	**Total**
Cost					
Balance at beginning of year		**₱53,673**	**₱89,674**	**₱163,499**	**₱306,846**
Additions		**–**	**8,926**	**–**	**8,926**
Termination of lease		**–**	**(11,014)**	**–**	**(11,014)**
Balance at end of year		**53,673**	**87,586**	**163,499**	**304,758**
Accumulated Depreciation, Amortization and Impairment					
Balance at beginning of year		**7,402**	**64,213**	**163,499**	**235,114**
Depreciation and amortization	10	**3,701**	**20,671**	**–**	**24,372**
Termination of lease		**–**	**(9,540)**	**–**	**(9,540)**
Balance at end of year		**11,103**	**75,344**	**163,499**	**249,946**
Carrying amount		**₱42,570**	**₱12,242**	**₱–**	**₱54,812**

		(In Thousands)				
		2020				
	Note	Right-of-use Air Rights	Right-of-use Office and Warehouse	Right-of-use Equipment	Right-of-use Corporate Suites	Total
Cost						
Balance at beginning of year		₱53,673	₱122,690	₱163,499	₱39,502	₱379,364
Additions	26	–	14,789	–	–	14,789
Termination of lease		–	–	–	(39,502)	(39,502)
Derecognition from disposal of subsidiaries		–	(47,805)	–	–	(47,805)
Balance at end of year		53,673	89,674	163,499	–	306,846
Accumulated Depreciation, Amortization and Impairment						
Balance at beginning of year		3,701	47,280	163,499	16,574	231,054
Amortization	26	3,701	29,358	–	4,144	37,203
Impairment loss		–	9,325	–	–	9,325
Termination of lease		–	–	–	(20,718)	(20,718)
Derecognition from disposal of subsidiaries			(21,750)	–	–	(21,750)
Balance at end of year		7,402	64,213	163,499	–	235,114
Net Carrying Amount		₱46,271	₱25,461	₱–	₱–	₱71,732

The following are the amounts recognized in the consolidated statement of comprehensive income:

		(In Thousands)	
	Note	**2021**	2020
Interest expense on lease liabilities	31	**₱288,653**	₱214,408
Expenses relating to short-term leases	24, 29	**18,576**	27,716
Amortization of right-of-use assets	24, 27, 29	**17,779**	37,203
Pre-termination loss (gain) on leases	31	**567**	(13,995)
Impairment loss of right-of-use assets	29	**–**	9,325
Interest expense on asset retirement obligation		**–**	289
		₱325,575	₱274,946

Movements of lease liabilities follows:

	(In Thousands)	
	2021	2020
Balance at beginning of year	**₱6,687,494**	₱1,003,935
Interest expense	**288,653**	214,408
Additions	**13,479**	6,020,072
Payments	**(438,898)**	(404,102)
Termination of lease	**(2,041)**	(119,744)
Derecognition from disposal of subsidiaries	**–**	(27,075)
Balance at end of year	**6,542,094**	6,687,494
Current portion of lease liabilities	**345,679**	148,613
Lease liabilities - net of current portion	**₱6,196,415**	₱6,538,881

Shown below is the maturity analysis of the undiscounted lease payments:

	(In Thousands)	
	2021	2020
Within 1 year	**₱627,948**	₱519,947
After 1 year but not more than 5 years	**1,942,988**	3,880,609
After 5 years	**5,865,696**	4,505,151

Refundable Deposits
The Group paid deposits as security to various leases amounting to ₱84.6 million as at December 31, 2021 (and ₱70.9 million as at December 31, 2020) (see Note 16). These are refundable at the end of the lease term. The deposits are initially recognized at their present values and subsequently carried at amortized cost using effective interest method.

Group as Lessor

Leases of Online Lotto Equipment and Accessories. POSC leases online lotto equipment and accessories to PCSO for a period of 1 year until July 31, 2021 as provided in the 2020 Amended ELA (see Note 36). In 2021, the ELA was extended until July 31, 2022. Rental payments are based on a percentage of gross amount of lotto ticket sales from the operation of all PCSO's lotto terminals. Rental income recognized in the consolidated statement of comprehensive income amounted to ₱390.8 million in 2021 (₱281.2 million and ₱427.9 million in 2020 and 2019, respectively).

TGTI leases "Online KENO" equipment and accessories to PCSO for a period of 10 years from the time the ELA will run in commercial operations. In 2020, the ELA was extended until March 31, 2021. Rental payment by PCSO is based on certain percentage of gross amount of "Online KENO" games from the operation of all PCSO's terminal or a fixed annual rental of ₱40,000 per terminal in commercial operation, whichever is higher. Rental income recognized in the consolidated statement of comprehensive income amounted to ₱35.6 million in 2021 (₱47.2 million and ₱253.6 million in 2020 and 2019, respectively).

Lease Agreement with Melco. On October 25, 2012, the Parent Company, as a lessor, entered into a lease agreement with Melco for the lease of land and building structures to be used in the City of Dreams Manila project ("the Project"). The lease period is co-terminus with the operating agreement between the Parent Company and Melco which is effective on March 13, 2013 until the expiration of the License on July 11, 2033.

In 2020, the Parent Company granted lease concessions (i.e., lease reduction) on the lease of land and building to Melco as a response to the call by the government to offer lease concessions during the coronavirus pandemic. The 2020 rental payments were reduced to ₱278.9 million from ₱2,349.6 million and 2021 minimum rental payments were changed to include minimum guaranteed rental payments equivalent to 35% of the rent and additional lease payments subject to operating capacity and lifting of age restrictions and inbound international flight restrictions. Accordingly, 2021 rental payments amounted to ₱897.4 million.

In 2020, the Group accounted for the lease concessions as a lease modification to the operating lease that gives rise to a new lease from the effective date of the modification, considering the accrued lease payments relating to the original lease as part of the lease payments for the new lease. The lease concession resulted to a decrease in 2020 lease income by ₱8.9 million. In 2021, the Parent Company recognized lease income up to the extent collectible.

The Parent Company recognized lease income on the lease of land and building by Melco amounting to ₱807.9 million in 2021 (₱2,663.2 million and ₱2,671.0 million in, 2020 and 2019, respectively).

As at December 31, 2021 and 2020, the minimum lease payments to be received by the Parent Company on the lease on the land and building are as follows:

	(In Thousands)	
	2021	2020
Within one year	**₱2,652,233**	₱863,975
In more than one year and not more than five years	**11,134,229**	13,786,462
In more than five years	**18,498,064**	18,498,064
	₱32,284,526	₱33,148,501

The Group carried receivables relating to these leases of ₱3,523.9 million and ₱3,278.2 million under the “Receivables” account in the consolidated statements of financial position as at December 31, 2021 and 2020, respectively (see Note 7).

Costs incurred for these leases, which consists of taxes, property insurance and other costs, are presented under “Cost of lease income” account in the consolidated statements of comprehensive income (see Note 24).

34. **Pension Costs**

The Parent Company and certain of its subsidiaries have funded, noncontributory defined benefit pension plans covering all regular and permanent employees. The benefits are based on employees’ projected salaries and number of years of service. Costs are determined in accordance with the actuarial study, the latest of which is dated December 31, 2021.

PLC is covered under Republic Act No. 7641 which provides a defined benefit minimum guarantee for its qualified employees.

The following tables summarize the components of pension costs recognized in the consolidated statements of comprehensive income and the pension asset and pension liability recognized in the consolidated statement of financial position.

Changes in the retirement benefits of the Group in 2021 are as follows:

		(In Thousands)		
	Note	**Present Value of Defined Benefit Obligation**	**Fair Value of Plan Assets**	**Pension Asset (Liability)**
Balance at beginning of year		**(₱227,480)**	**₱182,201**	**(₱45,279)**
Net retirement income (costs) in profit or loss:				
Current service cost		**(19,082)**	**–**	**(19,082)**
Past service cost		**10,338**	**–**	**10,338**
Interest on the effect on asset ceiling		**(7,830)**	**6,172**	**(1,658)**
		(16,574)	**6,172**	**(10,402)**
Benefits paid		**36,782**	**(36,782)**	**–**
Contributions		**–**	**5,000**	**5,000**
Remeasurement gain (loss) recognized in OCI:				
Actuarial changes due to experience adjustment		**18,158**	**–**	**18,158**
Actuarial changes arising from changes in financial assumptions		**12,067**	**–**	**12,067**
Actuarial changes due to changes in demographic assumptions		**7,690**	**–**	**7,690**
Actual return excluding amount included in net interest cost		**–**	**925**	**925**
Effect of asset ceiling		**–**	**(1,669)**	**(1,669)**
		37,915	**(744)**	**37,171**
Balance at end of year		**(₱169,357)**	**₱155,847**	**(₱13,510)**

Changes in the retirement benefits of the Group in 2020 are as follows:

		(In Thousands)		
	Note	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Asset (Liability)
Balance at beginning of year		(₱253,363)	₱209,143	(₱44,220)
Net retirement income (costs) in profit or loss:				
Current service cost		(20,830)	–	(20,830)
Interest expense		(11,368)	–	(11,368)
Interest income		–	8,818	8,818
Settlement loss		(228)	–	(228)
Interest on the effect on asset ceiling		–	(16)	(16)
		(32,426)	8,802	(23,624)

(Forward)

		(In Thousands)		
	Note	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Asset (Liability)
Benefits paid		₱12,513	(₱10,703)	₱1,810
Disposal of a subsidiary	15	20,011	(32,764)	(12,753)
Contributions		–	9,192	9,192
Settlements		2,360	(2,360)	–
Remeasurement gain (loss) recognized in OCI:				
Actuarial changes due to experience adjustment		32,428	–	32,428
Actuarial changes arising from changes in financial assumptions		(16,590)	–	(16,590)
Actual return excluding amount included in net interest cost		–	(1,971)	(1,971)
Actuarial changes due to changes in demographic assumptions		1,206	–	1,206
Effect of asset ceiling		–	(303)	(303)
Disposal of a subsidiary	15	6,381	3,165	9,546
		23,425	891	24,316
Balance at end of year		(₱227,480)	₱182,201	(₱45,279)

The retirement benefits are presented in the consolidated statement of financial position as at December 31, 2021 (and 2020) are as follows:

	(In Thousands)	
	2021	2020
Pension asset	**₱17,384**	₱14,012
Pension liability	**(30,894)**	(59,291)
Net pension liability	**(₱13,510)**	(₱45,279)

The major categories of plan assets as a percentage of the fair value of total plan assets as at December 31 are as follows:

	(In Thousands)	
	2021	2020
Cash and cash equivalents	**9%**	18%
Debt instruments - government bonds	**55%**	42%
Unit investment trust funds	**30%**	26%
Mutual fund	**3%**	1%
Others	**3%**	13%
	100%	100%

The Group's plan assets are administered by a Trustee. The Group and the retirement plan have no specific matching strategies between the retirement plan assets and define benefit asset or obligation under the retirement plan.

