

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
Mar 31, 2017
2. SEC Identification Number
52412
3. BIR Tax Identification No.
000-156-011
4. Exact name of issuer as specified in its charter
BELLE CORPORATION
5. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, CBP
1-A, Pasay City
Postal Code
1300
8. Issuer's telephone number, including area code
6628888
9. Former name or former address, and former fiscal year, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	10,498,679,857
Debt outstanding (in php thousands)	9,413,894

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

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

Yes No

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

Yes No

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



Belle Corporation BEL

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

For the period ended	Mar 31, 2017
Currency (indicate units, if applicable)	PHP (in Thousand)

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2017	Dec 31, 2016
Current Assets	9,248,004	10,622,588
Total Assets	40,384,321	41,564,958
Current Liabilities	5,589,898	8,001,556
Total Liabilities	13,099,017	13,821,176
Retained Earnings/(Deficit)	5,923,108	6,289,302
Stockholders' Equity	27,285,304	27,743,782
Stockholders' Equity - Parent	24,340,227	24,583,823

Book Value per Share	2.01	2.34
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Income Statement

	Current Year-To-Date	Previous Year-To-Date	Current Year (3 Months)	Previous Year (3 Months)
Operating Revenue	1,989,654	1,488,133	1,989,654	1,488,133
Other Revenue	43,620	7,331	43,620	7,331
Gross Revenue	2,033,274	1,495,464	2,033,274	1,495,464
Operating Expense	881,672	638,788	881,672	638,788
Other Expense	208,732	257,778	208,732	257,778
Gross Expense	1,090,404	896,566	1,090,404	896,566
Net Income/(Loss) Before Tax	942,870	598,898	942,870	598,898
Income Tax Expense	160,352	186,084	160,352	186,084
Net Income/(Loss) After Tax	782,518	412,814	782,518	412,814
Net Income Attributable to Parent Equity Holder	621,681	346,947	621,681	346,947
Earnings/(Loss) Per Share (Basic)	0.3	0.13	0.3	0.13
Earnings/(Loss) Per Share (Diluted)	0.3	0.13	0.3	0.13

Other Relevant Information

Amendment on Accounts Receivable - Trade disclosure (Page 6 of Attachments), specifically the completion of Equipment Rental and Instant Scratch Ticket Sales account.

Filed on behalf by:

Name	ROSEMARIE ABUEVA
Designation	SENIOR ASST. VICE PRESIDENT

SEC No. 52412
File No.

BELLE CORPORATION
(Company's Full Name)

**5/F, Tower A, Two E-Com Center Palm Coast Avenue,
Mall of Asia Complex CBP-1A, Pasay City**
(Company's Address)

662-88-88
(Telephone Numbers)

December 31
(Fiscal Year ending)
(Month and Day)

Form 17Q for the 1st Quarter of 2017
(Form Type)

N/A
Amendment Designation

N/A
Period Ended Date

N/A
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q



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

1. For the quarterly period ended March 31, 2017
2. Commission Identification Number: 52412
3. BIR Tax Identification No. 000-156-011
4. Exact name of registrant as specified in its charter: BELLE CORPORATION
5. Metro Manila, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC use only)
Industry Classification Code:
7. 5/F, Tower A, Two E-Com Center, Palm Coast Avenue,
Mall of Asia Complex CBP-1A, Pasay City
Address of registrant's principal office
8. (632) 662-8888
Registrant's telephone number, including area code
9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

1300
Postal Code

Title of Each Class	Number of Shares of Stock Outstanding
Common Stock, ₱1.00 par value	10,498,679,857
	Amount of Debt Outstanding
	₱9.4 billion

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

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

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

Yes ☒ No ☐

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

Yes [☒] No [☐]

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

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

- a.) Unaudited Consolidated Statements of Comprehensive Income for the three months ended March 31, 2017 and March 31, 2016;
- b.) Consolidated Statements of Financial Position as of March 31, 2017 (unaudited) and December 31, 2016 (audited);
- c.) Unaudited Consolidated Statements of Changes in Equity for the three months ended March 31, 2017 and March 31, 2016; and
- d.) Unaudited Consolidated Statements of Cash Flows for the three months ended March 31, 2017 and March 31, 2016.

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

March 31, 2017 versus March 31, 2016 Results of Operations (in thousands)

