

COVER SHEET

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S.E.C. Registration Number

[illegible][illegible][illegible]

(Company's Full Name)

5 / F , T O W E R A , T W O E - C O M C E N T E R

P A L M C O A S T A V E N U E , M A L L O F A S I A

C	O	M	P	L	E	X		C	B	P	-	1	A	,		P	A	S	A	Y		C	I	T	Y
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MICHELLE ANGELI T. HERNANDEZ

Contact Person

(+632) 8662 8888

Company Telephone Number

1 2 3 1

Month _____
Fiscal Year _____

17-A

17-A

FORM TYPE

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Month

Day
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

1,755

Total No. of Stockholders

Total Amount of Borrowings

Domestic

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Foreign

To be Accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FROM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATON CODE OF THE PHILIPPINES**

1. For the fiscal year ended: **December 31, 2022**
2. SEC Identification Number: **52412**
3. BIR Tax Identification No. **000-156-011-000**
4. Exact name of registrant as specified in its charter: **BELLE CORPORATION**
5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. _____ (SEC Use Only)
Industry Classification Code
7. **5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City,
Metro Manila, Philippines**
Address of principal office

1300
Postal Code
8. **(02) 8662 - 8888**
Registrant's telephone number, including area code
9. **28/F, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig
City**
Former address
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Outstanding
Common Stock, P 1.00 par value	9,696,464,297
	Amount of Debt Outstanding
	Php 5.39 Billion
11. Are any or all of these securities listed on the Philippine Stock Exchange.
Yes ☒ No ☐
12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 1(a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes ☒ No ☐
 - (b) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐
13. Aggregate market value of voting stock held by non-affiliates: **₱5.458 Billion**
This was computed by multiplying the no. of voting stocks held by non-affiliates (4,458,327,412 shares) by the stock's closing price of ₱1.22 per share on December 31, 2022.

TABLE OF CONTENTS

PART I. BUSINESS AND GENERAL INFORMATION	
Item 1. Business	3
Item 2. Properties	13
Item 3. Legal Proceedings	14
Item 4. Submission of Matters to a Vote of Security Holders	14
PART I. OPERATIONAL AND FINANCIAL INFORMATION	
Item 5. Market for Registrant's Common Equity and Related Stockholder Matters	14
Item 6. Management Discussion and Analysis of Operating Performance and Financial Condition	17
Item 7. Financial Statements	43
Item 8. Changes in and Disagreement with Accountants on Accounting and Financial Disclosure	43
PART III. CONTROL AND COMPENSATION INFORMATION	
Item 9. Directors and Executive Officers of the registrant	44
Item 10. Executive Compensation	51
Item 11. Security Ownership of Certain Beneficial Owners and Management	52
Item 12. Certain Relationships and Related Transactions	54
PART IV. CORPORATE GOVERNANCE	54
PART V. EXHIBITS AND SCHEDULES	
Item 13. Exhibits and Reports on SEC Form 17-C	62
SIGNATURES	
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES	
INDEX TO EXHIBITS	

PART I. BUSINESS AND GENERAL INFORMATION

Item 1. Business

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 spun-off some of its property development assets. The spin-off involved the transfer of approximately 534 hectares of undeveloped land, 70 developed subdivision lots, and 25 finished residential units into a newly formed subsidiary, Highlands Prime, Incorporated (“Highlands Prime”). Highlands Prime was registered with the Securities and Exchange Commission on February 15, 2001, and its shares were 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 809 million 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 held 61.8 million shares after the transactions and holds the same as of December 31, 2022.

On April 14, 2011, Belle acquired all the shares of PremiumLeisure & 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 (hereinafter, “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 converted from 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, 2021, Belle’s projects in Lakeside Fairways were 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. 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 a primary purpose of being an investment holding company and, on July 18, 2014, its stockholders approved a further change in its name to Premium Leisure Corp. with the primary purpose being investments in gaming-related businesses. On July 24, 2014, Belle competed 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 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%. As of December 31, 2021, Belle's ownership in PLC is at 79.78%. 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 for PAGCOR's non-VIP license fees), whichever is higher; and
- The higher of (i) one-half of VIP gaming earnings before interest, taxes, depreciation and amortization (after adjusting for certain agreed deductions and for adding back expenses related to the lease agreement with Belle) or (ii) 5% of net mass market gaming revenues (after deductions for PAGCOR's VIP license fees, VIP commissions and incentives and VIP bad debts expenses), whichever is higher.