The principal assumptions used to determine retirement plan assets as at December 31 are as follows:

	2021	2020
Discount rates	**4.99%-5.19%**	5.10%-7.62%
Future salary increases	**5.00%-8.00%**	5.00%-8.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2021 and 2020 assuming all other assumptions were held constant:

	2021		2020	
	Increase (Decrease)	**Increase (Decrease) in Defined Benefit Obligation (In thousands)**	Increase (Decrease)	Increase (Decrease) in Defined Benefit Obligation (In thousands)
Discount rate	**1.00%**	**(₱10,243)**	1.00%	(₱17,619)
	(1.00%)	**12,145**	(1.00%)	21,335
Salary increase rate	**1.00%**	**12,058**	1.00%	20,698
	(1.00%)	**(8,184)**	(1.00%)	(17,480)

The average duration of the Group's defined benefit obligation is 1.3 years to 24.3 years in 2021.

The maturity analysis of the undiscounted benefit payments follows:

	(In Thousands)	
	2021	2020
Less than 1 year	**₱86,621**	₱113,756
More than 1 year to 5 years	**18,215**	20,670
More than 5 years to 10 years	**64,569**	79,834

35. **Related Party Transactions**

In the ordinary course of business, the Group has transactions with related parties which consist mainly of extension or availment of noninterest-bearing advances. The outstanding balances at year-end are payable on demand. There have been no guarantees provided or received for any related party receivables or payables. Related party transactions are generally settled in cash. Related party transactions amounting to 10% or higher of the Group's consolidated total assets are subject to the approval of the BOD.

Related Party	Relationship	Transaction		Transaction Amounts	Outstanding Balance	Terms	Conditions
				(In Thousands)			
APC	Associate	Advances to associate (see Note 17)	**2021**	**₱–**	**₱79,976**	Noninterest-bearing, due and demandable	Unsecured, partially provided amounting to ₱79,452 in 2021 (and 2020)
			2020	–	79,979		
Belle Jai Alai	Associate	Advances to associate (see Note 17)	**2021**	**–**	**29,398**	Noninterest-bearing, due and demandable	Unsecured, fully provided in 2021 (and 2020)
			2020	–	29,398		
Others	Associate	Advances to associates (see Note 17)	**2021**	**–**	**11,486**	Noninterest-bearing, due and demandable	Unsecured, fully provided in 2021 (and 2020)
			2020	–	11,486		
Belle Jai-Alai	Associate	Advances from associate	**2021**	**21,936**	**(60,037)**	Noninterest-bearing, due and demandable	Unsecured
			2020	–	(38,101)		
SM Prime Holdings, Inc.	With common stockholders	Lease (see Note 36)	**2021**	**12,690**	–	5 years, renewable	Unsecured
			2020	9,774	–		
			2019	9,209	–		
		Management and professional fees (see Note 32)	**2021**	**12,690**	–	1 year, renewable	Unsecured
			2020	14,568	–		
			2019	14,223	–		
SM Arena Complex Corporation	With common stockholders	Sponsorship agreement (see Notes 32 and 36)	**2021**	**–**	**–**	3 years	Unsecured
			2020	14,500	–		
			2019	18,000	4,950		
Highlands Prime, Inc. (HPI)	With common stockholders	Service fees (see Note 32)	**2021**	**25,158**	–	5 years, renewable	Unsecured
			2020	3,884	–		
			2019	13,726	–		
Directors and officers	Key management personnel	Short-term employee benefits	**2021**	**67,441**	**–**	Not applicable	Unsecured
			2020	61,553	–		
			2019	110,937	–		
		Long-term employee benefits	**2021**	**7,086**	**–**	Not applicable	Unsecured
			2020	7,833	–		
			2019	7,503	–		
SM Investments Corporation	With common stockholders	Service fees (see Note 32)	**2021**	**60,500**	**–**	Non-interest bearing, 30 days	Unsecured
			2020	60,500	–		
			2019	66,000	–		

The following table provides the summary of outstanding balances and transactions for the year ended December 31, 2021 (and for the years ended December 31, 2020, and 2019) in relation with the table above for the transactions that have been entered into with related parties:

Total Related Party Outstanding Balances before any Allowance for Impairment

	Note	(In Thousands) **2021**	2020
Advances to associates	14	**₱120,336**	₱120,333
Advances from associates	17	**60,037**	38,101

Total Related Party Transactions

	(In Thousands)		
	2021	2020	2019
Short-term and long-term employee benefits	**₱74,527**	₱69,386	₱118,440
Service fee	**25,158**	3,884	13,726
Management fee	**12,690**	14,568	18,223
Rent	**9,774**	9,774	9,209
Sponsorship agreement	**–**	4,500	18,000

Allowance provided on advances to associates charged to "Investments in and Advances to Associates" amounted to ₱120.3 million as at December 31, 2021 (and 2020) (see Note 14).

Transactions with other related parties are as follows:

- In 2014, the Parent Company entered into a renewable one-year management and professional service agreement with SM Prime Holdings, Inc. Management and professional fees charged by SM Prime Holdings, Inc. to the Parent Company amounted to ₱12.7 million in 2021 (₱14.6 million and ₱18.2 million in 2020 and 2019, respectively) which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income (see Note 29). The fees are payable within 30 days upon the receipt of billing.

- In 2015, the Parent Company entered into a renewable one-year service agreement with HPI for manpower supervision. Service fees charged by HPI to the Parent Company amounted to ₱85.7 million in 2021 (₱3.9 million and ₱13.7 million in 2020 and 2019, respectively) which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income (see Note 29).

- In 2019, the Parent Company entered into a renewable one-year professional service agreement with SM Investments Corporation. Service fees charged by SMIC to the Parent Company amounted to ₱60.5 million in 2021 (₱60.5 million and ₱66.0 million in 2020 and 2019, respectively) which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income (see Note 29). The fees are payable within 30 days upon the receipt of billing.

36. Significant Contracts and Commitments

Investment Commitment with PAGCOR

The Group and its casino operator is required to have an "Investment Commitment" based on PAGCOR guidelines of US$1.0 billion, of which US$650.0 million shall be invested upon the opening of the casino and the other US$350.0 million shall be invested within a period of three (3) years from the commencement of the casino operations. The Investment Commitment should comprise of the value of land used for the projects and the construction costs of various facilities and infrastructure within the site of the project. In 2015, the Group and its co-licensees have complied with the Investment Commitment and were granted with regular casino license.

The other salient provisions of the License are: (i) creation of an escrow account where the funds to be used exclusively for the Project are expected to flow through but with a maintaining balance of US$50.0 million and is separately shown as the "Escrow Fund" account in the 2012 consolidated statement of financial position; (ii) issuance of performance bond of US$100.0 million to guarantee the completion of the project; and (iii) issuance of surety bond of US$100.0 million to guarantee the payment to PAGCOR of all fees payable under the License granted by PAGCOR. In May 2013, the Escrow was terminated as Melco deposited its own Escrow Fund to replace that of the Group.

Cooperation Agreement with Melco
On October 25, 2012, the Parent Company together with PLAI ("Philippine Parties"), formally entered into a Cooperation Agreement with Melco which governs their cooperation in the development and operation of the City of Dreams Manila. The Cooperation Agreement places the Group as a co-licensee and the owner of the site's land and buildings, while Melco will be a co-licensee and operator of all the facilities within the resort complex.

In March 2013, Melco paid the Group the amount of ₱949.6 million which represents various costs Melco agreed to absorb as one of the conditions of the Philippine Parties in including the Melco Parties as co-licensees under the Project.

Operating Agreement with Melco
On March 13, 2013, the Parent Company, together with PLAI, entered into an Operating Agreement with MPHIL Holdings No. 2 Corporation, MPHIL Holdings No.1 Corporation and Melco. Under the terms of the Operating Agreement, Melco was appointed as the sole and exclusive operator and manager of the casino development Project.

The Operating Agreement shall be in full force and effect for the period of the PAGCOR License, unless terminated earlier in accordance with the agreements among the parties.

Pursuant to this agreement, PLAI shares from the performance of the casino gaming operations. Gaming revenue share in 2021, 2020 and 2019 amounted to ₱1,300.3 million, ₱635.2 million and ₱2,976.4 million, respectively (see Note 22).

Equipment Lease Agreement (ELA) between POSC and PCSO
POSC has an ELA with the PCSO for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment of PCSO. This also includes the supply of betting slips and ticket paper rolls.

PCSO is the principal government agency for raising and providing funds for health programs, medical assistance and services, and charities of national character through holding and conducting charity sweepstakes, races, and lotteries.

In relation to the amendments of contract with PCSO, POSC was required to deposit cash bond to guarantee the unhampered use and operation of the lottery system, including equipment, servers, network communication and terminals. As at December 31, 2021 and 2020, the total cash bond, included under "Other current assets" or "Other noncurrent assets" in the consolidated statements of financial position, amounted to ₱12.0 million (see Notes 9 and 16).

On July 31, 2019, the ELA was amended to extend the term from August 1, 2019 to July 31, 2020. The said extension was intended for PCSO to complete the bidding process for the Philippine Lottery System (PLS) under Republic Act No. 9184, as amended, until a new lottery system is fully realized and to ensure unhampered and uninterrupted operations of the online lottery and to avoid the loss of funds to PCSO.