	For the three months ended March 31 (Unaudited)		Horizontal Analysis		Vertical Analysis	
	2017	2016	Increase (Decrease)		2017	2016
REVENUE						
Interest income on finance lease accounting	P 511,627	P 494,363	17,264	3.5%	25.7%	33.2%
Equipment rental and instant scratch ticket sales	461,868	376,774	85,094	22.6%	23.2%	25.3%
Gaming revenue share	721,871	349,409	372,462	106.6%	36.3%	23.9%
Sale of real estate	121,734	112,602	9,132	8.1%	6.1%	7.6%
Lease income	47,505	47,510	(5)	0.0%	2.4%	5.2%
Revenue from property management	26,515	35,640	(9,125)	-25.6%	1.3%	2.4%
Distribution and commission income (POSC)	78,222	57,188	21,034	36.8%	3.9%	3.8%
Others	20,312	14,647	5,665	38.7%	1.0%	1.0%
TOTAL REVENUES	1,989,654	1,488,133	501,521	33.7%	100.0%	100.0%
COST OF LOTTERY SERVICES	(259,423)	(179,616)	79,807	-44.4%	13.0%	12.1%
COST OF LEASE INCOME	(51,313)	(45,118)	6,195	-13.7%	2.6%	3.0%
COST OF REAL ESTATE SOLD	(59,817)	(52,907)	6,910	13.1%	3.0%	3.6%
COST OF PROPERTY MANAGEMENT SERVICES	(15,101)	(18,744)	(3,643)	-19.4%	0.8%	1.3%
COST OF GAMING OPERATIONS	(67,770)	(62,894)	4,876	7.8%	3.4%	4.2%
GENERAL AND ADMINISTRATIVE EXPENSES	(428,248)	(279,509)	148,739	53.2%	21.5%	18.8%
TOTAL COSTS AND EXPENSES	(881,672)	(638,788)	236,689	37.1%	-44.3%	-42.9%
INCOME FROM OPERATIONS	1,107,982	849,345	264,832	-31.2%	55.7%	5.1%
PAYMENTS TO ABLGI/ACCRETION OF NONTRADE LIABILITY	(107,608)	(167,769)	(60,161)	-35.9%	-5.4%	-11.3%
UNREALIZED GAIN (LOSS) ON MARKETABLE SECURITIES	3,848	(19,876)	23,724	119.4%	0.2%	-1.3%
INTEREST EXPENSE AND OTHER FINANCE CHARGES	(101,124)	(90,009)	11,115	12.3%	-5.1%	-6.0%
INTEREST INCOME	9,900	5,231	4,669	89.3%	0.5%	0.4%
GAIN ON SALE OF AFS INVESTMENT	23,211	-	23,211	100.0%	1.2%	0.0%
NET FOREIGN EXCHANGE GAIN (LOSS)	79	-	79	n/a	0.0%	0.0%
OTHER INCOME (CHARGES)	6,582	21,976	(15,394)	-70.0%	0.3%	1.5%
INCOME BEFORE INCOME TAX	942,870	598,898	343,972	57.4%	47.4%	40.2%
PROVISION FOR INCOME TAXES						
Current	61,746	93,550	(31,804)	-34.0%	3.1%	6.3%
Deferred	98,606	92,534	6,072	6.6%	5.0%	6.2%
	160,352	186,084	(25,732)	-13.8%	8.1%	12.5%
NET INCOME	P 782,518	P 412,814	369,704	89.6%	39.3%	27.7%
Net profit attributable to:						
Equity holders of the parent	P 621,681	P 346,947	274,734	79.2%	31.2%	23.3%
Non-Controlling Interests	160,837	65,867	94,970	-144.2%	8.1%	4.4%
	P 782,518	P 412,814	369,704	89.6%	39.3%	27.7%

Belle Corporation ("Belle" or the "Company") realized consolidated net income of ₱782.5 million for the three months ended March 31, 2017. This comprises an increase of ₱369.7 million from its consolidated net income of ₱412.8 million for the three months ended March 31, 2016. Excluding extraordinary items, principally a capital gain of ₱23 million on the sale of 1.7 million shares of SM Prime Holdings, Inc. during the first quarter of 2017, Belle's recurring net income of approximately ₱760.0 million for the first quarter of 2017 was higher by ₱347 million (84%) over recurring net income for the first quarter of 2016 of ₱412.8 million. This performance continues Belle's record of strong earnings growth.

The Company's operating growth in 2017 was fueled primarily by growth in its revenues from City of Dreams Manila. Its share in the gaming income of City of Dreams Manila, through its 78.7%-owned subsidiary, Premium Leisure Corporation ("PLC"), more than doubled to ₱721.9 million in the first quarter of 2017 from ₱349.4 million in the first quarter of 2016. This was attributable to the continued growth of gaming operations at City of Dreams Manila. PLC has an operating agreement with the Philippine affiliate of Melco Resorts and Entertainment

Limited (collectively, "Melco") that accords PLC a share of gaming revenues or earnings at City of Dreams Manila.

Belle also realized increased revenues from its real estate businesses. Total real estate-related revenues increased by ₱22.9 million (3%), from ₱657.3 million for the first quarter of 2016 to ₱680.2 million for the first quarter of 2017. Of its first quarter 2017 real estate - related revenues, ₱511.6 million was derived from Belle's lease of the land and buildings comprising City of Dreams Manila to Melco, with the balance of ₱168.6 million coming from sales of real estate products and property management activities at its Tagaytay Highlands and Midlands residential and leisure complexes south of Metro Manila.

Revenues

Total revenues of ₱1,989.7 million for the three months ended March 31, 2017 were higher by ₱501.5 million (34%), compared to ₱1,488.1 million for the three months ended March 31, 2016, mainly due to a ₱372.5 million (107%) increase in the share of PLC in gaming earnings of City of Dreams Manila from ₱349.4 million for the 2016 period to ₱721.9 million for the 2017 period, an increase in Lotto and Keno equipment rental and instant scratch ticket sales of Pacific Online Systems Corp. ("Pacific Online") by ₱85.1 million (23%), from ₱376.8 million in 2016 period to ₱461.9 million in 2017 period, the increase in revenue from the lease of the City of Dreams Manila building (interest income on finance lease accounting) by ₱17.3 million (4%), from ₱494.4 million in the 2016 period to ₱511.6 million during the 2017 period and an increase in sale of real estate revenue by ₱9.1m, to ₱121.7m in the 2017 period from ₱112.6 million in the 2016 period. These revenue increases were offset by a ₱9.1 million (26%) decrease in revenue from property management, as this declined from ₱35.6 million in the 2016 period to ₱26.5 million in the 2017 period.

Costs of Lottery Services

Costs of lottery services at Pacific Online increased by ₱79.8 million (44%), to ₱259.4 million in the 2017 period, from ₱179.6 million in the 2016 period, mainly due to increased in depreciation expenses for lottery equipment and professional fees.

Costs of Lease Income

Costs of lease income increased by ₱6.2 million (14%), to ₱51.3 million in the 2017 period from ₱45.1 million in the 2016 period, mainly due to higher business taxes on the City of Dreams Manila building.

Costs of Real Estate sold

Costs of real estate and club shares sold increased by ₱6.9 million (13%), to ₱59.8 million in the 2017 period, from ₱52.9 million in the 2016 period, due to the higher sales revenue therefrom recognized during the period.