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

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

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

The PAGCOR License stipulates certain requirements and guidelines that licensees will have to achieve by the opening date of their integrated resorts (the "PAGCOR Guidelines"). Among these are:

- Total investment commitment of US\$1 billion, with at least US\$650 million as of the opening date of 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;

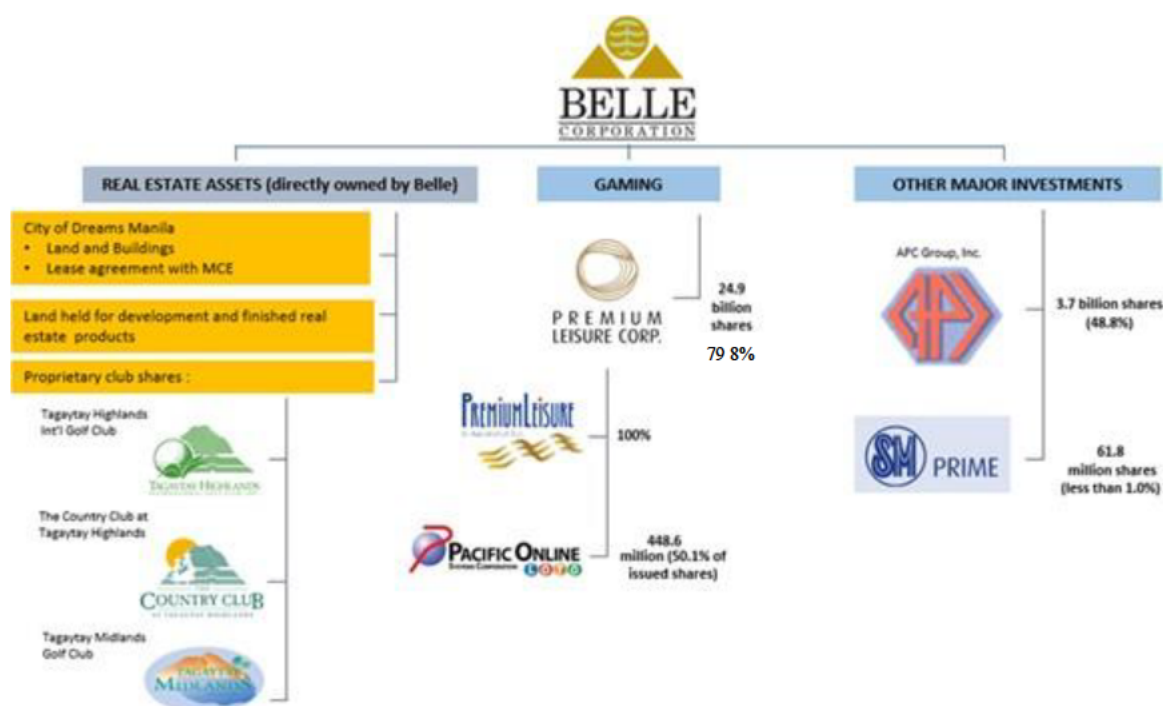
- An entertainment feature that costs at least ₱1 billion to construct;
- Total gaming space not to exceed 7.5% of the resort's total gross floor area;
- Maximum number of gaming tables and slot machines / electronic tables games to be set using a formula based on the total number of hotel rooms in the 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 October 25, 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 MRP 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 was the first of its kind in the world.

City of Dreams Manila was substantially completed as of December 14, 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 City of 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 Corporation ("PinoyLotto")

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

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

Products

Belle is principally engaged in real estate development, gaming (through subsidiaries) and other leisure 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 approximately 50.1% of issued shares of Pacific Online.
2. PremiumLeisure 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, unless renewed for another 25 years by the Philippine Congress. PLAI is a wholly-owned unlisted subsidiary of PLC.
3. Pacific Online Systems Corporation ("Pacific Online"), is a publicly listed subsidiary of PLC that leases on-line betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery operations in the Visayas and Mindanao regions. PLC owns a total of 50.1% of all issued shares of Pacific Online.

As of December 31, 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 Pacific Online:

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 has its own in-house staff responsible for marketing and sales of the Company's products, as well as after-sales service. The Company also accredits and taps the services of external brokers to complement its in-house marketing and sales teams.

Status of Projects

Real Estate:

In 2022, Belle's revenues from the real estate development operations came mainly from the sales of The Grove Project, which is its most recent development.

Plantation Hills: Only a few remaining slots in The Sanctuary, The Ridge, The Meadows, The Heights (Phases 1, 2, 3, and 5 of Plantation Hills, respectively) were unsold, and construction of these phases was fully completed, as of December 31, 2007. Belle commenced development of Phase 6 in 2021. Plantation Hills is a farm lots subdivision.

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 deAlava, 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.

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 and Lodge 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 completed in 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 crowds 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 its shares on the Philippine Stock Exchange on April 12, 2007.

Competition

Property development has been Belle's historical core business area. Belle believes that its large-scale, self-contained, and community-type leisure developments around its Tagaytay Highlands and Tagaytay Midlands clubs 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 to deliver the projects as promised, project location, and high-end property development expertise. Furthermore, Belle has a market base of more than 7,000 wealthy individuals who are existing members of Tagaytay Highlands International Golf Club, The Country Club at Tagaytay Highlands, and Tagaytay Midlands, which provides a marketing advantage.

In gaming, City of Dreams 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 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.