On September 9, 2020, the term of the ELA was extended on a month-to-month basis effective August 1, 2020 but not to exceed one year, commensurate to the necessity and immediacy to complete the bidding process of the new lottery system. POSC undertakes not to pull-out the lottery terminals until after the 7th month after the expiration of the ELA.

On September 9, 2020, the term of the ELA was month-to-month basis not exceeding 1 year, commencing from April 1, 2021 and not exceeding July 31, 2022.

The rental fee, presented as “Equipment rental” in the consolidated statements of comprehensive income, is based on a percentage of gross sales of lotto tickets from PCSO’s VISMIN and Luzon operations. The number of installed lotto terminals totaled 3,129 and 3,370 as at December 31, 2021 and 2020. POSC’s rental income amounted to ₱390.8 million in 2021 (₱245.9 million and ₱427.9 million in 2020 and 2019, respectively) (see Note 33).

Instant Scratch Tickets. On March 31, 2009, POSC entered into a non-exclusive Memorandum of Agreement (MOA) with PCSO, for a period of seven years, effective December 1, 2009 to undertake the printing, distribution and sale of scratch tickets. The MOA requires a cash bond to be deposited in an interest-bearing bank account designated by PCSO to guarantee the payment of all prizes for each series of tickets distributed, subject to review by PCSO, which was paid in January 2010, for a period of seven years from the date of initial launch of the instant tickets and shall be maintained co-terminus with this MOA.

On March 31, 2015, the POSC entered into an OMOA with PMLC for the authorization of PMLC as the exclusive marketing, distribution, selling and collecting agent of POSC throughout the Philippines. The agreement took effect on April 1, 2015 and shall remain effective as long as the MOA with PCSO or any extension thereof shall be effective.

PMLC agreed to assume POSC’s commitment to PCSO to solely shoulder the project cost for the Instant Scratch Ticket program, which consists of the costs of production, distribution, warehousing, printing, handling, software and hardware maintenance, advertising, marketing, selling and other related expenses necessary to totally dispose of all instant tickets. PMLC is entitled to all the revenues, sums and proceeds from the Instant Scratch Tickets beginning April 1, 2015, and shall be obligated to shoulder the pay-outs for all winnings from said tickets sold beginning April 1, 2015. In consideration for the OMOA, PMLC agreed to pay POSC a guaranteed fixed monthly fee of ₱4.0 million starting April 2015. This fee is included as part of “Commission and distribution income” under “Revenue” in the consolidated statements of comprehensive income.

POSC shall continue to pay the share of PCSO and the cash bond pursuant to the MOA, however, PMLC agreed to guarantee payment of the share of PCSO to POSC beginning April 2015. An existing consultancy agreement between POSC and PMLC for the scratch ticket operations was immediately terminated upon execution of the OMOA.

The MOA with POSC expired on November 30, 2016 and the OMOA with PMLC also expired accordingly. All tickets distributed to the retailers and agents, shall be allowed to be marketed continuously until fully sold and the corresponding winnings thereof shall be honored and paid even after the period of the MOA with PCSO.

In 2018, POSC received a certification from the PCSO stating the fulfillment of POSC’s obligation under the MOA and thereby clearing POSC of any accountability thereunder. PCSO certified that POSC is entitled to the release of the ₱10.0 million cash bond. In 2019, the ₱10.0 million cash bond was collected.

Brand and Trademark Agreement with PMLC

In January 2018, POSC entered into a Brand and Trademark License Agreement (BTLA) with PMLC granting the latter a non-assignable, non-transferable and exclusive right to use POSC’s instant scratch tickets’ brand and trademarks. The agreement has an initial term of five (5) years effective on January 1, 2018, subject to adjustment to conform to and coincide with term of the PMLC’s agreement with PCSO for the supply and distribution of its instant scratch tickets. In consideration of the BTLA, PMLC agreed to pay POSC a guaranteed fixed monthly fee of ₱4.0 million starting January 2018. The agreement with PMLC was accounted for as sale of right to use the brand and trademark. POSC already transferred the control over the brand and trademark to PMLC on January 1, 2018 and there are no other performance obligation to be provided to PMLC. Thus, in 2018, POSC recognized revenue on the use of the brand and trademark amounting to ₱203.5 million (see Note 31). Interest income earned in 2021 amounted to ₱6.1 million (₱5.6 million and ₱8.6 million in 2020 and 2019, respectively) (see Note 30).

TGTI Equipment Rental

TGTI has an ELA with PCSO which provides for the lease of the equipment for PCSO’s Online KENO games. This covers PCSO’s online keno lottery operations. The lease includes online keno equipment and accessories. The rental fee, presented as “Equipment rental” in the consolidated statements of comprehensive income, is based on a percentage of the gross sales of the “Online KENO” terminals. The ELA may be extended and/or renewed upon the mutual consent of the parties. TGTI’s revenue from equipment rental amounted to ₱35.6 million in 2021 (₱47.2 million and ₱253.6 million in 2020 and 2019, respectively). As at December 31, 2021 and 2020, there are 569 and 1,180 Online KENO terminals in operation, respectively.

On October 1, 2019, the ELA was amended to a lower lease rate, inclusive of VAT. The minimum price per keno bet was reduced from ₱12 to ₱10, inclusive of documentary stamp tax.

On December 11, 2020, the ELA was amended to extend the term for six months, effective October 1, 2020 until March 31, 2021. The amendment also required TGTI to post a cash bond and performance security bond with an aggregate amount of ₱2.5 million. The cash bond is included under “Other current assets” or “Other noncurrent assets” in the consolidated statements of financial position (see Notes 9 and 16).

In 2021, the ELA was extended on a month-to-month basis not exceeding one year, commencing from April 1, 2021 but not beyond April 1, 2022.

<u>POSC's Consultancy Agreements, Contracts with Scientific Games and Intralot, Management Agreement</u>

a. <u>Consultancy Agreements</u>
POSC and its subsidiaries hired the services of several consultants for its gaming operations. Consultancy fees are based on a certain percentage of the gross amount of ticket sales of certain variants of lottery operations of PCSO.

b. <u>Scientific Games</u>
As at December 31, 2021 and 2020, POSC has a contract with Scientific Games, a company incorporated under the laws of the Republic of Ireland, for the supply of Visayas-Mindanao Online Lottery System. In consideration, POSC shall pay Scientific Games a pre-agreed percentage of the revenue generated by the terminals from PCSO's conduct of online lottery operation using the computer hardware and operating system provided by Scientific Games. The contract shall continue as long as the POSC's ELA with PCSO is in effect.

In 2021, the contract with Scientific Games was extended until July 31, 2022.

a. <u>Intralot</u>
As at December 31, 2021 and 2020, POSC and TGTI have contracts with Intralot Inc., a company subsidiary domiciled in Atlanta, Georgia, for the supply of hardware, operating system software and terminals and the required training required to operate the system. In consideration, POSC and TGTI shall pay Intralot a pre-agreed percentage of the revenue generated by the terminals from PCSO's conduct of online lottery operations. The Contract shall continue as long as POSC's and TGTI's ELA with PCSO are in effect.

In 2021, the contract with POSC was extended until July 31, 2022 while the contract with TGTI was extended until March 31, 2022.

d. <u>Management Agreement</u>
POSC and TGTI entered into a Management Agreements with AB Gaming and Leisure Exponent Specialist, Inc. ("Manager") for the latter to provide investment and management counsel and to act as manager and overseer of its operations. In consideration of the Manager's services, POSC shall pay a monthly fee and an amount equivalent to a certain percentage of the annual earnings before interest, taxes, depreciation, and amortization (EBITDA). The agreements were terminated in 2021.

Software and license fee recognized amounted to amounted to ₱54.5 million in 2021 (₱40.6 million and ₱136.3 million in 2020 and 2019, respectively) (see Note 24).

<u>Interest in a Joint Operation of PinoyLotto Technologies Corp. (PinoyLotto)</u>
On September 7, 2021, Pinoylotto, a joint venture corporation owned by POSC, PGMC ILTS, was incorporated with the SEC. PinoyLotto was awarded the five years lease of the customized PCSO Lottery System, also known as '2021 PLS Project.'

The Group's interest in PinoyLotto was considered as joint operation. Financial information of PinoyLotto and the Group's share of the assets, liabilities, and results of operations as at and for the year ended December 31, 2021 are as follows:

	PinoyLotto	Share in Joint Operation
Cash	₱5,377,271	₱2,688,635
Other current assets	262,591	131,296
Trade and other payable	(3,425)	(1,713)
Net loss (mainly pre-operating expenses)	97,263,563	48,631,781

37. **Basic/Diluted EPS**

The basic/diluted earnings per share were computed as follows:

	(In Thousands, Except for EPS)		
	2021	2020	2019
Earnings attributable to Equity holders of the Parent (a)	**₱576,983**	₱1,001,281	₱2,609,733
Number of issued common shares at beginning of year	**10,561,000**	10,561,000	10,561,000
Number of common treasury shares at beginning of year	**(797,874)**	(797,875)	(797,875)
Number of parent company common shares held by subsidiaries at beginning of year	**(319,041)**	(319,041)	(319,041)
Weighted average number of treasury shares issued during the year	**500**	–	–
Weighted average number of issued common shares - basic, at end of year (b)	**9,444,585**	9,444,084	9,444,084
Basic/diluted EPS (a/b)	**₱0.061**	₱0.106	₱0.276

There are no common stock equivalents that would have a dilutive effect on the basic EPS.

38. **Financial Assets and Financial Liabilities**

Financial Risk Management Objectives and Policies

The Group's principal financial liabilities are composed of trade and other current liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and cash equivalents, receivables and installment receivables. The Group also holds financial assets at FVPL, financial assets at FVOCI, deposits, refundable deposits and construction bonds, guarantee deposits, loans payable, long-term debt, lease liability, and obligations under finance lease.

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

Interest Rate Risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial assets and financial liabilities. The Group's exposure to interest rate risk relates primarily to the Group's long-term debt which are subject to cash flow interest rate risk.