Costs of Property Management Services

Costs of property management services decreased by ₱3.6 million (19%) to ₱15.1 million for the 2017 period, from ₱18.7 million for the 2016 period, due to lower power and water usage by customers during the 2017 period.

Cost of Gaming Operations

The cost of gaming operations at PLC increased by ₱4.9 million (8%) to ₱67.8 million for the 2017 period, from ₱62.9 million for the 2016 period, due to higher consultancy fees and other costs at PLC's wholly-owned subsidiary, PremiumLeisure and Amusement Inc. ("PLAI"). PLAI

has a direct economic participation in the gaming operations at City of Dreams Manila, by virtue of an operating agreement with Melco that accords it a share of gaming revenue on earnings.

General and Administrative Expenses

General and administrative expenses increased by ₱148.7 million (53%), to ₱428.2 million for the 2017 period from ₱279.5 million for the 2016 period due to higher taxes and licenses, selling expenses and service fees.

Payments to ABLGI/Accretion of Nontrade Liability

This expense pertains to actual payments under Belle's 2013 Memorandum of Agreement (the "MOA") with AB Leisure Global, Inc. ("ABLGI") and Leisure and Resorts World Corp. ("LRWC") whereby Belle and PLAI agreed to grant ABLGI the right to the settlement of amounts in consideration of the waiver of ABLGI's rights as casino operator in favor of Melco, the termination of ABLGI agreements relating to the integrated resort that is now known as City of Dreams Manila and advances by ABLGI of about ₱4.8 billion (the "ABLGI Advance") to help in the funding for the construction of the integrated resort building.

Financial Income (Expense)

Interest expense and other finance charges increased by ₱11.1 million (12%) to ₱101.1 million for 2017 period, from ₱90.0 million for the 2016 period. This increase in interest expense was due to the Company's higher level of borrowings in 2017, which were incurred mostly to finance the pre-termination of the MOA with ABLGI. Interest income increased by ₱4.7 million (89%), to ₱9.9 million in the 2017 period, from ₱5.2 million in the 2016 period, due to higher average invested cash levels.

Provision for Income Taxes

The provision for income taxes decreased by ₱25.7 million (14%) to ₱160.4 million for the three months ended March 31, 2017, from ₱186.0 million for the three months ended March 31, 2016, due to lower taxable income at Belle's subsidiaries in the 2017 period.

Net Income

As a result of the foregoing, the Company realized consolidated net income of ₱782.5 million for the three months ended March 31, 2017. This is ₱369.7 million (90%) higher than consolidated net income of ₱412.8 million for the three months ended March 31, 2016. The Company's consistent profitability allowed the Company to pay a regular cash dividend to its shareholders on March 30, 2017 in the amount of ₱1,003.3 million (₱0.095 per share).

March 31, 2017 vs December 31, 2016 Statement of Financial Position (in thousands)

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

	March 31, 2017		December 31, 2016		Horizontal Analysis		Vertical Analysis	
	Unaudited		Audited		Inc (Dec)	%	2017	2016
ASSETS								
Current Assets								
Cash and cash equivalents	P	1,336,527	P	2,953,262	(1,616,735)	-54.7%	3.3%	7.1%
Investments held for trading		2,245,760		2,232,710	13,050	0.6%	5.6%	5.4%
Receivables		2,004,266		1,881,754	122,512	6.5%	5.0%	4.5%
Current portion of finance lease receivable		1,576,901		1,541,035	35,866	2.3%	3.9%	3.7%
Real estate for sale		801,511		802,854	(1,343)	-0.2%	2.0%	1.9%
Other current assets		1,283,039		1,210,973	72,066	6.0%	3.2%	2.9%
		9,248,004		10,622,588	(1,374,584)	-12.9%	22.9%	25.6%
Noncurrent Assets								
Finance lease receivable - net of current portion		16,167,264		16,104,586	62,678	0.4%	10.0%	38.7%
Land held for future development		3,092,399		3,092,399	-	0.0%	7.7%	7.4%
Available-for-sale financial assets		1,978,084		2,026,944	(48,860)	-2.4%	4.9%	4.9%
Investment properties		1,540,961		1,540,961	-	0.0%	3.8%	3.7%
Intangible asset		5,093,749		4,812,707	281,042	5.8%	12.6%	11.6%
Goodwill		1,828,578		1,828,578	-	0.0%	4.5%	4.4%
Investments in and advances to associates - net		77,969		77,903	66	0.1%	0.2%	0.2%
Property and equipment		653,191		690,378	(37,187)	-5.4%	1.6%	1.7%
Deferred tax asset		16,991		14,576	2,415	16.6%	0.0%	0.0%
Pension asset		-		10,048	(10,048)	n/a	0.0%	0.0%
Other noncurrent assets		687,131		743,290	(56,159)	-7.6%	1.7%	1.8%
		31,136,317		30,942,370	193,947	0.6%	77.1%	74.4%
TOTAL ASSET	P	40,384,321	P	41,564,958	(1,180,637)	-2.8%	100.0%	100.0%
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other current liabilities	P	1,495,599	P	1,254,065	241,534	19.3%	3.7%	3.0%
Loans payable		3,000,017		2,000,017	1,000,000	50.0%	7.4%	4.8%
Current portion of:								
Long-term debt		945,833		862,500	83,333	9.7%	2.3%	2.1%
Obligations under finance lease		41,444		47,698	(6,254)	-13.1%	0.1%	0.1%
Estimated liability on construction costs		23,353		23,376	(23)	-0.1%	0.1%	0.1%
Nontrade liability		-		3,762,000	(3,762,000)	-100.0%	0.0%	9.1%
Income tax payable		83,652		51,900	31,752	61.2%	0.2%	0.1%
		5,589,898		8,001,556	(2,411,658)	-30.1%	13.8%	19.3%
Noncurrent Liabilities								
Noncurrent portion of:								
Long-term debt		5,360,417		3,759,375	1,601,042	42.6%	13.3%	9.0%
Obligations under finance lease		66,183		71,644	(5,461)	-7.6%	0.2%	0.2%
Deferred tax liabilities		1,841,953		1,742,187	99,766	5.7%	4.6%	4.2%
Pension liability		7,276		12,550	(5,274)	-42.0%	0.0%	0.0%
Other non current liability		233,290		233,864	(574)	-0.2%	0.6%	0.6%
		7,509,119		5,819,620	1,689,499	29.0%	18.6%	14.0%
TOTAL LIABILITIES		13,099,017		13,821,176	(722,159)	-5.2%	32.4%	33.3%
Equity								
Attributable to equity holders of parent:								
Common stock		10,561,000		10,561,000	-	0.0%	26.2%	25.4%
Additional paid-in capital		5,503,731		5,503,731	-	0.0%	13.6%	13.2%
Treasury stock		(181,185)		(181,185)	-	0.0%	-0.4%	-0.4%
Equity share in cost of Parent Company shares held by associates		(2,501)		(2,501)	-	0.0%	0.0%	0.0%
Cost of Parent Company common and preferred shares held by subsidiaries		(1,650,132)		(1,758,264)	108,132	-6.1%	-4.1%	-4.2%
Unrealized gain on available-for-sale financial assets - net		851,342		836,876	14,466	1.7%	2.1%	2.0%
Other reserves		3,082,824		3,082,824	-	0.0%	7.6%	7.4%
Excess of net asset value of an investment over cost		252,040		252,040	-	0.0%	0.6%	0.6%
Retained Earnings		5,923,108		6,289,302	(366,194)	-5.8%	14.7%	15.1%
Total equity attributable to equity holders of the Parent		24,340,227		24,583,823	(243,596)	-1.0%	60.3%	59.1%
Non-controlling interests		2,945,077		3,159,959	(214,882)	-6.8%	7.3%	7.6%
Total Equity		27,285,304		27,743,782	(458,478)	-1.7%	67.6%	72.7%
TOTAL LIABILITIES AND EQUITY	P	40,384,321	P	41,564,958	(1,180,637)	-2.8%	100.0%	100.0%