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

Please refer to Item 12 of this report ("Certain Relationships and Related Transactions")

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 from Provisional 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 the Environment 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 Economic Zone 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 basic salary and 13th month pay, other supplemental benefits or incentives that are 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 are the following:

Economic and Political Conditions

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

Competition

The degree of competition in the property industry varies considerably by sector and geography. In general, Belle may compete with other developers for purchases of land, as well as clientele for its residential and club projects.

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 Corporation. 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.

Item 2. Properties

Belle owns undeveloped properties, mostly in Batangas, for future development into residential properties, recreational clubs, and leisure estates for sale. Belle has complete ownership over these real estate properties classified under "Land held for future development" in its books.

Belle also owns approximately 5.5 hectares of land, with long-term leasehold interests in 2.0 hectares, in Parañaque City. The City of Dreams Manila integrated resort is located on 4.2 hectares it owns and the 2.0 hectares it is leasing is owned by the Social Security System ("SSS").

The Company may engage in future land banking activities within Paranaque City or its historical market of Tagaytay and Batangas as its resources and the real estate market allow.

PLC has real estate property recorded as noncurrent asset held for sale. This pertains to an undeveloped land in the City of Tanauan, Province of Batangas, amounting to Php285.5 million. These properties are not subject to mortgage, lien and encumbrances. There are no plans to acquire real properties in the next twelve (12) months.

POSC's online lottery operations are conducted mainly in Cebu, where its central system data center and logistics center are located. It also has set up 8 logistics hubs in 8 major VisMin cities to ensure efficient service delivery to the PCSO lottery agents. The Company Head Office is located in Pasig City.

POSC has no real properties owned and there are no plans to acquire them in the next twelve (12) months. The Company, together with its subsidiaries, lease all of its data center, logistics centers and hubs, and business offices. These properties are not mortgaged nor are there any liens and encumbrances that limit ownership or usage of the same.

POSC's leased properties for business offices, data center and logistics facilities, were reduced to 1,622 sqm for the year ended Dec. 31, 2022 from the previous 2,588 sqm by year end 2021. About 20% of these properties are located in Luzon, and 80% in Visayas and Mindanao. Majority of the properties in Luzon are found in Metro Manila while those in Visayas and Mindanao are in Cebu based on area of coverage. The logistics centers' areas are about 772 sqm in total, with 586 sqm in Cebu and 186 sqm in various hubs in Visayas and Mindanao areas. Lease terms for most office and warehouse spaces range from month-to-month basis up to one (1) year. All lease agreements have provisions for renewal subject to terms and conditions mutually agreed upon by all parties concerned. The lease agreements provide for minimum rental commitment with annual rental escalation rates at around 5%. One (1) warehouse unit located in Metro Manila was terminated in 2021.

POSC's major assets are lottery equipment, which consists mainly of lottery terminals, data center equipment, software and operating systems.

Item 3. Legal Proceedings

The Company and its major subsidiaries and affiliates are not involved in any material legal proceedings, and that their properties are not subject to any material legal proceedings, that could potentially affect their operations and financial capabilities.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the Annual Stockholders' Meeting, there were no other matters submitted to a vote of security holders during the period covered by this report.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

1. 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 December 31, 2022, Belle's market capitalization amounted to ₱11,830 million based on the closing price of ₱1.22 per share.

2. Security Holders

Belle has **1,755** shareholders as of December 31, 2022. Common shares outstanding as of December 31, 2022 totaled 9,696,464,297.

The top 20 stockholders as of December 31, 2022 with their corresponding shareholdings and percentage thereof to total shares outstanding, are:

	STOCKHOLDER'S NAME	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
1	BELLESHARES HOLDINGS, INC.	2,604,740,622	24.664
2	PCD NOMINEE CORPORATION (FILIPINO)	2,542,885,933	24.078
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	1,950,754,668	18.471
4	SMART 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. DEV'T. 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

3. 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 special dividend 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.

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 2022:

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.

4. Recent Sales of Unregistered Securities

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

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		Vertical Analysis	
						Increase (Decrease)		2022	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		210,686		118,946	91,740	77%	4%	3%	
TOTAL REVENUES		5,419,292		3,420,934	1,998,358	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		2,348,164		507,804	1,840,360	362%	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)		14,538		310,493	(295,955)	-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 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	23.0%	-18%

The above performance indicators are calculated as follows:

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

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 ₱450.0 million and amortizing term loans from banks of ₱4,937.5 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 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, 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 PROPERTY MANAGEMENT SERVICES	(113,574)	(100 957)	(12,617)	12%	-3%	-2%
COST OF GAMING OPERATIONS	(135,895)	(135 692)	(203)	0%	-4%	-3%
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	(280,330)	-36%	15%	19%
UNREALIZED GAIN ON FINANCIAL ASSET						
AT FAIR VALUE THROUGH PROFIT OR LOSS	(23,623)	(6 196)	(17,427)	281%	-1%	0%
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%
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 Corp. ("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 ₱374.2 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.

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.