The Group's policy is to manage its interest cost by limiting its borrowings and entering only into borrowings at fixed and variable interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with other variables held constant of the Company's income before income tax

	(In Thousands)	
	2021	2020
Increase (decrease) in basis points:		
100	**₱6,038**	(₱8,750)
(100)	**(6,038)**	8,750
50	**3,019**	(5,250)
(50)	**(3,019)**	5,250

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

As at December 31, 2021 (and 2020), foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	(In Thousands)	
	2021	2020
Cash and cash equivalents	**₱10,679**	₱19,636
Consultancy and software license fee payable*	**(733)**	(17,207)
Foreign currency-denominated financial assets (liabilities)	**₱9,946**	₱2,429

**Presented under "Trade and other current liabilities" account in the consolidated statement of financial position.*

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was ₱51.09 to US$1.0 and ₱48.02 to US$1.0, as at December 31, 2021 and 2020, respectively.

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

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before tax as at December 31, 2021 (and 2020). There is no other impact on the Group's equity other than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	2021		2020	
	Increase in US$ Rate	**Decrease in US$ Rate**	Increase in US$ Rate	Decrease in US$ Rate
Change in US$ rate*	5%	(5%)	5%	(5%)
Effect on income before income tax (in thousands)	₱1,339	(₱1,339)	₱4,213	(₱4,213)

The increase in US$ rate means stronger US dollar against peso while the decrease in US$ means stronger peso against the US dollar.

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

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2021 and 2020 consolidated total comprehensive income before income tax:

	(In Thousands)	
Increase (Decrease) in Equity Price	**2021**	2020
Impact in profit or loss		
5%	**₱3,653**	₱4,213
(5%)	**(3,653)**	(4,213)
Impact in comprehensive income		
5%	**₱363,521**	₱239,567
(5%)	**(363,521)**	(239,567)

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

In the Group's real estate business, title to the property is transferred only upon full payment of the purchase price. There are also provisions in the sales contract which allow forfeiture of installments/deposits made by the customer in favor of the Group and retain ownership of the property. The Group has the right to sell, assign or transfer to third party and any interest under sales contract, including its related receivables from the customers. The Group's primary target customers are high-income individuals and top corporations, in the Philippines and overseas. These measures minimize the credit risk exposure or any margin loss from possible default in the payments of installments.

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

With respect to credit risk arising from the financial assets of the Group, which comprise of cash and cash equivalents, investments held for trading, receivables, finance lease receivables, advances to associates, financial assets at FVOCI, deposits, refundable deposits and construction bonds, and guarantee bonds, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these financial assets.

The table below shows the Group's aging analysis of financial assets.

	(In Thousands)						
	2021						
	Neither	**Past Due but not Impaired**					
	Past Due nor Impaired	**Less than 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**Over 90 Days**	**Impaired**	**Total**
Cash and cash equivalents*	**₱2,081,651**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,081,651**
Financial assets at FVPL	**73,054**	**–**	**–**	**–**	**–**	**–**	**73,054**
Receivables:							
Trade	**4,854,185**	**–**	**9,407**	**5,181**	**45,982**	**212,458**	**5,127,213**
Others	**245,711**	**–**	**–**	**–**	**–**	**162,108**	**407,819**
Advances to associates**	**527**	**–**	**–**	**–**	**–**	**–**	**527**
Financial assets at FVOCI	**7,270,420**	**–**	**–**	**–**	**–**	**–**	**7,270,420**
Advances to contractors***	**139,740**	**–**	**–**	**–**	**–**	**–**	**139,740**
Refundable deposit***	**88,285**	**–**	**–**	**–**	**–**	**–**	**88,285**
Guarantee bonds***	**14,500**	**–**	**–**	**–**	**–**	**–**	**14,500**
	₱14,768,073	**₱–**	**₱9,407**	**₱5,181**	**₱45,982**	**₱374,566**	**₱15,203,209**

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	(In Thousands)						
	2021						
	Neither	Past Due but not Impaired					
	Past Due nor Impaired	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalents*	₱2,579,407	₱–	₱–	₱–	₱–	₱–	₱2,579,407
Financial assets at FVPL	84,261	–	–	–	–	–	84,261
Receivables:							
Trade	2,492,468	23,984	9,658	30,973	323,571	212,458	3,093,112
Others	420,494	–	–	–	–	162,108	582,602
Advances to associates**	524	–	–	–	–	–	524
Financial assets at FVOCI	4,789,847	–	–	–	–	–	4,789,847
Advances to contractors***	139,740	–	–	–	–	–	139,740
Refundable deposit***	104,394	–	–	–	–	–	104,394
Guarantee bonds***	17,920	–	–	–	–	–	17,920
	₱10,629,055	₱23,984	₱9,658	₱30,973	₱323,571	₱374,566	₱11,391,807

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

Financial assets are considered past due when collections are not received on due date.

Past due accounts which pertain to trade receivables from sale of real estate units and club shares are recoverable since the legal title and ownership of the real estate units and club shares will only be transferred to the customers upon full payment of the contract price.

Credit Quality of Financial Assets

The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	(In Thousands)			
	2021			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Financial Assets at Amortized Cost				
Cash and cash equivalents*	**₱2,081,651**	**₱–**	**₱–**	**₱2,081,651**
Advances to associates**	**527**	**–**	**–**	**527**
Advances to contractors***	**139,740**			**139,740**
Refundable deposits***	**88,285**	**–**	**–**	**88,285**
Guarantee bonds***	**14,500**	**–**	**–**	**14,500**
Receivables:				
Trade	**4,863,592**	**51,163**	**212,458**	**5,127,213**
Others	**245,711**	**–**	**162,108**	**407,819**
Financial assets at FVOCI	**7,270,420**	**–**	**–**	**7,270,420**
Financial assets at FVPL	**73,054**	**–**	**–**	**73,054**
Gross Carrying Amount	**₱14,777,480**	**₱51,163**	**₱374,566**	**₱15,203,209**

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	(In Thousands)			
	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents*	₱2,579,407	₱–	₱–	₱2,579,407
Advances to associates**	524	–	–	524
Advances to contractors***	139,740			139,740
Refundable deposit and construction bonds***	104,394	–	–	104,394
Guarantee bonds***	17,920	–	–	17,920
Receivables:				
Trade	2,526,110	354,544	212,458	3,093,112
Others	420,494	–	162,108	582,602
Financial assets at FVOCI	4,789,847	–	–	4,789,847
Financial assets at FVPL	84,261	–	–	84,261
Gross Carrying Amount	₱10,662,697	₱354,544	₱374,566	₱11,391,807

**Excluding cash on hand.*
***Presented under "Investments in and advances to associates" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

High grade financial assets pertain to receivables from clients or customers who have no history of delayed payment while medium grade includes receivables from clients or customers who have history of delayed payment but is currently updated.

Cash in banks, cash equivalents and short-term investments are deposited with the top ten banks in the Philippines; hence, considered high grade.

Unquoted investments held for trading and financial assets at FVOCI are unrated while quoted financial assets at FVOCI are assessed as high grade based on financial status of the counterparty and its current stock price performance in the market.

Liquidity Risk. Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Group considers obtaining borrowings as the need arises.
The following table summarizes the maturity profile of the Group's financial liabilities as at December 31, 2021 and 2020 based on contractual undiscounted cash flows.

	(In Thousands)					
	2021					
	On Demand	**< 6 Months**	**6 Months to 1 Year**	**1–3 Years**	**> 3 Years**	**Total**
Financial Liabilities						
Trade and other current liabilities*	**₱1,574,211**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,574,211**
Loans payable**	**1,995,017**	**–**	**–**	**–**	**–**	**1,995,017**
Long-term debt**	**–**	**75,065**	**91,309**	**5,200,445**	**–**	**5,366,819**
Refundable deposit***	**–**	**–**	**–**	**–**	**153,999**	**153,999**
	₱3,569,228	**₱75,065**	**₱91,309**	**₱5,200,445**	**₱153,999**	**₱9,090,046**

**Excluding withholding and output tax payable.*
***Including future interest payments.*
****Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.*

	(In Thousands)					
	2020					
	On Demand	< 6 Months	6 Months to 1 Year	1–3 Years	> 3 Years	Total
Financial Liabilities						
Trade and other current liabilities*	₱253,124	₱1,599,110	₱486,028	₱–	₱–	₱2,338,262
Loans payable**	2,525,017	–	–	–	–	2,525,017
Long-term debt**	–	121,111	–	2,065,556	2,380,000	4,566,667
Refundable deposit***	–	–	–	–	199,311	199,311
	₱2,778,141	₱1,720,221	₱788,200	₱2,065,556	₱2,579,311	₱9,629,257

** Excluding withholding and output tax payable.*
***Including future interest payments.*
****Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.*

The Group expects to settle its maturing obligations on long-term debt from its gaming revenues from casino operations, rental income on land and casino building (see Note 35) and expected profits from real estate development operations.

Capital Management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2021 (and 2020).

The Group considers the following as its capital:

	(In Thousands)	
	2021	2020
Common stock	**₱10,561,000**	₱10,561,000
Additional paid-in capital	**5,503,731**	5,503,731
Treasury stock	**(2,476,697)**	(2,476,700)
Equity share in cost of Parent Company shares held by associates	**(2,501)**	(2,501)
Cost of Parent Company common shares held by subsidiaries	**(1,494,322)**	(1,493,752)
Retained earnings	**12,175,075**	11,580,786
	₱24,266,286	₱23,672,564

Fair Value of Assets and Financial Liabilities

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

	(In Thousands) 2021					
	Valuation Date	**Carrying Value**	**Fair Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets						
Assets measured at fair value:						
Through profit or loss	**December 31, 2021**	**₱73,054**	**₱73,054**	**₱73,054**	**₱–**	**₱–**
Through other comprehensive income (quoted)	**December 31, 2021**	**7,270,420**	**7,270,420**	**7,270,420**	**–**	**–**
Assets for which fair value is disclosed:						
Nonfinancial assets*	**December 31, 2021**	**24,371,435**	**41,782,462**	**–**	**–**	**41,782,462**
Advances to contractors**	**December 31, 2021**	**112,529**	**69,708**	**–**	**–**	**69,708**
Liabilities						
Liabilities for which fair value is disclosed:						
Refundable deposits	**December 31, 2021**	**387,459**	**223,431**	**–**	**–**	**223,431**
Long-term debt	**December 31, 2021**	**4,885,000**	**4,987,980**	**–**	**–**	**4,987,980**
Lease liability	**December 31, 2021**	**6,542,094**	**6,474,460**	**–**	**–**	**6,474,460**

**Consist of investment properties*
***Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	(In Thousands)					
	2020					
	Valuation Date	Carrying Value	Fair Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets						
Assets measured at fair value:						
Through profit or loss	December 31, 2020	₱84,261	₱84,261	₱84,261	₱–	₱–
Through other comprehensive income (quoted)	December 31, 2020	4,789,847	4,789,847	4,789,847	–	–
Assets for which fair value is disclosed:						
Nonfinancial assets*	December 31, 2020	25,437,299	43,609,782	–	–	43,609,782
Advances to contractors**	December 31, 2020	139,740,	134,587	–	–	134,587
Liabilities						
Liabilities for which fair value is disclosed:						
Refundable deposits	December 31, 2020	199,311	215,564	–	–	215,564
Long-term debt	December 31, 2020	4,566,667	4,946,284	–	–	4,946,284
Lease liability	December 31, 2020	6,696,360	7,243,504	–	–	6,696,360

**Consist of investment properties*
***Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

The Company has no financial liabilities measured at fair value as at December 31, 2021 (and 2020). There were no transfers between fair value measurements in 2021 (and 2020).