ASSETS

Total assets of the Company decreased by ₱1,180.6 million (3%) to ₱40,384.3 million as of March 31, 2017, from ₱41,565.0 million as of December 31, 2016.

Cash and Cash equivalents

Cash and cash equivalents decreased by ₱1,616.7 million (55%), to ₱1,336.5 million as of March 31, 2017 from ₱2,953.3 million as of December 31, 2016, due to the dividend payment of ₱1,003.3 million on March 30, 2017 and payments to ABLGI of about ₱4,072.0 million on March 31, 2017 in order to terminate the MOA (refer to "Nontrade Liability" on page 9).

Investments Held for Trading

This account consists of investments of the Parent Company in Tagaytay Highlands International Golf Club, Inc. ("Tagaytay Highlands"), Tagaytay Midlands Golf Club Inc. ("Midlands"), The Country Club at Tagaytay Highlands, Inc. ("Country Club"), and investments of Pacific Online in listed shares of Leisure and Resorts World Corporation, Vantage Equities, Inc., DFNN, Inc., ISM Communications Corp. and Philippine Long Distance Telephone Company.

Finance Lease Receivables

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

Receivables

Receivables increased by ₱122.5 million (7%), to ₱2,004.3 million as of March 31, 2017 from ₱1,881.8 million as of December 31, 2016. The increase was mainly due to the receivable of PLC from Melco Crown (Philippines) Resorts Corporation ("MCP"), the Philippine affiliate of Melco, in respect of its gaming revenue share from City of Dreams Manila.

Real Estate for Sale

Real estate for sale decreased by ₱1.3 million (0.2%), to ₱801.5 million as of March 31, 2017 from ₱802.9 million as of December 31, 2016, due to real estate sales offset by the project development in the Midlands and Greenlands areas.

Available-for-sale Investments

Available-for-sale investments decreased by ₱48.9 million (2%), to ₱1,978.1 million as of March 31, 2017 from ₱2,026.9 million as of December 31, 2016, which was attributable to Belle's sale of 1.7 million shares of SM Prime Holdings Inc. ("SMPH") during the first quarter of 2017. Belle still held 65.0 million shares of SMPH as of March 31, 2017.

Intangible Asset

This pertains to the cost of the PAGCOR License to operate integrated resorts that was granted by PAGCOR to PLAI. Belle and MCP are Co-Licensees under PLAI's PAGCOR License. As part of PLAI's practice of regular and continuous review of existing contracts, PLAI implemented an initiative to change its amortization policy to align the life of the license with the PAGCOR

charter, which is renewable for another 25 years upon its expiration in 2033. The extension of the life of the gaming license lowers the amortization expense of PLAI by ₱13.9 million monthly effective April 2016. 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. Amortization expense as of March 31, 2017 amounted to ₱28.9 million.

On March 31, 2017, Belle Grande Resource Holdings Corp. ("BGRHC"), a wholly owned subsidiary of the Company, acquired the gaming consultancy service contract of ABLGI for a consideration amounting to ₱310.0 million (refer to "Nontrade Liability" below).

Goodwill

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

Other Assets

Other assets increased by ₱15.9 million (1%), to ₱1,970.2 million as of March 31, 2017 from ₱1,954.3 million as of December 31, 2016, mainly due to utilization of prepaid expenses and advances to contractors for capital expenditures related to City of Dreams Manila.

LIABILITIES

Total liabilities decreased by ₱722.2 million (5%), to ₱13,099.0 million as of March 31, 2017 from ₱13,821.2 million as of December 31, 2016, due to the payment of nontrade liability amounting to ₱3,762.0 million.