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 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 and Contract Assets

Receivables and Contract Assets decreased by ₱831.4 million (16%), to a total of ₱4,289.7 million as of December 31, 2021 from ₱5,121.0 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.

Other Assets

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	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Interest-bearing debt}}{\text{Total Equity}}$
Asset-to-equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$

Return on Equity	$\frac{\text{Net Income}}{\text{Average equity during the period}}$
Return on Assets	$\frac{\text{Net Income}}{\text{Average assets during the period}}$
Interest Coverage Ratio	$\frac{\text{Income Before Interest \& Tax}}{\text{Interest Expense}}$
Net debt-to-equity ratio	$\frac{\text{Interest-bearing debt less cash and cash equivalents}}{\text{Total Equity}}$

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		Vertical Analysis	
					Increase (Decrease)		2020	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 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 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 their lottery 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 a 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 management activities 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 of right 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 rate of 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	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Interest-bearing debt}}{\text{Total Equity}}$
Asset-to-equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$
Return on Equity	$\frac{\text{Net Income}}{\text{Average equity during the period}}$
Return on Assets	$\frac{\text{Net Income}}{\text{Average assets during the period}}$
Interest Coverage Ratio	$\frac{\text{Income Before Interest \& Tax}}{\text{Interest Expense}}$
Net debt-to-equity ratio	$\frac{\text{Interest-bearing debt less cash and cash equivalents}}{\text{Total Equity}}$

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:

- 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)

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, 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	(P5,163)	(P6,038)
(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	P109,435	\$209	P10,679
Consultancy and software license fee payable*	(838)	(46,733)	(733)	(37,455)
Net foreign currency-denominated financial assets	\$1,125	P62,702	(\$524)	(P26,776)

*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 P55.76 and P51.09 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)	P3,135	(P3,135)	P1,339	(P1,339)

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:

Increase (Decrease) in Equity Price	(In Thousands)	
	2022	2021
Impact in profit or loss		
5%	P3,634	P3,653
(5%)	(3,634)	(3,653)
Impact in comprehensive income		
5%	P466,055	P363,521
(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 nor Impaired	Past Due but not Impaired				Impaired	Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
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 nor Impaired	Past Due but not Impaired				Impaired	Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
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 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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-mon h ECL	Lifetime ECL	Lifetime ECL	Total
Cash and cash equivalents*	P2,081,651	P–	P–	P2,081,651
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	P7,322,505	P60,570	P850,882	P8,233,957

*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	P10,561,000	P10,561,000
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
	P25,843,791	P24,266,286

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	P9,321,093	P9,321,093	P6,509,070	P-	P2,806,023
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	P7,270,420	P7,270,420	P4,639,176	P-	P2,631,244
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.

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, The Villas, 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, The Verandas 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 Tagaytay Midlands 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 land at the corner of Roxas Boulevard and Aseana Avenue in Parañaque City, and it is about one kilometer away from 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 complex on 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 brand the integrated resort 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 Manila has 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 various entertainment facilities. As of December 31, 2022, it is allowed to operate a maximum of approximately 302 gaming 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 Launch took 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 Dreams Manila 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 all issued shares 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 earnings 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.

Item 7. Financial Statements

Please see attached consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules.

Item 8. Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

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

Independent Public Accountants, External Audit Fees, and Services

Reyes Tacandong & Co. ("RT&Co") is the Company's external auditor for 2022. Representatives of RT&Co are expected to be present at the 2023 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 two (2) 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 the Revised SRC Rule 68, paragraph 3 (b) and (ix) (Rotation of External Auditors), as prescribed in the Code of Ethics for Professional Accountants in the Philippines, which states that signing partner shall be rotated after every seven (7) years of engagement with a five-year cooling-off period for the re-engagement of the same signing partner, the Company engaged Belinda B. Fernando of RT&Co. for the examination of financial statements of 2022 and 2021. Previously, the examination of financial statements was handled by the following Sycip Gorres Velayo partners, Ms. Belinda Hui (years 2016 to 2020), Mr. Juanito A. Fullecido (years 2007 to 2008); Mr. Roel E. Lucas (years 2009 to 2011); Ms. Clairma C. Manganey (years 2012 to 2013); Ms. Marydith C. Miguel (year 2014); and Ramon Dizon (year 2015).

