From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Wednesday, March 22, 2023 3:14 PM
Subject: Information Statement

Dear Sir/Madam:

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

Company Name: Belle Corporation
Reference Number: 0009668-2023
Date and Time: Wednesday, March 22, 2023 15:13 PM
Template Name: Information Statement
Report Number: CR01592-2023

Best Regards,
PSE EDGE

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

To know about your rights as a data subject under the Data Privacy Act of 2012 and how the PSE processes and protects the Personal Data it collects and stores, you may visit the Privacy Policy page of PSE's website at https://www.pse.com.ph/stockMarket/content.html?sec=privacypolicy

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

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, Metro Manila

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 24, 2023, 2:00 P.M. Hybrid Meeting (Please refer to additional details below)

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

Mar 24, 2023

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 24, 2023
Type (Annual or Special)	Annual
Time	2:00 PM
Venue	Hybrid Meeting* (Please see description)
Record Date	Mar 25, 2023

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information

The Chairman of the Meeting, the Secretary of the Meeting, the members of the Board of Directors, and other Officers will be attending in person at the City of Dreams Manila, Entertainment City, Cor. Macapagal Ave., Aseana Ave., Paranaque City; the shareholders will be participating by remote communication via Zoom Webinar.

Filed on behalf by:

Name	Michelle Angeli Hernandez
Designation	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 1300

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

1 2	3 1	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

1,755		
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

Notice of Annual Shareholders' Meeting

To all Shareholders:

The annual meeting of the shareholders of Belle Corporation (the "Company") will be held on April 24, 2023, Monday at 2:00 p.m. The meeting will be in hybrid format wherein the Chairman of the Meeting, the Secretary of the Meeting, the members of the Board of Directors, and other Officers will be attending in person at the City of Dreams Manila, Entertainment City, Cor. Macapagal Ave., Aseana Ave., Paranaque City; the shareholders will be participating by remote communication via Zoom Webinar. The voting shall be 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 April 28, 2022
4. Approval of 2022 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 2023-2024
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 25, 2023 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 12:00 noon of April 21, 2023, Friday. 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 13, 2023. Scanned forms may be sent electronically through **corsec@bellecorp.com**, while 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.

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 access to 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" together with the Information Statement, Annual Report on SEC Form 17-A (once available) and other pertinent materials for the Annual Stockholders' Meeting are posted in the Company's website will be posted in the Company's website ***(*****bellecorp.com/ASM2023*****)*** and PSE Edge.

Pasig City, March 20, 2023

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 25, 2023**.** 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 April 28, 2022. The draft minutes of the April 28, 2022 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 2022 Annual Stockholders' Meeting as recommended by the Board of Directors.

Agenda Item 4. Approval of 2022 Operations and Results
A report on the highlights of the performance of the Company for the year ended 2022 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 2022 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 April 28, 2022 to the date of this meeting shall be presented for confirmation, approval, and ratification.

Agenda Item 6. Election of Directors for 2023-2024
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 24, 2023 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 2023. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2023.

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 24, 2023 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 April 28, 2022

   ____Yes _____No _____Abstain

2. Approval of 2022 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 2023 to 2024

   _______Vote for all nominees listed below
   _______ Willy N. Ocier
   _______ Elizabeth Anne C. Uychaco
   _______ Jackson T. Ongsip
   _______ Jacinto C. Ng, Jr.
   _______ Armin Antonio B. Raquel Santos
   _______ Virginia A. Yap
   _______ Amando M. Tetangco, Jr. (Independent)
   _______ Joseph T. Chua (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:

<u>For Individual Stockholders</u>
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.

<u>For Corporate Stockholders</u>
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.

<u>For PCD Participants/Brokers</u>
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 13, 2023, 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 2023 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 _________________________20__.

____
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 _______________ 20__ 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 same person 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/she has 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
the Corporate 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 2023-2024

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

EDUCATION / EXPERIENCE

Mr. Willy Ocier, 66, 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. and Vice Chairman of Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and one of the Directors of 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
Chairperson, Compensation and Remuneration Committee

EDUCATION / EXPERIENCE

Ms. Uychaco, 67, Filipino, is Vice Chairperson, Executive Committee Vice Chairperson, and Chairperson of Compensation and Remuneration Committee of Belle Corporation. She was first elected on December 2009. Ms. Uychaco is also Senior Vice President of SM Investments Corporation and SM Group Diversity Officer. She is Chairperson of Neo Group, and Board Director of Republic Glass Holdings Corp., Goldilocks Bakeshop, Inc., Brownies Unlimited, Inc., ACE Hardware Philippines, Inc., and Philippines Urban Living Solutions. 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.

JACKSON T. ONGSIP
President and Chief Executive Officer,
Executive Director
Date of First Election – April 28, 2022
Member, Executive Committee
Member, Compensation and Remuneration Committee

EDUCATION / EXPERIENCE

Mr. Ongsip, 49, Filipino, is the President and Chief Executive Officer of Belle Corporation. He is also the 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 10 years now with the SM Group. He graduated from the University of Santo Tomas with a Bachelor of Science in Accountancy.

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.

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.

ARMIN ANTONIO B. RAQUEL SANTOS
Non-Executive Director
Date of First Election – April 28, 2022
Member, Executive Committee

EDUCATION / EXPERIENCE

Mr. Raquel Santos, 55, Filipino, is a Non-executive Director and a member of the Executive Committee of Belle Corporation. He is also a Director of Premium Leisure Corp, Pacific Online Systems Corporation, PremiumLeisure and Amusement, Inc., Pinoy Lotto Technologies Corporation, Sagittarius Mines, Inc. Tagaytay Highlands International Golf Club, Inc., and 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 Economic Zone 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 and CEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience 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 Bachelor of Science in Business Administration Major in Finance from Iona College, U.S.A.

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

EDUCATION / EXPERIENCE

Ms. Yap, 71, 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, 70, 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.

JOSEPH T. CHUA
Independent Director
Date of First Election – July 28, 2022
Chairperson, Related Party Transactions Committee
Chairperson, Corporate Governance Committee

EDUCATION / EXPERIENCE

Mr. Chua, 66, is an independent director and chairman of the Corporate Governance Committee and Related Party Transactions Committee of the Company. He is currently the Chairman of the Board of JF Rubber Philippines Corporation. He was a director of Macroasia Corporation since 1997 and was its President and COO from December 2015 until his retirement in 2021. He was also a director of PAL Holdings, Inc., LTG, Inc., Eton Properties Philippines, Inc., Philippine National Bank and PNB General Insurers Co., Inc. He was likewise the President of Goodwind Development Corporation (Guam) from 2013 to 2021.

He graduated from the Dela Salle University with double degrees in AB Economics and BS Business Management in 1978. He completed his Masters in Business Administration at the University of Southern California in 1981.

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, 67, 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 also a member of the Tax Faculty of the Philippine Judicial Academy. She is a director of several Philippine corporations, a tax consultant and 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 a 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 24, 2023
Time: 2:00 PM
Venue: Hybrid Meeting
[The Chairman of the Meeting, the Secretary of the Meeting, the members of the Board of Directors, and other Officers will be attending in person at the City of Dreams Manila, Entertainment City, Cor. Macapagal Ave., Aseana Ave., Paranaque City; the shareholders will be participating by remote communication via Zoom Webinar]

Approximate date on which the Information Statement is to be sent or given to security holders: **March 24, 2023**

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, 2023)**
	Amount of Debt Outstanding
	₱5.46 Billion (as of February 28, 2023)

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.

Voting Securities

This year's Annual Stockholders' Meeting will be conductedvirtually, and will be broadcasted via livestreaming accessible to registered stockholders, the details of whichcan be found in bellecorp.com/ASM2023. The Company will record in video the proceedings and maintaina 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 12:00 noon of April 21, 2023 (Friday), 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. 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 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 24, 2023 (Monday)
Time: 2:00 PM
Venue: Hybrid Meeting
[The Chairman of the Meeting, the Secretary of the Meeting, the members of the Board of Directors, and other Officers will be attending in person at the City of Dreams Manila, Entertainment City, Cor. Macapagal Ave., Aseana Ave., Paranaque City; the shareholders will be participating by remote communication via Zoom Webinar]

b) The approximate date on which the Information Statement will be sent or given to security holdersis on **March 24, 2023**.

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, PasayCity, 1300 Metro Manila, Philippines.

Item 2. Dissenter's Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on April 24, 2023 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 2023.

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) As of February 28, 2023, the Registrant has 9,696,464,297 common shares outstanding and each shareis entitled to one vote.

b) As of February 28, 2023, there are 2,010,582,443 common shares outstanding, which are owned by foreigners, and each share is entitled to one vote.

c) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is March 25, 2023.

d) 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).

The Company also provides an online voting facility where certified stockholders can cast their votes if not attending in person (see attached Schedule "A").

e) Security ownership of certain record and beneficial owners and management.

1. Security Ownership of Certain Record and Beneficial Owners

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 securities as of February 28, 2023:

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. Makati Stock Exchange Building, Ayala Avenue,Makati City	Belleshares Holdings, Inc.[1]	Filipino	2,604,740,622	24.664
Common	PCD Nominee Corporation[3] GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	2,543,990,933	24.089

Common	PCD Nominee Corporation[3] GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	(see footnote)	Non-Filipino	1,949,649,668	18.461
Common	Sysmart Corporation Makati Stock Exchange Building, Ayala Avenue, Makati City	Sysmart Corporation[2]	Filipino	1,629,355,469 (Direct) 270,000 (Indirect)	15.428
Common	Sybase Equity Investments Corporation Makati Stock Exchange Building, Ayala Avenue, Makati City	Sybase Equity Investments Corporation[2]	Filipino	531,320,577	5.031

[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, 2023:

Title Class	Name of Beneficial Owner	Citizenship	Direct		Indirect		Total	
			No.	%	No.	%	No.	%
Common	Willy N. Ocier	Filipino	83,913,702	0.87%	-	-	83,913,702	0.87%
Common	Elizabeth Anne C. Uychaco	Filipino	1,000	0.00%	-	-	1,000	0.00%
Common	Jackson T. Ongsip	Filipino	10,000	0.00%	-	-	10,000	0.00%
Common	Jacinto C. Ng, Jr.	Filipino	135,860,666	1.40%	-	-	135,860,666	1.40%
Common	Armin Antonio B. Raquel Santos	Filipino	8,000	0.00%	-	-	8,000	0.00%
Common	Amando M. Tetangco, Jr.	Filipino	1,000	0.00%	-	-	1,000	0.00%
Common	Maria Gracia P. Tan	Filipino	666	0.00%	-	-	666	0.00%
Common	Virginia A. Yap	Filipino	110,000	0.00%	50,000	0.00%	160,000	0.00%
Common	Joseph T. Chua	Filipino	117,000	0.00%		0.00%	117,000	0.00%
Common	Maria Neriza C. Banaria	Filipino	-	-	-	-	-	-
Common	Jason C. Nalupta	Filipino	-	-	-	-	-	-
Common	Arthur A. Sy	Filipino	-	-	-	-	-	-
Common	Anna Josefina G. Esteban	Filipino	-	-	-	-	-	-
Common	Michelle Angeli T. Hernandez	Filipino	-	-	-	-	-	-

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. Ocier, 66, is 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. and Vice Chairman of Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and one of the Directors of 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, 67, Filipino, is Vice Chairperson, Executive Committee Vice Chairperson, and Chairperson of Compensation and Remuneration Committee of Belle Corporation. She was first elected on December 2009. Ms. Uychaco is also Senior Vice President of SM Investments Corporation and SM Group Diversity Officer. She is Chairperson of Neo Group, and Board Director of Republic Glass Holdings Corp., Goldilocks Bakeshop, Inc., Brownies Unlimited, Inc., ACE Hardware Philippines, Inc., and Philippines Urban Living Solutions. 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.

JACKSON T. ONGSIP

Mr. Ongsip, 49, Filipino, is the President and Chief Executive Officer of Belle Corporation. He is also the 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 10 years now with the SM Group. He graduated from the University of Santo Tomas with a Bachelor of Science in Accountancy.

JACINTO C. NG, JR.

Mr. Ng, Jr., 53, Filipino, is a Non-executive Director since August 2000, a member of the Executive Committee, Audit Committee, and Risk Oversight Committee of Belle Corporation.

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.

ARMIN ANTONIO B. RAQUEL SANTOS

Mr. Raquel Santos, 55, Filipino, is a Non-executive Director and a member of the Executive Committee of Belle Corporation. He is also a Director of Premium Leisure Corp, Pacific Online Systems Corporation, PremiumLeisure and Amusement, Inc., Pinoy Lotto Technologies Corporation, Sagittarius Mines, Inc. Tagaytay Highlands International Golf Club, Inc., and 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 Economic Zone 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 and CEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience 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 Bachelor of Science in Business Administration Major in Finance from Iona College, U.S.A.

VIRGINIA A. YAP

Ms. Yap, 71, 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, 70, 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.

JOSEPH T. CHUA*

Mr. Chua, 66, is an independent director and chairman of the Corporate Governance Committee and Related Party Transactions Committee of the Company. He is currently the Chairman of the Board of JF Rubber Philippines Corporation. He was a director of Macroasia Corporation since 1997 and was its President and COO from December 2015 until his retirement in 2021. He was also a director of PAL Holdings, Inc., LTG, Inc., Eton Properties Philippines, Inc., Philippine National Bank and PNB General Insurers Co., Inc. He was likewise the President of Goodwind Development Corporation (Guam) from 2013 to 2021.

He graduated from the Dela Salle University with double degrees in AB Economics and BS Business Management in 1978. He completed his Masters in Business Administration at the University of Southern California in 1981.

MARIA GRACIA P. TAN*

Atty. Tan, 67, 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 also a member of the Tax Faculty of the Philippine Judicial Academy. She is a director of several Philippine corporations, a tax consultant and 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 a 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. Ongsip, Ng, Raquel Santos, and Ms. Yap are also nominated for re-election as membersof the Board of Directors for 2023-2024, as certified on February 23, 2023 by the Corporate Governance Committee composed of Messrs. Chua (Chairman) and Tetangco, Jr. and Atty. Tan. Likewise, the Corporate Governance Committee also endorsed the re-election of Messrs. Tetangco, Chua 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. Joseph T. Chua (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 for independent directors as set forth in the Company's Revised Manual on Corporate Governance and Rule 38 of 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 during the first quarter of the year 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.

Name	CG Training		
	Training Provider	Date	Topic
Willy N. Ocier	BDO	20-Jul-22	Sustainability and the Role of Boards Geopolitical Risk
Elizabeth Anne C. Uychaco	BDO	20-Jul-22	
Jackson T. Ongsip	BDO	20-Jul-22	
Jacinto C. Ng, Jr.	BDO	20-Jul-22	
Armin Antonio B. Raquel Santos	BDO	20-Jul-22	
Virginia A. Yap	BDO	20-Jul-22	
Joseph T. Chua	GGAPP	10-Nov-22	8th Annual Forum on Governance, Ethics and Compliance
Ma. Gracia M. Pulido Tan	BDO	20-Jul-22	Sustainability and the Role of Boards Geopolitical Risk
Amando M. Tetangco, Jr.	BDO	20-Jul-22	
Maria Neriza C. Banaria	BDO	20-Jul-22	
Jason C. Nalupta	BDO	20-Jul-22	
Arthur A. Sy	BDO	20-Jul-22	
Anna Josefina G. Esteban	BDO	20-Jul-22	
Michelle Angeli T. Hernandez	BDO	20-Jul-22	

Executive Officers

MR. WILLY N. OCIER

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

JACKSON T. ONGSIP

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

MARIA NERIZA C. BANARIA

Ms. Banaria, 40, Filipino, is the Chief Financial Officer (CFO) and Treasurer of the Company. She is concurrently the CFO and Treasurer of Premium Leisure Corp and Pacific Online Systems Corporation.

As a Certified Public Accountant, her strong background in accounting, audit and finance have been accumulated through extensive experience and exposure to various industries. She holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines.

JASON C. NALUPTA

Atty. Nalupta, Filipino, 51, 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, 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, 53, 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, Filipino, 55, 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 T. HERNANDEZ

Ms. Hernandez, 51, Filipino, is the Compliance Officer, 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 to Corporate Governance, Enterprise Risk Management and Corporate Affairs for the Company and its subsidiaries. She is also Premium Leisure Corp.'s Compliance Officer and Chief Risk Officer, Pacific Online Systems Corporation's Compliance Officer and APC Group, Inc.'s Chief Risk Officer. 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 Vice Chairman	June 22, 2020 to present June 1999 to June 2020
Jackson T. Ongsip	President and CEO CFO and Treasurer	From April 28, 2022 to Present From February 2017 to April 2022
Maria Neriza C. Banaria	CFO and Treasurer	From April 28, 2022 to Present
Jason C. Nalupta	Corporate Secretary	From March 26, 2021 to Present
Arthur A. Sy	Asst. Corporate Secretary	From April 2010 to Present
Name	**Office**	**Period Served**
Anna Josefina G. Esteban	Chief Audit Executive	From September 2018 to Present
Michelle T. Hernandez	VP for Governance Chief Risk Officer Compliance Officer	From March 2015 to Present From June 2021 to Present From April 2022 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	Jackson T. Ongsip	President and CEO
2	Jason C. Nalupta	Corporate Secretary
3	Maria Neriza C. Banaria	CFO and Treasurer
4	Arthur A. Sy	Asst. Corporate Secretary
5	Anna Josefina G. Esteban	Chief Audit Executive
6	Michelle T. Hernandez	Chief Risk Officer and Compliance Officer

a) Directorships in Other Publicly Listed Companies:

As of February 28, 2023, 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 theChairman
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
Amando M. Tetangco, Jr.	Converge ICT Solutions, Inc.	Independent Director
	Pilipinas Shell Petroleum Corporation	Independent Director
	SM Prime Holdings, Inc.	Independent Director
Maria Gracia P. Tan	Premium Leisure Corp.	Independent Director
	Pacific Online Systems Corporation	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

i. A criminal and administrative case (OMB-C-C-13-0092) against Mr. Amando M. Tetangco, Jr. 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. In its Resolution dated October 3, 2022, the Supreme Court denied the Petition for Review of the petitioners and affirmed the May 15, 2017 Decision and October 4, 2017 Resolution of the Court of Appeals.

ii. 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.

iii. A Subpoena dated November 8, 2022 was reportedly issued by the Office of the City Prosecutor – Manila in connection with the Joint Complaint-Affidavit filed by Perry Y. Uy and Cesar M. Mayo, Jr. against Mr. Amando M. Tetangco, Jr. and several other respondents including former members of the Monetary Board, for alleged violation of the Central Bank Act, as amended (R.A. 7653 as amended by R.A. 11211). As of this date, no official service of subpoena or complaint has been made on Mr. Tetangco.

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

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.

In the ordinary course of business, the Group has the following transactions with related parties:

Related Party	Relationship	Transaction		Transaction Amounts	Outstanding Balance	Terms	Conditions
				(In Thousands)			
APC	Associate	Reimbursable expense (see Note 14)	**2022**	**₱3**	**₱79,979**	Noninterest-bearing, due and demandable	Unsecured, partially provided with allowance for impairment amounting to ₱79,452
			2021	₱–	₱79,976		
Belle Jai Alai	Associate	Advances to associate (see Note 14)	**2022**	–	**29,398**	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
			2021	–	29,398		
Others	Associate	Advances to associates (see Note 14)	**2022**	–	**21,405**	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
			2021	–	21,405		
Others	Associate	Advances from related parties (see Note 17)	**2022**	**188**	**60,225**	Noninterest-bearing, due and demandable	Unsecured
			2021	21,936	60,037		
SM Prime Holdings, Inc.	With common stockholders	Lease	**2022**	**16,068**	–	5 years, renewable	Unsecured
			2021	12,690	–		
			2020	9,774	–		
SM Investments Corporation	With common stockholders	Service fees	**2022**	**66,000**	–	1 year, renewable	Unsecured
			2021	66,000	–		
			2020	66,000	–		
Highlands Prime, Inc. (HPI)	With common stockholders	Service fees	**2022**	**77,140**	–	5 years, renewable	Unsecured
			2021	85,658	–		
			2020	3,884	–		
SM Arena Complex Corporation	With common stockholders	Sponsorship agreement	**2022**	–	–	3 years	Unsecured
			2021	–	–		
			2020	4,500	–		
Directors and officers	Key management personnel	Short-term employee benefits	**2022**	**73,128**	–	Not applicable	Unsecured
			2021	67,441	–		
			2020	61,553	–		
		Long-term employee benefits	**2022**	**2,413**	–	Not applicable	Unsecured
			2021	4,691	–		
			2020	4,252	–		
		Professional fees	**2022**	**19,142**	–	Not applicable	Unsecured
			2021	15,499	–		
			2020	13,190	–		

There are 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.

Allowance provided on advances to associates charged to "Investments in and Advances to Associates" amounted to ₱ 130.3 million as at December 31, 2022 and 2021.

Transactions with other related parties are as follows:

- In 2019, the Parent Company entered into a renewable one-year service agreement with SM Investments Corporation. Service fees charged by SMIC to the Parent Company amounted to ₱66.0 million in 2022 and 2021 (and 2020) which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income.

- 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 ₱77.1 million and ₱85.7 million in 2022 and 2021, respectively, which are recognized under "General and administrative expenses" in consolidated statements of comprehensive income.

Aside from the foregoing, there is no additional information that requires disclosure.

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

There was no director who resigned or declined to stand for re-election to the Board of Directors since the date of the last Annual Shareholders' Meeting because of a disagreement with the Company. Mr. Jaime J. Bautista, one of the Independent Directors, resigned in June 2022 following his appointment as the Secretary of Transportation under the administration of President Ferdinand Marcos, Jr. https://www.bellecorp.com/sites/default/files/investor_relations/BEL%20SEC%20Form%2017-C%20Change%20in%20Director%206.29.2022.pdf

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				
Jackson T. Ongsip	President and CEO				
Michelle Angeli T. Hernandez	VP – Governance				
Nancy O. Hui	VP – Admin				
Anna Josefina G. Esteban	Chief Audit Executive and AVP – Internal Audit				
President and 4 Most Highly Compensated Executive Officers		2023 (ESTIMATE)	23,981,900	1,706,300	
		2022	23,981,900	1,706,300	
		2021	26,176,000	2,061,333	
All other officers and directors as a group unnamed		2023 (ESTIMATE)	14,242,258		
		2022	14,242,258		
		2021	13,838,795		

2022 Per Diem for Attendance to Meetings of Directors

Each member of the Board of Directors received the following as Directors for the year 2022. The amounts represent their per diem for the meetings attended and all other responsibilities undertaken for the Company.

	Directors		2022 Per Diem
1	Amando M. Tetangco, Jr.	Independent Director	4,500,000
2	Ma. Gracia M. Pulido Tan	Independent Director	3,000,000
3	Jaime J. Bautista*	Independent Director	1,500,000
4	Joseph T. Chua**	Independent Director	1,282,258
5	Willy N. Ocier	Executive Director	1,080,000
6	Jackson T. Ongsip***	Executive Director	720,000
7	Jacinto C. Ng, Jr.	Non-Executive Director	1,080,000
8	Elizabeth Anne C. Uychaco	Non-Executive Director	1,080,000
9	Virginia A. Yap	Non-Executive Director	1,080,000
10	Armin Antonio B. Raquel Santos***	Non-Executive Director	720,000
	Total		**16,042,258**

* Resigned effective June 29, 2022
** Elected July 28, 2022
*** Elected April 28, 2022

As of December 31, 2022, 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, 2022.

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 2023.

Representatives of Reyes Tacandong & Co. which performed the audit of the Company's 2022 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. for external audit services amounting to ₱1,500,000 and P1,450,000 for 2022 and 2021, respectively. For each of the last two (2) fiscal years, RT&Co. 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

<u>Item 15. Action with Respect to Reports</u>

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 24, 2023, shareholders will be asked to approve and ratify the following:

1. Minutes of the Annual Stockholders' Meeting (ASM) held on April 28, 2022 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 within 24 hours from adjournment of the meeting. This includes the following:

   a. Voting procedure used and the tabulation for each agenda item during the April 28, 2022 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 April 2022 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 April 28, 2022 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. 2022 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, 2022, 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 24, 2023 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 2023-2024;
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 13, 2023 (Thursday) 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/ASM2023.***

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 25, 2023 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 April 28, 2022**

The Minutes of the Annual Stockholders' Meeting (ASM) held on April 28, 2022 was posted on theCompany's website: https://www.bellecorp.com/sites/default/files/investor_relations/ASM%202022%20Draft%20Minutes-%20Belle%20Corporation%20%28003%29_0.pdf within twenty-four (24) hours from adjournment of the meeting. Copies of the Minutes of the ASMheld on April 28, 2022 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'sstockholders' meeting.

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

2. **Approval of 2022 Operations and Results**

The Company's 2022 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, 2022. 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 during the ASM.

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

3. **Ratification of all Acts of the Board of Directors, Board Committees and the Management During their Term of Office**

All actions, proceedings and contracts entered into, as well as resolutions made, including approvals of significant related party transactions of the Board, the Board Committees and the Management from the last ASM held on April 28, 2022 to the date of this meeting will be presented to the shareholders for their confirmation, approval, and ratification. The Company's performance in 2022, 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 2023-2024**

Directors of the Company, including Independent Directors, have been pre-qualified by the Company's Corporate Governance Committee for election as directors for 2023-2024. 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 2023-2024 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 2023.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 2023 is 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 the information set forth in this report are true, complete and correct.