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

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

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

Long-term Debt. The fair value long-term loans payable is determined by discounting the obligations' expected future cash flows using the discount rate of 2.91% to 3.74% in 2021 (and 1.75% to 2.49% in 2020).

Lease Liabilities. The fair value is based on the discounted value of expected future cash flows using the applicable interest rate for similar types of instruments. Discount rates used are 0.99% to 4.87% in 2021 (and 0.99% to 3.95% in 2020).

39. Supplemental Disclosure of Cash Flow Information

Changes in Liabilities Arising from Financing Activities

	(In Thousands)					
	2021					
	Balance at beginning of year	**Additions**	**Cash flows**	**Interest expense**	**Derecognition/ Termination**	**Balance at end of year**
Dividends payable	**₱–**	**₱241,660**	**(₱241,660)**	**₱–**	**₱–**	**₱–**
Lease liability	**6,687,494**	**–**	**(144,832)**	**288,653**	**(567)**	**6,542,094**
Loans payable	**2,525,017**	**1,620,000**	**(2,150,000)**	**–**	**–**	**1,995,017**
Long-term debt	**4,566,667**	**2,000,000**	**(1,681,667)**	**–**	**–**	**4,885,000**
Interest payable	**2,492**	**–**	**(584,637)**	**603,832**	**–**	**19,195**
	₱13,781,670	**₱3,861,660**	**(₱4,802,796)**	**₱892,485**	**(₱567)**	**₱13,441,306**

	(In Thousands)					
	2020					
	Balance at beginning of year	Additions	Cash flows	Interest expense	Derecognition/ Termination	Balance at end of year
Dividends payable	₱–	₱1,431,230	(₱1,431,230)	₱–	₱–	₱–
Lease liability	1,003,935	6,020,072	(404,102)	214,408	(146,819)	6,687,494
Loans payable	1,950,017	3,675,000	(3,100,000)	–	–	2,525,017
Long-term debt	4,511,111	1,000,000	(944,444)	–	–	4,566,667
Interest payable	17,074	–	(574,152)	559,570	–	2,492
	₱7,482,137	₱12,126,302	(₱6,453,928)	₱773,978	(₱146,819)	₱13,781,670

Interest expense for 2021 (and 2020) pertains to accretion of lease liability and obligations under finance lease.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

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INDEPENDENT AUDITORS REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Belle Corporation
5th Floor, Tower A, Two E-Com Center
Palm Coast Avenue, Mall of Asia Complex
CPB-1A, Pasay City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Belle Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2021 and have issued our report thereon dated February 24, 2022. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's financial statements as at and for the year ended December 31, 2021 and no material exceptions were noted.

REYES TACANDONG & CO.

Belinda B. Fernando

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Partner
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Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 81207-SEC Group A
Issued January 30, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8851706
Issued January 3, 2022, Makati City

February 24, 2022
Makati City, Metro Manila

BELLE CORPORATION AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2021 and 2020

(Amounts in Thousands)

Ratio	Formula		2021	2020
Current Ratio	**Total Current Assets divided by Total Current Liabilities**		**2.96**	2.55
	Total Current Assets	₱12,336,229		
	Divide by: Total Current Liabilities	4,164,997		
	Current Ratio	2.96		
Acid Test Ratio	**Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities**		**1.55**	1.51
	Total Current Assets	₱12,336,229		
	Less: Inventories	(351,120)		
	Land held for future development	(3,021,120)		
	Other Current Assets	(2,518,964)		
	Quick Assets	6,445,025		
	Divide by: Total Current Liabilities	4,164,997		
	Acid Test Ratio	1.55		
Debt-to-Equity Ratio	**Total Interest-Bearing debt divided by Total Equity**		**0.21**	0.23
	Total interest-bearing debt	₱6,880,017		
	Total Equity	33,009,433		
	Debt to Equity Ratio	0.21		
Asset-to-Equity Ratio	**Total Assets divided by Total Equity**		**1.55**	1.64
	Total Assets	₱51,027,577		
	Total Equity	33,009,433		
	Asset to Equity Ratio	1.55		
Interest Rate Coverage Ratio	**Earnings Before Interest and Taxes divided by Total Interest Expense**		**1.32**	2.90
	Net Income Before Income Tax	₱216,573		
	Less: Interest income	(24,981)		
	Add: Interest Expense	603,832		
	Earnings Before Interest and Taxes	795,424		
	Divide by: Interest Expense	603,832		
	Interest Rate Coverage Ratio	1.32		

Ratio	Formula		2021	2020
Return on Equity	**Net Income divided by Average Total Equity**		**2.35%**	2.86%
	Net Income	₱745,202		
	Average Total Equity	31,721,775		
	Return on Equity	2.35%		
Return on Assets	**Net Income divided by Average Total Assets**		**1.48%**	1.88%
	Net Income	₱745,202		
	Average Total Assets	50,468,815		
	Return on Assets	1.48%		
Solvency Ratio	**Net Income Before Non-Cash Expenses divided by Total Liabilities**		**9.88%**	6.81%
	Net Income	₱745,202		
	Add: Non-Cash Expenses	1,035,644		
	Net Income Before Non-Cash Expenses	1,780,846		
	Total Liabilities	18,018,144		
	Solvency Ratio	9.88%		
Net Profit Margin	**Net Income divided by Total Revenue**		**21.78%**	21.37%
	Net Income	₱745,202		
	Total Revenue	3,420,934		
	Net Profit Margin	21.78%		

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Belle Corporation
5th Floor, Tower A, Two E-Com Center
Palm Coast Avenue, Mall of Asia Complex
CPB-1A, Pasay City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Belle Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2021 and have issued our report thereon dated February 24, 2022. Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplementary Schedules are the responsibility of the Group's management.

These supplementary schedules include the following:

- Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2021
- Schedules required by Annex 68-J as at December 31, 2021
- Conglomerate Map as at December 31, 2021

These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic financial statements. The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 81207-SEC Group A
Issued January 30, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8851706
Issued January 3, 2022, Makati City

February 24, 2022
Makati City, Metro Manila

BELLE CORPORATION AND SUBSIDIARIES

PARENT COMPANY'S RECONCILIATON OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2021

(Amounts in Thousands)

		Amount
Unappropriated retained earnings, as at December 31, 2020		₱13,737,486
Add (less):		
Excess of carrying amount of investment property over construction cost, net of tax	(₱5,267,971)	
Gain on share swap	(946,628)	
Accrued rental (PFRS 16 adjustments), net of tax	(876,478)	
Deferred tax adjustment, beginning	1,141,303	
Accretion of security deposit	(5,286)	(5,955,060)
Unappropriated retained earnings available for dividend distribution as at January 1, 2021, as adjusted		7,782,426
Net income during the period closed to retained earnings	521,836	
Less: Movement in deferred tax assets	(426,345)	
Accrued rental (PFRS 16 adjustments), net of tax	62,134	
Difference in depreciation on excess of carrying amount of investment property over construction cost	9,967	
Accretion of security deposit	4,468	172,060
		4,420,213
Treasury shares		(2,476,697)
Realized gain on club shares transferred to retained earnings		(17,306)
Unappropriated retained earnings as adjusted to available for dividend declaration, at end of year		₱1,926,210

BELLE CORPORATION AND SUBSIDIARIES

SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF REVISED SRC RULE 68
DECEMBER 31, 2021

Table of Contents

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (In Thousands)	Value based on market quotations at balance sheet date (In Thousands)	Interest received and accrued (In Thousands)
Financial Assets at Amortized Costs				
Cash and cash equivalents	₱2,082,301	₱2,082,301	N/A	₱49,861
Receivables	5,160,466	5,160,466	N/A	–
Advances to third parties and others	152,097	152,097	N/A	–
Advances to associates	524	524	N/A	–
Refundable deposits, guarantee bonds and construction bonds	127,068	127,068	N/A	–
	7,625,472	7,625,472		49,861
Financial assets at fair value through profit or loss				
Vantage Equities, Inc.	43,376,750	35,569	35,569	–
Leisure & Resorts World Corporation	10,724,792	15,980	15,980	–
Share warrants	500,000	11,424	11,424	–
APC Group, Inc.	45,821,000	10,081	10,081	–
		73,054	73,054	–
Financial assets at fair value through other comprehensive income				
Tagaytay Midlands International Golf Club, Inc.	2,127	2,127,000	2,127,000	–
SM Prime Holdings, Inc.	61,795,413	2,094,864	2,094,864	–
Tagaytay Highlands International Golf Club, Inc.	1,315	1,437,746	1,437,746	–
The Country Club at Tagaytay Highlands, Inc.	2,137	958,460	958,460	–
Black Spade Acquisition, Inc.	1,000,000	490,208	490,208	–
Spa and Lodge at Tagaytay Highlands, Inc.	192	115,200	115,200	–
SM Investments Corporation	48,878	46,091	46,091	–
Costa De Hamilo	1	757	757	–
PLDT	1,605	83	83	–
Asian Petroleum	1	11	11	–
		7,270,420	7,270,420	–
		₱14,968,946	₱7,343,474	₱49,861