The Company paid Reyes Tacandong ₱1,500,000 and ₱1,450,000.00 for external audit services for 2022 and 2021, respectively, and SGV P1,400,000.00 for 2020. For each of the last two (2) fiscal years, Reyes Tacandong & Co. and SGV did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

The Audit Committee, composed of Mr. Amando M. Tetangco, Jr., as Chairman, Atty. Maria Gracia P. Tan and Mr. Jacinto C. Ng, Jr. 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. The Executive Committee approves the audit fees as recommended by the Audit Committee.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

1. Directors and Executive Officers

The names and ages of all the incumbent Directors elected on April 28, 2022 during the Annual Stockholders' Meeting and are to serve for a term on one (1) year until their successors shall have been duly elected and qualified, and the Executive Officers are:

Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	Date of first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual/Special Meeting)	No. of years and months served as director
Willy N. Ocier	ED	06/24/1999	28-Apr-22	Annual	23 yrs. and 6 mos.
Elizabeth Anne C. Uychaco	NED	12/23/2009	28-Apr-22	Annual	13 yrs.
Jackson T. Ongsip	ED	04/28/2022	28-Apr-22	Annual	8 mos.
Jacinto C. Ng, Jr.	NED	7/08/2000	28-Apr-22	Annual	22 yrs. and 4 mos.
Armin Antonio B. Raquel Santos	NED	04/28/2022	28-Apr-22	Annual	8 mos.
Virginia A. Yap	NED	07/30/2010	28-Apr-22	Annual	11 yrs. and 5 mos.
Jaime J. Bautista ¹	ID	6/25/2021	28-Apr-22	Annual	1 yr. and 2 mos.
Joseph T. Chua ²	ID	07/28/2022	28-Jul-22	Special	5 mos.
Maria Gracia P. Tan	ID	06/25/2021	28-Apr-22	Annual	1 yr. and 6 mos.
Amando M. Tetangco, Jr.	ID	12/04/2017	28-Apr-22	Annual	5 yrs.

¹ – resigned in June 2022

² – elected in July 2022

Executive Officers:

Name	Citizenship	Age as of 12.31.2022	Position
Willy N. Ocier	Filipino	66	Chairman / Executive Director
Jackson T. Ongsip	Filipino	49	Director / President, and CEO
Maria Neriza C. Banaria	Filipino	40	CFO and Treasurer
Jason C. Nalupta	Filipino	51	Corporate Secretary
Arthur A. Sy	Filipino	53	Asst. Corporate Secretary
Michelle T. Hernandez	Filipino	51	VP for Governance, Compliance Officer and Chief Risk Officer
Anna Josefina G. Esteban	Filipino	55	Chief Audit Executive

Board of Directors

The information on the business affiliations and experiences of the following directors and officers are current as of December 31, 2022 and within the past five (5) years.

WILLY N. OCIER

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

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, and concurrently a Director of Highlands Prime, Inc.

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

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

ARMIN ANTONIO B. RAQUEL SANTOS

Mr. Raquel Santos is a Non-Executive Director and a member of the Executive Committee of Belle Corporation. He is an Executive Director and the President and Chief Executive Officer of Premium Leisure Corp. (PLC), and its subsidiary, PremiumLeisure and Amusement, Inc. He is a Non-Executive Director of Pacific Online Systems Corporation, 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, 70, Filipino, is a Non-Executive Director of Belle Corporation. She is also a member of the Company's Executive Committee. Ms. Yap holds key positions in SM Investments Corporation as a Senior Vice President – Office of the Chairman and Securities Department. She is also a Director of the APC Group, Inc.

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

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.

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.

***Independent Directors**

The nomination, pre-screening and election of independent directors were made in compliance with the

requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors, which have been adopted and made part of the Corporation's By-Laws.

The Corporate Governance Committee, composed of Mr. Joseph T. Chua (Chairman), Atty. Maria Gracia P. Tan, and Mr. Amando M. Tetangco, Jr., determine that the nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Company's Manual on Corporate Governance and Rule 38 of the Implementing Rules of the Securities Regulation Code (SRC).

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. Atty. Maria Gracia P. Tan and Mr. Jaime J. Bautista had their onboarding sessions in May 2021, while Mr. Joseph T. Chua had his on September 29, 2022.

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. The directors and key officers attended their annual continuing education program in July and November 2022.

Executive Officers

JACKSON T. ONGSIP

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

MARIA NERIZA C. BANARIA

Ms. Banaria, Filipino, 40, is the Chief Financial Officer (CFO) and Treasurer of the corporation. She is also the CFO and Treasurer of Pacific Online Systems Corporation and Premium Leisure Corp. 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, Glyphstudios, 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 Chief Risk Officer, Compliance 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 the Compliance Officer and Chief Risk Officer of Premium Leisure Corp., Compliance Officer of Pacific Online Systems Corporation, and Chief Risk Officer of APC Group, Inc. She has a bachelor's degree in Tourism (Cum Laude) from the University of Sto. Tomas.

Period of Officership:

Name	Office	Period Served
Willy N. Ocier	Chairman and Executive Director	June 22, 2020 to present
	Vice Chairman	June 1999 to June 22, 2020
Jackson T. Ongsip	President and CEO	From April 28, 2022 to Present
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
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:

	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 Angeli T. Hernandez	Vice President for Governance, Compliance Officer, Chief Risk Officer

a. Directorships in Other Publicly Listed Companies:

As of December 31, 2022, the following are directorships held by Directors and Officers in other reporting companies in the last five years:

Directors' and Officers' Names	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent) Indicate if Director is also the Chairman
Willy N. Ocier	Premium Leisure Corp.	Chairman, Executive Director
	Pacific Online Systems Corporation	Chairman, Non-Executive Director
	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
Maria Gracia P. Tan	Premium Leisure Corp.	Independent Director
	Pacific Online Systems Corporation	Independent Director
Amando M. Tetangco, Jr.	Converge ICT Solutions, Inc.	Independent Director
	Pilipinas Shell Petroleum Corporation	Independent Director
	SM Prime Holdings, Inc.	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

2. Significant Employees

There are no other significant employees.