This report is signed in the City of Pasay on March 20, 2023

Jackson T. Ongsip
President and CEO

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, 2022.

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 Belle in 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 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, 2022.

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 the primary purpose of being an investment holding company. On July 18, 2014, its stockholders approved a further change in its name to Premium Leisure Corp. with the primary purpose being investing in 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 in Pacific Online), with the Company transferring to 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 in PLC 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 at December 31, 2022, 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 and renewable 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:

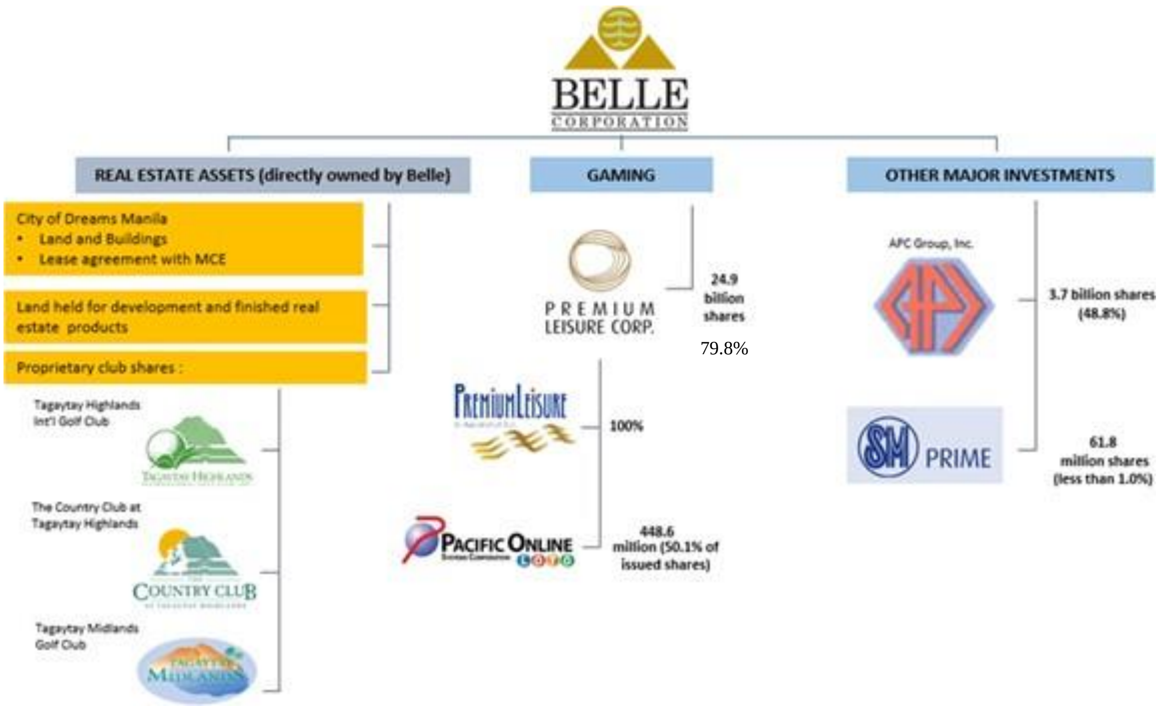
- Total investment commitment of US$1 billion, with at least US$650 million as of the opening dateof the integrated resort (including up to US$150 million in market value of land used for the resort)and the balance of US$350 million within three years of such opening date;
- At least 800 hotel rooms, 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 billion minimum investment for the project. Melco is the developer and owner of integrated resorts focused on the Macau 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 earnings from 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 of three 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 kind in 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, 2022



Bankruptcy, Receivership or Similar Proceedings

None for any of the companies above.

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

PinoyLotto Technologies Corp. (PinoyLotto) Joint Venture
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.

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.

Products

Belle is principally engaged in real estate development, gaming (through subsidiaries) and other leisure and resort 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 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 Luzon, Visayas and Mindanao regions. PLC owns a total of 50.1% of all issued shares of Pacific Online.

   As of December 31, 2022, POSC has over 3,600 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 2022 and 2021:

	2022		2021	
	Amount in Thousands	**% of Total Revenue**	**Amount in Thousands**	**% of Total Revenue**
Revenues and Other Income				
Lease income	**2,054,273**	38%	807,921	24%
Gaming revenue share - net	**1,560,845**	29%	1,300,291	38%
Sale of real estate and club shares	**862,889**	16%	587,812	17%
Equipment rental and instant scratch ticket sales	**519,051**	10%	426,346	13%
Revenue from property management	**211,548**	4%	179,618	5%
Other revenues	**210,667**	4%	118,946	3%
Total	**5,419,273**	100%	3,420,934	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 engaged the services of Highlands Prime, Inc. responsible for marketing and sales of the Company's products, as well as after-sales service. The Company also accredits and taps the services of external brokers to complement engaged marketing and sales teams.

Status of Projects (Real Estate):

The Grove (Plantation Hills Phase 6): The project is currently ongoing, with percentage of completion at 88% as of December 31, 2022.

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: As of December 31, 2022, the first seven phases (Kew Gardens, Terrazas de Alava, Lakeside Enclave, Tivoli Place, Cotswold, Katsura, and Yume) of the project were already 100% completed. 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, 2022, Sycamore Heights Phases 1-5 were fully sold and completed.

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: The Sanctuary, The Ridge, The Meadows, The Heights(Phases 1, 2, 3, and 5 of Plantation Hills, respectively) were fully sold and completed in 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 placed Belle 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 only about 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 second integrated 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 developments in Tagaytay Highlands and Tagaytay Midlands are unique 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, Belle is able to effectively compete with the above companies primarily on the basis of product quality, reliability in delivering 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 – Newport World Resorts 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 estimated to be in the third quarter of 2024.

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.

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 Luzon, Visayas and Mindanao 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 being added to the cost of the project. Generally, these costs represent about 4% of gross revenues.

Number of Employees
As of December 31, 2022, Belle had seventy-four (74) employees, all of whom are full-time. Belle employees are not subject to Collective Bargaining Agreements. Belle's management has generally not encountered any significant difficulties with its labor force, and no major strikes have ever been staged.

The following are the breakdown of Belle employees as of December 31, 2022, according to type:

Executive	9
Senior Manager	3
Manager	12
Assistant Manager	7
Supervisor	19
Rank and File	24
Total	74

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 2022, 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

Item 6. Management Discussion and Analysis of Operating Performance and Financial Condition

December 31, 2022 versus December 31, 2021 Results of Operations (in thousands)

		2022		2021	Horizontal Analysis Increase (Decrease)		Vertical Analysis 2022	Vertical Analysis 2021
REVENUE								
Lease income	**P**	**2,054,273**	P	807,921	**1,246,352**	154%	**38%**	24%
Gaming revenue share		**1,560,845**		1,300,291	**260,554**	20%	**29%**	38%
Sale of real estate		**862,889**		587,812	**275,077**	47%	**16%**	17%
Equipment rental (POSC)		**519,051**		426,346	**92,705**	22%	**10%**	12%
Revenue from property management		**211,548**		179,618	**31,930**	18%	**4%**	5%
Others		**210,667**		118,946	**91,721**	77%	**4%**	3%
TOTAL REVENUES		**5,419,273**		3,420,934	**1,998,339**	58%	**100%**	100%
COST OF LEASE INCOME		**(1,337,666)**		(1,294,948)	**(42,718)**	3%	**-25%**	-38%
COST OF REAL ESTATE SOLD		**(443,407)**		(301,406)	**(142,001)**	47%	**-8%**	-9%
COST OF LOTTERY SERVICES		**(247,548)**		(374,204)	**126,656**	-34%	**-5%**	-11%
COST OF PROPERTY MANAGEMENT SERVICES		**(139,612)**		(113,574)	**(26,038)**	23%	**-3%**	-3%
COST OF GAMING OPERATIONS		**(136,346)**		(135,895)	**(451)**	0%	**-3%**	-4%
GENERAL AND ADMINISTRATIVE EXPENSES		**(766,549)**		(693,103)	**(73,446)**	11%	**-14%**	-20%
TOTAL COSTS AND EXPENSES		**(3,071,128)**		(2,913,130)	**(157,998)**	5%	**-18%**	-27%
INCOME FROM OPERATIONS		**2,348,145**		507,804	**2,156,337**	425%	**82%**	73%
INTEREST EXPENSE AND OTHER FINANCE CHARGES		**(516,342)**		(603,832)	**87,490**	-14%	**-10%**	-18%
INTEREST INCOME		**22,831**		24,981	**(2,150)**	-9%	**0%**	1%
UNREALIZED GAIN ON FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS		**(372)**		(23,623)	**23,251**	-98%	**0%**	-1%
NET FOREIGN EXCHANGE LOSS		**(1,658)**		750	**(2,408)**	-321%	**0%**	0%
OTHER INCOME (CHARGES)		**14,557**		310,493	**(295,936)**	-95%	**0%**	9%
INCOME BEFORE INCOME TAX		**1,867,161**		216,573	**1,650,588**	762%	**34%**	6%
PROVISION FOR INCOME TAXES								
Current		**28,585**		12,656	**(15,929)**	-126%	**1%**	0%
Deferred		**128,119**		(541,285)	**(669,404)**	124%	**2%**	-16%
		156,704		(528,629)	**(685,333)**	130%	**3%**	-15%
NET INCOME	**P**	**1,710,457**	P	745,202	**965,255**	130%	**32%**	22%

Belle Corporation ("Belle" or the "Company") realized consolidated revenues of ₱5,419.3 million for 2022, higher by 58% than consolidated revenues of ₱3,420.9 million in 2021 as the Company's performance continues to gain ground, driven by higher lease income and real estate sales. Gaming-related revenues (gaming revenue share and betting equipment rental) also increased year on year, brought about by the continuously progressing economy.

Belle's revenues from real estate operations increased by ₱1,645.1 million (97%), from ₱1,694.3 million in 2021 to ₱3,339.4 million for the period December 31, 2022. Of the 2022 real estate revenues, ₱2,054.3 million was 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 was ₱1,246.4 million (154%) higher than its revenues in the prior period of ₱807.9 million. Belle's real estate sales and property management activities at its Tagaytay Highlands complex contributed revenues of ₱1,285.1 million for the period December 31, 2022, which was ₱398.7 million (45%) higher than its revenues in December 31, 2021 of ₱886.4 million.

The share in gaming revenue at CODM of Belle's subsidiary, Premium Leisure Corporation ("PLC"), increased by ₱260.6 million (20%), from ₱1,300.3 million for the period December 31, 2021 to ₱1,560.8 million for the period December 31, 2022.

Pacific Online Systems Corporation ("Pacific Online"), which leases online betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery operations, also showed improvement during the period despite the nonrenewal of KENO operations effective April 1, 2022. Pacific Online, which is 50.1%-owned by PLC, posted an increase in revenue of ₱92.7 million (22%), from ₱426.3 million in 2021 period to ₱519.1 million in the current period.

The Company realized consolidated net income of ₱1,710.5 million for the period December 31, 2022, which was higher by ₱965.3 million compared to consolidated net income of ₱745.2 million in December 2021, due mainly to the improvements in the operational results of all the business units, offset partially by a nonrecurring tax adjustment in 2021 of ₱495.0 million resulting from the delayed implementation of the CREATE bill which lowered the marginal tax rate from 30% to 25% effective July 2020 (but was only passed in 2021). Taking out the effect of this nonrecurring tax adjustment, Belle's consolidated recurring net income would have increased by ₱1,460.3 million from a net income of ₱250.2 million in December 2021 to net income of ₱1,710.5 million in December 2022.

Revenues

Total consolidated revenues of ₱5,419.2 million for 2022 were higher by ₱1,998.3 million (58%), compared to ₱3,420.9 million for 2021. Revenues from the CODM lease increased by ₱1,246.4 million (154%) from ₱807.9 million for the 2021 period to ₱2,054.3 million for the current period. Revenue from the share of PLC in gaming earnings of CODM increased by ₱260.6 million (20%), from ₱1,300.3 million for the 2021 period to ₱1,560.8 million for the current period. Revenues from real estate development and management activities increased by ₱398.7 million (45%), from ₱886.4 million in the 2021 period to ₱1,285.1 million in the current period. Revenues of Pacific Online increased by ₱92.7 million (22%), from ₱426.3 million in the 2021 period to ₱519.1 million in the current period.

Costs of Lease Income

Costs of lease income in respect of the CODM property increased by ₱42.7 million (3%), to ₱1,337.6 million in 2022 from ₱1,294.9 million in 2021, mainly due to rent escalation for the year.

Costs of Lottery Services

Costs of lottery services at Pacific Online decreased by ₱126.7 million (34%), to ₱247.5 million in 2022 from ₱374.2 million in 2021, mainly due to the cost efficiency measures of the Company and the termination of KENO operation effective April 1, 2022.

Costs of Gaming Operations

The costs of gaming operations at PLC was virtually unchanged, from ₱135.9 million for 2021 to ₱136.3 million for 2022. 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 ₱142.0 million (47%) to ₱443.4 million in 2022, from ₱301.4 million in 2021, due to the higher revenue therefrom recognized during the period.

Costs of Property Management Services

Costs of property management services increased by ₱26.0 million (23%), to ₱139.6 million for 2022, from ₱113.6 million for 2021, due to higher utilities consumption arising from increased activities in the estate.

General and Administrative Expenses

General and administrative expenses increased slightly by ₱73.4 million (11%), to ₱766.5 million for 2022 from ₱693.1 million for 2021, due to recognition of general provisions offset by cost reduction efforts.

Financial Income (Expense)

Interest expense and other finance charges decreased by ₱87.5 million (14%) to ₱516.3 million for 2022, from ₱603.8 million for 2021. The lower interest expense incurred by the Company, despite the increasing interest rates in the market, was due to the Company's focus of repaying debt during the current year. Debt outstanding amounted to ₱5,387.5 million as of December 31, 2022, decreasing by ₱1,492.5 million (22%) compared to ₱6,880.0 million as of December 31, 2022.

Other Income

Other income decreased by ₱295.9 million (95%) mostly due to the reversal of general provisions amounting to about ₱281.1 million in 2021.

Provision for Income Taxes

The Company's consolidated provision for income taxes increased by ₱685.3 million (130%) in 2022, to income tax expense of ₱156.7 million from income tax benefit of ₱528.6 million in 2021, due to higher operating income in 2022 and a nonrecurring adjustment arising from the lower income tax rate per the CREATE bill (from 30% to 25%) in 2021.

Net Income

As a result of the foregoing, the Company realized consolidated net income of ₱1,710.5 million for 2022, showing an increase of ₱965.3 million (130%) from its 2021 consolidated net income of ₱745.2 million.

December 31, 2022 vs December 31, 2021 Statement of Financial Position (in thousands)

		December 31			Horizontal Analysis		Vertical Analysis	
		2022		2021	Inc (Dec)	%	2022	2021
ASSETS								
Current Assets								
Cash and cash equivalents	P	**1,873,922**	P	2,082,301	(208,379)	-10%	**4%**	4%
Financial assets at fair value through profit or loss		**72,682**		73,054	(372)	-1%	**0%**	0%
Receivables		**3,844,556**		4,219,351	(374,795)	-9%	**7%**	8%
Contract assets		**4,000**		70,319	(66,319)	-94%	**0%**	0%
Real estate for sale		**163,189**		351,120	(187,931)	-54%	**0%**	1%
Land held for future development		**3,025,976**		3,021,120	4,856	0%	**6%**	6%
Other current assets		**3,945,435**		2,426,928	1,518,507	63%	**7%**	5%
		12,929,760		12,244,193	685,567	6%	**25%**	24%
Noncurrent Assets								
Contract assets - net of noncurrent portion		**1,197,151**		941,115	256,036	27%	**2%**	2%
Investment properties		**23,239,249**		24,371,435	(1,132,186)	-5%	**44%**	48%
Financial assets at fair value through other comprehensive income		**9,321,093**		7,270,420	2,050,673	28%	**18%**	14%
Intangible asset		**4,117,704**		4,233,538	(115,834)	-3%	**8%**	8%
Goodwill		**926,008**		926,008	-	0%	**2%**	2%
Investments in and advances to associates - net		**119,272**		119,688	(416)	0%	**0%**	0%
Right of Use		**77,226**		54,812	22,414	41%	**0%**	0%
Property and equipment		**73,864**		86,082	(12,218)	-14%	**0%**	0%
Deferred tax asset		**-**		21,399	(21,399)	-100%	**0%**	0%
Other noncurrent assets		**756,394**		758,887	(2,493)	0%	**1%**	1%
		39,827,961		38,783,384	1,044,577	3%	**75%**	76%
TOTAL ASSET	P	**52,757,721**	P	51,027,577	1,730,144	3%	**100%**	100%
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other current liabilities	P	**1,733,781**	P	1,809,301	(75,520)	-4%	**3%**	4%
Loans payable		**450,017**		1,995,017	(1,545,000)	-77%	**1%**	4%
Current portion of:								
Long-term debt		**29,000**		15,000	14,000	93%	**0%**	0%
Lease Liability - current		**403,241**		345,679	57,562	17%	**1%**	1%
		2,616,039		4,164,997	(1,548,958)	-37%	**5%**	8%
Noncurrent portion of:								
Long-term debt		**4,908,500**		4,870,000	38,500	1%	**9%**	10%
Lease Liability - noncurrent		**5,842,907**		6,196,415	(353,508)	-6%	**11%**	12%
Deferred tax liabilities		**2,483,336**		2,377,323	106,013	4%	**5%**	5%
Other noncurrent liability		**394,077**		409,409	(15,332)	-4%	**1%**	1%
		13,628,820		13,853,147	(224,327)	-2%	**26%**	27%
TOTAL LIABILITIES		**16,244,859**		18,018,144	(1,773,285)	-10%	**31%**	35%
Equity								
Attributable to equity holders of parent:								
Common stock		**10,561,000**		10,561,000	-	0%	**20%**	21%
Additional paid-in capital		**5,503,731**		5,503,731	-	0%	**10%**	11%
Treasury stock		**(2,565,359)**		(2,476,697)	(88,662)	4%	**-5%**	-5%
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 shares held by subsidiaries		**(1,154,409)**		(1,464,322)	309,913	-21%	**-2%**	-3%
Other reserves		**7,763,073**		5,715,643	2,047,430	36%	**15%**	11%
Excess of net asset value of an investment over cost		**252,040**		252,040	-	0%	**0%**	0%
Retained Earnings		**13,501,329**		12,175,075	1,326,254	11%	**26%**	24%
Total equity attributable to equity holders of the Parent		**33,858,904**		30,263,969	3,594,935	12%	**64%**	59%
Non-controlling interests		**2,653,958**		2,745,464	(91,506)	-3%	**5%**	5%
TOTAL EQUITY		**36,512,862**		33,009,433	3,503,429	11%	**69%**	65%
TOTAL LIABILITIES AND EQUITY	P	**52,757,721**	P	51,027,577	1,730,144	3%	**100%**	100%

ASSETS
Total assets of the Company increased by ₱1,730.1 million (3%) to ₱52,757.7 million as of December 31, 2022, from ₱51,027.6 million as of December 31, 2021.

Cash and Cash equivalents
Cash and cash equivalents decreased by ₱208.4 million (10%), to ₱1,873.9 million as of December 31, 2022 from ₱2,082.3 million as of December 31, 2021, due mainly to the payment of short-term borrowings during the period, offset in part by the increase in collections due to higher revenues.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")
The Company's FVTPL minimally decreased to ₱72.7 million as of December 31, 2022 from ₱73.1 million as of December 31, 2021, due to the decrease in share prices of the Company's investments. As at December 31, 2022, 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. as well as warrants from Black Spade Acquisition, Inc. held by PLC through a subsidiary.

Receivables and Contract Assets
Receivables and Contract Assets decreased by ₱185.1 million (4%), to a total of ₱5,045.7 million as of December 31, 2022 from ₱5,230.8 million as of December 31, 2021.

Real Estate for Sale
Real estate for sale decreased by ₱187.9 million (54%), to ₱163.2 million as of December 31, 2022 from ₱351.1 million as of December 31, 2021, due to sale of real estate properties.

Investment Properties
This account consists mainly of carrying value of the CODM property and right of use assets for leases in Paranaque City. The ₱1,132.2 million (5%) decrease of Investment Properties, from ₱24,371.4 million as of December 31, 2021 to ₱23,239.2 million as of December 31, 2022, was due to the depreciation expense on the CODM building as well as amortization of right of use assets.

Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")
The Company's FVOCI increased by ₱2,050.7 million (28%), to ₱9,321.1 million as of December 31, 2022 from ₱7,270.4 million as of December 31, 2021, due the increase in the market values of the said 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 commenced 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 ₱4,233.5 million as of December 31, 2021 to ₱4,117.7 million as of December 31, 2022 because of the amortization expense on the PAGCOR License.

Goodwill
Goodwill arose due to the business combination and consolidation of POSC under PLC in 2015 through the pooling of interest method. Goodwill remains to be at ₱926.0 million as at December 31, 2022 and 2021.

Right of Use Assets
Right of use assets increased by ₱22.4 million (41%) from ₱54.8 million as of December 31, 2021 to ₱77.2 million as of December 31, 2022, mainly due to renewal of the contracts adopting PFRS 16 (Leases).

Other Assets
Other assets increased by ₱1,516.0 million (48%), to ₱4,701.8 million as of December 31, 2022 from ₱3,185.8 million as of December 31, 2021, mainly due to increases in prepaid taxes and down payments made for land acquisitions.

LIABILITIES
Total liabilities decreased by ₱1,773.3 million (10%), to ₱16,244.9 million as of December 31, 2022 from ₱18,018.1 million as of December 31, 2021, mainly due to the prioritization of the Company to pay down its debt given the increasing market borrowing rates.

Trade and Other Current Liabilities
Trade and other current liabilities decreased from ₱1,809.3 million as of December 31, 2021 to ₱1,733.8 million as of December 31, 2022.

Loans Payable and Long-Term Debt
Total consolidated debt, amounting to ₱5,387.5 million as of December 31, 2022, consists of Peso-denominated borrowings of Belle and POSC from various local financial institutions, with an average interest rate of approximately 4.48% per annum during 2022. The outstanding amount of total debt decreased by ₱1,492.5 million (22%) from ₱6,880.0 million as of December 31, 2021, due to the payment of debt from local banks.

Other Liabilities
Other Liabilities decreased by ₱311.3 million (4%) to ₱6,640.2 million as of December 31, 2022, from ₱6,951.5 million as of December 31, 2021, mainly due to decrease in liabilities from long-term operating leases.

EQUITY
The Company's shareholders' equity as of December 31, 2022 of ₱36,512.9 million was higher by ₱3,503.4 million (11%), compared to its shareholders' equity of ₱33,009.4 million as of December 31, 2021, mainly due to the increases in market value of financial assets at fair value through other comprehensive income of ₱2,047.4.0 million (31%) and Company's consolidated net income of ₱1,710.5 million for 2022.

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

Belle Corporation (consolidated)

	December 31, 2022	December 31, 2021
Asset to equity ratio	**1.44 : 1.00**	1.55 : 1.00
Current or Liquidity ratio	**4.94 : 1.00**	2.94 : 1.00
Debt-to-equity ratio	**0.15 : 1.00**	0.21 : 1.00
Net debt-to-equity ratio	**0.10 : 1.00**	0.15 : 1.00
Interest rate coverage ratio	**4.57 : 1.00**	1.32 : 1.00
Return on assets	**3.3%**	1.5%
Return on equity	**4.9%**	2.4%

Premium Leisure Corp. (consolidated)

	December 31, 2022	December 31, 2021
Asset to equity ratio	**1.05 : 1.00**	1.04 : 1.00
Current or Liquidity ratio	**8.20 : 1.00**	9.18 : 1.00
Debt-to-equity ratio	**0.42 : 1:00**	0.00 : 1:00
Interest rate coverage ratio	**5,187.27**	1,633.17
Return on assets	**7.37%**	6.44%
Return on equity	**7.71%**	6.81%

Pacific Online Systems Corporation (consolidated)

	December 31, 2022	December 31, 2021
Asset to equity ratio	**1.19 : 1.00**	1.19 : 1.00
Current or Liquidity ratio	**6.49 : 1.00**	4.64 : 1.00
Debt-to-equity ratio	**0.07 : 1.00**	0.00 : 1.00
Interest rate coverage ratio	**974.66 : 1.00**	(140.05): 1.00
Return on assets	**19%**	-14%
Return on equity	**23.%**	-18%

The above performance indicators are calculated as follows:

Current Ratio	Current Asset / 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, 2022, consolidated total debt of the Company of ₱5,387.5 million was comprised of borrowings from renewable short-term bank lines of ₱1,492.5 million and amortizing term loans from banks of ₱6,880.0 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, 2022, 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 commitmentsfor 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, 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	<u>Current Asset</u> Current Liabilities
Debt to Equity Ratio	<u>Interest-bearing debt</u> Total Equity
Asset-to-equity Ratio	<u>Total Assets</u> Total Equity
Return on Equity	<u>Net Income</u> Average equity during the period
Return on Assets	<u>Net Income</u> Average assets during the period
Interest Coverage Ratio	<u>Income Before Interest & Tax</u> Interest Expense
Net debt-to-equity ratio	<u>Interest-bearing debt less cash and cash equivalents</u> 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	<u>Current Asset</u> Current Liabilities
Debt to Equity Ratio	<u>Interest-bearing debt</u> Total Equity
Asset-to-equity Ratio	<u>Total Assets</u> Total Equity
Return on Equity	<u>Net Income</u> Average equity during the period
Return on Assets	<u>Net Income</u> Average assets during the period
Interest Coverage Ratio	<u>Income Before Interest & Tax</u> Interest Expense
Net debt-to-equity ratio	<u>Interest-bearing debt less cash and cash equivalents</u> 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, 2020, 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)

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)	
	2022	2021
Increase (decrease) in basis points:		
100	**₱5,163**	₱6,038
(100)	**(5,163)**	(6,038)
50	**2,581**	3,019
(50)	**(2,581)**	(3,019)

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, 2022 and 2021, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:	(In Thousands)	
	2022	2021
Cash and cash equivalents	**₱109,435**	₱10,679
Consultancy and software license fee payable*	**(46,733)**	(37,455)
Net foreign currency-denominated financial assets	**₱62,702**	(₱26,776)

**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 ₱55.76 and ₱51.09 to US$1.0 as at December 31, 2022 and 2021, 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 income tax as at December 31, 2022 and 2021. 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.