Schedule B. Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)

(In Thousands)

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at end of period
Employees	1,547	20	(261)	–	1,306	–	1,306
Officers	4	–	–	–	4	–	4
	₱1,551	₱20	(₱261)	₱–	₱1,310	₱–	₱1,310

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial statements

(In Thousands)

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Allowance for Doubtful Accounts	Current	Not Current	Balance at end of period
Belle Bay Plaza Corporation	₱1,624,606	₱14	₱–	(₱1,624,558)	₱62	₱–	₱62
Metropolitan Leisure and Tourism Corp.	251,569	9	–	(251,569)	9	–	9
Belle Grande Resource Holdings, Inc.	137,477	165	–	(2,709)	134,933	–	134,933
Premium Leisure Corporation	3,475	–	(181)	–	3,294	–	3,294
SLW Development Corp.	66,110	5,825	(43,500)	–	28,435	–	28,435
Parallax Resources, Inc.	43,116	16	–	(750)	42,382	–	42,382
	₱2,126,353	₱6,029	(₱43,681)	(₱1,879,586)	₱209,115	₱–	₱209,115

Schedule D. Long-term debt

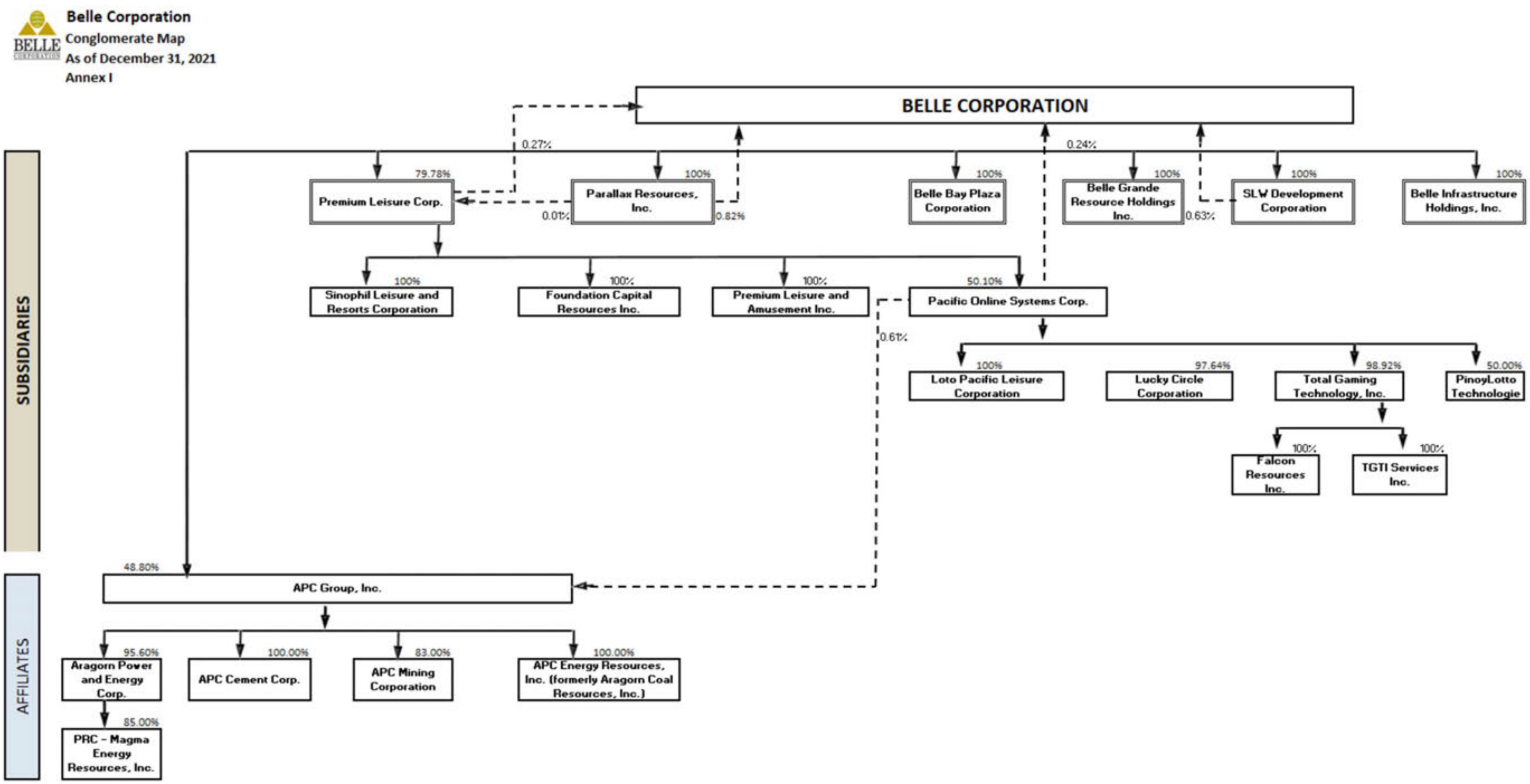
(In Thousands)

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet"
Chinabank	₱3,500,000	₱15,000	₱3,470,000
BDO Unibank Inc.	4,400,000	–	1,400,000
	₱7,900,000	**₱15,000**	**₱4,870,000**

Schedule G. Capital Stock

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under statement of financial position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	14,000,000,000	9,763,126,297	–	5,018,063,851	207,495,034	4,537,567,412
Percentage held	–	–	–	51.40%	2.13%	46.48%
Preferred stock	6,000,000,000	–	–	–	–	–
Percentage held	–	–	–	–	–	–

Conglomerate Map
As at December 31, 2021



DRAFT ONLY

TO BE PRESENTED FOR APPROVAL DURING THE NEXT SHAREHOLDERS' MEETING

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF

BELLE CORPORATION

Held on June 25, 2021 at 2:00 p.m.
Virtually via Zoom Webinar
(in Accordance with SEC Regulations on Meetings by Remote Communication)

TOTAL NUMBER OF SHARES OUTSTANDING	9,763,126,297
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	6,729,351,740

Before the start of the meeting, the following members of the Board of Directors and Executive Officer present who were participating in the virtual meeting were introduced:

WILLY N. OCIER
ELIZABETH ANNE C. UYCHACO
MANUEL A. GANA
EMILIO S. DE QUIROS, JR.
JACINTO C. NG, JR.
JOSE T. SIO
VIRGINIA A. YAP
CESAR E. A. VIRATA
AMANDO M. TETANGCO, JR.
GREGORIO U. KILAYKO
DIANA P. AGUILAR
JASON C. NALUPTA
ARTHUR A. SY
ARMIN B. RAQUEL SANTOS
JACKSON T. ONGSIP
MICHELLE T. HERNANDEZ

Representatives of Alberto, Pascual and Associates, an independent party engaged to validate the results of the voting by poll for the 2021 Annual Stockholders' meeting, were likewise in attendance.

Representatives of the Company's external auditor, SyCip, Gorres, Velayo & Co., were also present to address questions from the shareholders during the meeting.

CALL TO ORDER

The Chairman of the Board of Directors, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

At the request of the Chairman, the Corporate Secretary advised the Body that, further to the authority granted by the Securities and Exchange Commission (SEC), in lieu of physical distribution of notices, the notice for this year's shareholders' meeting was published in the printed and online editions of Business World and the Manila Times on May 31 and June 1,

2021. The notice was also posted on the Corporation's website.

The stockholders as of May 27, 2021, the Record Date set for the 2021 shareholders' meeting, are participating, in person or by proxy, at today's virtual meeting.

Both the Business World and the Manila Times have executed their respective Affidavit of Publication attesting to the fact of publication; and the Chairman instructed the Secretary to ensure that said Affidavits of Publication shall form part of the records of the meeting.

Thereafter, the Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of Nine Billion Seven Hundred Sixty-Three Million One Hundred Twenty-Six Thousand Two Hundred Ninety-Seven (9,763,126,297) shares of the total outstanding capital stock of the Corporation, holders of a total of Six Billion Seven Hundred Thirty-Eight Million Three Hundred Seventy-Seven Thousand Fourteen (6,738,377,014) shares are participating in the virtual meeting either in person or represented by proxy, representing an attendance of 69.02% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

RULES OF CONDUCT AND VOTING PROCEDURES

The Chairman then informed the Body that, while the meeting is being held in a virtual format, the Corporation is giving the shareholders every opportunity to participate therein to the same extent as if they were in an in-person meeting. He then requested the Corporate Secretary to briefly explain the rules of conduct and the voting procedures, who noted as follows:

1. Stockholders who notified the Corporation of their intention to participate in this meeting by remote communication have sent their questions or comments through the e-mail address provided for the purpose. Question can continue to be sent throughout the duration of the meeting through the Q&A function of Zoom Webinar.
2. Some of the questions or comments received will be read out during the Open Forum, after all matters in the agenda are concluded. However, as the time dedicated for the meeting is not unlimited, the questions and comments which will not be read out and responded to during the meeting will be answered by the appropriate officers of the Corporation concerned.
3. Resolutions will be proposed for adoption by the stockholders for each of the items in the Agenda. Each proposed resolution will be shown on the screen as the same is being taken up.
4. With the assistance of Alberto, Pascual and Associates, the proxies received and the votes cast as of June 24, 2021 have been tabulated. These votes are from stockholders owning 6,729,351,740 voting shares, representing 69% of the total outstanding voting shares. The results of this preliminary tabulation will be referred to when the voting results are reported out throughout the meeting. The results of the final tabulation of votes with full details of the affirmative and negative votes and abstentions will be reflected in the Minutes of the Meeting.

APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

As requested by the Chairman, the Secretary advised the Body that the minutes of the last stockholders' meeting held on June 22, 2020 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. The same was also made part of the documents that were recently made available to the stockholders in connection with the 2021 meeting.

The Minutes of the said meeting was thereafter approved, as circulated:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of the Minutes of the Last Shareholders' Meeting	**6,729,351,740** 100% of shares represented 69% of outstanding shares	0	0

The following resolution was thereafter passed:

"RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of Belle Corporation held on June 22, 2020 is hereby approved."