3. Family Relationships

All directors and officers are not related either by consanguinity or affinity.

4. Involvement in Certain Legal Proceedings

- 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.
- 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.

- c. 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 to that time;
- b. any order, judgement, 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 judgement has not been reversed, suspended or vacated.

Item 10. Executive Compensation

Summary Compensation Table (Annual Compensation)

Position	Year	Salary/ Per Diem Allowance	Bonus	Retirement Benefits
Willy N. Ocier Jackson T. Ongsip Michelle Angeli T. Hernandez Nancy O. Hui Anna Josefina G. Esteban	Chairman of the Board President and CEO VP- Governance VP-Administration Chief Audit Executive			
President and 4 Most Highly Compensated Executive Officers	2023 (Estimate) 2022 2021	23,981,900 23,981,900 26,176,000	1,706,300 1,706,300 2,061,333	
All other officers and directors as a group unnamed	2023 (Estimate) 2022 2021	14,242,258 14,242,258 13,838,795		

Compensation 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.

			2022 Per Diem (Php)
Directors			
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, 2021.

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

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

Item 11. Security Ownership of Certain 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 December 31, 2022:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held (D: direct / I: indirect)	Percent
Common	Belleshares Holdings, Inc. ¹ Makati Stock Exchange Building, Ayala Avenue, Makati City	Belleshares Holdings, Inc.	Filipino	2,604,740,622	24.664
Common	PCD Nominee Corporation ² GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	2,542,885,933	24.078
Common	PCD Nominee Corporation ² GF Makati Stock Exchange, 6767 Ayala Avenue, Makati City	(see footnote)	Non-Filipino	1,950,754,668	18.471
Common	Sysmart Corporation ³ Makati Stock Exchange Building, Ayala Avenue, Makati City	Sysmart Corporation	Filipino	1,629,355,469 (D) 270,000 (I)	15.428
Common	Sybase Equity Investments Corporation ³ Makati Stock Exchange Building, Ayala Avenue, Makati City	(see footnote)	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 PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead, the participants have the power to decide how the PCD shares in Belle are to be voted.

³ 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%).

The shares held by Belleshares Holdings, Inc., Sysmart Corporation and Sybase Equity Investments Corp., Citibank N.A., BDO Securities Corporation, 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.

2. Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of December 31, 2022:

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	-	-	-	-	-	-

3. Voting Trust Holders of 5% or More

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

4. Changes in Control

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

Item 12. Certain Relationship and Related Transactions

No director or executive officer or any member of their immediate family has, during the last two (2) years, had a direct, or indirect, material interest in a transaction or proposed transaction to which the Company was a party.

PART IV. 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 business partners with a proven track record, domain expertise, similar values.
- Enhance and launch prime leisure amenities and developments.

2. Enhance a shareholder value.

- Realize sustained recurring earning 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 ASEAN Corporate 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 corporate governance in enhancing value for its shareholders.

Board Attendance

Regular meetings of the Board are scheduled at 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 2021 were scheduled during the Board Meeting in October 2021. A director's absence or non-participation in more than 50% of all meetings in a year is a ground for temporary disqualification in the succeeding election. During 2021, each of the Company's Directors have complied with the requirements. Below table shows the attendance of each board member in the meetings conducted during the year:

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

Board Performance Evaluation

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 assistance as needed. The Board reviews the results of these evaluations and agrees on clear action plans to address any issues 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. Board efficiency and importance as well as board activities were also given the appropriate ratings.

The six (6) Board Committees were also assessed based on their performance.

Individual performances were also assessed based on independence, participation and diligence.

Likewise, Chairperson and CEO were assessed for their leadership, integrity, diligence and adherence to corporation governance, while the following key officers were also evaluated for the over-all performance:

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

The appraisal for 2023 performance shall be conducted before March 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	

Manual on Corporate Governance

In compliance with the initiative of the Securities and Exchange Commission (“SEC”), BELLE submitted its 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’s values 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 entire organization.