Trade and Other Current Liabilities

Trade and other current liabilities increased by ₱241.5 million (19%) to ₱1,495.6 million as of March 31, 2017, from ₱1,254.1 million as of December 31, 2016, due mainly to the increase in trade payables.

Loans Payable and Long-Term Debt

Total debt, amounting to ₱9,306.3 million as of March 31, 2017, pertains to Peso loans from various local financial institutions, with an average interest rate of approximately 5.3% per annum. The outstanding amount of total debt increased by ₱2,684.4 million (41%) from ₱6,621.9 million as of December 31, 2016 due to availment of new loans and long term-debt.

Obligations under Finance Lease

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

Nontrade Liability

In 2013, Belle, PLAI, ABLGI and LRWC entered into the MOA, whereby Belle and PLAI agreed to grant ABLGI the right to the settlement of amounts in consideration of the waiver of ABLGI's rights as casino operator, the termination of ABLGI agreements relating to the integrated resort that is now known as City of Dreams Manila and the grant of the ABLGI Advance, totalling about ₱4.8 billion, to help in the funding for the construction of the integrated resort building.

In December 2014, the implementing agreement for the MOA was executed, with the effectivity of terms and conditions retrospective on January 1, 2014. The ABLGI Advance was determined as the fair value of ABLGI's settlement. Such liability was being accreted over the lease term using the Effective Interest Rate method.

On November 3, 2016, Belle, PLAI, BGRH, ABLGI and LRWC signed an agreement ("the Termination Agreement"), which would terminate the MOA of 2013 by the end of March 2017. Under the termination agreement, Belle will repay ABLGI its nontrade liability amounting to ₱4,780.0 million and will purchase ABLGI's gaming consultancy contract with PLAI for to ₱310.0 million, for a total consideration of ₱5,090.0 million. Of the total consideration, ₱1,018 million was paid upon signing and the balance was paid simultaneous with the termination of the MOA on March 31, 2017. The MOA was thus deemed fully terminated as of March 31, 2017. The acquired gaming consultancy contract was recorded as an intangible asset as of March 31, 2017.

EQUITY

The Company's shareholders' equity as of March 31, 2017 of ₱27,285.3 million was lower by ₱458.5 million (2%), compared to the year-end 2016 of ₱27,743.8 million, due to the ₱1,003.3 million cash dividend paid to its shareholders on March 30, 2017. Excluding the dividend, the Company's shareholders' equity as of March 31, 2017 would have been ₱28,288.6 million, or approximately ₱544.8 million (2%) higher than at December 31, 2016, with the increase attributable mainly to the Company's net income for the first quarter of 2017.

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

	Manner by which the Company calculates the key performance indicators	31 March 2017 (unaudited)	31 March 2016 (unaudited)	31 December 2016 (audited)
Asset to equity ratio	Total assets over equity	1.48 : 1.00	1.75 : 1.00	1.50: 1.00
Current or Liquidity ratio	Current assets over current liabilities	1.65 : 1.00	1.80 : 1.00	1.33: 1.00
Debt-to-equity ratio	Interest-bearing debt over equity	0.35 : 1.00	0.25 : 1.00	0.24: 1.00
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents	0.30 : 1.00	0.16 : 1.00	0.14: 1.00
Interest rate coverage ratio	EBIT over interest expense	10.32:1.00	8.53:1.00	12.09:1.00
Return on assets	Annualized net income over average total assets during the period	7.5%	4.5%	7.3%
Return on equity	Annualized net income over average equity during the period	11.2%	7.6%	11.6%

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of March 31, 2017, consolidated total debt of the Company of ₱9,413.9 million was comprised of borrowings from renewable short-term bank loans of ₱3,000.0 million, amortizing term loans from banks of ₱6,306.3 million and obligations under finance leases of ₱107.6 million. Belle has a real estate projects, lease agreements and interests in subsidiaries from which it expects to

generate cash flow sufficient for its foreseeable requirements. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of March 31, 2017, 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)

PART II - OTHER INFORMATION

Financial Risk Management Objectives and Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

Fair Value of Financial Assets and Financial Liabilities

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly; and,
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

	March 31, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	<i>In thousands</i>		<i>In thousands</i>	
Assets				
Assets measured at fair value:				
Investments held for trading	2,245,760	2,245,760	2,232,710	2,232,710
AFS Financial assets	1,978,084	2,026,944	2,026,944	2,026,944
Assets for which fair value is disclosed:				
Receivables - trade	1,005,937	1,005,937	663,522	663,522
Finance lease receivable	17,744,165	17,744,165	17,645,621	17,645,621
Liabilities				
Liabilities for which fair value is disclosed:				
Nontrade liability	-	-	3,762,000	3,762,000
Long-term debt	6,306,250	6,306,250	4,621,875	4,621,875
Obligations under finance lease	107,627	107,627	119,342	119,342

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

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

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

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

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

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

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

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

Determination of Fair Value and Fair Value Hierarchy

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

Other Required Disclosures

- A.) The attached interim financial reports were prepared in compliance with Philippine Financial Reporting Standards (PFRS). The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2016.

The adoption of the following PFRS standards enumerated below does not have significant impact on its consolidated financials statements which are effective January 1, 2017.

- i. PFRS 12, *Disclosure of Interests in Other Entities* – Clarification of the Scope of the Standard
- ii. PAS 7, *Statements of Cash flows* – Disclosure initiative
- iii. PAS 12, *Income Taxes* – Recognition of Deferred Tax Assets for Unrealized Losses

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

- PFRS 9, *Financial Instruments*
- PFRS 15, *Revenue from Customers*
- PFRS 16, *Leases*

The Company continues to assess the impact of the above new, amended and improved accountings standards effective subsequent to December 31, 2016 on its consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the Company's consolidated financial statements when these amendments are adopted.

- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.
- E.) There were no material events subsequent to March 31, 2017 up to the date of this report that needs disclosure herein.