	2022		2021	
	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)	₱3,135	(₱3,135)	**₱1,339**	**(₱1,339)**

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 financial assets at FVPL and FVOCI consisting of 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 2022 and 2021 consolidated total comprehensive income before income tax:

	(In Thousands)	
Increase (Decrease) in Equity Price	**2022**	2021
Impact in profit or loss		
5%	**₱4,661**	₱3,653
(5%)	**(4,661)**	(3,653)
Impact in comprehensive income		
5%	**₱466,055**	₱363,521
(5%)	**(466,055)**	(363,521)

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, receivables, advances to associates, deposits, refundable deposits and construction bonds, and guarantee deposites, 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)						
	2022						
	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*	**₱1,773,922**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,773,922**
Receivables:							
Trade	**4,845,432**	**–**	**–**	**–**	**–**	**212,458**	**5,057,890**
Others	**196,275**	**–**	**–**	**–**	**–**	**162,108**	**358,383**
Advances to associates**	**528**	**–**	**–**	**–**	**–**	**–**	**528**
Refundable deposits and construction bond***	**91,204**	**–**	**–**	**–**	**–**	**–**	**91,204**
Guarantee deposits****	**14,500**	**–**	**–**	**–**	**–**	**–**	**14,500**
	₱6,921,861	**₱–**	**₱**	**₱**	**₱**	**₱374,566**	**₱7,296,427**

**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.*

*****Presented under "Other current 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*	₱2,081,651	₱–	₱–	₱–	₱–	₱–	₱2,081,651
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
Refundable deposits and construction bond***	88,285	–	–	–	–	–	88,285
Guarantee bonds****	14,500	–	–	–	–	–	14,500
	₱7,284,859	₱–	₱9,407	₱5,181	₱45,982	₱374,566	₱7,719,995

**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.*

*****Presented under "Other current 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)			
	2022			
	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*	**₱1,773,922**	**₱–**	**₱–**	**₱1,773,922**
Advances to associates**	**528**	**–**	**–**	**528**
Refundable deposits and construction bonds***	**88,285**	**–**	**–**	**88,285**

Guarantee deposits****	**14,500**	**–**	**–**	**14,500**
Receivables:				
Trade	**4,845,432**	**–**	**212,458**	**5,057,890**
Others	**196,275**	**–**	**162,108**	**358,383**
Gross Carrying Amount	**₱6,918,942**	**₱–**	**₱374,566**	**₱7,293,508**

**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.*
*****Presented under "Other current assets" account in the consolidated statement of financial position.*

	(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 and construction bonds***	88,285	–	–	88,285
Guarantee deposits****	14,500	–	–	14,500
Receivables:				
Trade	4,863,592	51,163	212,458	5,127,213
Others	245,711	–	162,108	407,819
Gross Carrying Amount	₱7,188,295	₱51,163	₱212,458	₱7,451,916

**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.*
*****Presented under "Other current 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.

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, 2022 and 2021 based on contractual undiscounted cash flows.

	(In Thousands)					
	2022					
	On Demand	**< 6 Months**	**6 Months to 1 Year**	**1–3 Years**	**> 3 Years**	**Total**
Financial Liabilities						
Trade and other current liabilities*	**₱1,473,776**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,473,776**
Loans payable**	**517,517**	**–**	**–**	**–**	**–**	**517,517**
Long-term debt**	**–**	**–**	**29,000**	**4,841,000**	**–**	**4,870,000**
Refundable deposit***	**–**	**–**	**–**	**–**	**150,591**	**150,591**
	₱1,991,293	**₱–**	**₱29,000**	**₱4,841,000**	**₱150,591**	**₱7,011,884**

**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)					
	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

	(In Thousands)					
	2021					
	On Demand	< 6 Months	6 Months to 1 Year	1–3 Years	> 3 Years	Total
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.*

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 2022 and 2021.

The Group considers the following as its capital:

	(In Thousands)	
	2022	2021
Common stock	**₱10,561,000**	₱10,561,000
Additional paid-in capital	**5,503,731**	5,503,731
Treasury stock	**(2,565,359)**	(2,476,697)
Cost of Parent Company common shares held by subsidiaries	**(1,154,409)**	(1,494,322)
Equity share in cost of Parent Company shares held by associates	**(2,501)**	(2,501)
Retained earnings	**13,501,329**	12,175,075
	₱25,843,791	₱24,266,286

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)				
	2022				
	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:					
Financial assets at FVOCI	**₱9,205,123**	**₱9,205,123**	**₱9,205,123**	**₱–**	**₱–**
Financial assets at FVPL	**72,682**	**72,682**	**72,682**	**–**	**–**
Assets for which fair value is disclosed -					
Investment properties	**23,125,048**	**41,782,462**	**–**	**–**	**41,782,462**
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	**149,473**	**149,473**	**–**	**–**	**149,473**
Long-term debt	**4,870,000**	**4,870,000**	**–**	**–**	**4,870,000**
Lease liability	**5,847,637**	**5,847,637**	**–**	**–**	**5,847,637**

	(In Thousands)				
	2021				
	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:					
Financial assets at FVOCI	₱7,270,420	₱7,270,420	₱7,270,420	₱–	₱–
Financial assets at FVPL	73,054	73,054	73,054	–	–
Assets for which fair value is disclosed -					
Investment properties	23,125,048	41,782,462	–	–	41,782,462
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	387,459	223,431	–	–	223,431
Long-term debt	4,885,000	4,987,980	–	–	4,987,980
Lease liability	6,542,094	6,474,460	–	–	6,474,460

The Company has no financial liabilities measured at fair value as at December 31, 2022 and 2021. There were no transfers between fair value measurements in 2022 and 2021.

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 2022 and 2021.

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 2022 and 2021.

Other Required Disclosures

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, 2022 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, 2022, as of the date of this report

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

2023 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 88% completion rate as of December 31, 2022, 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, 2022, 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, 2022, 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, 2022 listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Information Statement. Supplementary information are as follows:

a. 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

b. Schedule of all effective standards and interpretations

c. 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**
2022		
First Quarter	1.49	1.09
Second quarter	1.32	1.19
Third Quarter	1.20	1.10
Fourth Quarter	1.25	1.10
2021		
First Quarter	1.74	1.41
Second Quarter	1.61	1.30
Third Quarter	1.50	1.31
Fourth Quarter	1.43	1.31

As of February 28 2023, Belle Corporation's market capitalization on 9,696,464,297 outstanding shares in the PSE amounted to ₱14,253,802,516.59 based on the closing price of ₱1.47.

Security Holders

Belle has 1,755 shareholders as of February 28, 2023. Common shares outstanding as of February 28, 2023 totaled 9,696,464,297.

The top 20 stockholders as of February 28, 2023, with their corresponding shareholdings and percentage thereofto 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)	2,543,990,933	24.089
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	1,949,649,668	18.461
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	47,026,709	0.445
16	JACINTO JR. NG &/OR ANITA C. NG	18,293,333	0.173
17	LIM SIEW KIM	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

Dividends

From 2015-2017, the Company's Board of Directors approved the declaration of a cash 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 cash 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 cash dividend of ₱0.120 per share, totaling about ₱1.2 billion, payable on March 27, 2020 to stockholders of record as of March 21, 2020.

On February 28, 2023, the Company's Board of Directors approved the declaration of a cash dividend of ₱0.06 per share, totaling about ₱600 million, payable on March 30, 2023 to stockholders of record as of March 15, 2023.

Belle has no set dividend policy, however, historically, it has been declaring dividends of P0.020/share to P0.180/share since 2014, and stopped only during the COVID 19 Pandemic years of 2021 to 2022.

Dividends were paid within 30 days from declaration since 2016.

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.

On the other hand, Premium Leisure Corp., the Company's subsidiary, paid the following dividends covering the period 2020 to 2023:

The Company's Board approved on February 28, 2023 the declaration of cash dividends of ₱0.05024 per share or a total cash dividend payment to its common shareholders of approximately ₱1,588.8 million, payable on March 28, 2023 to shareholders of record as of March 15, 2023.

In 2022, the Company's Board declared and paid cash dividends of ₱0.05024 per share or a total cash dividend payment to its common shareholders of approximately ₱1,588.8 million, payable on May 26, 2022 to shareholders of record as of May 16, 2022.

In 2021, the Company's Board declared and paid cash dividends of ₱0.04075 per share or a total cash dividend payment to its common shareholders of approximately ₱1,272.1 million, payable on May 12, 2021 to shareholders of record as of April 28, 2021.

In 2020, the Company's Board declared and paid cash dividends of ₱0.05024 per share for a total cash dividend payment to its common shareholders of approximately ₱1,588.8 million. This was paid starting on March 20, 2020 to shareholders of record as of March 6, 2020.

Premium Leisure Corp.'s dividend policy states that the Board adopted, as a matter of policy, that the Company shall declare dividends of at least 80% of the prior year's unrestricted retained earnings, taking into consideration the availability of cash, restrictions that may be imposed by current and prospective financial covenants, projected levels of cash, operating results of its businesses/subsidiaries, working capital needs and long term capital expenditures of its businesses/subsidiaries, and regulatory requirements on dividend payments, among others.

Dividends shall be paid to all shareholders on record within thirty (30) days from date of declaration.

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 2022, 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:

Members of the Board	24-Feb-22	15-Mar-22	28-Apr-22[1]	28-Apr-22[2]	28-Jul-22	27-Oct-22	24-Nov-22	Total	%
Ocier, Willy N.	√	-	√	√	√	√	√	6/7	86%
Uychaco, Elizabeth Anne C.	√	√	√	√	√	√	√	7/7	100%
Gana, Manuel A.[3]	√	√	√	N/A	N/A	N/A	N/A	3/3	100%
Ongsip, Jackson T.[4]	N/A	N/A	N/A	√	√	√	√	4/4	100%
Ng, Jacinto C. Jr.	√	√	√	√	√	√	-	6/7	86%
Sio, Jose T.[3]	√	√	√	N/A	N/A	N/A	N/A	3/3	100%
Raquel Santos, Armin Antonio B.[4]	N/A	N/A	N/A	√	√	√	√	4/4	100%
Yap, Virginia A.	√	√	√	√	√	√	√	7/7	100%
Tetangco, Amando M. Jr.	√	√	√	√	√	√	√	7/7	100%
Bautista, Jaime J.[5]	√	√	√	√	N/A	N/A	N/A	4/4	100%
Chua, Joseph T.[6]	N/A	N/A	N/A	N/A	N/A	√	√	2/2	100%
Tan, Maria Gracia P.	√	√	√	√	√	√	-	6/7	86%

[1] - Annual Stockholders' Meeting
[2] - Organizational Meeting
[3] - retired as of April 28, 2022
[4] - elected on April 28, 2022
[5] - resigned on June 29, 2022
[6] - elected on July 28, 2022

The schedules of Board and Board Committee Meetings in 2023 were discussed and approved by the Board of Directors in October 2022.

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 identify areas 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 independent assessor every three (3) years reckoned from January 1, 2017 (effectivity date of the 2016 Code of Corporate Governance for Publicly Listed Companies).

The Board members assessed the Board as a whole based on their balance/diversity, competencies, background and experience for its 2022 performance in 2023. 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 Risk Officer
2. Compliance Officer
3. 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, members of the Board and key officers for their 2022 performance was conducted in February 2023.

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.

Name	CG Training		
	Training Provider	Date	Topic
Willy N. Ocier	BDO	20-Jul-22	Sustainability and the Role of Boards Geopolitical Risk
Elizabeth Anne C. Uychaco	BDO	20-Jul-22	
Jackson T. Ongsip	BDO	20-Jul-22	
Jacinto C. Ng, Jr.	BDO	20-Jul-22	
Armin Antonio B. Raquel Santos	BDO	20-Jul-22	
Virginia A. Yap	BDO	20-Jul-22	
Joseph T. Chua	GGAPP	10-Nov-22	8th Annual Forum on Governance, Ethics and Compliance
Ma. Gracia M. Pulido Tan	BDO	20-Jul-22	Sustainability and the Role of Boards Geopolitical Risk
Amando M. Tetangco, Jr.	BDO	20-Jul-22	
Maria Neriza C. Banaria	BDO	20-Jul-22	
Jason C. Nalupta	BDO	20-Jul-22	
Arthur A. Sy	BDO	20-Jul-22	
Anna Josefina G. Esteban	BDO	20-Jul-22	
Michelle Angeli T. Hernandez	BDO	20-Jul-22	

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 2022:

	EXECUTIVE COMMITTEE	27-Jan-22	24-Mar-22	19-May-22	26-May-22	23-Jun-22	25-Aug-22	22-Sep-22	%
Chairman	Ocier, Willy N.	√	√	√	√	√	√	√	100%
Member	Uychaco, Elizabeth Anne C.	√	√	√	√	√	√	√	100%
Member	Ongsip, Jackson T.[1]	N/A	N/A	√	√	√	√	√	100%
Member	Gana, Manuel A.[2]	√	√	N/A	N/A	N/A	N/A	N/A	100%
Member	Ng, Jacinto C. Jr.	√	√	√	√	√	√	√	100%
Member	Raquel Santos, Armin Antonio B.[3]	N/A	N/A	√	√	√	√	√	100%
Member	Yap, Virginia A	√	√	√	√	√	√	√	100%

[1]- elected as Director, and appointed President and CEO and member of the Executive Committee on April 28, 2022
[2]- resigned as member of the Board effective April 28, 2022
[3]- elected as Director, and appointed as member of the Executive Committee on April 28, 2022

	AUDIT COMMITTEE	23-Feb-22	27-Apr-22	26-Jul-22	29-Sep-22	25-Oct-22	%
Chairman	Tetangco, Amando M. Jr. (ID)	√	√	√	√	√	100%
Member	Ng, Jacinto C. Jr.	√	√	√	√	√	100%
Member	Tan, Maria Gracia P. (ID)	√	√	√	√	√	100%

	CORPORATE GOVERNANCE COMMITTEE	23-Feb-22	27-Apr-22	26-Jul-22	25-Oct-22	%
Chairman	Bautista, Jaime J.[1] (ID)	√	√	N/A	N/A	100%
Member	Tan, Maria Gracia P. (ID)	√	√	√	√	100%
Member	Tetangco, Amando M. (ID)	√	√	√	√	100%
Chairman	Chua, Joseph T.[2] (ID)	N/A	N/A	N/A	√	100%

[1]- resigned as of June 29, 2022
[2] - elected as Independent Director and appointed as Corporate Governance Chairperson on July 28, 2022

	RISK OVERSIGHT COMMITTEE	23-Feb-22	25-Oct-22	%
Chairman	Tan, Maria Gracia P. (ID)	√	√	100%
Member	Tetangco, Amando M. Jr. (ID)	√	√	100%
Member	Ng, Jacinto C. Jr.	√	√	100%

	COMPENSATION AND REMUNERATION COMMITTEE	24-Feb-22	15-Mar-22	23-Nov-22	%
Chairman	Sio, Jose T.[1]	√	√	N/A	100%
Member / Chairperson	Uychaco, Elizabeth Anne C.[2]	√	√	√	100%
Member	Gana, Manuel A.[1]	√	√	N/A	100%
Member	Tetangco, Amando M. Jr. (ID)	√	√	√	100%
Member	Ongsip, Jackson T.[3]	N/A	√	√	100%

[1] - retired as of April 28, 2022

[2] - appointed as Compensation and Remuneration Committee Chairperson on April 28, 2022

[3] - appointed as Compensation and Remuneration Committee Member on April 28, 2022

	RELATED PARTY TRANSACTIONS COMMITTEE	23-Feb-22	27-Oct-22	15-Dec-22	%
Chairman	Bautista, Jaime J.[1] (ID)	√	N/A	N/A	100%
Member	Tan, Maria Gracia P. (ID)	√	√	√	100%
Member	Tetangco, Amando M. Jr. (ID)	√	√	√	100%
Chairman	Chua, Joseph T. [2] (ID)	N/A	√	√	100%

[1]- Related Party Transactions Committee Chairman until June 29, 2022

[2] - Related Party Transactions Committee Chairman effective July 28, 2022

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 the Company's risk management system for 2022 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 2022.

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	66	M	Bachelor of Arts in Economics					✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓
Elizabeth Anne C. Uychaco Vice Chairman Non-Executive Director	67	F	Bachelor of Arts Degree Master in Business Economics Master in Business Administration				✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓	✓	
Jackson T. Ongsip President & CEO Executive Director	49	M	Bachelor of Science in Accounting	✓	✓	✓		✓	✓	✓				✓	✓	✓	✓					✓	
Jacinto C. Ng, Jr. Non-Executive Director	53	M	Bachelor of Science Degree in Architecture	✓	✓	✓	✓	✓	✓	✓	✓			✓			✓			✓		✓	✓
Armin Antonio B. Raquel Santos Non-Executive Director	55	M	Bachelor of Science in Business Administration Major in Finance Master of Arts in Liberal Studies	✓	✓			✓	✓	✓	✓			✓	✓		✓			✓		✓	
Joseph T. Chua Independent Director	66	M	AB Economics Degree and BS Business Management Degree Masters in Business Administration	✓	✓	✓	✓	✓	✓	✓				✓	✓		✓					✓	
Ma. Gracia M. Pulido Tan Independent Director	67	F	Bachelor of Science-Business Administration and Accounting, and Bachelor of Laws Masters in Law (Tax)	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓			✓		✓	
Amando M. Tetangco, Jr. Independent Director	70	M	AB Economics Degree Master in Business Administration Master in Public Policy and Administration	✓	✓	✓		✓	✓	✓			✓	✓			✓					✓	

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 by personal 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, 2022:

Name of Director/Officer	Number of Shares held as of 12.31.2021	Acquisition (+)	Disposition (-)	Number of Shares held as of 12.31.2022	% of Ownership
Willy N. Ocier	71,408,702	12,505,000	-	83,913,702	0.87%
Elizabeth Anne C. Uychaco	1,000	-	-	1,000	0.00%
Jackson T. Ongsip*	-	10,000	-	10,000	0.00%
Jacinto C. Ng, Jr.	135,860,666	-	-	135,860,666	1.40%
Armin Antonio B. Raquel Santos*	-	8,000		8,000	0.00%
Amando M. Tetangco, Jr.	1,000	-	-	1,000	0.00%
Maria Gracia P. Tan	666	-	-	666	0.00%
Virginia A. Yap	160,000	-	-	160,000	0.00%
Joseph T. Chua**	117,000	-	-	117,000	0.00%
Total	**207,549,034**	**12,523,000**	**-**	**220,072,034**	**2.27%**

*elected on April 28, 2022

**elected on July 28, 2022

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
5^{th} 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

2023 ANNUAL STOCKHOLDERS’ MEETING

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

The 2023 Annual Stockholders’ Meeting (**ASM**) of Belle Corporation (“**Belle”** or the “**Company”**) will beheld on **April 24, 2023** at 2:00 P.M. and the Board of Directors of the Company has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on **March 25, 2023** (“**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.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until **April 21, 2023**, 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 credentialsfor 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 theemail-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 votefor 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 directorsto be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (9 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 nine thousand (9000) votes (one hundred shares multiplied by nine 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 nine thousand (9000).*

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/ASM2023**.

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 2023 OpenForum” to corsec@bellecorp.com on or before 12:00 noon of April 23, 2023. 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/ASM2023 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, 2022, 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, 2022 and 2021 and December 31, 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

JACKSON T. ONGSIP
President and Chief Executive Officer

MARIA NERIZA C. BANARIA
Chief Financial Officer/ Treasurer

Signed February 28, 2023

SUBSCRIBED AND SWORN to before me this FEB 2 8 2023 day of ________2023 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]	[redacted]	Manila
JACKSON T. ONGSIP	[redacted]	[redacted]	Manila
MARIA NERIZA CC. BANARIA	[redacted]	[redacted]	NCR

DOC NO. : 195
PAGE NO. : 40
BOOK NO. : 5
SERIES OF : 2023.

ATTY. JOEL FERRER FLORES
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2024 (2023-2024)
APPOINTMENT NO. M-115
ROLL NO. 77376 / MCLE (EXEMPT)
PTR NO. 9563564 / JAN. 03, 2023 / MAKATI CITY
IBP NO. 251994 / JAN. 03, 2023 / PASIG CITY
3107 D. BATAAN ST., GUADALUPE NUEVO, MAKATI CITY

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						5	2	4	1	2

C O M P A N Y N A M E

B E L L E   C O R P O R A T I O N   A N D   S U B S I D I A R I E S

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

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
A A C F S	C R M D	Not Applicable

C O M P A N Y   I N F O R M A T I O N

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	December 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
Michelle Angeli T. Hernandez	info@bellecorp.com	(02) 8662-8888	+63917-5691734

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. 4782 SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Belle Corporation and Subsidiaries
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 statements of financial position as at December 31, 2022 and 2021 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years 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, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the years 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 audits 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, 2022. 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 Modification
The Group, as a lessor, agreed to a lease modification reducing the lease payments from 2022 onwards. In addition, the Group recognized its lease income to the extent collectible. The Group's accounting for leases, including lease modification 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 an understanding of the type, extent and periods covered on the lease modification and evaluated management's judgments, reviewed the calculation of the financial impact of the lease modification prepared by management and assessed the adequacy of the related disclosures in Note 3, *Significant Judgments, Accounting Estimates and Assumptions,* Note 10, *Investment Properties,* and Note 33, *Lease Commitments,* to the consolidated financial statements.

Assessing Recoverability of Goodwill in Pacific Online Systems Corporation (POSC)
The Group is required to assess at each reporting date the recoverability of goodwill. As at December 31, 2022, the carrying amount of goodwill arising from the acquisition of POSC amounted to ₱926.0 million. This matter is considered significant to our audit because the assessment of the recoverability of goodwill involves the exercise of significant management judgment and estimates such as the determination of forecasted cash flows and discount rate. These judgment and estimates are based on assumptions that are subject to high level of estimation uncertainty because of the prevailing challenges in the conduct of business brought about by the pandemic and imminent changes in the operations and sources of cash flows of the Group.