The Board approved on February 24, 2021 the Revised Corporate Governance Manual and has been posted in 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	26-May-22	23-Jun-22	22-Sep-22
Chairman	Ocier, Willy N.	√	√	√	√	√
Member	Uychaco, Elizabeth Anne C.	√	√	√	√	√
Member	Ongsip, Jackson T. ¹	-	-	√	√	√
Member	Gana, Manuel A. ²	√	√	N/A	N/A	N/A
Member	Ng, Jacinto C. Jr.	√	√	√	√	√
Member	Raquel Santos, Armin Antonio B. ³	-	-	√	√	√
Member	Yap, Virginia A	√	√	√	√	√

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)	√	√	√	√	√
Member	Ng, Jacinto C. Jr.	√	√	√	√	√
Member	Tan, Maria Gracia P. (ID)	√	√	√	√	√

CORPORATE GOVERNANCE COMMITTEE		23-Feb-22	27-Apr-22	25-Oct-22
--------------------------------	--	-----------	-----------	-----------

Chairman	Bautista, Jaime J. ¹ (ID)	√	√	N/A
Member	Tan, Maria Gracia P. (ID)	√	√	√
Member	Tetangco, Amando M. (ID)	√	√	√
Chairman	Chua, Joseph T. ² (ID)	-	-	√

¹ - resigned as of June 29, 2022

² - elected as Independent Director and appointed as Corporate Governance Chairperson on July 28, 2022

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

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%

RELATED PARTY TRANSACTIONS COMMITTEE		23-Feb-22	27-Oct-22	15-Dec-22	%
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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 and managing 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 aligns its 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 release of the 2016 Code of Corporate Governance for Publicly Listed Companies. In addition to the Manual on Corporate Governance (Manual), the Company's Code of Business Conduct and Ethics (CBCE) defines good 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 BELLE Corporate website: <https://www.bellecorp.com/corporate-governance/company-policies> These policies and procedures are initially cascaded throughout the organization via email blast, intranet portal and annual corporate governance trainings.

1. Accountability, Integrity, and Vigilance (Whistle-Blowing)
2. Alternative Dispute Resolution
3. Board Diversity
4. Conflict of Interest
5. Corporate Disclosures
6. Data Privacy Act (Records Management)
7. Directors' Board Seats Held in Other Companies
8. Employees' Safety, Health and Welfare
9. Gifts / Hospitality / Entertainment
10. Guidelines of Placing of Advertisements
11. Insider Trading
12. Material Related Party Transactions
13. Safeguarding Creditors' Rights
14. Succession Planning and Retirement Age for Directors and Key Officers
15. Tenure of Independent Directors
16. Vendor Accreditation and Selection

Employees' Safety, Health, and Welfare

Belle Corporation recognizes its employees as one of its most important resource, hence, the Company endeavors to attract, inspire and retain people who demonstrate competencies and attributes that are aligned with Belle's strategies. Some of Belle's non-financial performance indicators, such as those shown below, identify relevant measures on how effectively the Company is achieving business objectives in the area of human resources.

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 laws and regulations.

The Belle Board matrix below demonstrates compliance with this policy.

Belle Board Skill Set Matrix				INDUSTRY EXPERIENCE / EXPERTISE / COMPETENCIES																			
NAME AND DESIGNATION	AGE	GEN DER	EDUCATIONAL BACKGROUND	Account- ing / Audit	Anti- Money Launde- ring	Banking	Construc- tion	Corp. Gov.	Econo- mics	Finance	Hospita- lity / Leisure	IT / Comm	Insu- rance	Invest- ment	Internal Control	Law	Manage- ment	Manufac- turing	Mining	Real Estate	Retail	Risk Manage- ment	Sales & Mktg.
Willy N. Ocier	66	M	Bachelor of Arts in Economics					✓	✓	✓	✓	✓		✓			✓			✓	✓	✓	✓
Chairman																							
Executive Director																							
Elizabeth Anne C. Uychaco	67	F	Bachelor of Arts Degree																				
Vice Chairman			Master in Business Economics			✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓	✓		
Non-Executive Director			Master in Business Administration																				
Jackson T. Ongsip	49	M	Bachelor of Science in Accounting	✓	✓	✓		✓	✓	✓					✓	✓	✓	✓				✓	
President & CEO																							
Executive Director																							
Jacinto C. Ng, Jr.	53	M	Bachelor of Science Degree in Architecture	✓	✓	✓	✓	✓	✓	✓	✓				✓			✓				✓	✓
Non-Executive Director																							
Armin Antonio B. Raquel Santos	55	M	Bachelor of Science in Business Administration Major in Finance	✓	✓			✓	✓	✓	✓				✓	✓		✓				✓	
			Master of Arts in Liberal Studies																				
Non-Executive Director																							
Joseph T. Chua	66	M	AB Economics Degree and BS Business Management Degree	✓	✓	✓	✓	✓	✓	✓					✓	✓		✓				✓	
			Masters in Business Administration																				
Independent Director																							
Ma. Gracia M. Pulido Tan	67	F	Bachelor of Science- Business Administration and Accounting, and Bachelor of Laws	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓			✓	✓	
			Masters in Law (Tax)																				
Independent Director																							
Amando M. Tetangco, Jr.	70	M	AB Economics Degree																				
			Master in Business Administration	✓	✓	✓		✓	✓	✓				✓	✓			✓				✓	
Independent Director			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 this end, all business dealings should be compliant with all applicable laws and must not in any way compromise the good name and reputation of the Company.