F.) There were no changes in contingent liabilities or contingent assets since March 31, 2017.

G.) There exist no material contingencies affecting the current interim period.

SIGNATURES

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

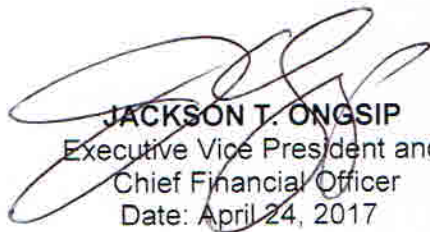
Issuer: **BELLE CORPORATION**



WILLY N. OCIER
Vice Chairman
Date: April 24, 2017



MANUEL A. GANA
President and Chief Executive Officer
Date: April 24, 2017



JACKSON T. ONGSIP
Executive Vice President and
Chief Financial Officer
Date: April 24, 2017

BELLE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2017
(With Comparative Audited Figures as of December 31, 2016)
(Amounts in Thousands)

	March 31, 2017	December 31, 2016	Horizontal Analysis		Vertical Analysis	
	Unaudited	Audited	Inc (Dec)	%	2017	2016
ASSETS						
Current Assets						
Cash and cash equivalents	P 1,336,527	P 2,953,262	(1,616,735)	-54.7%	3.3%	7.1%
Investments held for trading	2,245,760	2,232,710	13,050	0.6%	5.6%	5.4%
Receivables	2,004,266	1,881,754	122,512	6.5%	5.0%	4.5%
Current portion of finance lease receivable	1,576,901	1,541,035	35,866	2.3%	3.9%	3.7%
Real estate for sale	801,511	802,854	(1,343)	-0.2%	2.0%	1.9%
Other current assets	1,283,039	1,210,973	72,066	6.0%	3.2%	2.9%
	9,248,004	10,622,588	(1,374,584)	-12.9%	22.9%	25.6%
Noncurrent Assets						
Finance lease receivable - net of current portion	16,167,264	16,104,586	62,678	0.4%	40.0%	38.7%
Land held for future development	3,092,399	3,092,399	-	0.0%	7.7%	7.4%
Available-for-sale financial assets	1,978,084	2,026,944	(48,860)	-2.4%	4.9%	4.9%
Investment properties	1,540,961	1,540,961	-	0.0%	3.8%	3.7%
Intangible asset	5,093,749	4,812,707	281,042	5.8%	12.6%	11.6%
Goodwill	1,828,578	1,828,578	-	0.0%	4.5%	4.4%
Investments in and advances to associates - net	77,969	77,903	66	0.1%	0.2%	0.2%
Property and equipment	653,191	690,378	(37,187)	-5.4%	1.6%	1.7%
Deferred tax asset	16,991	14,576	2,415	16.6%	0.0%	0.0%
Pension asset	-	10,048	(10,048)	n/a	0.0%	0.0%
Other noncurrent assets	687,131	743,290	(56,159)	-7.6%	1.7%	1.8%
	31,136,317	30,942,370	193,947	0.6%	77.1%	74.4%
TOTAL ASSET	P 40,384,321	P 41,564,958	(1,180,637)	-2.8%	100.0%	100.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other current liabilities	P 1,495,599	P 1,254,065	241,534	19.3%	3.7%	3.0%
Loans payable	3,000,017	2,000,017	1,000,000	50.0%	7.4%	4.8%
Current portion of:						
Long-term debt	945,833	862,500	83,333	9.7%	2.3%	2.1%
Obligations under finance lease	41,444	47,698	(6,254)	-13.1%	0.1%	0.1%
Estimated liability on construction costs	23,353	23,376	(23)	-0.1%	0.1%	0.1%
Nontrade liability	-	3,762,000	(3,762,000)	-100.0%	0.0%	9.1%
Income tax payable	83,652	51,900	31,752	61.2%	0.2%	0.1%
	5,589,898	8,001,556	(2,411,658)	-30.1%	13.8%	19.3%
Noncurrent Liabilities						
Noncurrent portion of:						
Long-term debt	5,360,417	3,759,375	1,601,042	42.6%	13.3%	9.0%
Obligations under finance lease	66,183	71,644	(5,461)	-7.6%	0.2%	0.2%
Deferred tax liabilities	1,841,953	1,742,187	99,766	5.7%	4.6%	4.2%
Pension liability	7,276	12,550	(5,274)	-42.0%	0.0%	0.0%
Other non current liability	233,290	233,864	(574)	-0.2%	0.6%	0.6%
	7,509,119	5,819,620	1,689,499	29.0%	18.6%	14.0%
TOTAL LIABILITIES	13,099,017	13,821,176	(722,159)	-5.2%	32.4%	33.3%
Equity						
Attributable to equity holders of parent:						
Common stock	10,561,000	10,561,000	-	0.0%	26.2%	25.4%
Additional paid-in capital	5,503,731	5,503,731	-	0.0%	13.6%	13.2%
Treasury stock	(181,185)	(181,185)	-	0.0%	-0.4%	-0.4%
Equity share in cost of Parent Company shares held by associates	(2,501)	(2,501)	-	0.0%	0.0%	0.0%
Cost of Parent Company common and preferred shares held by subsidiary	(1,650,132)	(1,758,264)	108,132	-6.1%	-4.1%	-4.2%
Unrealized gain on available-for-sale financial assets - net	851,342	836,876	14,466	1.7%	2.1%	2.0%
Other reserves	3,082,824	3,082,824	-	0.0%	7.6%	7.4%
Excess of net asset value of an investment over cost	252,040	252,040	-	0.0%	0.6%	0.6%
Retained Earnings	5,923,108	6,289,302	(366,194)	-5.8%	14.7%	15.1%
Total equity attributable to equity holders of the Parent	24,340,227	24,583,823	(243,596)	-1.0%	60.3%	59.1%
Non-controlling interests	2,945,077	3,159,959	(214,882)	-6.8%	7.3%	7.6%
Total Equity	27,285,304	27,743,782	(458,478)	-1.7%	67.6%	66.7%
TOTAL LIABILITIES AND EQUITY	P 40,384,321	P 41,564,958	(1,180,637)	-2.8%	100.0%	100.0%