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 reviewed the adequacy of the Group's related disclosures in Note 3, *Significant Judgments, Accounting Estimates and Assumptions* and Note 15, *Goodwill*, 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, 2022, 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, 2022 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 audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other Matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2020 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. [redacted]
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. 08-005144-004-2022
Valid until October 16, 2025
PTR No. 9564560
Issued January 3, 2023, Makati City

February 28, 2023
Makati City, Metro Manila

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

(Amounts in Thousands)

	Note	**2022**	2021
ASSETS			
Current Assets			
Cash and cash equivalents	5	**₱1,873,922**	₱2,082,301
Financial assets at fair value through profit or loss (FVPL)	6	**72,682**	73,054
Receivables	7	**3,844,556**	4,219,351
Contract assets	7	**4,000**	70,319
Real estate for sale - at cost	8	**163,189**	351,120
Land held for future development - at cost	8	**3,025,976**	3,021,120
Other current assets	9	**3,945,435**	2,426,928
Total Current Assets		**12,929,760**	12,244,193
Noncurrent Assets			
Installment receivables - net of current portion	7	**1,197,151**	941,115
Financial assets at fair value through other comprehensive income (FVOCI)	11	**9,321,093**	7,270,420
Investment properties	10	**23,239,249**	24,371,435
Intangible asset	12	**4,117,704**	4,233,538
Goodwill	15	**926,008**	926,008
Investments in and advances to associates - net	14	**119,272**	119,688
Property and equipment	13	**73,864**	86,082
Right-of-use assets	33	**77,226**	54,812
Deferred tax assets - net	32	**–**	21,399
Other noncurrent assets	16	**756,394**	758,887
Total Noncurrent Assets		**39,827,961**	38,783,384
		₱52,757,721	₱51,027,577

	Note	**2022**	2021
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	18	**₱450,017**	₱1,995,017
Trade and other current liabilities	17	**1,733,781**	1,809,301
Current portion of:			
Lease liabilities	33	**403,241**	345,679
Long-term debt	20	**29,000**	15,000
Total Current Liabilities		**2,616,039**	4,164,997

(Forward)

	Note	2022	2021
Noncurrent Liabilities			
Noncurrent portion of:			
Lease liabilities	33	**₱5,842,907**	₱6,196,415
Long-term debt	20	**4,908,500**	4,870,000
Deferred tax liabilities - net	32	**2,483,336**	2,377,323
Other noncurrent liabilities	19	**394,077**	409,409
Total Noncurrent Liabilities		**13,628,820**	13,853,147
Total Liabilities		**16,244,859**	18,018,144
Equity			
Common stock	21	**10,561,000**	10,561,000
Additional paid-in capital		**5,503,731**	5,503,731
Treasury stock - at cost	21	**(2,565,359)**	(2,476,697)
Cost of Parent Company shares held by subsidiaries	21	**(1,154,409)**	(1,464,322)
Equity share in cost of Parent Company shares held by associates	14	**(2,501)**	(2,501)
Other equity reserves	21	**7,763,073**	5,715,643
Excess of net assets over acquisition cost of acquired subsidiaries		**252,040**	252,040
Retained earnings	21	**13,501,329**	12,175,075
Equity Attributable to Equity Holders of the Parent Company		**33,858,904**	30,263,969
Noncontrolling Interests		**2,653,958**	2,745,464
Total Equity		**36,512,862**	33,009,433
		₱52,757,721	₱51,027,577

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(With Comparative Figures for 2020)

(Amounts in Thousands, Except for Earnings per Share)

	Note	**2022**	2021	2020
REVENUES				
Lease income	10	**₱2,054,273**	₱807,921	₱2,663,226
Gaming revenue share - net	22	**1,560,845**	1,300,291	635,217
Sale of real estate		**862,889**	587,812	234,965
Equipment rental	33	**519,051**	426,346	328,438
Revenue from property management		**211,548**	179,618	168,296
Others	23	**210,667**	118,946	143,258
		5,419,273	3,420,934	4,173,400
COSTS AND EXPENSES				
Cost of lease income	27	**(1,337,666)**	(1,294,948)	(1,206,514)
Cost of real estate sold	26	**(443,407)**	(301,406)	(134,934)
Cost of lottery services	24	**(247,548)**	(374,204)	(494,211)
Cost of services for property management	28	**(139,612)**	(113,574)	(100,957)
Cost of gaming operations	25	**(136,346)**	(135,895)	(135,692)
General and administrative expenses	29	**(766,549)**	(693,103)	(1,312,959)
		(3,071,128)	(2,913,130)	(3,385,267)
OTHER INCOME (CHARGES)				
Interest expense	30	**(516,342)**	(603,832)	(559,570)
Interest income	30	**22,831**	24,981	55,451
Unrealized loss on financial asset at fair value through profit or loss	6	**(372)**	(23,623)	(6,196)
Net foreign exchange gain (loss)		**(1,658)**	750	(1,994)
Others - net	31	**14,557**	310,493	843,194
		(480,984)	(291,231)	330,885
INCOME BEFORE INCOME TAX		**1,867,161**	216,573	1,119,018
PROVISION FOR (BENEFIT FROM) INCOME TAX	32			
Current		**28,585**	12,656	36,653
Deferred		**128,119**	(541,285)	190,664
		156,704	(528,629)	227,317
NET INCOME		**1,710,457**	745,202	891,701
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss in subsequent periods:				
Unrealized valuation gain (loss) on financial assets at FVOCI	11	**2,087,382**	2,044,638	(713,764)
Remeasurement gain on pension asset/liability - net of tax		**2,116**	27,133	17,021
		2,089,498	2,071,771	(696,743)
TOTAL COMPREHENSIVE INCOME		**₱3,799,955**	₱2,816,973	₱194,958

(Forward)

	Note	2022	2021	2020
Net income attributable to:				
Equity holders of the Parent Company		**₱1,395,751**	₱576,983	₱1,001,281
Noncontrolling interests		**314,706**	168,219	(109,580)
		₱1,710,457	₱745,202	₱891,701
Total comprehensive income attributable to:				
Equity holders of the Parent Company		**₱3,466,004**	₱2,633,997	₱302,824
Noncontrolling interests		**333,951**	182,976	(107,866)
		₱3,799,955	₱2,816,973	₱194,958
Basic/Diluted Earnings Per Share	37	**₱0.148**	₱0.061	₱0.106

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(With Comparative Figures for 2020)
(Amounts in Thousands, Except for Par Value and Number of Shares)

	Note	**2022**	2021	2020
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
CAPITAL STOCK	21	**₱10,561,000**	₱10,561,000	₱10,561,000
ADDITIONAL PAID-IN CAPITAL		**5,503,731**	5,503,731	5,503,731
TREASURY STOCK - at cost	21			
Balance at beginning of year		**(2,476,697)**	(2,476,700)	(2,476,700)
Purchase of treasury shares		**(88,662)**	–	–
Reissuance of treasury stock		–	3	–
Balance at end of year		**(2,565,359)**	(2,476,697)	(2,476,700)
COST OF PARENT COMPANY SHARES HELD BY SUBSIDIARIES	21			
Balance at beginning of year		**(1,464,322)**	(1,464,322)	(1,493,752)
Sale of Parent Company shares by a subsidiary		**309,913**	–	29,430
Balance at end of year		**(1,154,409)**	(1,464,322)	(1,464,322)
EQUITY SHARE IN COST OF PARENT COMPANY SHARES HELD BY ASSOCIATES	14	**(2,501)**	(2,501)	(2,501)
OTHER EQUITY RESERVES				
Balance at beginning of year		**5,715,643**	3,675,936	4,379,383
Unrealized valuation gain (loss) on financial assets at FVOCI		**2,073,126**	2,029,880	(713,683)
Remeasurement gain (loss) on pension asset/ liability - net of tax		**(2,873)**	27,133	15,226
Realized gain on sale of financial assets at FVOCI transferred to retained earnings	11	**(18,585)**	(17,306)	(4,990)
Reclassification of remeasurement gain on pension asset/ liability to retained earnings		**(4,238)**	–	–
Balance at end of year		**7,763,073**	5,715,643	3,675,936
EXCESS OF NET ASSETS OVER ACQUISITION COST OF ACQUIRED SUBSIDIARIES		**252,040**	252,040	252,040
RETAINED EARNINGS				
Balance at beginning of year		**12,175,075**	11,580,786	11,707,576
Net income		**1,395,751**	576,983	1,001,281
Sale of Parent Company shares by a subsidiary		**(93,733)**	–	–
Realized gain transferred to retained earnings	11	**18,585**	17,306	4,990
Reclassification of retirement liability		**5,651**	–	–
Cash dividends	21	**–**	–	(1,133,061)
Balance at end of year		**13,501,329**	12,175,075	11,580,786
		33,858,904	30,263,969	27,629,970

(Forward)

	Note	2022	2021	2020
NONCONTROLLING INTERESTS				
Balance at beginning of year		**₱2,745,464**	₱2,804,147	₱3,430,612
Net income (loss)		**314,706**	168,219	(109,580)
Share in dividends declared by a subsidiary	2	**(297,939)**	(241,660)	(298,169)
Sale of Parent Company shares by a subsidiary		**(127,518)**	–	–
Share in unrealized valuation gain (loss) on financial assets at FVOCI		**14,256**	14,758	(81)
Share in remeasurement gain on pension asset/liability		**4,989**	–	1,795
Purchase of treasury share of a subsidiary		**–**	–	(220,430)
Balance at end of year		**2,653,958**	2,745,464	2,804,147
		₱36,512,862	₱33,009,433	₱30,434,117

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021
(With Comparative Figures for 2020)
(Amounts in Thousands)

	Note	**2022**	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱1,867,161**	₱216,573	₱1,119,018
Adjustments for:				
Depreciation and amortization	10	**1,296,659**	1,289,243	1,277,876
Interest expense	30	**516,342**	603,832	559,570
Provision for (reversal of) probable losses	29, 31	**187,301**	(281,317)	(756,115)
Amortization of discount on trade receivables	7	**(105,051)**	(72,600)	(69,517)
Reversal of provisions for impairment losses on other current assets	9	**(33,640)**	(10,924)	(472)
Interest income	30	**(22,831)**	(24,981)	(55,451)
Pension cost	34	**12,709**	10,402	14,432
Dividend income	31	**(6,300)**	(5,275)	(13,995)
Gain on disposal of net assets of subsidiaries	31	**(543)**	–	(70,338)
Share in net loss of associates	14	**417**	1,671	2,519
Gain on sale of property and equipment	31	**(396)**	(176)	(16)
Unrealized marked-to-market loss on financial assets at FVPL	6	**372**	23,623	6,196
Provision for impairment of other current assets, goodwill and right-of-use assets	29	**62**	–	471,132
Unrealized foreign exchange loss (gain) - net		**4**	(750)	1,994
Gain on termination of leases	31	**–**	567	(13,114)
Provision for doubtful accounts	29	**–**	–	139,678
Operating income before working capital changes		**3,712,266**	1,749,888	2,613,397
Decrease (increase) in:				
Financial assets at FVPL		**–**	(12,416)	50,000
Receivables and contract assets		**290,129**	232,444	(2,186,572)
Real estate for sale and land held for future development		**183,075**	112,319	(152,006)
Other current assets		**(1,563,952)**	(645,466)	(287,951)
Other noncurrent assets		**58,759**	277,837	(218,070)
Increase (decrease) in trade and other current liabilities		**(264,479)**	(310,468)	(221,715)
Net cash generated from operations		**2,415,798**	1,404,138	(402,917)
Interest received		**22,831**	24,981	55,453
Income taxes paid		**(28,586)**	(6)	(1,895)
Contributions to plan asset	34	**(10,000)**	(5,000)	(1,810)
Net cash provided by operating activities		**2,400,043**	1,424,113	(351,169)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and equipment	13	**(22,656)**	(26,817)	(106,064)
Financial assets at FVOCI	11	**(19,258)**	(522,651)	(9,243)
Proceeds from disposal of:				
Financial assets at FVOCI		**55,966**	86,716	18,449
Property and equipment		**3,871**	1,749	9,243
Dividends received	31	**6,300**	5,275	13,995
Decrease (increase) in investments in and advances to associates and related parties		**2**	(2)	3
Expenditures on investment properties		**–**	–	(293,553)
Proceeds from disposal of net assets of subsidiaries		**–**	–	74,026
Net cash provided by (used in) investing activities		**24,225**	(455,730)	(293,144)

(Forward)

	Note	**2022**	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Long-term debt and loans payable	18, 20	**(₱2,010,000)**	(₱3,831,667)	(₱4,044,444)
Lease liabilities	33	**(608,769)**	(440,938)	(404,102)
Interest	30	**(233,435)**	(584,637)	(574,152)
Proceeds from availment of loans and long-term debt	18, 20	**517,500**	3,620,000	4,675,000
Dividends paid to noncontrolling interests		**(297,939)**	(241,660)	(298,169)
Acquisition of treasury shares by a subsidiary		**–**	–	(220,430)
Net cash used in financing activities		**(2,632,643)**	(1,478,902)	(866,297)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(4)**	750	(1,994)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(208,379)**	(509,769)	(1,512,604)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,082,301**	2,592,070	4,104,674
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱1,873,922**	₱2,082,301	₱2,592,070

See accompanying Notes to Consolidated Financial Statements.

BELLE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(With Comparative Information for 2020)

1. General Information

Corporate Information

Belle Corporation (Belle or the Parent Company) is a stock corporation organized and registered in the Philippine Securities and Exchange Commission (SEC) 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:

		2022			2021			2020		
		Percentage of Ownership			Percentage of Ownership			Percentage of Ownership		
	Industry	**Direct**	**Indirect**	**Total**	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**	79.8	–	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
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. (TGTISI)**	Gaming	**–**	**–**	**–**	–	100.0	100.0	–	100.0	100.0
Interest in a Joint Operation -										
PinoyLotto Technologies Corp. (PinoyLotto)	Gaming	**–**	**50.0**	**50.0**	–	50.0	50.0	–	–	–

**Non-operating*
***Sold in 2022*

TGTISI. On June 9, 2022, POSC's BOD approved the transfer of all the rights, title and interests in TGTISI's shares to a third party for a consideration of ₱1.0 million.

Total gain on deconsolidation, which is the difference between the consideration received and the Group's share on TGTISI's net asset at the date of disposal, amounting to ₱0.5 million is presented under "Other income (charges)" account in the statements of comprehensive income (see Note 31).

PinoyLotto. On June 21, 2021, Pinoylotto, a joint venture corporation owned by POSC, Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), was incorporated with the SEC. PinoyLotto was awarded with the five year-lease of the customized PCSO Lottery System (PLS Project) upon commencement of commercial operations, with a contract price of ₱5,800.0 million.

Commencement of commercial operations is 14 months after the issuance of the Notice to Proceed. In December 2021, the joint venture of POSC, PGMC and ILTS was issued the Notice to Proceed. In June 2022, PCSO approved the extension of commencement of commercial operations from 14 months to 22 months.

The Group's interest in PinoyLotto was accounted for as a joint operation (see Note 36).

Approval of the Consolidated Financial Statements

The consolidated financial statements as at and for the years ended December 31, 2022 and 2021 (with comparative figures and information for the year ended December 31, 2020) were approved and authorized for issuance by the Board of Directors (BOD) on February 28, 2023.

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. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

On December 15, 2020, the SEC issued Memorandum Circular (MC) No. 34, Series of 2020, which further extends the deferral of application of the provision of Philippine Interpretations Committee (PIC) Question & Answer (Q&A) No. 2018-12 with respect to accounting for significant financing component, exclusion of land in the calculation of percentage of completion and IFRIC Agenda Discussion on over time transfers of construction goods under PAS 23, *Borrowing Cost*, for another period of three years or until 2023.

The Company opted to avail the relief in connection with the accounting for significant financing component. The impact of the application of such financial reporting relief is discussed in "New and Amendments to PFRS and PIC Issuances in Issue But Not Yet Effective or Adopted" section of notes to consolidated financial statements.

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), financial assets at fair value through other comprehensive income (FVOCI), and net pension asset (liability) which is measured at the fair value of plan assets less present value of the defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange of an asset 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 6, 10, 11, 14 and 38.

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 relevant amendments to PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Business Combinations - Reference to Conceptual Framework* – The amendments replaced the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include 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 ensures that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarify that an acquirer shall not recognize contingent assets acquired in a business combination.

- 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. There is no transition relief for first-time adopters.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The ‘costs of fulfilling’ a contract comprise the ‘costs that relate directly to the contract’. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets). 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 component of equity, as applicable. Accordingly, the comparatives are not restated.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Subsidiary as a First-time Adopter* – The amendment permits a subsidiary that becomes a first-time adopter later than its parent and measures its assets and liabilities in accordance with paragraph D16 (a) of PFRS 1 to measure cumulative translation differences for all foreign operations using the amounts reported by its parent, based on the parent's date of transition to PFRS.

  - Amendment to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include 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 amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendment.

  - Amendment to PFRS 16, *Leases - Lease Incentives* – The amendment removed from 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.

The adoption of the foregoing amendments to PFRS did not have any material effect on the consolidated financial statements. Additional disclosures were included in the notes to consolidated financial statements, as applicable.

New and Amendments to PFRS and PIC Issuances in Issue But Not Yet Effective or Adopted

Relevant new and amendments to PFRS and PIC issuances, which are not yet effective as at December 31, 2022 and have not been applied in preparing the consolidated financial statements, are summarized below.

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

- Amendments to PAS 1, *Presentation of Financial Statements,* and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers,* to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent* – 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. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

- PIC Q&A 2018-12-D, *PFRS 15, Implementing Issues Affecting the Real Estate Industry (as amended by PIC Q&A 2020-4)* – On December 15, 2020, the SEC issued 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 (with an addendum in PIC Q&A 2020-04)" until December 31, 2023.

  The Group availed of the SEC relief with respect to accounting for significant financing component. Management assessed that the adoption of this PIC on January 1, 2024 will not have a significant impact considering that the Group's ongoing project is estimated to be completed this 2023. Management also assessed that the adoption will not have a significant impact on any new projects that the Group will start in 2023.

  The Group did not avail of the relief provided by the SEC on the capitalization of borrowing costs and treatment of land in the determination of POC. The Group adopted these issuances starting January 1, 2021.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS and PIC issuances are 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 statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements 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. The financial statements of PinoyLotto, with a fiscal period ending June 30, are consolidated in the Parent Company's financial statements as of December 31. Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of the subsidiaries' financial statements and the date of the consolidated financial statements. Adjustments, where necessary, are made to ensure consistency with the policies adopted by the Group. 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 statements 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. However, business combinations under common control may also be accounted for using the acquisition method of accounting when the transaction has commercial substance from the perspective of the reporting entity.

Under pooling of interest method, 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 statements of financial position.

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.

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 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 entity'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 transaction, 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 Group 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 Group's proportionate share of the assets, liabilities, revenues, expenses and cash flows of the joint arrangement. The Group 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. 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 Group'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 2022, 2021 (and 2020). NCI hold 20.2% as at December 31, 2022 and 2021. 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, 2022 and 2021:

	(In Thousands)	
	2022	2021
Total current assets	**₱6,194,382**	₱6,002,149
Total noncurrent assets	**10,791,524**	11,082,747
Total current liabilities	**(730,588)**	(653,483)
Total noncurrent liabilities	**(85,934)**	(32,880)
Total equity	**₱16,169,384**	₱16,398,533
Attributable to:		
Equity holders of the Parent	**₱15,754,061**	₱16,130,762
Non-controlling interests	**415,323**	267,771
Total	**₱16,169,384**	₱16,398,533

Summarized consolidated statements of comprehensive income for the years ended December 31, 2022, 2021 and 2020:

	(In Thousands)		
	2022	2021	2020
Revenue	**₱2,079,897**	₱1,726,637	₱963,656
Costs and expenses	**(942,609)**	(963,909)	(1,697,851)
Other income – net	**153,744**	421,434	1,054,855
Income before income tax	**1,291,032**	1,184,162	320,660
Benefit from (provision for) income tax	**(35,084)**	(61,252)	3,056
Net income	**1,255,948**	1,122,910	323,716
Other comprehensive income (loss)	**64,215**	(25,243)	(43,462)
Total comprehensive income	**₱1,320,163**	₱1,097,667	₱280,254
Attributable to:			
Equity holders of the Parent	**₱1,221,562**	₱1,167,407	₱481,629
Non-controlling interests	**98,601**	(69,740)	(201,375)
Total	**₱1,320,163**	₱1,097,667	₱280,254

Below are the summarized consolidated statements of cash flows for the years ended December 31, 2022, 2021 and 2020:

	(In Thousands)		
	2022	2021	2020
Operating activities	**₱1,545,302**	₱1,219,710	₱578,921
Investing activities	**59,215**	(507,539)	47,273
Financing activities	**(1,486,881)**	(1,269,549)	(1,944,958)
Net increase (decrease) in cash and cash equivalents	**₱117,636**	(₱557,378)	(₱1,318,764)

Dividends paid to non-controlling interests amounted to ₱297.9 million and ₱241.7 million in 2022 and 2021, respectively (₱298.2 million in 2020).

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements 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, 2022 and 2021, 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 associates, guarantee deposits, refundable deposits and construction bonds (presented as part of "Other current assets" and "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. Any dividend or interest earned on the financial asset is recognized in profit or loss.

Classified under this category are the Group's investments 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 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 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 and other current liabilities (excluding withholding and output VAT payable, unearned income and customer deposits), refundable deposits, loans payable, long-term debt and lease liabilities.

Impairment of Financial Assets at Amortized Cost

The Group recognizes 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 statements 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 statements 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 Future 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, deferred input VAT, advances to contractors and suppliers, prepayments, spare parts and supplies, refundable and guarantee deposits and advances for land acquisitions, among others.

Advances for Land Acquisitions. Advances for land acquisitions are payments made for land properties in which ownership has not been transferred to the Company as at reporting date. These are recognized at initial transaction cost and any directly attributable cost, less any impairment loss.

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.

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 statements of financial position.

Deferred Input VAT. Deferred input VAT represents tax credit from purchase of capital goods exceeding ₱1.0 million per month to be amortized over the estimated useful lives of the corresponding assets or 60 months, whichever is shorter.

The capitalization of deferred input VAT shall only be allowed until December 31, 2021, after which input VAT on capital goods purchased shall be claimed as input tax credits directly applied against output VAT. Any unutilized deferred input VAT as at December 31, 2021 shall be allowed to be amortized as scheduled until fully utilized.

Carrying amount of deferred input VAT recoverable from the taxation authority is presented under "Other noncurrent 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 statements 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 statements 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.

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 and Guarantee Deposits. Refundable deposits represent payments made as security deposits in relation to the Group's various leases. Guarantee deposits pertain to cash bonds held in escrow account as part of the agreement with PCSO.

Deposits that are expected to be refunded for no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

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, amortization and any impairment losses. Land is stated at cost less any impairment losses.

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
Buildings	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 statements of comprehensive income in the year the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible asset with finite life is amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. If an intangible asset arises from contractual or other legal rights that are conveyed for a limited term that can be renewed, the useful life should include the renewal period only if there is evidence to support renewal by the entity without significant cost to the entity.

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 statements 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 statements 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 and 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 43.6 years.

Investments in Associates

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. 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 but rather as part of impairment assessment for investments in associates.

The profit or loss in the consolidated statements of comprehensive income reflects the Group's share of the results of operations of the associates. Any share in change in OCI of those investees is presented as part of the Group's OCI. 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 statements 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 (charges)" line item in the consolidated statements of comprehensive income.

If the Group's share of losses of an associate equals or exceeds the carrying amount of an investment, 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 statements 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 statements 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.

Property and Equipment
Property and equipment, except land, are stated at cost less accumulated depreciation, amortization and any impairment losses. 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 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
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.

Fully depreciated assets are retained in the accounts until these are no longer in use.

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.

Cost of Parent Company Common Shares Held by Subsidiaries
Parent Company'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.

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.

Other Equity Reserves
Other equity reserves comprise of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. Other equity reserves of the Group pertain to cumulative unrealized marked to market gains (losses) on financial assets at FVOCI, cumulative remeasurement gains (losses) on pension asset/liability, accumulated share in cumulative unrealized marked to market gain on financial assets at FVOCI of associates, which are not to be reclassified to profit or loss in subsequent periods, 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.

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 represents the equity interest in PLC and POSC not held by the Parent Company.

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.

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 collections 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.

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 first 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 development 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.

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 reversal in the amount of cumulative revenue recognized will not occur and when the associated uncertainty with the variable consideration is subsequently resolved.

Interest Income. Interest income from trade receivables, installment receivables and contract assets are recognized as the interest accrues using the effective interest rate method. 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 in accordance with the agreement.

Commissions and Distribution Income. Revenues from the distribution of lottery tickets such as lotto, keno, sweepstakes and instant scratch tickets to customers, including retailers and sub-distributors, representing the Group's share from the sales, are recognized at a point in time, specifically, upon delivery of the tickets to the customers.

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 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 Group'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 related to buyers' default and late payments. Income is recognized when penalty is actually collected.

Income from Sale of Club Shares and 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. The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets. These include all direct materials and labor costs, and those indirect costs related to contract performance. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as cost of real estate sold while the portion allocable to the unsold area being recognized as part of real estate inventories. In addition, the Group recognizes as an asset, only to the costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Cost of Lottery Services, Cost of Gaming Operations, and Cost of Services for Property Management. Cost of lottery services, cost of gaming operations, and cost of services for property management are 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 identified asset; and
b) the right to direct the use of the identified asset.

Group as a Lessee. 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 follows:

Asset Type	Number of Years
Land and building improvements*	16 years and 4 months
Air rights	14 years and 6 months
Office and warehouse	1 to 5 years

**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:

- Allocates the consideration in the modified contract;
- Determines the lease term of the modified lease; and
- Remeasures 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 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 accounts 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. 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 construction project. The capitalization of borrowing costs is suspended if there are prolonged periods when the construction activity is interrupted

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.

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 contracts to sell covering serviced lot. 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. Included also in this performance obligation is the Group's service 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.

  The Group's cost of sale from real estate sales are disclosed in Note 26.

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.

Management determines subsidiaries with material NCI as those with assets greater than 5% of consolidated assets, or 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 2022, 2021 (and 2020) (see Note 2).

Accounting for Leases

- *Determination of Lease Term of Contracts with Renewal Options – Group as a Lessee.* The Group has 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 and 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 (IBR).* The Group uses its 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. It also 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 are disclosed in Note 33.

- *Operating Lease – as a Lessor of Land and Building.* 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 are disclosed in Notes 10 and 33.

- *Operating Lease – as a Lessor of Lottery Equipment.* 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 they have 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 are disclosed in Note 33.

Assessing the Collectability of Lease Income. The Group assesses whether it is probable that it will collect the consideration to which it will be entitled in accordance with the lease agreement. In evaluating whether collectability of an amount of consideration is probable, the Group considers any lease modifications and the customer's ability and intention to pay the amount of consideration. 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 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 2022 and 2021, the Group, as a lessor, agreed to a concession wherein the minimum guaranteed rental payments were reduced and additional variable lease payments will be made subject to certain conditions. Accordingly, the rental income was recognized up to the extent collectible amounting to ₱2,054.3 million and ₱807.9 million in 2022 and 2021, respectively (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.