All Directors, Officers and Employees shall act with utmost integrity and shall not engage in unfair dealing practices. 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 else who 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 Issuer must 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 table shows the shareholdings of Belle Directors and Officers 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. Uyachaco	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 any given time.

Tenure of Independent Directors

Further, the Board has approved the setting of maximum tenure of nine (9) years with year 2012, or from the commencement 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 Manual on Corporate Governance (Manual).

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 control mechanisms are implemented and properly complied in all levels.

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

PART V. EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports in SEC Form 17-C

a. Exhibits

The following exhibit is filed as a separate section of this
report:Subsidiaries of the Registrant

The other exhibits are either not applicable to the Registrant or require no answer.

b. Reports on SEC Form 17-C


Date Filed	Item No.	Matter
Feb. 4, 2022	9	Share Buy-Back Transactions
Feb. 7, 2022	9	[Amend-1] Share Buy-Back Transactions
Feb. 24, 2022	9	Notice of 2022 Annual Stockholders' Meeting
Feb. 24, 2022	4	Appointment of Officer
Apr. 28, 2022	9	Results of Annual Stockholder's Meeting
Apr. 28, 2022	9	Results of Organizational Meeting of the Board of Directors
Apr. 28, 2022	9	Material Information/Transactions
Apr. 28, 2022	9	Press Release for 1 st Quarter 2022 Operating Results
Jun. 29, 2022	4	Resignation of Independent Director
Jul. 28, 2022	4	Election of Independent Director
Jul. 28, 2022	4	Election of Independent Director- Amendment
Jul. 28, 2022	4	Election of Independent Director- Amendment
Aug. 23, 2022	9	Amendment to Articles of Incorporation
Aug. 23, 2022	9	Amendment to By-laws

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasay on ____ day of APR 04 2023 2023.


TAGUIG CITY

By:


Willy N. Ocier
Chairman of the Board


Jackson T. Ongsip
President and Chief Executive Officer


Maria Neriza C. Banaria
Chief Financial Officer / Treasurer


Jason C. Nalupta
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ th day of APR 04 2023 2023 affiants exhibiting to me their TIN, as follows:

NAME	PASSPORT/ TIN No.	EXPIRATION DATE	PLACE OF ISSUE
Willy N. Ocier	[REDACTED]	[REDACTED]	Manila
Jackson T. Ongsip	[REDACTED]	[REDACTED]	Manila
Maria Neriza C. Banaria	[REDACTED]	[REDACTED]	NCR
Atty. Jason C. Nalupta	[REDACTED]		

Doc. No.: 137 ;
Page No.: PA ;
Book No.: II ;
Series of 2023.

MELISSA JEAN G. HIPOLITO
Appointment No. 25 (2022-2023)
Notary Public for Taguig City
Until December 31, 2023
Attorney's Roll No. 70077
1105 Tower 2 High Street South Corporate Plaza
26th Street Bonifacio Global City, Taguig City
PTR No. 5675504; 01.04.23; Taguig City
IBP Receipt No. 266867; 01.04.23; Pampanga
MCLE Compliance No. VI-0018878; 4.14.22*
*until April 14, 2023, per Supreme Court En Banc
Resolution dated February 15, 2022

BELLE CORPORATION

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

Consolidated Financial Statements

Page No.

Statement of Management's Responsibility for Financial Statements

Report of Independent Public Accountants

see attached FS

Consolidated Balance Sheets as of December 31, 2022 and 2021

Consolidated Statements of Income for the years ended

December 31, 2022, 2021 and 2020

Consolidated Statements of Changes in Equity for the years ended

December 31, 2022, 2021 and 2020

Consolidated Statements of Cash Flows for the years ended

December 31, 2022, 2021 and 2020

Notes to Consolidated Financial Statements

Securities Regulation Code Rule 68 Schedules

Report of Independent Public Accountants on Supplementary Schedules

- 1) Supplementary Schedules
 - A. Financial Assets
 - B. Amounts Receivable from Directors, Officers, Employees and Principal Stockholders (other than related parties)
 - C. Amounts Receivable from related parties which are eliminated during consolidation of financial statements
 - D. Intangible Assets - Other Assets
 - E. Long-Term Debt
 - F. Indebtedness to Related Parties
 - G. Guarantees of Securities of Other Issuers
 - H. Capital Stock
 - I. Reconciliation of Retained Earnings Available for Dividend Declaration
 - J. Key Financial Ratios
- 2) Schedule of all the effective standards and interpretations
- 3) Map of the relationships of the companies within the group

INDEX TO EXHIBITS

Form 11-A

No.		Page No.
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	*
(8)	Voting Trust Agreement	*
(9)	Material Contracts	*
(10)	Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
(13)	Letter re Change in Certifying Accountant	*
(16)	Report Furnished to Security Holders	*
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	*
(20)	Consent of Experts and Independent Counsel	*
(21)	Power of Attorney	*

*These Exhibits are either not applicable to the Company or require no answer.