2020 REPORT ON OPERATIONS AND RESULTS

At the request of the Chairman, the President, Mr. Manuel A. Gana, presented the following Report on the Corporation's Operations and Results for 2020:

Good afternoon to our dear Shareholders, Stakeholders and Guests. Thank you for tuning in to the livestream of Belle Corporation's 2021 Annual Shareholders' Meeting.

We are holding our annual meeting virtually for the second straight year as your safety and well-being are of paramount importance to us while we continue to overcome the COVID-19 pandemic, which continues to affect the Philippines and the rest of the world.

I am pleased to report that your Corporation maintained its profitability in 2020 despite the perfect storm that significantly affected our markets and practically shut down most of the Philippine economy for a significant part of the year.

The year 2020 started with Taal Volcano erupting after being dormant for 43 years, causing the temporary closure of our Tagaytay Highlands and Midlands complexes. Through the dedication and diligence of our management and staff, we managed to reopen Tagaytay Highlands International Golf Club in February 2020, with most recreation and restaurant facilities in all of our Clubs opened by early March 2020.

However, shortly thereafter, the COVID-19 global pandemic caused the Philippine government to impose stringent community quarantines across the country starting in mid-March 2020 in order to contain the spread of the virus. While understandable, the community quarantines had the effect of strangling the leisure, tourism and high-end consumer industries for the rest of 2020, with severe restrictions still in effect so far in 2021.

FINANCIAL REVIEW

Consequently, Belle's consolidated revenues slid by 44% to PHP 4.2 billion in 2020, from PHP 7.5 billion realized in 2019, and its consolidated net income declined by 70% to PHP 892 million in 2020 from PHP 2.9 billion in 2019.

While our 2020 net income was below our net income level in all previous years since 2013, we believe that for Belle to have stayed in the black was still be an achievement, considering the fact that extraneous factors beyond our control virtually shut down all of our markets for about nine months in the past year.

Your Corporation's balance sheet continues to be strong, with its Current Ratio at 2.55 times and its Debt to Equity Ratio at 23% as of December 31, 2020. Our historically prudent financial management has provided a strong cushion against the impact of the pandemic and other business disruptions, and continues to do so.

SUSTAINABILITY AT BELLE

Sustainability has long been part of the way we work, and your Corporation has been anchored on sustainability practices, while rising above the disruptions caused by the Taal Volcano eruption and the COVID-19 pandemic.

With the impact of the twin crises lingering into 2021, we prioritized the safety of our employees and other stakeholders, and concentrated on the survival of our businesses, especially throughout the community lockdowns. These also prompted us to accelerate our efforts to focus on more efficient management and integration of our businesses.

Our established risk management protocols enabled us to preserve our operating capabilities as much as possible, and our historical policy of prudent financial management allowed the Company to sustain its operations through the ongoing economic crisis. Management also implemented a cost-cutting program to help preserve future profitability, and emphasized the maximization of operating efficiency to help sustain us in the foreseeable future.

Moreover, our corporate governance practices continue to help ensure that your Corporation's resources are being preserved and utilized properly. As a testament to our high standards of corporate governance, your Corporation was recognized as one of the top companies in Southeast Asia based on the 2019 ASEAN Corporate Governance Scorecard, for which Belle was awarded the highest rank of four golden arrows.

We are confident that your Corporation will survive these extraordinary times, and that we will emerge well positioned to continue to prosper in the long-term.

Thank you for your continued support.

Please stay safe and keep well.

Thereafter, the Chairman reminded the shareholders in attendance that questions on the report on operations, as well as on the Audited Financial Statements for 2020, will be addressed during the Open Forum towards the end of the proceeding. The Secretary then proceeded to announce the results of the voting on the approval of the 2020 Reports on Operations and Results, together with the Audited Financial Statements, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
2020 Reports on Operations and Results with the 2020 Audited Financial Statements	**6,729,127,457** 100% of shares represented 69% of outstanding shares	0	**224,283** 0% of shares represented 0% of outstanding shares

The following resolution was likewise approved:

> "RESOLVED, that the President's Report on Belle Corporation's Operations and Results for 2020, together with the Audited Financial Statements for the year ended December 31, 2020, be approved."

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of the corporate acts.

The Secretary explained that the Board of Directors and Management seek the ratification of all the acts of the Board, the Executive Committee, and other board committees exercising powers delegated by the Board, which were adopted from June 22, 2020 until the date of the 2021 shareholders' meeting. These acts and resolutions are mostly reflected in the Minutes of the Meetings, some of which were likewise subjects of public disclosure made by the Corporation during the past year.

Thereafter, the Secretary proceeded to announce the results of the voting on the ratification of the corporate acts from June 22, 2020 up to the present, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts from June 22, 2020 to the present.	**6,729,127,457** 100% of shares represented 69% of outstanding shares	0	**224,283** 0% of shares represented 0% of outstanding shares

The following resolution was likewise approved:

> "RESOLVED, that all acts of the Board of Directors and Officers of **BELLE CORPORATION** from the date of the last meeting of the shareholders on June 22, 2020 up to the date of this meeting are hereby confirmed, ratified and approved."

AMENDMENTS OF ARTICLES OF INCORPORATION

The next item in the agenda were the proposed amendments to Articles Fourth and Sixth of the Corporation's Articles of Incorporation in connection with which the Chairman requested the Secretary to give a brief explanation.

As requested, the Secretary advised the Body that on March 25, 2021 the Board of Directors approved the amendments of the Fourth Article of the Articles of Incorporation to adopt the perpetual corporate term as allowed under the Revised Corporation Code, as well as the Sixth Article to reduce the number of directors from eleven (11) to nine (9). The reasons for the proposed amendments were adequately explained in the Information Statement as well as the Notice of Shareholders' Meeting circulated to all shareholders prior to the meeting.

On the proposed amendment of the Fourth Article of the Articles of Incorporation adopting the perpetual corporate term, the shareholders voted as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Amendment of the Fourth Article of Articles of Incorporation	**6,729,351,740** 100% of shares represented 69% of outstanding shares	0	0

On the proposed amendment of the Sixth Article of the Articles of Incorporation adopting the perpetual corporate term, the shareholders voted as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Amendment of the Sixth Article of Articles of Incorporation	**6,729,351,740** 100% of shares represented 69% of outstanding shares	0	0

The following resolutions, therefore, were accordingly approved:

> **"RESOLVED,** that the shareholders of BELLE CORPORATION (the 'Corporation') hereby approve the proposal to adopt the perpetual corporate term as allowed under the Revised Corporation Code be approved; and for this purpose, the Fourth Article of the Articles of Incorporation be amended to read as follows:
>
> > **'FOURTH.** That the Corporation shall have a perpetual corporate term.'
>
> **"RESOLVED, FURTHER,** that the proposal to reduce the number of the members of the Board Directors of the Corporation from eleven (11) to nine (9) be approved; and for this purpose, the Sixth Article of the Articles of Incorporation be amended to read as follows:
>
> > **'SIXTH.** That the number of directors of said Corporation shall be **<u>nine (9)</u>** and that the names, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows xxx'"

ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year.

The Chairman of the Corporate Governance Committee, Mr. Amando M. Tetangco, Jr., was requested to announce the names of those nominated for election as members of the Board. Mr. Tetangco likewise informed the Body that the profiles of the nominees for election as members of the Board were included in the Company's Information Statement as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly-listed companies.

Thereafter, the Secretary announced the results of the voting on the election of directors and certified that each of the nominees has received enough votes for election to the Board, and, accordingly, that the following resolution for the election of nominees to the Board has been approved:

"RESOLVED, that pursuant to the recommendation of the Corporate Governance Committee, the following individuals are hereby elected as directors of **BELLE CORPORATION** for a period of one (1) year and until their successors shall have been duly qualified and elected:

WILLY N. OCIER
ELIZABETH ANNE C. UYCHACO
MANUEL A. GANA
JACINTO C. NG, JR.
JOSE T. SIO
VIRGINIA A. YAP

<u>Independent Directors</u>

JAIME J. BAUTISTA
MA. GRACIA M. PULIDO TAN
AMANDO M. TETANGCO, JR.

The final tally of votes, as tabulated by the Committee of Inspectors of Proxies and Ballots and validated by Alberto, Pascual and Associates, is as follows:

ELECTION OF DIRECTORS	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
WILLY N. OCIER	6,727,092,740	1,851,000	408,000
ELIZABETH ANNE C. UYCHACO	6,728,274,740	669,000	408,000
MANUEL A. GANA	6,727,092,740	1,851,000	408,000
JACINTO C. NG, JR.	6,727,092,740	1,851,000	408,000
VIRGINIA A. YAP	6,728,274,740	669,000	408,000
JOSE T. SIO	6,727,092,740	1,851,000	408,000
JAIME J. BAUTISTA	6,728,169,740	1,182,000	0
MA. GRACIA M. PULIDO TAN	6,729,351,740	0	0
AMANDO M. TETANGCO, JR.	6,727,500,740	1,851,000	0

On behalf of the members of the Board of Directors just elected, the Chairman expressed his appreciation to the shareholders for their trust and confidence.

The Chairman likewise took the opportunity to express the Corporation's profound gratitude to Former Prime Minister Cesar E.A. Virata, Mr. Gregorio U. Kilayko, and Mr. Emilio

S. de Quiros, Jr. for their guidance and other valuable contributions throughout the years of service as member of the Corporation's Board of Directors.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation's external auditors for Year 2021.

The Chairman of the Audit Committee, Mr. Gregorio U. Kilayko, announced that the Corporation's Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the appointment of Reyes Tacandong & Co. as the Corporation's external auditor for Year 2021.

The Secretary then announced the results of the voting on the proposal to appoint Reyes Tacandong & Co. as the Corporation's external auditor for Year 2021 as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for 2021	**6,729,351,740** 100% of shares represented 69% of outstanding shares	0	0

The following resolution was likewise approved:

"RESOLVED, that Reyes Tacandong & Co. be re-appointed as the external auditor of Belle Corporation for Year 2021."