Determining whether the Group is acting as Principal or an Agent. The Group assesses its revenue arrangements using the following processes to determine whether it is acting as a principal or an agent:

- Identify the specified goods or services to be provided to the customer (which for example, could be a right to a good or service to be provided by another party) and

- Assess whether it controls each specified good or service before that good or service is transferred to the customer.

The Group has determined that it is acting as an agent in its commission and distribution income arrangements.

<u>Estimates and Assumptions</u>
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 Receivables, Contract Assets 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.

Allowance for doubtful accounts aggregated to ₱850.9 million as at December 31, 2022 and 2021 (see Notes 7 and 14). The carrying values of receivables, installment receivables, contract assets and advances to associates and allowance for doubtful accounts as at December 31, 2022 and 2021 are disclosed in Notes 7 and 14. There was no provision for ECL in 2022 and 2021.

Determining Impairment Losses on Other Financial Assets at Amortized Cost. The Group determines the allowance for impairment loss of other financial assets at amortized cost using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of the financial assets. The provision for impairment loss recognized during the period is limited to 12-month ECL since the Group's other financial assets at amortized cost are considered to have low credit risk.

The Group did not recognize impairment loss on other financial assets at amortized cost in 2022, 2021 (and 2020). The carrying values of other financial assets at amortized cost as at December 31, 2022 and 2021 are disclosed in the respective Notes, as follows:

		(in Thousands)	
	Note	**2022**	2021
Cash and cash equivalents	5	**₱1,873,922**	₱2,082,301
Guarantee deposits	9	**14,500**	14,500
Refundable deposits and construction bond	16	**127,227**	125,931

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.

In 2020, the Group recognized provision for impairment loss on spare parts and supplies amounting to ₱43.5 million. The Group recognized reversal of provision for impairment loss on spare parts and supplies amounting to ₱33.6 million and ₱10.9 million in 2022 and 2021, respectively. The carrying values of real estate for sale and spare parts and supplies inventory carried at lower of cost and NRV are disclosed in Note 8 and 9.

Estimating Useful Life of Gaming License. The useful life of the Group's gaming license recognized as "Intangible asset" account in the consolidated statements 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. If an intangible asset arises from contractual or other legal rights that are conveyed for a limited term that can be renewed, the useful life should include the renewal period only if there is evidence to support renewal by the entity without significant cost to the entity. Management concludes that the cost of renewal is not significant compared with the future economic benefits expected to flow to the Group from the renewal of gaming license. Hence, renewal period was included in the amortization period. The gaming license runs concurrent with PAGCOR's congressional franchise up to 2033 and renewable for another 25 years.

There were no changes in the estimated useful life of gaming license in 2022, 2021 and 2020. The carrying value of the gaming license is disclosed in 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 2022, 2021 (and 2020). The aggregate carrying amount of depreciable investment properties, property and equipment and ROU assets are disclosed in Notes 10, 13 and 33.

Assessing Impairment of Goodwill. The Group determines whether goodwill is impaired at least annually. This requires the estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the CGUs and to choose a suitable discount rate to calculate the present value of those cash flows. The key assumptions used in the value in use calculations include discount rate, revenue growth rate and long-term growth rate.

No impairment loss was recognized in 2022 and 2021. The carrying amount of goodwill as at December 31, 2022 and 2021 is disclosed in Note 15.

Assessing 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, ROU assets property and equipment and intangible assets are reviewed for impairment when there are indicators that the carrying amounts may not be recoverable. 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.

The Group did not recognize an impairment loss on right-of-use asset in 2022 and 2021. Impairment loss on right-of-use asset amounted to ₱9.3 million in 2020 (see Note 33). The carrying values of nonfinancial assets subjected to assessment of impairment indicators or review as at December 31, 2022 and 2021 are disclosed in the respective Notes, as follows:

		(in Thousands)	
	Note	**2022**	2021
Investment properties	10	**₱23,239,249**	₱24,371,435
Intangible asset	12	**4,117,704**	4,233,538
Investments in associates	14	**118,744**	119,161
Property and equipment	13	**73,864**	86,082
Right-of-use assets	33	**77,226**	54,812
Other assets*	9, 16	**4,560,102**	3,045,384

**Excludes refundable and guarantee deposits and construction bond.*

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 ₱1,844.3 million and ₱2,085.6 million as at December 31, 2022 and 2021, respectively. Unrecognized deferred tax assets amounted to ₱3,833.9 million and ₱3,821.1 million as at December 31, 2022 and 2021, respectively (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 (see Note 17).

4. **Segment Information**

The operating businesses of the Group 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, real estate for sale, land held for future development, investment properties, property and equipment and right of 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 the 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 assets and liabilities and profit or loss in the consolidated financial statements, which are in accordance with PFRS.

Financial information about the Group's business segments are shown below:

	(In Thousands)				
	2022				
	Real Estate Development and Property Management	**Gaming and Gaming Related Activities**	**Others**	**Eliminations/ Adjustments**	**Consolidated**
Earnings Information					
Revenue	**₱3,393,377**	**₱2,079,896**	**₱–**	**(₱54,000)**	**₱5,419,273**
Costs and expenses	**(2,305,358)**	**(942,548)**	**(86)**	**176,864**	**(3,071,128)**
Interest expense	**(641,454)**	**(221)**	**–**	**125,333**	**(516,342)**
Interest income	**728**	**147,434**	**2**	**(125,333)**	**22,831**
Other income – net	**1,257,694**	**6,468**	**230**	**(1,251,865)**	**12,527**
Income before income tax	**1,704,987**	**1,291,029**	**146**	**(1,129,001)**	**1,867,161**
Provision for income tax	**(121,620)**	**(35,084)**	**–**	**–**	**(156,704)**
Net income	**₱1,583,367**	**₱1,255,945**	**146**	**(1,129,001)**	**₱1,710,457**
Net income attributable to equity holders of the parent	**₱1,583,367**	**₱941,239**	**₱146**	**(₱1,129,001)**	**₱1,395,751**
Other Information					
Investments in and advances to associates	**₱10,253,148**	**₱–**	**₱–**	**(₱10,133,876)**	**₱119,272**
Investments at FVPL	**–**	**72,682**	**–**	**–**	**72,682**
Investments at FVOCI	**8,746,796**	**686,731**	**196,441**	**(308,876)**	**9,321,092**
Total assets	**54,073,314**	**16,985,906**	**347,896**	**(18,649,395)**	**52,757,721**
Total liabilities	**19,567,517**	**816,521**	**2,663,890**	**(6,803,070)**	**16,244,858**
Capital expenditures	**22,570**	**86**	**–**	**–**	**22,656**
Depreciation and amortization	**(1,158,414)**	**(261,109)**	**–**	**122,864**	**(1,296,659)**

	(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 (loss) 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 (loss)	₱521,836	₱1,122,909	(₱3,174)	(₱896,369)	₱745,202
Net income (loss) 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	₱10,252,972	₱–	₱–	(₱10,133,284)	₱119,688
Investments at FVPL	–	73,054	–	–	73,054
Investments at FVOCI	6,773,226	721,167	213,699	(437,672)	7,270,420
Total assets	52,046,935	17,084,896	364,770	(18,469,024)	51,027,577
Total liabilities	21,039,583	686,364	2,663,651	(6,371,454)	18,018,144
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	₱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	₱10,290,623	₱–	₱–	(₱10,169,267)	₱121,356
Investments at FVPL	–	84,261	–	–	84,261
Investments at FVOCI	4,782,865	287,554	267,099	(547,671)	4,789,847
Total assets	50,531,172	17,793,014	418,139	(18,740,417)	50,001,908
Total liabilities	22,086,174	1,235,427	2,657,369	(6,411,179)	19,567,791
Capital expenditures	399,597	90,839	–	–	490,436
Depreciation and amortization	(1,057,206)	(343,309)	–	122,639	(1,277,876)

Revenues amounting to ₱3,615.1 million and ₱2,108.2 million in 2022 and 2021, respectively (₱3,298.4 million in 2020) are solely collectible from Melco and revenues amounting to ₱519.1 million and ₱426.3 million in 2022 and 2021, respectively (₱328.4 million in 2020) are solely collectible from PCSO.

The following shows the reconciliations of reportable segment revenues, net profit, assets and liabilities to the Group's consolidated amounts:

	2022	2021	2020
Revenues			
Total revenue for reportable segments	**₱5,473,273**	₱3,474,934	₱4,227,400
Elimination for intercompany revenue	**(54,000)**	(54,000)	(54,000)
Total consolidated revenues	**₱5,419,273**	₱3,420,934	₱4,173,400
Net Profit for the Year			
Total profit for reportable segments	**₱2,839,458**	₱1,641,571	₱1,790,439
Elimination for intercompany profits	**(1,129,001)**	(896,369)	(898,738)
Consolidated net profit	**₱1,710,457**	₱745,202	₱891,701
Assets			
Total assets for reportable segments	**₱43,244,675**	₱43,564,415	₱45,006,444
Investments in and advances to associates	**119,272**	119,688	121,356
Investments at FVOCI	**72,682**	7,270,420	4,789,847
Investments at FVTPL	**9,321,092**	73,054	84,261
Total assets	**₱52,757,721**	₱51,027,577	₱50,001,908
Liabilities			
Total liabilities for reportable segments	**₱8,309,531**	₱8,700,767	₱9,469,096
Loans payable	**450,000**	1,995,017	2,525,017
Long-term debt	**4,937,500**	4,885,000	4,566,667
Deferred tax liabilities - net	**2,483,336**	2,377,323	2,968,910
Advances from related parties*	**64,491**	60,037	38,101
Total liabilities	**₱16,244,858**	₱18,018,144	₱19,567,791

**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.

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	(In Thousands)		
	2022		
Type of service	**Real Estate Development and Property Management**	**Gaming and gaming related activities**	**Total**
Lease income	**₱2,054,273**	**₱–**	**₱2,054,273**
Gaming revenue share - net	**–**	**1,560,845**	**1,560,845**
Sale of real estate	**862,889**	**–**	**862,889**
Equipment rental	**–**	**519,051**	**519,051**
Revenue from property management	**211,548**	**–**	**211,548**
Other revenues	**210,667**	**–**	**210,667**
Revenue from contracts with customers	**₱3,339,377**	**₱2,079,896**	**₱5,419,273**

	(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
Lease income	807,921	–	807,921
Sale of real estate	587,812	–	587,812
Equipment rental	–	426,346	426,346
Revenue from property management	179,618	–	179,618
Other revenues	118,946	–	118,946
Revenue from contracts with customers	₱1,694,297	₱1,726,637	₱3,420,934

	(In Thousands)		
	2020		
Type of service	Real Estate Development and Property Management	Gaming and gaming related activities	Total
Lease income	₱2,663,226	₱–	₱2,663,226
Gaming revenue share - net	–	635,217	635,217
Equipment rental	–	328,438	328,438
Sale of real estate	234,965	–	234,965
Revenue from property management	168,296	–	168,296
Other revenues	143,258	–	143,258
Revenue from contracts with customers	₱3,209,745	₱963,655	₱4,173,400

All revenue from contracts with customers pertains to revenue transferred over time.

5. Cash and Cash Equivalents

This account consists of:

	(In Thousands)	
	2022	2021
Cash on hand and in banks	**₱656,745**	₱678,621
Cash equivalents	**1,217,177**	1,403,680
	₱1,873,922	₱2,082,301

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 ₱19.2 million and ₱18.9 million in 2022 and 2021, respectively (₱49.9 million in 2020) (see Note 30).

6. Financial Assets at FVPL

This account consists of the Group's investments in quoted shares of stocks. Movements in this account are as follows:

	(In Thousands)	
	2022	2021
Balance at beginning of year	**₱73,054**	₱84,261
Unrealized marked-to-market loss	**(372)**	(23,623)
Additions	**–**	12,416
Balance at end of year	**₱72,682**	₱73,054

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 amounting to ₱0.4 million and ₱23.6 million in 2022 and 2021, respectively (₱6.2 million in 2020) were recognized under "Unrealized loss on financial asset at fair value through profit or loss" account in the consolidated statements of comprehensive income.

There was no dividend income received from financial assets at FVPL in 2022 and 2021. Dividend income from financial assets at FVPL amounted to ₱2.4 million in 2020 (see Note 31).

7. Receivables and Contract Assets

Receivables

This account consists of:

		(In Thousands)	
	Note	**2022**	2021
Trade receivables:			
Leases	33	**₱3,106,354**	₱3,523,861
Real estate sales and installment receivables		**1,740,042**	1,326,777
Equipment rental		**66,548**	51,730
Property management		**53,860**	107,053
Gaming revenue share		**14,807**	117,792
Loan assets		**422,342**	422,342
Advances to consultants		**127,500**	104,000
Others		**230,882**	227,539
		5,762,335	5,881,094
Less allowance for doubtful accounts		**720,628**	720,628
		5,041,707	5,160,466
Less installment receivables - noncurrent portion		**1,197,151**	941,115
		₱3,844,556	₱4,219,351

Trade receivables from leases, equipment rental 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.

Loan assets pertain to the PLC's receivable from Paxell Investment Limited and Metroplex Berhad (both Malaysian companies, collectively referred to as "Metroplex") and Legend International Resort H.K. Limited ("LIR-HK") amounting to ₱422.3 million as a result of the compensation to parties who were in possession of the shares in connection with the cancellation of the remaining 2,000,000,000 undelivered PLC shares. The loan assets were fully provided with allowance as at December 31, 2022 and 2021.

Advances to consultants are noninterest-bearing and are subject to liquidation but are for refund to the Group in the absence of any output.

Other receivables are noninterest-bearing and generally have 30 to 90 days term.

Movements of unamortized discount on trade receivables from real estate sales are as follows:

		(In Thousands)	
	Note	**2022**	2021
Trade receivables at POC		**₱1,955,954**	₱1,499,336
Less discount on trade receivables:			
Balance at beginning of year		**172,559**	84,039
Discount recognized during the year		**148,404**	161,120
Amortization during the year	23	**(105,051)**	(72,600)
Balance at end of year		**215,912**	172,559
		₱1,740,042	₱1,326,777

As at December 31, 2022 and 2021, receivables from real estate at POC of ₱1,956.0 million and ₱1,449.3 million, respectively, 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 3.88% to 15.97% in 2022 and 4.11% to 18.23% in 2021.

No provision for doubtful accounts was recognized in 2022 and 2021 (₱139.7 million in 2020) (see Note 29).

Contract Assets

Contract assets amounted to ₱4.0 million and ₱70.3 million as at December 31, 2022 and 2021, respectively. 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 ₱3.7 million and ₱6.1 million in 2022 and 2021, respectively, (₱5.6 million in 2020) (see Notes 30 and 36).

8. Land Held for Future Development and Real Estate for Sale

These accounts, measured at cost, consist of:

	(In Thousands)	
	2022	2021
Land held for future development	**₱3,025,976**	₱3,021,120
Real estate for sale	**163,189**	351,120
	₱3,189,165	₱3,372,240

Land Held for Future Development

A summary of the movement in land held for development in 2022 and 2021 is set out below:

	(In Thousands)	
	2022	2021
Balance at beginning of year	**₱3,021,120**	₱3,013,950
Acquisitions during the year	**4,856**	7,170
Balance at end of year	**₱3,025,976**	₱3,021,120

Land held for future development consists of properties in Tagaytay City, Batangas and Cavite. It includes certain parcels of land with a carrying value of ₱909.9 million as at December 31, 2022 and 2021, 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 statements of financial position amounted to ₱145.2 million and ₱169.1 million as at December 31, 2022 and 2021, respectively (see Note 17).

Real Estate for Sale

A summary of the movements in real estate for sale is set out below:

		(In Thousands)	
	Note	**2022**	2021
Balance at beginning of year		**₱351,120**	₱470,609
Cost of real estate sold	26	**(443,407)**	(301,406)
Repossession		**160,956**	60,556
Development costs incurred		**94,520**	121,361
Balance at end of year		**₱163,189**	₱351,120

As at December 31, 2022 and 2021, the cost of land held for future development and real estate held for sale were lower than its net realizable value. There were no provision for impairment losses recognized in 2022 and 2021.

9. Other Current Assets

This account consists of:

		(In Thousands)	
	Note	**2022**	2021
Advances for land acquisitions		**₱1,525,975**	₱196,900
CWT		**1,051,027**	875,484
Input VAT		**605,818**	702,296
Advances to contractors and suppliers		**558,393**	317,716
Prepaid expenses		**204,889**	307,866
Guarantee deposits	36	**14,500**	14,500
Spare parts and supplies		**4,283**	64,230
Advances to officers and employees		**3,916**	3,519
Others		**–**	1,361
		3,968,801	2,483,872
Less allowance for impairment losses		**23,366**	56,944
		₱3,945,435	₱2,426,928

Advances for land acquisitions pertain to downpayments made by the Group for its purchase of land.

CWT pertains to the withholding tax related to the goods sold and services rendered by the Group.

Advances to contractors and suppliers are noninterest-bearing and are expected to be applied against future billings.

Prepaid expenses and others pertain to various prepayments for insurance, commission and subscription.

Spare parts and supplies are carried at lower of cost or net realizable value. Reversals of provision for probable losses on spare parts and supplies are netted against related expense account under "Cost of lottery services" account in the statements of comprehensive income.

Guarantee deposits pertain to cash bonds held in escrow account as part of the agreement with PCSO (see Note 36).

Movements in allowance for impairment losses are as follows:

	(In Thousands)		
	2022	2021	2020
Balance at beginning of year	**₱56,944**	₱67,868	₱24,334
Provisions	**62**	–	44,006
Reversals	**(33,640)**	(10,924)	(472)
Balance at end of year	**₱23,366**	₱56,944	₱67,868

10. Investment Properties

This account consists of:

	(In Thousands) 2022				
	Land	**Building**	**ROU Building Improvements**	**ROU Land**	**Total**
Cost					
Balance at beginning and end of year	**₱1,869,025**	**₱18,434,220**	**₱2,509,013**	**₱6,964,513**	**₱29,776,771**
Accumulated Depreciation and Amortization					
Balance at beginning of year	**–**	**3,631,677**	**887,958**	**885,701**	**5,405,336**
Depreciation and amortization	**–**	**382,365**	**221,187**	**528,634**	**1,132,186**
Balance at end of year	**–**	**4,014,042**	**1,109,145**	**1,414,335**	**6,537,522**
Carrying Amount	**₱1,869,025**	**₱14,420,178**	**₱1,399,868**	**₱5,550,178**	**₱23,239,249**

	(In Thousands) 2021				
	Land	Building	ROU Building Improvements	ROU Land	Total
Cost					
Balance at beginning and end of year	₱1,869,025	₱18,434,220	₱2,509,013	₱6,964,513	₱29,776,771
Accumulated Depreciation and Amortization					
Balance at beginning of year	–	3,249,211	726,771	363,390	4,339,372
Depreciation and amortization	–	382,466	161,187	522,311	1,065,964
Balance at end of year	–	3,631,677	887,958	885,701	5,405,336
Carrying Amount	₱1,869,025	₱14,802,543	₱1,621,055	₱6,078,812	₱24,371,435

The fair values of investment properties as at December 31, 2022 and 2021, 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 ₱2,054.3 million and ₱807.9 million in 2022 and 2021, respectively, (₱2,663.2 million in 2020). Direct cost related to the investment properties amounted to ₱1,337.7 million and ₱1,294.9 million in 2022 and 2021, respectively, (₱1,206.5 million in 2020) (see Note 27).

Depreciation and amortization arise from the following:

		(In Thousands)		
	Note	**2022**	2021	2020
Investment properties		**₱1,132,186**	₱1,065,964	₱1,031,293
Intangible asset	12	**115,834**	115,834	115,834
Property and equipment	13	**31,399**	83,073	93,546
ROU asset	33	**17,240**	24,372	37,203
		₱1,296,659	₱1,289,243	₱1,277,876

Depreciation and amortization are allocated as follows:

		(In Thousands)		
	Note	**2022**	2021	2020
Cost of lease income	27	**₱1,132,186**	₱1,069,566	₱1,034,996
Cost of gaming operations	25	**115,834**	115,834	115,834
Cost of lottery services	24	**29,218**	71,071	97,893
Cost of services for property management	28	**10,549**	9,400	8,612
General and administrative expenses	29	**8,872**	23,372	20,541
		₱1,296,659	₱1,289,243	₱1,277,876

11. Financial Assets at FVOCI

This account consists of:

	(In Thousands)	
	2022	2021
Club shares	**₱6,399,100**	₱4,523,206
Shares of stock:		
Quoted	**2,806,023**	2,631,244
Unquoted	**115,970**	115,970
	₱9,321,093	₱7,270,420

The movements of financial assets at FVOCI in 2022 and 2021 are as follows:

	(In Thousands)	
	2022	2021
Cost		
Balance at beginning of year	**₱4,420,520**	₱3,967,279
Additions	**19,258**	522,651
Disposals	**(37,382)**	(69,410)
Balance at end of year	**4,402,396**	4,420,520
Cumulative unrealized marked to market gain on financial assets at FVOCI		
Balance at beginning of year	**2,849,900**	822,568
Unrealized gain during the year	**2,087,382**	2,044,638
Realized gain on disposal during the year	**(18,585)**	(17,306)
Balance at end of year	**4,918,697**	2,849,900
	₱9,321,093	₱7,270,420

The fair values of club shares and quoted equity 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 amounting to ₱6.3 million and ₱5.3 million in 2022 and 2021, respectively, (₱11.6 million in 2020) were recognized in "Other income (charges) – net" account in the consolidated statements of comprehensive income (see Note 31).

Realized gain from sale of financial assets at FVOCI amounting to ₱18.6 million and ₱17.3 million in 2022 and 2021, respectively, (₱5.0 million in 2020) were reclassified from "Other reserves" account to "Retained earnings" account in the consolidated statements 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, and renewable for another 25 years.

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:

		(In Thousands)	
	Note	**2022**	2021
Cost			
Balance at beginning and end of year		**₱5,261,186**	₱5,261,186
Accumulated Amortization			
Balance at beginning of year		**1,027,648**	911,814
Amortization	10	**115,834**	115,834
Balance at end of year		**1,143,482**	1,027,648
Net Carrying Amount		**₱4,117,704**	₱4,233,538

The unamortized life of the license as at December 31, 2022 is 35.5 years.

13. **Property and Equipment**

The movements of this account are as follows:

		In Thousands						
		2022						
	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		**₱527,640**	**₱269,138**	**₱320,098**	**₱245,361**	**₱82,237**	**₱140,846**	**₱1,585,320**
Additions		**–**	**–**	**16,590**	**3,594**	**–**	**2,472**	**22,656**
Disposal		**(32,534)**	**(10,116)**	**–**	**–**	**(20,580)**	**(21,579)**	**(84,809)**
Balance at end of year		**495,106**	**259,022**	**336,688**	**248,955**	**61,657**	**121,739**	**1,523,167**
Accumulated Depreciation and Impairment								
Balance at beginning of year		**515,170**	**266,523**	**269,728**	**242,828**	**69,236**	**135,753**	**1,499,238**
Depreciation	10	**13,023**	**528**	**8,274**	**937**	**4,677**	**3,960**	**31,399**
Disposal		**(33,087)**	**(9,439)**	**–**	**–**	**(16,587)**	**(22,221)**	**(81,334)**
Balance at end of year		**495,106**	**257,612**	**278,002**	**243,765**	**57,326**	**117,492**	**1,449,303**
Net Carrying Amount		**₱–**	**₱1,410**	**₱58,686**	**₱5,190**	**₱4,331**	**₱4,247**	**₱73,864**

		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	₱283,785	₱308,686	₱245,361	₱97,246	₱140,895	₱1,890,150
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	269,138	320,098	245,361	82,237	140,846	1,585,320
Accumulated Depreciation and Impairment								
Balance at beginning of year		750,319	280,250	262,507	242,007	77,226	133,930	1,746,239
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	266,523	269,728	242,828	69,236	135,753	1,499,238
Net Carrying Amount		₱12,470	₱2,615	₱50,370	₱2,533	₱13,001	₱5,093	₱86,082

Allowance for impairment loss on property and equipment amounted to ₱186.3 million as at December 31, 2022 and 2021.

14. **Investments in and Advances to Associates**

This account mainly consists of investment in APC Group, Inc., an entity incorporated in the Philippines, where the Parent Company has an effective interest of 48.8%.

	(In Thousands)	
	2022	2021
Investments in associates - net of allowance for impairment in value of ₱354.0 million	**₱118,744**	₱119,161
Advances to associates - net of allowance for impairment loss of ₱130.3 million	**528**	527
Net Carrying Amount	**₱119,272**	₱119,688

Investment in associates as of December 31, 2022 and 2021 consist of:

	Note	(In Thousands) 2022	2021
Acquisition cost		**₱5,716,536**	₱5,716,536
Accumulated equity in net losses			
Balance at beginning of year		**(5,254,916)**	(5,253,245)
Share in net loss	31	**(417)**	(1,671)
Balance at end of year		**(5,255,333)**	(5,254,916)
Accumulated share in unrealized gain on financial assets at FVOCI of associates - Balance at beginning and end of year		**14,061**	14,061
		475,264	475,681
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)
		₱118,744	₱119,161

The Group has an outstanding balance of subscription payable pertaining to these investments amounting to ₱45.9 million as at December 31, 2022 and 2021 (see Note 17).

The fair values of investment in APC Group, Inc., which is publicly listed in the PSE, amounted to ₱721.0 million and ₱770.0 million as at Dcember 31, 2022 and 2021, respectively. Fair values are determied by reference to quoted market price at the close of business as at reporting date.