BELLE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
(Amounts in Thousands, Except Per Share Amounts)

		For the three months ended March 31 (Unaudited)		Horizontal Analysis		Vertical Analysis	
		2017	2016	Increase (Decrease)		2017	2016
REVENUE							
Interest income on finance lease accounting	P	511,627	P 494,363	17,264	3.5%	25.7%	33.2%
Equipment rental and instant scratch ticket sales		461,868	376,774	85,094	22.6%	23.2%	25.3%
Gaming revenue share		721,871	349,409	372,462	106.6%	36.3%	23.5%
Sale of real estate		121,734	112,602	9,132	8.1%	6.1%	7.6%
Lease income		47,505	47,510	(5)	0.0%	2.4%	3.2%
Revenue from property management		26,515	35,640	(9,125)	-25.6%	1.3%	2.4%
Distribution and commission income (Pacific Online)		78,222	57,188	21,034	36.8%	3.9%	3.8%
Others		20,312	14,647	5,665	38.7%	1.0%	1.0%
TOTAL REVENUES		1,989,654	1,488,133	501,521	33.7%	100.0%	100.0%
COST OF LOTTERY SERVICES		(259,423)	(179,616)	79,807	-44.4%	13.0%	12.1%
COST OF LEASE INCOME		(51,313)	(45,118)	6,195	-13.7%	2.6%	3.0%
COST OF REAL ESTATE SOLD		(59,817)	(52,907)	6,910	13.1%	3.0%	3.6%
COST OF PROPERTY MANAGEMENT SERVICES		(15,101)	(18,744)	(3,643)	-19.4%	0.8%	1.3%
COST OF GAMING OPERATIONS		(67,770)	(62,894)	4,876	7.8%	3.4%	4.2%
GENERAL AND ADMINISTRATIVE EXPENSES		(428,248)	(279,509)	148,739	53.2%	21.5%	18.8%
TOTAL COSTS AND EXPENSES		(881,672)	(638,788)	236,689	37.1%	-44.3%	-42.9%
INCOME FROM OPERATIONS		1,107,982	849,345	264,832	-31.2%	55.7%	57.1%
PAYMENTS TO ABLGI/ACCRETION OF NONTRADE LIABILITY		(107,608)	(167,769)	(60,161)	-35.9%	-5.4%	-11.3%
UNREALIZED GAIN (LOSS) ON MARKETABLE SECURITIES		3,848	(19,876)	23,724	119.4%	0.2%	-1.3%
INTEREST EXPENSE AND OTHER FINANCE CHARGES		(101,124)	(90,009)	11,115	12.3%	-5.1%	-6.0%
INTEREST INCOME		9,900	5,231	4,669	89.3%	0.5%	0.4%
GAIN ON SALE OF AFS INVESTMENT		23,211	-	23,211	100.0%	1.2%	0.0%
NET FOREIGN EXCHANGE GAIN (LOSS)		79	-	79	n/a	0.0%	0.0%
OTHER INCOME (CHARGES)		6,582	21,976	(15,394)	-70.0%	0.3%	1.5%
INCOME BEFORE INCOME TAX		942,870	598,898	343,972	57.4%	47.4%	40.2%
PROVISION FOR INCOME TAXES							
Current		61,746	93,550	(31,804)	-34.0%	3.1%	6.3%
Deferred		98,606	92,534	6,072	6.6%	5.0%	6.2%
		160,352	186,084	(25,732)	-13.8%	8.1%	12.5%
NET INCOME	P	782,518	P 412,814	369,704	89.6%	39.3%	27.7%
OTHER COMPREHENSIVE INCOME							
Unrealized gain on available for sale financial assets - net		31,080	72,497	(41,417)	-57.1%	1.6%	4.9%
		31,080	72,497	(41,417)	-57.1%	1.6%	4.9%
TOTAL COMPREHENSIVE INCOME	P	813,598	P 485,311	328,287	67.6%	40.9%	32.6%
Net profit attributable to:							
Equity holders of the parent	P	621,681	P 346,947	274,734	79.2%	31.2%	23.3%
Non-Controlling Interests		160,837	65,867	94,970	144.2%	8.1%	4.4%
	P	782,518	P 412,814	369,704	89.6%	39.3%	27.7%
Total comprehensive income attributable to:							
Equity holders of the parent	P	643,257	P 418,475	224,782	53.7%	32.3%	28.1%
Non-Controlling Interests		170,341	66,836	103,505	154.9%	8.6%	4.5%
	P	813,598	P 485,311	328,287	67.6%	40.9%	32.6%
Basic Earnings Per Share	P	0.301	P 0.131				

(Amounts in Thousands)

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BELLE CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in Thousands)

	For the Three-Month Periods Ended March 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱942,870	₱598,901
Adjustments for:		
Interest income on finance lease	(511,627)	(494,363)
Accretion of nontrade liability	—	167,769
Depreciation and amortization	84,161	84,357
Interest expense	101,124	90,009
Gain on sale of available-for-sale investments	(23,211)	—
Amortization of discount on trade receivables	(10,835)	(10,978)
Dividend income	(2,684)	(9,283)
Unrealized mark-to-market loss (gain) on investments held for trading	(3,848)	19,876
Unrealized foreign exchange loss (gain) – net	—	—
Interest income	(9,900)	(5,231)
Pension cost	4,774	—
Working capital adjustments:		
Decrease (increase) in:		
Receivables	301,406	(1,183,658)
Real estate for sale	1,343	(193,882)
Club shares	5,561	618
Other assets	(16,059)	(112,918)
Decrease in trade and other current liabilities	240,960	(3,097)
Net cash generated from operations	1,104,035	(1,051,880)
Interest received	9,900	5,231
Contributions to the retirement fund	—	480
Net cash provided by (used in) operating activities	1,113,935	(1,046,169)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on investment properties	(23)	(62,625)
Acquisitions of:		
Intangible asset	(310,000)	—
Property and equipment	(18,016)	—
Investment held for trading	(14,763)	(53,759)
Proceeds from disposal of available-for-sale financial assets	64,945	—
Decrease in investment in associate	66	—
Decrease in property and equipment	—	—
Dividends received	2,684	9,283
Net cash used in investing activities	(275,239)	(107,101)