OTHER MATTERS

Before the meeting was adjourned, the Chairman requested the Corporation's Vice President-Governance, Ms. Michelle Angeli T. Hernandez, to read out some of the questions raised by the stockholders so the same can be responded to by the concerned officers.

The first question received from the Q&A portal of Zoom Webinar was: "We noticed that this is the first time in 7 years when our Company did not declare cash dividends, and yet its subsidiary, Premium Leisure Corp., did so in March. What was the reason for this?" To this, the President replied: "The pandemic has significantly affected our main revenue sources, and continues to do so. Belle has been sustained by its solid balance sheet, which allowed us to incur additional borrowings to help fund capital expenditures and operating costs during 2020. We repaid incremental borrowings in 2021 from cash flow, including dividends that Belle received from Premium Leisure Corp or PLC. PLC was able to pay dividends this year because we structured PLC so that it does not have any debt service and capital expenditures, and can thus directly flow earnings into dividends. This pandemic will eventually end, and we are confident that Belle will survive these extraordinary times in strong financial health. Rest assured that Belle will resume paying dividends again in the foreseeable future."

Responding to the next question sent via email regarding the Corporation's plans or strategies to sustain its business in light of the continued Covid Pandemic, the President noted that, among others, Belle has undertaken the following: (i) cost-cutting measures and organizational right-sizing have been implemented across the Belle Group to promote long-term viability; (ii) exercise of fiscal prudence to ensure that the Company's balance sheet continues to be solid; (iii) assistance have also been extended to Belle's host communities through its Corporate Social Responsibility arm, Belle Kaagapay, to help the less fortunate survive this pandemic; and (iv) continued adherence to global standards of good governance, which help ensure the preservation and optimal utilization of Belle's resources.

Thereafter, the Chairman assured the shareholders that while there is not enough time to respond to all the questions which have been sent in, those which have not been read out and answered will still be responded to via email by the Investor Relations Department.

ADJOURNMENT

There being no other business to transact, the meeting was thereupon adjourned.

WILLY N. OCIER	**JASON C. NALUPTA**
Chairman of the Board of Directors	Corporate Secretary

ANNEX B

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Amando M. Tetangco, Jr.**, Filipino, of legal age and a resident of [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director (ID) of **Belle Corporation** (the "Corporation") and have been its ID since December 4, 2017.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

SM Prime Holdings, Inc.	Independent Director	April 2021 to present
Pilipinas Shell Petroleum Corporation	Independent Director	May 2021 to present
St. Luke's Medical Center	Trustee	August 2017 to present
Tan Yan Kee Foundation	Trustee	December 2017 to present
Manila Hotel	Independent Director	August 2018 to present
Toyota Motor Philippines	Independent Director	March 2019 to present
Converge ICT Solutions, Inc.	Independent Director	June 2020 to present
CIBI Information, Inc.	Independent Director	June 2020 to present
Foundation for Liberty and Prosperity	Trustee	May 2019 to present

3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the SRC. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable	Not applicable	Not applicable

5. To the best of my knowledge, I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
See Notes below [1&2]		

[1] A criminal and administrative case (OMB-C-C-13-0092) against me with the Ombudsman was dismissed on May 13 2015. The dismissal was elevated to the Court of Appeals (CA) (CA-G.R. SP No. 144038), which sustained the dismissal on May 15, 2017. The CA's resolution was assailed with the Supreme Court (SC) (G.R. 234696) upon the filing of a Petition for Review dated November 29, 2017. As of the date of signing of this Certification, I have not received information that the SC has given due course to the said petition.

[2] This is a complaint for damages filed by Mr. Antonio Tiu, et al. against the others and I in connection with the Report of the Anti-Money Laundering Council (AMLC), which served as the basis of AMLCs ex-parte petition for the issuance of Freeze Order issued by the Court of Appeals in CA G.R. AMLA No. 00134 dated 11 May 2015. The others and I were impleaded in their official capacity as members and/or officers of the AMLC.

In an order dated 27 March 2020, the Regional Trial Court of Quezon City dismissed the Complaint for Damages (Civil Case No. R-QZN-15-04513-CV) as to plaintiff Spouses James and Ann Lorraine Tiu against me, Ms. Teresita Herbosa, Mr. Emmanuel Doc, and Ms. Julia Abad; and ordered Mr. Antonio Tiu to amend his complaint. Plaintiffs filed a Motion for Reconsideration, to which the Office of the Solicitor General (in representation of defendants Tetangco, et al) filed its Comment. In an Order dated 9 February 2021, the trial court denied the Motion for Reconsideration filed by the Spouses Tiu and upheld its earlier 27 March 2020 Order dismissing the case. Aggrieved Tiu, et al filed a Petition for Certiorari with the Court of Appeals (CA-G.R. SP No. 169478), assailing the 27 March 2020 and 09 February 2021 Orders. The case remains pending as of date.

6. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this FEB 2 4 2022 day of ________, at PASIG CITY.

Amando M. Tetangco, Jr.

SUBSCRIBED AND SWORN to before me this FEB 2 4 2022 day of ________ at PASIG CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card with TIN [redacted]

Doc. No. 239 ;
Page No. 49 ;
Book No. XVI ;
Series of 2022 ;

MAGNER S. BAUL
Notary Public for and in the Cities of Pasig, San Juan and in the Municipalities of Pateros
Appointment No. 118 (2020-2021)
Commission expires on 31 December 2021*
Unit 1105, 11th Floor, Prestige Tower Condominium
Ortigas Center, F. Ortigas Jr., Pasig City Metro Manila
Roll of Attorney No. 65521
IBP No. 012691-Lifetime/04-02-2014/Manila City
PTR No. 8131511/01-12-2022/Pasig City
CLE Compliance No. VI-0017845; February 14,2019
*until June 30, 2022, per B.M. No. 3795

ANNEX C

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Jaime J. Bautista**, Filipino, of legal age and a resident of [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director (ID) of **Belle Corporation** (the "Corporation").

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Premium Leisure Corp.	Independent Director	June 2021 to present
Nickel Asia Corporation	Independent Director	June 2021 to present
Philippine Bank of Communications	Director	July 2020 to present
Cosco Capital, Inc.	Director	August 2020 to present
University of the East	Trustee	August 1991 to present
UE Ramon Magsaysay Medical Memorial Center	Trustee	August 1991 to present
International School of Sustainable Tourism	Trustee	February 2020 to present
Air Speed International Inc.	Director	January 2020 to present
Alphaland Corporation	Director	September 2019 to present
Gothong Southern Shipping, Inc.	Director	March 2020 to present

3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of the Corporation.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
-not applicable-		

5. To the best of my knowledge, I disclose that I am the one of the subjects of the following criminal/administrative investigation or proceeding initiated by the Philippine Deposit Insurance Corporation in connection with my previous employment:

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
-not applicable-		

6. I am not connected with any government agency or its instrumentalities.

7. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this FEB 2 3 2022 day of ____________, at MAKATI CITY.

Jaime J. Bautista

SUBSCRIBED AND SWORN to before me this FEB 2 3 2022 day of ____________ at MAKATI CITY, affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) with TIN [redacted]

Doc. No. 197;
Page No. 41;
Book No. 39;
Series of 2022;

ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2023
Appointment No. M-019-(2022-2023)
PTR No. 8852010 Jan. 3, 2022 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VI-0016565
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City

ANNEX D

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Maria Gracia M. Pulido-Tan**, Filipino, of legal age and a resident of [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director (ID) of **Belle Corporation** (the "Corporation").

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Premium Leisure Corp.	Independent Director	June 2021 to present
Pacific Online Systems Corporation	Independent Director	May 2021 to present
International Budget Partnership in Washington D.C., U.S.A.	Trustee	2017 to present
Trifels, Inc.	Director	May 2016 to present
Construction Industry Arbitration Commission	Arbitrator	2016 to present
Philippine Dispute Resolution Center, Inc.	Arbitrator	2020 to present
University of the Philippines College of Law	Professorial Lecturer, Mandatory Continuing Legal Education	On call

3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the SRC. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Not applicable		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an ID in the Corporation, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this 01 day of MAR 2022, at PASIG CITY.

Maria Gracia M. Pulido-Tan

SUBSCRIBED AND SWORN to before me this 01 day of MAR 2022 at PASIG CITY, affiant personally appeared before me and exhibited to me her Tax Identification Number (TIN) Card with TIN [redacted]

Doc. No. 240;
Page No. 49;
Book No. XII;
Series of 20 22

Per Supreme Court Resolution dated 22 June 2021)
2701 East Tower, PSE Centre, Exchange Road
Pasig City
Roll of Attorneys No. 64234
MCLE No. VI-0025655/04.15.19

ANNEX E

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION

JASON C. NALUPTA, of legal age, Filipino citizen, with office address at 2704, Philippine Stock Exchange Centre, Tower A, Exchange Road, Ortigas Center, Pasig City, after being duly sworn in accordance with law, certify that:

1. I am the Corporate Secretary of **BELLE CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with offices at the 5/F Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Philippines 1300;

2. Based on the records of the Corporation, none of the incumbent directors or officers of the Corporation is connected in any capacity, whether elective or appointive, with any agency or instrumentality of the Philippine Government.

JASON C. NALUPTA
Corporate Secretary

MAR 21 2022

SUBSCRIBED AND SWORN to before me this _____ day of March 2022 at Pasig City, affiant exhibiting to me his Philippine Passport No. [redacted] issued at [redacted] on [redacted] which expires on [redacted] as his competent evidence of identity.

Doc. No. 201;
Page No. 42;
Book No. II;
Series of 2022.

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JCN

ANN MARGARET K. LORENZO
Notary Public for the Cities of Pasig and San Juan
and the Municipality of Pateros
Appointment No. 131 (2021-2022)
Commission Extended on December 31, 2022
2704 East Tower, Tektite Towers
(Formerly Philippine Stock Exchange Centre),
Exchange Road, Ortigas Center, 1605 Pasig City
PTR No. 8131863 / 01.06.2022 / Pasig
IBP No. 171337 / 12.23.2021 / RSM
Roll of Attorneys No. 64875
MCLE No. VII-0010623 / 02.18.2022