The financial information of APC Group, Inc. is summarized below:

	(In Thousands) 2022	2021
Total current assets	**₱19,630**	₱16,636
Total noncurrent assets	**240,001**	242,442
Total current liabilities	**108,831**	108,121
Total noncurrent liabilities	**3,481**	3,281
Total equity	**147,319**	147,676
Revenue	**506**	401
Net loss	**(888)**	(8,548)
Total comprehensive loss	**(358)**	(5,153)

15. **Goodwill**

Goodwill acquired from business combinations as at December 31, 2022 and 2021 consist of (in thousands):

Acquisition of:	
POSC	₱1,717,644
FRI	110,934
	1,828,578
Allowance for impairment	(902,570)
	₱926,008

No provision for impairment loss on goodwill was recognized in 2022 and 2021. In 2020, provision for impairment loss on goodwill amounted to ₱417.8 million (see Note 29). Allowance for impairment loss on goodwill amounted to ₱902.6 million as at December 31, 2022 and 2021.

The goodwill from the acquisitions has been subjected to the annual impairment review in 2022 and 2021. 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 such as the Covid-19 pandemic on the macroeconomic factors used in developing the assumptions.

Key assumptions used in value in use calculations

The calculations of value in use for the cash-generating units are most sensitive to the following assumptions:

POSC

Discount Rate. Discount rate reflects management's estimate of the risks specific to the CGU. The pre-tax discount rate of 9.79% and 5.08% was used in 2022 and 2021, respectively, based on the Weighted Average Cost of Capital of POSC.

Revenue Growth Rate, Long-Term Growth Rate and Terminal Values. No growth rate was applied in the 5-year cash flow projections in 2022 and 2021, considering the contract of PinoyLotto with PCSO and historical performance of POSC.

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. The expected cash flows are discounted by applying a suitable WACC.

With the change in FRI's exclusivity arrangement with its principal goodwill in FRI was fully provided with allowance for impairment loss as at December 31, 2022 and 2021.

16. Other Noncurrent Assets

This account consists of:

		(In Thousands)	
	Note	**2022**	2021
CWT		**₱405,968**	₱374,792
Advances to contractors		**139,740**	139,740
Refundable deposits and construction bond		**127,227**	125,931
Deferred input VAT		**75,650**	96,765
Pension asset	34	**4,508**	17,384
Others		**3,301**	4,275
		₱756,394	₱758,887

Advances to contractors are advances that are expected to be refunded within two years after project's completion.

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	2022	2021
		(In Thousands)	
Trade		**₱218,816**	₱315,282
Accrued expenses		**703,232**	525,101
Withholding and output tax payable		**255,739**	238,020
Unearned income		**209,080**	320,241
Payables for land acquisitions	8	**145,157**	169,095
Advances from related parties	35	**64,491**	60,037
Customers' deposits		**52,925**	54,949
Subscription payable	14	**45,928**	45,928
Consultancy, software and license and management fees payable		**22,551**	37,019
Refundable deposit and others		**15,862**	43,629
		₱1,733,781	₱1,809,301

Trade payables are non-interest bearing with an average term of 90 days.

Accrued expenses and other payables mainly represent provisions. Other than provisions, accruals are usually payable within a 30-day term upon receipt of billing. The Group provides for probable losses. Provisions represent estimated probable losses arising in the normal course of business. As allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, further information are not disclosed so as not to prejudice the Group's position on the matter. In 2022, the Group recognized provisions amounting to ₱187.3 million (see Note 29). In 2021 and 2020, reversal of provisions amounted to ₱281.3 million and ₱756.1 million, respectively (see Note 31).

Unearned income pertains to the advance payment from Melco, which will be applied as payment of PLAI's gaming revenue share in the following financial year.

Payables for 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 annual interest rates ranging from 2.30% to 6.25% and 2.60% to 4.75% in 2022 and 2021, respectively. Loans payable have historically been renewed or rolled over.

The carrying amount of outstanding loans payable amounted to ₱450.0 million and ₱1,995.0 million as at December 31, 2022 and 2021, respectively.

Interest expense on loans payable charged to operations amounted to ₱30.3 million and ₱58.0 million in 2022 and 2021, respectively (₱81.0 million in 2020) (see Note 30).

19. Other Noncurrent Liabilities

This account consists of the following:

		(In Thousands)	
	Note	**2022**	2021
Refundable deposits		**₱225,583**	₱214,535
Deferred lease income		**150,591**	153,999
Pension liability	34	**17,903**	30,894
Others		**–**	9,981
		₱394,077	₱409,409

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)	
	2022	2021
Long-term debt	**₱4,937,500**	₱4,885,000
Current portion	**(29,000)**	(15,000)
Noncurrent portion	**₱4,908,500**	₱4,870,000

BDO Unibank, Inc.
On March 6, 2018, the Parent Company availed of ₱3,000.0 million facility for the purpose of refinancing its short-term loans with other banks and other general funding requirements. The loan is payable at the end of its seven-year term, is unsecured and bears an interest rate of 3.25% to 4.25% in 2022 and 4.00% to 4.90% in 2021.

The Parent Company drew down ₱800.0 million from the loan facility in 2018 and an additional ₱600.0 million in 2019. Outstanding balance of the loan amounted to ₱1,400.0 million as at December 31, 2022 and 2021.

Chinabank
The Parent Company availed of ₱3,500.0 million facility for the purpose of financing capital expenditures, refinancing existing debt obligations and other general corporate purposes. These are unsecured and payable within five years with an annual fixed interest rate of 4.75%.

The Parent Company drawn ₱1,000.0 million from the facility in 2020 and an additional ₱2,500.0 million in 2021. Outstanding balance of the loan amounted to ₱3,470.0 million and ₱3,485.0 million as at December 31, 2022 and 2021, respectively.

Unionbank
On October 15, 2022, PinoyLotto entered into a long-term loan agreement for a loan facility with a maximum aggregate principal amount of ₱1,000.0 million, the proceeds of which shall be used to partially finance the capital expenditure requirements of its PLS project.

In November 2022, PinoyLotto made its first drawdown for the principal amount of ₱135.0 million. The loan has a term of five years, payable in equal quarterly installments beginning on the second year from the initial drawdown up to the maturity. Annual effective interest rate on the loan is of 7.96%.

The loan is secured by a continuing surety of POSC and PGMC and maintenance of a debt service reserve account.

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, the Parent Company and PinoyLotto should comply with the minimum current ratio of 1.0x to 1.3x and maximum debt to equity ratio of 2.0x to 3.5x.

Pursuant to the terms of the loan agreement, PinoyLotto is required to comply with certain financial covenants starting June 30, 2024. PinoyLotto is also restricted from performing certain corporate acts such as declaration or payment of dividends and incurrence of additional long-term loans, among others, if doing so, will result in violation of financial ratios or default.

As at December 31, 2022 and 2021, the Group is in compliance with the terms of its loan covenants.

Repayment Schedule
The repayment schedules of long-term debt are as follows:

	(In Thousands)	
	2022	2021
Within one year	**₱29,000**	₱15,000
Within one to five years	**4,841,000**	4,870,000
More than five years	**67,500**	–
	₱4,937,500	₱4,885,000

Interest expense on long-term debt amounted to ₱204.9 million and ₱225.2 million in 2022 and 2021, respectively (₱237.4 million in 2020) (see Note 30).

21. **Equity**

Preferred Stock
As at December 31, 2022 and 2021, the Parent Company has not issued any preferred stock out of the authorized 6,000,000,000 shares at ₱1 par value. Pursuant to 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, 2022 and 2021, the Parent Company's authorized common stock amounted to ₱14,000.0 million divided into 14,000,000,000 shares at ₱1 par value per share.

Movements in the number of issued, treasury and outstanding shares of the Parent Company are as follows:

	2022	2021	2020
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	**797,873,560**	797,874,560	797,874,560
Purchase	**66,663,000**	–	–
Reissuance	**–**	(1,000)	–
Balance at end of year	**864,536,560**	797,873,560	797,874,560
Outstanding shares	**9,696,463,297**	9,763,126,297	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
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	

Cost of Parent Company Shares Held by Subsidiaries
On February 4, 2022, the Parent Company repurchased 66,663,000 Parent Company shares held by POSC for a consideration of ₱88.7 million and related cost of ₱309.9 million.

As at December 31, 2022 and 2021, subsidiaries collectively hold Parent Company common shares totaling 252,378,183 and 319,041,183, respectively, with cost aggregating to ₱1,154.4 million and ₱1,464.3 million, respectively. These are presented as "Cost of Parent Company shares held by subsidiaries" account in the consolidated statements of financial position.

Other Equity Reserves
Other equity reserves include transactions with noncontrolling interests pertaining to the proceeds and transaction costs related to the sale of the Group's interest in PLC without loss of control amounting to ₱3,044.1 million as at December 31, 2022 and 2021.

Retained Earnings
The consolidated retained earnings as at December 31, 2022 and 2021 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 ₱2,745.1 million and ₱1,926.2 million as at December 31, 2022 and 2021, respectively.

Dividends
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 on March 13, 2020 with the payment made on March 27, 2020.

On February 28, 2023, the Parent Company's BOD approved the declaration of cash dividends of ₱0.06 per share amounting to approximately ₱600.0 million to shareholders of record as at March 15, 2023. Total dividends are inclusive of dividends payable to subsidiaries which hold Parent Company shares amounting to ₱15.1 million.

22. **Gaming Revenue Share** - net

Gaming revenue share is determined as follows:

	(In Thousands)		
	2022	2021	2020
Gaming revenue share - gross	**₱1,973,906**	₱2,040,109	₱1,017,666
Less PAGCOR license fee paid by Melco	**413,061**	739,818	382,449
Gaming revenue share - net	**₱1,560,845**	₱1,300,291	₱635,217

23. **Other Revenue**

This account consists of:

	Note	(In Thousands)		
		2022	2021	2020
Amortization of discount on trade receivables	7	**₱105,051**	₱72,600	₱69,517
Gain on repossession		**46,691**	18,015	44,729
Income from forfeitures		**37,677**	1,152	269
Penalty		**3,297**	2,192	2,215
Income from playing rights		**1,161**	536	1,250
Gain on sale of model unit		**–**	–	10,153
Others		**16,790**	24,451	15,125
		₱210,667	₱118,946	₱143,258

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 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.

24. **Cost of Lottery Services**

This account consists of:

	Note	(In Thousands)		
		2022	2021	2020
Online lottery system expenses		**₱102,334**	₱112,725	₱99,095
Software and license fees	36	**60,508**	54,498	40,566
Communication fees		**52,107**	59,064	95,157
Depreciation and amortization	10	**29,218**	71,071	97,893
Marketing expenses		**3,381**	–	–
Rental and utilities	33	**–**	10,028	11,261
Technical, software development and service fees		**–**	66,818	126,590
Personnel costs		**–**	–	15,773
Operating supplies		**–**	–	7,876
		₱247,548	₱374,204	₱494,211

25. Cost of Gaming Operations

This account consists of:

	Note	2022	2021	2020
		(In Thousands)		
Depreciation and amortization	10	**₱115,834**	₱115,834	₱115,834
Payroll-related expenses		**12,207**	11,919	11,808
Transportation and travel		**4,272**	4,191	4,145
Others		**4,033**	3,951	3,905
		₱136,346	₱135,895	₱135,692

26. Cost of Real Estate Sold

The cost of real estate sold amounted to ₱443.4 million and ₱301.4 million in 2022 and 2021, respectively (₱134.9 million in 2020).

27. Cost of Lease Income

This account consists of:

	Note	2022	2021	2020
		(In Thousands)		
Depreciation and amortization	10	**₱1,132,186**	₱1,069,566	₱1,034,996
Taxes		**171,587**	171,587	137,680
Insurance		**25,650**	49,205	29,245
Maintenance		**8,243**	4,590	4,593
		₱1,337,666	₱1,294,948	₱1,206,514

28. Cost of Services for Property Management

This account consists of:

	Note	2022	2021	2020
		(In Thousands)		
Water services		**₱69,265**	₱51,625	₱50,178
Power and maintenance		**59,798**	52,549	42,167
Depreciation and amortization	10	**10,549**	9,400	8,612
		₱139,612	₱113,574	₱100,957

29. General and Administrative Expenses

This account consists of:

	Note	(In Thousands) 2022	2021	2020
Provisions		**₱187,301**	₱–	₱610,810
Security, janitorial and service fees	35	**179,239**	166,700	137,688
Personnel costs	34	**104,679**	128,413	168,142
Transportation and travel		**73,856**	95,574	104,417
Taxes and licenses		**43,871**	92,307	102,398
Management and professional fees	35, 36	**34,872**	30,459	18,093
Selling expenses		**25,423**	23,529	23,982
Representation and entertainment		**23,893**	29,203	50,480
Rentals and utilities	33, 35	**15,041**	7,327	22,257
Pre-operating expenses		**13,993**	48,630	–
Marketing and advertising		**12,692**	640	3,068
Depreciation and amortization	10	**8,872**	23,372	20,541
Repairs and maintenance		**7,517**	7,154	7,177
Insurance		**4,529**	5,182	5,848
Registration fees		**4,273**	6,339	5,322
Communication		**3,205**	4,819	5,689
Others		**23,293**	23,455	27,047
		₱766,549	₱693,103	₱1,312,959

Provisions represent estimated probable losses arising in the normal course of business in 2022 (see Note 17). In 2020, provisions pertain to impairment losses on goodwill, receivables, other current assets and right-of-use assets (see Notes 7, 9, 15 and 33).

Details of pre-operating expenses incurred by PinoyLotto are as follows:

	(In Thousands) 2022	2021	2020
Professional fees	**₱6,222**	₱–	₱–
Bank charges	**3,266**	–	–
Taxes and licenses	**2,741**	–	–
Rent and utilities	**921**	–	–
Entertainment and representation	**398**	–	–
Others	**445**	48,630	–
	₱13,993	₱48,630	₱–

Others pertain to office supplies, seminar fees and association dues incurred during the year.

30. Interest Income and Interest Expense

The sources of the Group’s interest income follow:

	Note	(In Thousands) 2022	2021	2020
Cash and cash equivalents	5	**₱19,150**	₱18,868	₱49,861
Contract assets	7	**3,681**	6,113	5,590
		₱22,831	₱24,981	₱55,451

The sources of the Group's interest expense follow:

		(In Thousands)		
	Note	**2022**	2021	2020
Lease liabilities	33	**₱272,936**	₱288,653	₱214,408
Long-term debt	20	**204,891**	225,189	237,418
Loans payable	18	**30,274**	57,996	81,011
Others		**8,241**	31,994	26,733
		₱516,342	₱603,832	₱559,570

31. **Other Income (Charges)** - Net

This account consists of:

		(In Thousands)		
	Note	**2022**	2021	2020
Dividend income	6, 11	**₱6,300**	₱5,275	₱13,995
Gain from disposal of net assets of subsidiaries		**543**	–	70,338
Share in net loss of associates	14	**(417)**	(1,671)	(2,519)
Gain on sale of property and equipment		**396**	176	16
Reversal of provision for probable loss	17	**–**	281,317	756,115
Reversal of allowance for impairment loss on contract asset	36	**–**	26,000	–
Pre-termination gain (loss) on leases	33	**–**	(567)	13,114
Bank service charges		**–**	–	(10,174)
Others - net		**7,735**	(37)	2,309
		₱14,557	₱310,493	₱843,194

On February 13, 2020, POSC concluded the sale of all of its equity interest in Lucky Circle Corporation (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 amounted to ₱70.3 million in 2020.

32. **Income Taxes**

The provision for current income tax consists of the following:

	(In Thousands)		
	2022	2021	2020
RCIT	**₱14,627**	₱11,118	₱36,653
MCIT	**13,958**	1,538	–
	₱28,585	₱12,656	₱36,653

The components of the net deferred tax liabilities of the Group are as follows:

	(In Thousands)	
	2022	2021
Deferred tax assets:		
Lease liabilities	**₱1,559,843**	₱1,632,667
NOLCO	**174,617**	344,374
Discount on trade receivables	**53,798**	42,960
Deferred lease income	**37,648**	40,702
Accretion of refundable deposits	**9,331**	9,737
Doubtful accounts	**5,950**	5,950
Unamortized past service costs	**1,651**	4,018
Provision for dismantling cost	**1,221**	1,138
Unrealized foreign exchange loss	**126**	–
Pension liability	**111**	4,016
	1,844,296	2,085,562
Deferred tax liabilities:		
Excess of carrying amount of investment property over construction costs	**(1,836,920)**	(1,787,407)
Right-of-use assets	**(1,401,146)**	(1,497,483)
Lease incentives	**(450,712)**	(487,274)
Accrued rent income	**(331,636)**	(358,539)
Difference between tax and accounting for real estate transactions	**(237,324)**	(228,678)
Unaccreted discount on refundable deposits	**(41,817)**	(44,579)
Deferred income on real estate sales	**(16,841)**	(5,168)
Deferred lease expense	**(10,008)**	(10,214)
Contract assets	**(1,000)**	(17,580)
Unrealized foreign exchange gain	**(125)**	(218)
Pension asset	**(103)**	(4,346)
	(4,327,632)	(4,441,486)
Net deferred tax liabilities	**(₱2,483,336)**	(₱2,355,924)

The components of deferred tax are presented as follows:

	(In Thousands)	
	2022	2021
In profit or loss	**(₱2,476,514)**	(₱2,348,396)
In other comprehensive income	**(6,822)**	(7,528)
	(₱2,483,336)	(₱2,355,924)

The deferred taxes presented in the consolidated statements of financial position as at December 31, 2022 and 2021 are as follows:

	(In Thousands)	
	2022	2022
Deferred tax assets	**₱–**	₱21,399
Deferred tax liabilities	**(2,483,336)**	(2,377,323)
Net deferred tax liabilities	**(₱2,483,336)**	(₱2,355,924)

The components of the Group's unrecognized deferred tax assets as at December 31, 2022 and 2021 are as follows:

	(In Thousands)	
	2022	2021
Allowances for:		
Impairment losses - project development costs and others	**₱2,967,275**	₱2,967,275
Doubtful accounts	**574,880**	574,880
Probable losses	**80,134**	33,309
NOLCO	**196,137**	244,079
Excess MCIT over RCIT	**15,496**	1,538
	₱3,833,922	₱3,821,081

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
2022	₱–	₱86	₱–	₱–	₱86	2025
2021	723,017	–	–	–	723,017	2026
2020	1,438,939	–	(679,028)	–	759,911	2025
2019	191,856	–	–	(191,856)	–	2022
	₱2,353,812	₱86	(₱679,028)	(₱191,856)	₱1,483,014	

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 deferred tax assets related to NOLCO amounting to ₱784.5 million and ₱976.3 million as at December 31, 2022 and 2021 were not recognized since management believes that there will be no sufficient future taxable income 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
2022	₱–	₱13,958	₱–	₱13,958	2025
2021	1,538	–	–	1,538	2024
	₱1,538	₱13,958	₱–	₱15,496	

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 statements of comprehensive income is as follows:

	(In Thousands)		
	2022	2021	2020
Income tax at statutory income tax rate	**₱466,790**	₱54,143	₱335,705
Income tax effects of:			
Nontaxable income	**(391,939)**	(404,596)	(194,737)
Nondeductible expenses and others	**51,518**	89,231	65,318
Expired NOLCO	**47,964**	1,427	29
Change in unrecognized deferred tax assets	**(12,841)**	97,027	2,881
Income subjected to final tax	**(4,788)**	(4,848)	(15,004)
Reversal of deferred tax assets	**–**	–	26,158
Others	**–**	–	6,967
Change in income tax rate	**–**	(361,013)	–
	₱156,704	(₱528,629)	₱227,317

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 became retrospectively 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 amounted to ₱361.0 million were recognized in 2021.

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 for a period of 10 years commencing on April 23, 2010. The lease rates are based on a fixed amount, subject to escalation. The contract may be renewed or extended upon such terms and conditions that are mutually acceptable to the parties. In 2012, the lease term was extended until April 2035.

In 2020, the Parent Company amended the lease agreement to shorten the lease term until July 31, 2023 and transferred the land improvements to Social Security System (SSS). Moreover, the lease rate will be subjected to repricing on its 6th year and 11th year. The Parent Company accounted for these amendments as a lease modification. Gain on the shortening of the lease term amounting to ₱13.1 million was recognized as part of "Pre-termination gain on leases" under "Other income (charges) - net" account in the consolidated statements of comprehensive income (see Note 31).

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.

The Parent Company has a lease agreement with SM Prime Holdings, 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, 2022, the operating lease agreement was renewed for another five years ending on July 31, 2027.

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 ₱15.0 million and ₱18.6 million in 2022 and 2021, respectively, (₱27.8 million in 2020) (see Notes 24 and 29).

Movements of right-of-use assets follows:

		(in Thousands)			
		2022			
	Note	**Air Rights**	**Office and Warehouse**	**Equipment**	**Total**
Cost					
Balance at beginning of year		**₱53,673**	**₱34,963**	**₱163,499**	**₱252,135**
Additions		**–**	**39,655**	**–**	**39,655**
Derecognition		**–**	**(28,291)**	**–**	**(28,291)**
Balance at end of year		**53,673**	**46,327**	**163,499**	**263,499**
Accumulated Depreciation, Amortization and Impairment					
Balance at beginning of year		**11,104**	**22,720**	**163,499**	**197,323**
Depreciation and amortization	10	**3,701**	**13,539**	**–**	**17,240**
Derecognition		**–**	**(28,290)**	**–**	**(28,290)**
Balance at end of year		**14,805**	**7,969**	**163,499**	**186,273**
Carrying amount		**₱38,868**	**₱38,358**	**₱–**	**₱77,226**

		(in Thousands)			
		2021			
	Note	Air Rights	Office and Warehouse	Equipment	Total
Cost					
Balance at beginning of year		₱53,673	₱37,051	₱163,499	₱254,223
Additions		–	8,926	–	8,926
Termination of lease		–	(11,014)	–	(11,014)
Balance at end of year		53,673	34,963	163,499	252,135
Accumulated Depreciation, Amortization and Impairment					
Balance at beginning of year		7,403	11,589	163,499	182,491
Depreciation and amortization	10	3,701	20,671	–	24,372
Termination of lease		–	(9,540)	–	(9,540)
Balance at end of year		11,104	22,720	163,499	197,323
Carrying amount		₱42,569	₱12,243	₱–	₱54,812

The following are the amounts recognized in the consolidated statements of comprehensive income:

	Note	(In Thousands)		
		2022	2021	2020
Interest expense on lease liabilities	30	**₱272,936**	₱288,653	₱214,408
Amortization of right-of-use assets	10	**17,240**	24,372	37,203
Expenses relating to short-term leases	24, 29	**15,041**	17,335	33,518
Pre-termination loss (gain) on leases	31	**–**	567	(13,114)
Impairment loss of right-of-use assets		**–**	–	9,325
		₱305,217	₱330,927	₱281,340

Movements of lease liabilities follows:

	(In Thousands)	
	2022	2021
Balance at beginning of year	**₱6,542,094**	₱6,687,494
Interest expense	**272,936**	288,653
Additions	**39,887**	8,926
Payments	**(608,769)**	(440,938)
Termination of lease	**–**	(2,041)
Balance at end of year	**6,246,148**	6,542,094
Current portion of lease liabilities	**403,241**	345,679
Lease liabilities - net of current portion	**₱5,842,907**	₱6,196,415

Shown below is the maturity analysis of the undiscounted lease payments:

	(In Thousands)	
	2022	2021
Within 1 year	**₱665,095**	₱627,948
After 1 year but not more than 5 years	**2,738,526**	1,942,988
After 5 years	**4,465,705**	5,865,696

Refundable Deposits
The Group paid deposits as security to various leases amounting to ₱88.4 million and ₱84.6 million as at December 31, 2022 and 2021, respectively. 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). The ELA was extended to July 31, 2022 and further extended on a month-to-month basis up to May 31, 2023. Rental payments are based on a percentage of gross amount of lotto ticket sales from the operation of all POSC's lotto terminals. Equipment rental income recognized in the consolidated statements of comprehensive income amounted to ₱512.8 million and ₱390.8 million in 2022 and 2021, respectively (₱245.9 million in 2020).

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 2021, the ELA was extended on a month-to-month basis not exceeding 1 year, commencing from April 1, 2021 and not exceeding April 1, 2022. The ELA expired and was not renewed in 2022. Rental payment by PCSO is based on a certain percentage of the gross amount of the “Online KENO” games from the operation of all TGTI’s KENO terminals. Equipment rental income recognized in the consolidated statements of comprehensive income amounted to ₱6.3 million and ₱35.6 million in 2022 and 2021, respectively (₱47.2 million in 2020).

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 on the lease of land and building to Melco. The 2020 rental payments were reduced to ₱278.9 million from ₱2,349.6 million. The Parent Company accounted for this lease concession as a lease modification that gives rise to a new lease.

In 2022 and 2021, the Parent Company and Melco agreed to amend its lease contract whereby the 2021 rental payments were changed to include minimum guaranteed rental payments and an additional lease payment subject to certain conditions such as operating capacity and lifting of some restrictions. Total rental payments for 2022 amounted to ₱2,054.3 million and the subsequent rental payments will consist of a fixed base rent and a variable rent based on the percentage ratio of actual against target gross gaming revenues of City of Dreams Manila.