For the Three-Month Periods
Ended March 31

	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Long-term debt and loans payable	(₱315,625)	₱—
Interest	(101,124)	(90,009)
Disposal of Parent Company shares held by a subsidiary	108,132	—
Long-term debt proceeds	3,000,000	300,000
Dividends paid	(1,167,132)	(1,106,846)
Acquisition of treasury shares	—	(47,140)
Acquisition of treasury shares of subsidiaries	(205,523)	
Increase (decrease) in:		
Nontrade liability	(3,720,000)	932,184
Obligations under finance lease	(11,715)	(65,625)
Net cash used in financing activities	(2,455,431)	(77,347)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,616,735)	(1,230,708)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,953,262	3,570,065
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,336,527	₱2,339,357

BELLE CORPORATION AND SUBSIDIARIES
ATTACHMENT TO FINANCIAL STATEMENTS
ACCOUNTS RECEIVABLES - TRADE
As of March 31, 2017

	Current (a)	Non-current (b)	Grand Total
Real Estate			
Country Club	413,151.17	1,851,319.01	2,264,470.18
Cotswold	4,936,642.45	8,238,498.06	13,175,140.51
Enclave	1,158,168.00	2,881,759.07	4,039,927.07
Fairfield	9,931,858.91	15,627,958.23	25,559,817.14
Katsura	35,687,795.35	30,488,058.35	66,175,853.70
Kew Garden	3,958,577.15	5,601,197.06	9,559,774.21
Nobhill	15,033,352.06	12,256,844.46	27,290,196.52
The Parks	18,647,297.37	15,198,404.82	33,845,702.19
Plantation Hills	27,182,821.97	17,943,143.08	45,125,965.05
Sycamore	390,047,910.74	87,175,222.28	477,223,133.02
Terrazas de Alava	5,660,356.36	2,416,426.48	8,076,782.84
Tivoli Place	7,428,393.47	2,140,622.03	9,569,015.50
Midlands	(56,728,313.81)	38,694,119.13	(18,034,194.68)
Verandas	6,616,001.57	5,813,314.28	12,429,315.85
Woodlands	19,274,725.88	-	19,274,725.88
Yume	31,787,125.86	21,376,599.26	53,163,725.12
Property management	66,560,600.81	-	66,560,600.81
Leases			
Gaming revenue share receivable	280,830,798.00	-	280,830,798.00
Equipment rental and instant scratch ticket sales	487,317,908.29	-	487,317,908.29
Grand Total	1,355,745,171.60	590,036,518.91	1,945,781,690.51

(a) Collectible within 1 year.

(b) Collectible after more than 1 year.

Segment Information

The primary segment reporting format is presented based on business segments in which the Company'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 Company 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 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 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 profit or loss in the unaudited interim condensed consolidated financial statements, which are in accordance with PFRS. Financial information about the Company's business segments are shown below:

March 31, 2017 (Unaudited)					
	Real Estate Development and Property Management	Gaming and Gaming Related Activities	Others	Eliminations/ Adjustments	Consolidated
<i>(In Thousands)</i>					
Earnings Information					
Revenue	₱1,438,336	₱1,281,707	₱—	(₱730,389)	₱1,989,654
Costs and expenses	(321,690)	(711,750)	—	44,160	(989,280)
Interest expense	(108,686)	—	—	7,562	(101,124)
Interest income	3,426	6,000	474	—	9,900
Provision for income tax	106,864	53,488	—	—	160,352
Net profit for the year	928,022	501,735	332	(647,571)	782,518
Net profit attributable to equity holders of the parent	928,022	424,963	332	(731,636)	621,681
March 31, 2016 (Unaudited)					
<i>(In Thousands)</i>					
Earnings Information					
Revenue	₱1,272,542	₱795,387	₱—	(₱579,796)	₱1,488,133
Costs and expenses	(346,134)	(548,959)	—	88,536	(806,557)
Interest expense	(98,565)	(150)	—	8,706	(90,009)
Interest income	5,231	—	—	—	5,231
Provision for income tax	98,774	87,310	—	—	186,084
Net profit for the year	741,668	170,915	—	(499,769)	412,814
Net profit attributable to equity holders of the parent	741,668	129,085	—	(523,806)	346,947

The following illustrate the reconciliations of reportable segment revenues and net profit to the Company's corresponding amounts:

	March 31, 2017 (Unaudited)	March 31, 2016 (Unaudited)
<i>(in thousands)</i>		
Revenues		
Total revenue for reportable segments	₱2,720,043	₱2,067,929
Elimination for intercompany revenue	(730,389)	(579,796)
Total consolidated revenues	₱1,989,654	₱1,488,133

Net Profit for the Year

Total profit for reportable segments	₱1,430,089	₱912,583
Elimination for intercompany profits	(647,571)	(499,769)
Consolidated net profit	₱782,518	₱412,814

The Parent Company's Executive Committee, the chief operating decision maker of the Company, 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 unaudited interim condensed 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 Company's revenues from external customers and total assets have not been provided since all of the Company's consolidated revenues are derived from operations within the Philippines.