In 2022 and 2021, the Parent Company recognized lease income to the extent collectible. The Parent Company recognized lease income on the lease of land and building to Melco amounting to ₱2,054.3 million and ₱807.9 million in 2022 and 2021, respectively (₱2,663.2 million in 2020).

As at December 31, 2022 and 2021, the minimum lease payments to be received by the Parent Company on the lease on the land and building are as follows:

	(In Thousands)	
	2022	2021
Within one year	**₱2,235,101**	₱2,652,233
In more than one year and not more than five years	**9,870,926**	11,134,229
In more than five years	**16,658,787**	18,498,064
	₱28,764,814	₱32,284,526

The Group carried receivables relating to these leases amounting to ₱3,106.4 million and ₱3,523.9 million under the “Receivables” account in the consolidated statements of financial position as at December 31, 2022 and 2021, respectively (see Note 7).

Costs incurred for these leases, which consist of taxes, property insurance and other costs, are presented under “Cost of lease income” account in the consolidated statements of comprehensive income (see Note 27).

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, 2022.

PLC provides for a defined benefit minimum guarantee for its qualified employees based on Republic Act No. 7641.

Changes in the retirement benefits of the Group in 2022 are as follows:

	(In Thousands)		
	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Pension Asset (Liability)**
Balance at beginning of year	**(₱169,357)**	**₱155,847**	**(₱13,510)**
Net retirement income (costs) in profit or loss:			
Current service cost	**(12,092)**	**–**	**(12,092)**
Net interest	**(8,804)**	**8,187**	**(617)**
	(20,896)	**8,187**	**(12,709)**
Benefits paid	**32,751**	**(32,751)**	**–**
Contributions	**–**	**10,000**	**10,000**
Remeasurement gain (loss) recognized in OCI:			
Actuarial changes from changes in:			
Experience adjustment	**14,679**	**–**	**14,679**
Financial assumptions	**(2,474)**	**–**	**(2,474)**
Demographic assumptions	**(1,098)**	**–**	**(1,098)**
Actual return excluding interest income	**–**	**(10,352)**	**(10,352)**
Effect of asset ceiling	**–**	**2,069**	**2,069**
	11,107	**(8,283)**	**2,824**
Balance at end of year	**(146,395)**	**₱133,000**	**(₱13,395)**

Changes in the retirement benefits of the Group in 2021 are as follows:

	(In Thousands)		
	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 from changes in:			
Experience adjustment	18,158	–	18,158
Financial assumptions	12,067	–	12,067
Demographic assumptions	7,690	–	7,690
Actual return excluding interest income	–	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)

The retirement benefits are presented in the consolidated statements of financial position as at December 31, 2022 and 2021 as follows:

	Note	(In Thousands) 2022	2021
Pension asset	16	**₱4,508**	₱17,384
Pension liability	19	**(17,903)**	(30,894)
Net pension liability		**(₱13,395)**	(₱13,510)

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) 2022	2021
Cash and cash equivalents	**47%**	9%
Debt instruments - government bonds	**33%**	55%
Unit investment trust funds	**12%**	30%
Mutual fund	**4%**	3%
Others	**4%**	3%
	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 defined benefit asset or obligation under the retirement plan.

The principal assumptions used to determine retirement plan assets as at December 31 are as follows:

	2022	2021
Discount rates	**5.05%-7.32%**	4.99%-5.19%
Future salary increases	**6.00%-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, 2022 and 2021 assuming all other assumptions were held constant:

	2022		2021	
	Increase (Decrease)	**Increase (Decrease) in Defined Benefit Obligation (In thousands)**	Increase (Decrease)	Increase (Decrease) in Defined Benefit Obligation (In thousands)
Discount rate	**1.00%**	**(₱55,423)**	1.00%	(₱10,243)
	(1.00%)	**44,572**	(1.00%)	12,145
Salary increase rate	**1.00%**	**61,789**	100%	12,058
	(1.00%)	**(49,464)**	(1.00%)	(8,184)

The average duration of the Group's defined benefit obligation is 16.35 years in 2022.

The maturity analysis of the undiscounted benefit payments follows:

	(In Thousands)	
	2022	2021
Less than 1 year	**₱71,137**	₱86,621
More than 1 year to 5 years	**23,058**	18,215
More than 5 years	**424,528**	64,569

35. Related Party Transactions

In the ordinary course of business, the Group has the following transactions with related parties:.

Related Party	Relationship	Transaction		Transaction Amounts	Outstanding Balance	Terms	Conditions
				(In Thousands)			
APC	Associate	Reimbursable expenses (see Note 14)	**2022**	**₱1**	**₱79,977**	Noninterest-bearing, due and demandable	Unsecured, partially provided with allowance for impairment amounting to ₱79,449
			2021	₱–	₱79,976		
Belle Jai Alai	Associate	Advances to associate (see Note 14)	**2022**	**–**	**29,398**	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
			2021	–	29,398		
Others	Associate	Advances to associates (see Note 14)	**2022**	**–**	**21,405**	Noninterest-bearing, due and demandable	Unsecured, fully provided with allowance for impairment
			2021	–	21,405		
Others	Associate	Advances from related parties (see Note 17)	**2022**	**4,454**	**64,491**	Noninterest-bearing, due and demandable	Unsecured
			2021	21,936	60,037		
SM Prime Holdings, Inc.	With common stockholders	Lease	**2022**	**16,068**	**–**	5 years, renewable	Unsecured
			2021	12,690	–		
			2020	9,774	–		
SM Investments Corporation	With common stockholders	Service fees	**2022**	**66,000**	**–**	1 year, renewable	Unsecured
			2021	66,000	–		
			2020	66,000	–		
Highlands Prime, Inc. (HPI)	With common stockholders	Service fees	**2022**	**77,140**	**–**	5 years, renewable	Unsecured
			2021	85,658	–		
			2020	3,884	–		
SM Arena Complex Corporation	With common stockholders	Sponsorship agreement	**2022**	**–**	**–**	3 years	Unsecured
			2021	–	–		
			2020	4,500	–		
Directors and officers	Key management personnel	Short-term employee benefits	**2022**	**73,128**	**–**	Not applicable	Unsecured
			2021	67,441	–		
			2020	61,553	–		
		Long-term employee benefits	**2022**	**2,413**	**–**	Not applicable	Unsecured
			2021	4,691	–		
			2020	4,252	–		
		Professional fees	**2022**	**19,142**	**–**	Not applicable	Unsecured
			2021	15,499	–		
			2020	13,190	–		

There are 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.

Allowance provided on advances to associates charged to "Investments in and Advances to Associates" amounted to ₱130.3 million as at December 31, 2022 and 2021 (see Note 14).

Transactions with other related parties are as follows:

- In 2019, the Parent Company entered into a renewable one-year service agreement with SM Investments Corporation. Service fees charged by SMIC to the Parent Company amounted to ₱66.0 million in 2022 and 2021 (and 2020). These are recognized under “General and administrative expenses” in the consolidated statements of comprehensive income (see Note 29).

- 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 ₱77.1 million and ₱85.7 million in 2022 and 2021, respectively, (₱3.9 million in 2020). These are recognized under “General and administrative expenses” in consolidated statements of comprehensive income (see Note 29).

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. As at December 31, 2022 and 2021, the Group and its co-licensees have complied with the Investment Commitment.

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.

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 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 amounted to ₱1,560.8 million and ₱1,300.3 million in 2022 and 2021, respectively (₱635.2 million in 2020) (see Note 22).

Agreements with PCSO

POSC. 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.

Pursuant to the amended ELA, the Parent Company 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, 2022 and 2021, the total guarantee deposits, included under “Other current assets” account in the consolidated statements of financial position, amounted to ₱12.0 million (see Note 9).

Since July 31, 2019, the period covered by ELA had several extensions to allow 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. The last extension was for a month-to-month basis up to May 31, 2023.

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 Luzon and VISMIN operations. The number of installed lotto terminals totaled 3,605 and 3,129 as at December 31, 2021 and 2020, respectively. POSC’s rental income amounted to ₱512.7 million and ₱390.8 million in 2022 and 2021, respectively (₱245.9 million in 2020) (see Note 33).

TGTI. 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.

Since December 11, 2020, the ELA has several extensions until April 1, 2022 when the ELA expired and was not renewed.

The ELA also required TGTI to post a cash bond and performance security bond with an aggregate amount of ₱2.5 million. The guarantee deposit is in included under “Other current assets” account in the consolidated statements of financial position (see Note 9).

The number of installed online KENO terminals totaled 57 and 569 as at December 31, 2022 and 2021, respectively. TGTI’s revenue from equipment rental amounted to ₱6.3 million and ₱35.6 million in 2022 and 2021, respectively (₱47.2 million in 2020) (see Note 33).

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 the 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.

In 2020, management recognized an impairment loss of ₱26.0 million on contract assets because of the delays on the payment of accrued license fees equivalent to the months when the PCSO games were suspended. These were subsequently reversed in 2021 when payments were received (see Notes 29 and 31).

As at December 31, 2022 and 2021, contract asset recognized for the earned consideration but not yet collected amounted to ₱4.0 million and ₱70.3 million, respectively. Accreted interest income amounted to ₱3.7 million and ₱6.1 million in 2022 and 2021, respectively (₱5.6 million in 2020) (see Note 7).

POSC's Contracts with Scientific Games and Intralot

Scientific Games. As at December 31, 2022 and 2021, 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.

In 2022, the contract with Scientific Games was extended until December 31, 2022.

Intralot. As at December 31, 2022 and 2021, 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 2022, the contract with POSC was extended until December 31, 2022 while the contract with TGTI was no longer renewed because TGTI's ELA with PCSO expired on April 1, 2022.

Software and license fee recognized pertaining to above contracts amounted to ₱60.5 million and ₱54.5 million in 2022 and 2021, respectively (₱40.6 million in 2020) (see Note 24).

Interest in a Joint Operation of PinoyLotto Technologies Corp. (PinoyLotto)

On June 21, 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' with a contract price of ₱5,800.0 million (see Note 1).

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, 2022 and 2021 are as follows:

	(in Thousands)			
	2022		2021	
	PinoyLotto	**Share in Joint Operation**	PinoyLotto	Share in Joint Operation
Cash	**₱51,785**	**₱25,892**	₱5,377	₱2,687
Advances to supplier	**418,472**	**209,236**	–	–
Other current assets	**4,579**	**2,289**	263	131
Intangible assets	**29**	**14**	–	–
Trade and other current liabilities	**(5)**	**(2)**	(4)	(2)
Advances from shareholder	**(26,222)**	**(13,111)**	–	–
Loans payable	**(135,000)**	**(67,500)**	–	–
Net loss (mainly pre-operating expenses)	**27,957**	**27,957**	**13,979**	97,264

In connection with the acquisition of property and equipment pursuant to the PLS Project, PinoyLotto entered into purchase, supply, implementation and maintenance support agreements in 2022. The estimated capital expenditure is ₱1.36 billion. Advances made to suppliers as at December 31, 2022 amounted to ₱418.5 million.

37. Basic/Diluted EPS

The basic/diluted earnings per share were computed as follows:

	(In Thousands, Except for EPS)		
	2022	2021	2020
Earnings attributable to Equity holders of the Parent (a)	**₱1,395,751**	₱576,983	₱1,001,281
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)**	(797,874)	(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 (purchased) during the year	**(60,271)**	500	–
Weighted average number of parent company common shares held by subsidiaries redeemed during the year	**60,271**	–	–
Weighted average number of issued common shares - basic, at end of year (b)	**9,444,085**	9,444,585	9,444,084
Basic/diluted EPS (a/b)	**₱0.148**	₱0.061	₱0.106

There are no common stock equivalents that would have a dilutive effect on the basic EPS.

38. **Financial Risk Management Objectives and Policies, Capital Management and Fair Value of Financial Instruments**

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, advances to associates, refundable deposits and construction bonds, guarantee deposits, loans payable, long-term debt and lease liability.

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)	
	2022	2021
Increase (decrease) in basis points:		
100	**(₱5,163)**	(₱6,038)
(100)	**5,163**	6,038
50	**(2,581)**	(3,019)
(50)	**2,581**	3,019

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, 2022 and 2021, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	(in Thousands)			
	2022		2021	
	USD	**Peso Equivalent**	USD	Peso Equivalent
Cash and cash equivalents	**$1,963**	**₱109,435**	$209	₱10,679
Consultancy and software license fee payable*	**(838)**	**(46,733)**	(733)	(37,455)
Net foreign currency-denominated financial assets	**$1,125**	**₱62,702**	($524)	(₱26,776)

**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 ₱55.76 and ₱51.09 to US$1.0 as at December 31, 2022 and 2021, 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 income tax as at December 31, 2022 and 2021. 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.

	2022		2021	
	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)	**₱3,135**	**(₱3,135)**	₱1,339	(₱1,339)

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 financial assets at FVPL and FVOCI consisting of 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 2022 and 2021 consolidated total comprehensive income before income tax:

	(In Thousands)	
Increase (Decrease) in Equity Price	**2022**	2021
Impact in profit or loss		
5%	**₱3,634**	₱3,653
(5%)	**(3,634)**	(3,653)
Impact in comprehensive income		
5%	**₱466,055**	₱363,521
(5%)	**(466,055)**	(363,521)

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, receivables, advances to associates, deposits, refundable deposits and construction bonds, and guarantee deposits, 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)						
	2022						
	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*	**₱1,773,922**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,773,922**
Receivables	**5,029,248**	**6,163**	**2,313**	**1,686**	**2,297**	**720,628**	**5,762,335**
Advances to associates**	**528**	**–**	**–**	**–**	**–**	**130,254**	**130,782**
Refundable deposits and construction bond***	**127,227**	**–**	**–**	**–**	**–**	**–**	**127,227**
Guarantee deposits****	**14,500**	**–**	**–**	**–**	**–**	**–**	**14,500**
	₱6,945,425	**₱6,163**	**₱2,313**	**₱1,686**	**₱2,297**	**₱850,882**	**₱7,808,766**

**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.*
*****Presented under "Other current 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*	₱2,081,651	₱–	₱–	₱–	₱–	₱–	₱2,081,651
Receivables	5,099,896	–	9,407	5,181	45,982	720,628	5,881,094
Advances to associates**	527	–	–	–	–	130,254	130,781
Refundable deposits and construction bond***	125,931	–	–	–	–	–	125,931
Guarantee bonds****	14,500	–	–	–	–	–	14,500
	₱7,322,505	₱–	₱9,407	₱5,181	₱45,982	₱850,882	₱8,233,957

**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.*
*****Presented under "Other current 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)			
	2022			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Cash and cash equivalents*	**₱1,773,922**	**₱–**	**₱–**	**₱1,773,922**
Receivables	**5,029,258**	**12,459**	**720,628**	**5,762,345**
Advances to associates**	**528**	**–**	**130,254**	**130,782**
Refundable deposits and construction bonds***	**127,227**	**–**	**–**	**127,227**
Guarantee deposits****	**14,500**	**–**	**–**	**14,500**
Gross Carrying Amount	**₱6,945,435**	**₱12,459**	**₱850,882**	**₱7,808,776**

**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.*
*****Presented under "Other current assets" account in the consolidated statement of financial position.*

	(In Thousands)			
	2021			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Cash and cash equivalents*	₱2,081,651	₱–	₱–	₱2,081,651
Receivables	5,099,896	60,570	720,628	5,881,094
Advances to associates**	527	–	130,254	130,781
Refundable deposits and construction bonds***	125,931	–	–	125,931
Guarantee deposits****	14,500	–	–	14,500
Gross Carrying Amount	₱7,322,505	₱60,570	₱850,882	₱8,233,957

**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.*
*****Presented under "Other current assets" account in the consolidated statement of financial position.*

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, 2022 and 2021 based on contractual undiscounted cash flows.

	(In Thousands) 2022					
	On Demand	**< 6 Months**	**6 Months to 1 Year**	**1–3 Years**	**> 3 Years**	**Total**
Trade and other current liabilities*	**₱1,216,037**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,216,037**
Loans payable	**450,017**	**–**	**–**	**–**	**–**	**450,017**
Long-term debt	**–**	**–**	**29,000**	**4,841,000**	**67,500**	**4,937,500**
Lease liability**	**–**	**331,590**	**331,590**	**1,369,263**	**5,834,967**	**7,867,410**
Refundable deposit***	**–**	**–**	**–**	**–**	**225,583**	**225,583**
	₱1,666,054	**₱331,590**	**₱360,590**	**₱6,210,263**	**₱6,128,050**	**₱14,696,547**

**Excluding withholding and output tax payable, unearned income and customers' deposits.*
***based on undiscounted payments*
****Presented under "Other noncurrent liabilities" account in the consolidated statement of financial position.*

	(In Thousands) 2021					
	On Demand	< 6 Months	6 Months to 1 Year	1–3 Years	> 3 Years	Total
Trade and other current liabilities*	₱1,196,091	₱–	₱–	₱–	₱–	₱1,196,091
Loans payable	1,995,017	–	–	–	–	1,995,017
Long-term debt	–	–	15,000	4,870,000	–	4,885,000
Lease liability**	–	299,399	315,494	1,323,775	6,501,123	8,439,791
Refundable deposit***	–	–	–	–	214,535	214,535
	₱3,191,108	₱299,399	₱330,494	₱6,193,775	₱6,715,658	₱16,730,434

**Excluding withholding and output tax payable, unearned income and customers' deposits.*
***based on undiscounted 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 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 2022 and 2021.

The Group considers the following as its capital:

	(In Thousands)	
	2022	2021
Common stock	**₱10,561,000**	₱10,561,000
Additional paid-in capital	**5,503,731**	5,503,731
Treasury stock	**(2,565,359)**	(2,476,697)
Cost of Parent Company common shares held by subsidiaries	**(1,154,409)**	(1,494,322)
Equity share in cost of Parent Company shares held by associates	**(2,501)**	(2,501)
Retained earnings	**13,501,329**	12,175,075
	₱25,843,791	₱24,266,286

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)				
	2022				
	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:					
Financial assets at FVOCI	**₱9,321,093**	**₱9,321,093**	**₱6,509,070**	**₱–**	**₱2,806,023**
Financial assets at FVPL	**72,682**	**72,682**	**72,682**	**–**	**–**
Assets for which fair value is disclosed -					
Investment properties	**23,239,249**	**41,782,462**	**–**	**–**	**41,782,462**
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	**225,583**	**212,873**	**–**	**–**	**212,873**
Long-term debt	**4,908,500**	**4,695,311**	**–**	**–**	**4,695,311**

	(In Thousands)				
	2021				
	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:					
Financial assets at FVOCI	₱7,270,420	₱7,270,420	₱4,639,176	₱–	₱2,631,244
Financial assets at FVPL	73,054	73,054	73,054	–	–
Assets for which fair value is disclosed -					
Investment properties	24,371,435	41,782,462	–	–	41,782,462
Liabilities					
Liabilities for which fair value is disclosed:					
Refundable deposits	214,535	202,448	–	–	202,448
Long-term debt	4,885,000	4,987,980	–	–	4,987,980

The Company has no financial liabilities measured at fair value as at December 31, 2022 and 2021. There were no transfers between fair value measurements in 2022 and 2021.

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 and Trade and Other Current Liabilities. 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.

Refundable Deposits. The fair value of refundable deposits is estimated at the present value of future cash flows discounted using the prevailing market rate of 5.21% and 2.68% in 2022 and 2021, respectively.

Long-term Debt. The fair value of long-term debt is determined by discounting the obligations' expected future cash flows using the discount rate of 5.21% to 6.47% in 2022 and 2.91% to 3.74% in 2021.

39. Supplemental Disclosure of Cash Flow Information

Changes in Liabilities Arising from Financing Activities

	(In Thousands)					
	2022					
	Balance at beginning of year	**Additions**	**Cash flows**	**Interest expense**	**Termination**	**Balance at end of year**
Dividends payable	**₱–**	**₱297,939**	**(₱297,939)**	**₱–**	**₱–**	**₱–**
Lease liability	**6,542,094**	**39,887**	**(608,769)**	**272,936**	**–**	**6,246,148**
Loans payable	**1,995,017**	**450,000**	**(1,995,000)**	**–**	**–**	**450,017**
Long-term debt	**4,885,000**	**67,500**	**(15,000)**	**–**	**–**	**4,937,500**
Interest payable	**19,195**	**–**	**(233,435)**	**243,406**	**–**	**29,166**
	₱13,441,306	**₱855,326**	**(₱3,150,143)**	**₱516,342**	**₱–**	**₱11,662,831**

	(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	8,926	(440,938)	288,653	(2,041)	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	–	–	(584,637)	603,832	–	19,195
	₱13,779,178	₱3,870,586	(5,098,902)	₱892,485	(2,041)	₱13,441,306

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**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

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 years ended December 31, 2022 and 2021 and have issued our report thereon dated February 28, 2023. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole.

The following supplementary schedules are the responsibility of the Group's management. These are presented for purposes of complying with Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2022
- Schedules required by Annex 68-J as at December 31, 2022
- Conglomerate Map as at December 31, 2022
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2022 and 2021

The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic consolidated 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 consolidated financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. The 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. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021.

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. 08-005144-004-2022
Valid until October 16, 2025
PTR No. 9564560
Issued January 3, 2023, Makati City

February 28, 2023
Makati City, Metro Manila

BELLE CORPORATION AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2022 and 2021

(Amounts in Thousands, Except for Ratios)

Ratio	Formula	2022	2021
Current Ratio	**Total Current Assets divided by Total Current Liabilities**		
	Total current assets	**₱12,929,760**	₱12,244,193
	Divide by: Total current liabilities	**2,616,039**	4,164,997
	Current ratio	**4.94**	2.94
Acid Test Ratio	**Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities**		
	Total current assets	**12,929,760**	12,244,193
	Less: Real estate for sale	**163,189**	(351,120)
	Land held for future development	**3,025,976**	(3,021,120)
	Other current assets	**3,945,435**	(2,426,928)
	Quick assets	**5,795,160**	6,445,025
	Divide by: Total current liabilities	**2,616,039**	4,164,997
	Acid test ratio	**2.22**	1.55
Debt-to-Equity Ratio	**Total Interest-Bearing debt divided by Total Equity**		
	Total interest-bearing debt	**5,387,517**	6,880,017
	Total equity	**36,512,862**	33,009,433
	Debt to equity ratio	**0.15**	0.21
Asset-to-Equity Ratio	**Total Assets divided by Total Equity**		
	Total assets	**52,757,721**	51,027,577
	Total equity	**36,512,862**	33,009,433
	Asset to equity ratio	**1.44**	1.55
Interest Rate Coverage Ratio	**Income Before Interest and Taxes divided by Total Interest Expense**		
	Net income before income tax	**1,867,161**	216,573
	Less: Interest income	**22,831**	24,981
	Add: Interest expense	**516,342**	603,832
	Income before interest and taxes	**2,360,672**	795,424
	Divide by: Interest expense	**516,342**	603,832
	Interest rate coverage ratio	**4.57**	1.32

Ratio	Formula	2022	2021
Return on Equity	**Net Income divided by Average Total Equity**		
	Net income	**₱1,710,457**	₱745,202
	Average total equity	**34,763,281**	31,721,775
	Return on equity	**4.92%**	2.35%
Return on Assets	**Net Income divided by Average Total Assets**		
	Net income	**1,710,457**	745,202
	Average total assets	**51,892,649**	50,514,743
	Return on assets	**3.30%**	1.48%
Solvency Ratio	**Net Income Before Non-Cash Expenses divided by Total Liabilities**		
	Net income	**1,710,457**	745,202
	Add: Non-cash expenses	**1,497,520**	1,324,939
	Net loss before non-cash expenses	**3,207,977**	2,070,141
	Total liabilities	**16,244,859**	18,018,144
	Solvency ratio	**14.75%**	11.49%
Net Profit Margin	**Net Income divided by Total Revenue**		
	Net income	**1,710,457**	745,202
	Total revenue	**5,419,273**	3,420,934
	Net profit margin	**31.56%**	21.78%

BELLE CORPORATION AND SUBSIDIARIES

PARENT COMPANY'S RECONCILIATON OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2022

(Amounts in Thousands)

		Amount
Unappropriated retained earnings, as at December 31, 2021		₱14,276,628
Add (less):		
Excess of carrying amount of investment property over construction cost, net of tax	(₱5,362,223)	
Deferred tax asset, beginning	(2,046,308)	
Lease incentives, net of tax	(1,461,821)	
Accrued rental, net of tax	(1,075,616)	
Gain on share swap	(946,628)	
Accretion of security deposit, net of tax	(133,737)	(11,026,333)
Unappropriated retained earnings available for dividend distribution as at January 1, 2022, as adjusted		3,250,295
Net income during the period closed to retained earnings	1,583,366	
Less: Difference in depreciation on excess of carrying amount of investment property over construction cost	133,536	
Movement in deferred tax assets	125,956	
Lease incentives	109,686	
Accrued rental	80,708	
Accretion of security deposit	8,286	2,041,538
		5,291,833
Treasury shares		(2,565,359)
Realized gain on club shares transferred to retained earnings		18,585
Unappropriated retained earnings as adjusted to available for dividend declaration, at end of year		₱2,745,059

BELLE CORPORATION AND SUBSIDIARIES

SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF REVISED SRC RULE 68

DECEMBER 31, 2022

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 fair value through profit or loss				
Vantage Equities, Inc.	43,376,750	₱36,003	₱36,003	₱–
Leisure & Resorts World Corporation	10,724,792	25,847	25,847	–
APC Group, Inc.	45,821,000	9,439	9,439	–
Share warrants	500,000	1,393	1,393	–
		72,682	72,682	–
Financial assets at fair value through other comprehensive income				
Tagaytay Midlands International Golf Club, Inc.	2,067	3,461,821	3,461,821	–
SM Prime Holdings, Inc.	61,795,413	2,193,737	2,193,737	–
Tagaytay Highlands International Golf Club, Inc.	1,313	1,444,100	1,444,100	–
The Country Club at Tagaytay Highlands, Inc.	2,056	1,502,729	1,502,729	–
Black Spade Acquisition, Inc.	1,000,000	558,665	558,665	–
Spa and Lodge at Tagaytay Highlands, Inc.	192	115,200	115,200	–
SM Investments Corporation	48,878	43,989	43,989	–
Costa De Hamilo	1	757	757	–
PLDT	1,605	83	83	–
Others		12	12	
		9,321,093	9,321,093	–
		₱9,393,775	₱9,393,775	₱–

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	₱1,306	₱19,327	(₱19,121)	₱–	₱1,512	₱–	₱1,512
Officers	4	–	–	–	4	–	4
	₱1,310	₱19,327	(₱19,121)	₱–	₱1,516	₱–	₱1,516

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	₱1,624,620	₱14	₱–	(₱1,624,558)	₱76	₱–	₱76
Metropolitan Leisure and Tourism Corp.	251,578	14	–	(251,569)	23	–	23
Belle Grande Resource Holdings, Inc.	137,642	352	–	(2,647)	135,347	–	135,347
Premium Leisure Corporation	3,294	897	–	–	4,191	–	4,191
SLW Development Corp.	28,435	24	–	–	28,459	–	28,459
Parallax Resources, Inc.	43,132	18	–	(750)	42,400	–	42,400
	₱2,088,701	₱1,319	₱–	(₱1,879,524)	₱210,496	₱–	₱210,496

Schedule D. Long-term debt

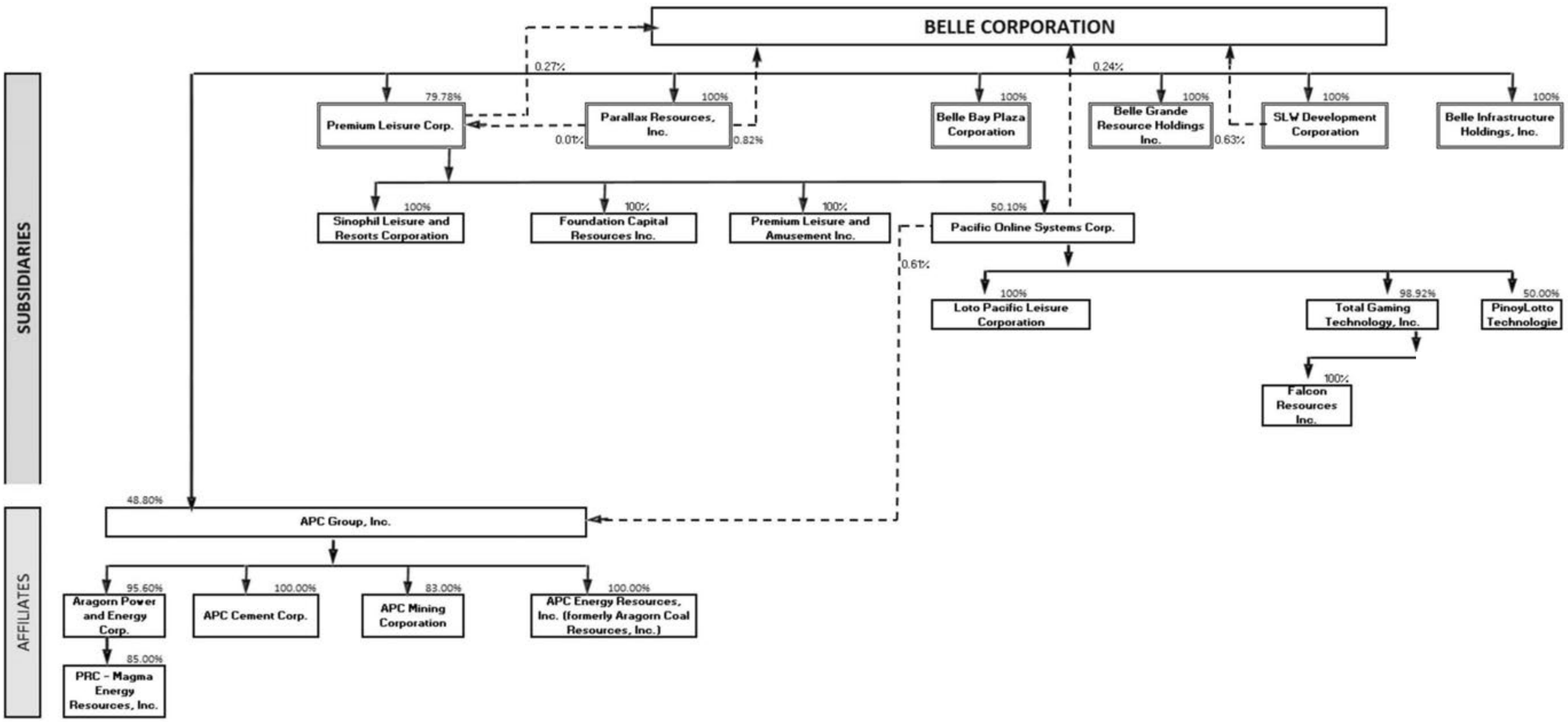
(In Thousands)

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	₱3,455,000
BDO Unibank Inc.	4,400,000	14,000	1,386,000
Unionbank	1,000,000	–	67,500
	₱8,900,000	₱29,000	₱4,908,500

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	9,696,464,297	–	4,951,400,851	207,495,034	4,537,567,412
Percentage held	–	–	–	51.06%	2.14%	46.80%
Preferred stock	6,000,000,000	–	–	–	–	–
Percentage held	–	–	–	–	–	–

Conglomerate Map
As at December 31, 2022



MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF

BELLE CORPORATION

Held on April 28, 2022 at 2:00 p.m.
Via Zoom Webinar

TOTAL NUMBER OF SHARES OUTSTANDING	9,696,464,297
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	7,535,897,001

Before the start of the meeting, the following members of the Board of Directors present were introduced:

WILLY N. OCIER
ELIZABETH ANNE C. UYCHACO
MANUEL A. GANA
JACINTO C. NG, JR.
JOSE T. SIO
VIRGINIA A. YAP
AMANDO M. TETANGCO, JR.
MARIA GRACE M. PULIDO-TAN
JAIME J. BAUTISTA

The following executive officers of the Corporation were likewise in attendance at the shareholders' meeting:

JASON C. NALUPTA (Corporate Secretary)
ARTHUR A. SY (Assistant Corporate Secretary)
JACKSON T. ONGSIP (Executive Vice President for Finance / Chief Financial Officer)
ARMIN ANTONIO B. RAQUEL SANTOS (Business Unit Head for Integrated Resorts)
MICHELLE ANGELI T. HERNANDEZ (Vice President for Governance and Chief Risk Officer)

The Corporation's external auditor, Reyes Tacandong & Co., was also present to respond to questions or requests for clarification on the Corporation's financial reports.

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 Chairman's request, the Secretary advised the Body that in accordance with the authority granted by the Securities and Exchange Commission (SEC), notice of the meeting was published in the printed and online editions of Business World and the Daily Tribune on March 30 and 31, 2022. The notice was also posted on the Corporation's website.

The shareholders as of the Record Date of March 21, 2022 are participating, in person or by proxy, during the virtual meeting.

Business World and the Daily Tribune 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 Six Hundred Ninety-Six Million Four Hundred Sixty-Four Thousand Two Hundred Ninety-Seven (9,696,464,297) shares of the total outstanding capital stock of the Corporation, Seven Billion Fiver Hundred Thirty-Five Million Eight Hundred Ninety-Seven Thousand and One (7,535,897,001) shares were participating in the virtual meeting either in person or represented by proxy, representing an attendance of 77.72% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

The Secretary then informed the shareholders that Alberto, Pascual and Associates had been engaged as a third-party tabulator of the votes cast for the meeting and that the meeting would be recorded.

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.

The Secretary explained the rules of conduct and voting procedures as follows:

1. Shareholders who notified the Corporation of their intention to participate in the meeting by remote communication sent their questions or comments through the e-mail address provided for the purpose, corsec@bellecorp.com.
2. Shareholders participating through the livestream could continue sending more questions throughout the duration of the meeting through the Q&A button located at the bottom of their screens.
3. Some of the questions or comments received will be read out during the Open Forum, after all matters in the agenda are concluded.
4. Because the time dedicated for the meeting is limited, the questions and comments which will not be read out and responded to during the meeting will be answered via e-mail by the appropriate officers of the Corporation.
5. Resolutions will be proposed for adoption by the shareholders for each of the items in the Agenda for this meeting. Each proposed resolution will be shown on the screen as the same is being taken up.
6. The proxies received and the votes cast through the e-voting portal as of April 27, 2022, were tabulated. These votes are from stockholders owning 7,535,897,001 voting shares, representing 77.72% 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

Upon inquiry by the Chairman, the Secretary advised the Body that the minutes of the last stockholders' meeting held on June 25, 2021 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. The Minutes reflect the proceedings of the last Shareholders' Meeting including the matters discussed, resolutions adopted, a description of the voting and vote tabulation results.

The Minutes of the said meeting was thereafter approved, as circulated:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	7,535,897,001 77.72% of total voting shares	0	0

The following resolution was thereafter passed:

"RESOLVED, that the Minutes of the Annual Meeting of the Shareholders of BELLE CORPORATION held on 25 June 2021 is hereby approved."

2021 REPORT ON OPERATIONS AND RESULTS

At the request of the Chairman, the President, Mr. Manuel A. Gana, presented his Report on the Corporation's Operations and Results for 2021, as follows:

"Good afternoon to our dear Shareholders, Stakeholders and Guests. Thank you for joining the livestream of Belle Corporation's 2022 Annual Shareholders' Meeting.

I am pleased to report that our Company recorded its twentieth consecutive year of profitability in 2021, in spite of the lingering effects of the COVID-19 pandemic and resulting economic impact.

The premium consumer, leisure and tourism markets were hit hard by pandemic-related restrictions during 2020-2021, including the shutdown of inbound travel from other countries. However, real estate sales have been fairly healthy, and we expect a quick rebound in domestic consumer markets with the further relaxation of quarantine measures in 2022.

As the economy gradually re-opened, we continued to put the health and safety of all stakeholders atop our COVID-19 response. We implemented vaccination programs for employees and qualified dependents. Across our areas of operations, we maintained stringent safety protocols for the peace of mind of our customers, residents, club members and business partners.

FINANCIAL REVIEW

Belle realized Seven Hundred and Forty-Five Million Pesos (Php745,000,000.00) in consolidated net income in 2021, led by the growth in integrated resort operations at City of Dreams Manila.

Our share in the gaming revenues at City of Dreams Manila, through Belle's subsidiary Premium Leisure Corp., more than doubled to One Billion Three

Hundred Million Pesos (Php1,300,000,000.00) from Six Hundred Thirty-Five Million Pesos (Php635,000,000.00) in 2020.

Pacific Online Systems Corporation, a subsidiary of Premium Leisure Corp. which leases online betting equipment to the Philippine Charity Sweepstakes Office for their lottery and keno operations, also began recovering in 2021, even while still operating under restrictions on commercial operations. Pacific Online revenues of Four Hundred Twenty-Six Million Pesos (Php426,000,000.00) in 2021 were 30% higher than its revenues for 2020.

Our Corporation's real estate operations recorded One Billion Seven Hundred Million Pesos (Php1,700,000,000.00) in revenues for 2021, which declined by 47% from 2020 due to concessions granted on the lease of land and buildings comprising City of Dreams Manila to our operating partners, Melco Resorts and Entertainment (Philippines) Corporation. However, our real estate sales and property management activities in our Tagaytay Highlands and Tagaytay Midlands complexes experienced significant growth in 2021, contributing revenues of Eight Hundred Eighty-Six Million Pesos (Php886,000,000.00) which were 62% higher compared to 2020.

For the first quarter of 2022, Belle realized consolidated net income of Four Hundred Seventy-Seven Million Pesos (Php477,000,000.00) which was 7% higher than its consolidated net income of Four Hundred Forty-Seven Million Pesos (Php447,000,000) for the first quarter of 2021, fueled by growth in its real estate operations. This was achieved despite ongoing restrictions on commercial operations imposed by authorities to help control the effects of the pandemic.

Belle's balance sheet remains solid, with our current ratio at almost 3 times and our debt to equity ratio at only 21%. Our historical management practice of maintaining conservative liquidity and leverage have provided a significant cushion during the recent economic downturn that was induced by the pandemic.

STRATEGIES TO RECOVER AS ONE

We will continue to pursue conservative expansion, making sure to "live within our means" and avoid over-leveraging or taking on major risks.

We have additional land on which to expand our City of Dreams Manila resort complex, or to construct complementary assets therewith.

We still have over Seven Hundred hectares (700 ha.) of land around the Tagaytay Highlands and Midlands complexes, and in Batangas, to continue our real estate development activities there.

Furthermore, our risk assessment and timely responsive actions have been keys to protecting our operations and our stakeholders. What we have gone through in 2021 has only caused us to become more agile in responding to economic developments, more purposeful in our business decisions and more resilient in dealing with crises.

Sound sustainability practices are also essential to our long-term viability. Due to the integrated nature of Belle's businesses in our communities and our unique local ecosystem, we have been enhancing our stewardship

> responsibilities to our environment and local stakeholders, and fortifying our commitment to good corporate governance.
>
> Our Company will continue its resolve in delivering shareholder value on profit, planet and people. We are confident that our Company will thrive in a new normal that benefits all shareholders and stakeholders, and that we can all look forward to living in a more promising future.
>
> I would like to thank our Board of Directors for their guidance, our Management team and staff for their diligence and commitment, as we navigate through these extraordinary times. Most of all, I would like to thank you, our Shareholders, for your continued support.
>
> Finally, I would like to announce that, after 25 years as an executive of Belle Corporation, I will be retiring from the Company as of the end of June 2022. It has been my privilege and honor to have served your Company for 25 years. I am especially gratified to have played a part in helping your Company successfully surmount a number of major crises during this period, including the Asian Financial Crisis more than 20 years ago and the recent COVID-19 pandemic, and to have helped guide the Company to evolve to its position today.
>
> From the bottom of my heart, I would like to thank our Shareholders, Board of Directors and employees for their support and faith through the years.
>
> Mabuhay ang Belle Corporation! Thank you very much."

The Chairman then thanked the President for his valuable contributions to the Company having been a member of the Management Team for 25 years, and as a member of the Board since 2017.

Thereafter, the Chairman reminded the shareholders in attendance that questions on the report on operations, as well as on the Audited Financial Statements for 2021, will be addressed during the Open Forum towards the end of the proceeding. At the Chairman's request, the Secretary then proceeded to announce the results of the voting on the approval of the 2021 Reports on Operations and Results, together with the Audited Financial Statements, as follows:

AGENDA ITEM	**VOTES IN FAVOR**	**VOTES AGAINST**	**ABSTAIN**
2021 Reports on Operations and Results with the 2021 Audited Financial Statements	7,535,905,681 77.70% of voting shares	0	0

The following resolution was likewise approved:

> "RESOLVED, that the 2021 Annual Report on the operations of BELLE CORPORATION together with the Audited Financial Statements and accompanying notes thereto for the year ended 31 December 2021, 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 25, 2021 until the date of the 2022 shareholders' meeting. The corporate acts of the Board of Directors and Officers for the past year up to the date of the meeting being presented for ratification are items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures. All the acts of the Corporation's officers performed in accordance with the resolutions of the Board, the Executive Committee, and other Board Committees, as well as the By-Laws were performed to implement the resolutions of the Board and its committees or as part of the Corporation's general conduct of business.

Thereafter, the Secretary proceeded to announce the results of the voting on the ratification of the corporate acts from June 25, 2021 up to the present, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts from June 25, 2021 to the present.	7,533,905,681 77.70% of outstanding shares	0	0

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 Annual Shareholders' Meeting on June 25, 2021 up to the date of this meeting, are hereby confirmed, ratified and approved."

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. As disclosed in the Information Statement sent to all shareholders, nine (9) members of the Corporation's Board of Directors were to be elected in the meeting.

The Chairman of the Corporate Governance Committee, Mr. Jaime J. Bautista, was requested to announce the names of those nominated for election as members of the Board. Mr. Bautista informed the Body that the profiles of the nominees for election as members of the Board were included in the Company's Information Statement. Mr. Bautista, however, advised the Body that Mr. Manuel A. Gana and Mr. Jose T. Sio eventually withdrew their acceptance of their respective nominations for re-election as members of the Board of Directors in view of their impending retirement from the Corporation. Mr. Bautista went on to explain that in light of these developments, Mr. Jackson T. Ongsip, the current Executive Vice President for Finance and Chief Financial Officer, and Mr. Armin Antonio B. Raquel Santos, the current Business Unit Head for Integrated Resorts, were nominated for election as members of the Board, vice Mr. Gana and Mr. Sio.

Upon request of the Chairman, 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
> JACKSON T. ONGSIP
> JACINTO C. NG, JR
> ARMIN ANTONIO B. RAQUEL SANTOS
> VIRGINIA A. YAP
>
> Independent Directors
> MARIA GARCIA M. PULIDO-TAN
> JAIME J. BAUTISTA
> 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	7,535,797,641	0	0
ELIZABETH ANNE C. UYCHACO	7,535,897,001	0	0
JACKSON T. ONGSIP	7,535,128,641	0	0
JACINTO C. NG, JR	7,535,897,001	0	0
ARMIN ANTONIO B. RAQUEL SANTOS	7,535,128,641	0	0
VIRGINIA A. YAP	7,535,897,001	0	0
MARIA GARCIA M. PULIDO-TAN	7,535,897,001	0	0
JAIME J. BAUTISTA	7,535,797,641	0	0
AMANDO M. TETANGCO, JR.	7,535,797,641	0	0

The Chairman then thanked Mr. Gana and Mr. Sio for their wisdom, leadership, hard work and commitment to the Corporation. He likewise congratulated the newly-elected members of the Board of Directors, on whose behalf he also thanked the shareholders for their trust and support.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation's external auditors for Year 2022.

The Chairman turned over the floor to Mr. Amando M. Tetangco, Jr., Chairman of the Audit Committee. Mr. Tetangco explained that the Audit Committee pre-screened and recommended, and the Board endorsed for consideration of the shareholders, the appointment of Reyes Tacandong & Co. as the Corporation's External Auditor for 2022. Mr. Tetangco noted that Reyes Tacandong & Co. is one of the leading auditing firms in the country and possesses the necessary accreditation from the Securities and Exchange Commission to act as external auditors for publicly-listed companies

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 2022 as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for 2022	7,535,897,001 77.72% of voting shares	0	0

The following resolution was likewise approved:

> "RESOLVED, that BELLE CORPORATION (the 'Corporation') hereby approves the appointment of Reyes Tacandong & Co. as the Corporation's external auditor for Year 2022."

OTHER MATTERS

Before the meeting was adjourned, the Chairman requested the Corporation's Vice President for 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, sent via email, was "*what are Belle's strategies in light of the re-opening of the economy?*" Upon request of the Chairman, the President responded to the question and stated that, with the re-opening of the economy following the increase of vaccination rates and the gradual relaxation of community quarantines, the Corporation will pursue opportunistic growth with the embedding of sustainability in its strategies. The President explained that the Corporation has additional land on which to expand its City of Dreams Manila resort complex, and over Seven Hundred hectares (700 ha.) of land near the Tagaytay Midlands Complex and in Batangas for more real estate development activities there.

The next question, also sent in via email, was "*could we expect improving results from Belle despite the continuing pandemic?*" Again, upon request of the Chairman, the President answered the second question posed. Mr. Gana said that the Corporation is seeing signs that it is nearing the light at the end of the tunnel. Most countries have been seeing drastically lower COVID-19 infections and have consequently relaxed or even eliminated COVID-19 protocols, including the US, UK and Singapore, although a notable exception in the opposite direction is China due to its zero COVID policy. The Corporation has seen bustling activity in its City of Dreams and Tagaytay Highlands resorts over the past few months, and our earnings growth for the first quarter of 2022 makes management cautiously optimistic that the Corporation will finally turn the corner this year. However, the President stressed that the Corporation should not be overconfident and continue to be vigilant. The Corporation should continue to exercise protective measures like mask wearing in public, as the virus has not yet completely gone away as of this time.

No other questions were posed by the stockholders.

ADJOURNMENT

There being no other business to transact, the meeting was thereupon adjourned.

WILLY N. OCIER Chairman of the Board of Directors	**JASON C. NALUPTA** Corporate Secretary

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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.**

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
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		

5. To the best of my knowledge, I disclose that I am the subject of the following criminal/administrative investigation or proceeding:

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
See Notes below		

[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. In its Resolution dated October 3, 2022, the Supreme Court denied the Petition for Review of the petitioners and affirmed the May 15, 2017 Decision and October 4, 2017 Resolution of the Court of Appeals.

[2] A complaint for damages was 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.

[3] A Subpoena dated November 8, 2022 was reportedly issued by the Office of the City Prosecutor – Manila in connection with the Joint Complaint-Affidavit filed by Perry Y. Uy and Cesar M. Mayo, Jr. against me and several other respondents including former members of the Monetary Board, for alleged violation of the Central Bank Act, as amended (R.A. 7653 as amended by R.A. 11211). As of this date, no official service of subpoena or complaint has been made on me.

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 7th day of Feb 2023, at Q. C.

AMANDO M. TETANGCO, JR.
Affiant

28 FEB 2023

PASIG CITY

SUBSCRIBED AND SWORN to before me this ____ day of ________ at ________, affiant personally appeared before me and exhibited to me his Philippine Passport No. [redacted] issued at DFA NCR EAST valid until [redacted]

Doc. No. 491;
Page No. 100;
Book No. 1;
Series of 2023.

PAT T. GUZMAN, JR.
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 212 (2022-2023)
Commission Expires on December 31, 2023
1704 East Tower, Tektite Towers, Exchange Rd.
Ortigas Center, 1605 Pasig City
PTR No. 9004907 / 01.04.23 / Pasig
IBP No. 262535 / 01.03.23 / RSM
Roll of Attorneys No. 77106
Admitted to the Bar: 05.06.22

Annex C

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
Justice George A. Malcolm Foundation, Inc.	Trustee	2019 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
Philippine Judicial Academy	Member, Tax Faculty	
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 _ day of 17 FEB 2023, at Pasig City.

Maria Gracia M. Pulido-Tan

SUBSCRIBED AND SWORN to before me this _ day of 17 FEB 2023 at Pasig City, affiant personally appeared before me and exhibited to me his~~er~~ Tax Identification Number (TIN) Card with TIN [redacted].

Doc. No. 205;
Page No. 42;
Book No. I;
Series of 2023

RogerVillangca
ROGERSON V. VILLANGCA
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 216 (2022-2023)
Commission Expires on December 31, 2023
2704 East Tower, Tektite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 9004905 / 01.04.23 / Pasig
IBP No. 260917 / 01.05.23 / RSM
Roll of Attorneys No. 80672
Admitted to the Bar on 20 May 2022

Annex D

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Joseph T. Chua**, 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
JF Rubber Philippines Corporation	Chairman	1990 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 09 MAR 2023 day of __________, at Pasig City.

Joseph T. Chua

SUBSCRIBED AND SWORN to before me this 0 9 day of MAR 2023 at Pasig City, affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card with TIN [redacted]

Doc. No. 397;
Page No. 81;
Book No. I;
Series of 2023;

RWillangca
ROGERSON V. VILLANGCA
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 216 (2022-2023)
Commission Expires on December 31, 2023
2704 East Tower, Tektite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 9004905 / 01.04.23 / Pasig
IBP No. 260917 / 01.05.23 / RSM
Roll of Attorneys No. 80672
Admitted to the Bar on 20 May 2022

Annex E

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION

I, **JASON C. NALUPTA**, of legal age, Filipino citizen, with office address at 2704 East Tower, Tektite Towers, 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. No director or officer of the Corporation is connected with any government agencies or instrumentalities; and
3. The foregoing is in accordance with the records of the Corporation presently in custody of the Office of the Corporate Secretary.

JASON C. NALUPTA
Corporate Secretary

0 1 MAR 2023

SUBSCRIBED AND SWORN to before me this ____ day of _________ 2023 in Pasig City, affiant personally appeared and presented to me his his Passport No. [redacted] issued at DFA South on [redacted] which expires on [redacted] as his competent evidence of identity.

Doc. No. 31;
Page No. 16;
Book No. 1;
Series of 2023.

PA[illegible] T. GUZMAN, JR.
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. [illegible] (2022-2023)
Commission Expires on December 31, 2023
2704 East Tower, Tektite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 9004907 / 01.04.23 / Pasig
IBP No. 262535 / 01.03.23 / RSM
Roll of Attorneys No. 77106
Admitted to the Bar: 05.06.22