

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter

BELLE CORPORATION

3. Province, country or other jurisdiction of incorporation or organization

Metro Manila Philippines

4. SEC Identification Number

52412

5. BIR Tax Identification Code

000-156-011

6. Address of principal office

5/F Tower A, Two ECom Center, Palm Coast Avenue, MOA Complex, Pasay City

Postal Code

1300

7. Registrant's telephone number, including area code

02-6628888

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

25 April 2016 @ 2:00 PM, SMX Convention Center, MOA Complex, Pasay City

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

Mar 28, 2016

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

n/a

Address and Telephone No.

n/a

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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Common Stock, Php 1.00 par value	10,498,679,857
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13. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

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

The Philippine Stock Exchange, Inc. / Common shares

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



Belle Corporation
BEL

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

Date of Stockholders' Meeting	Apr 25, 2016
Type (Annual or Special)	Annual
Time	2:00 PM
Venue	SMX Convention Center, MOA Complex, Pasay City
Record Date	Mar 23, 2016

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information

n/a

Filed on behalf by:

Name	Elizabeth Tan
Designation	Manager-Governance & Corp Affairs/Investor Relations

SECURITIES AND EXCHANGE
COMMISSION
RECEIVED
MAR 10 2016
MARKET REGULATION DEPT.
BY: *Janet* TIME: *2:35*

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that there will be an annual meeting of the stockholders of Belle Corporation on **Monday, 25 April 2016** at 2 o'clock in the afternoon, at the Function Room 1, SMX Convention Center, Mall of Asia Complex, Pasay City, Metro Manila, to consider the following:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders held on April 27, 2015
5. Approval of 2015 Operations and Results
6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting.
7. Election of Directors for 2016 to 2017
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

Attached are the rationale for the above agenda items for reference.

In accordance with the rules of the Philippine Stock Exchange, the close of business on 23 March 2016 has been fixed as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

Registration for those who are personally attending the meeting will start at 1:00 p.m. and end promptly at 1:45 p.m. All stockholders who will not, are unable, or do not expect to attend the meeting in person are encouraged to fill out, date, sign the attached Proxy Form, and send a proxy to the Corporation at 5th Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex CBP-1A, Pasay City, Philippines. All proxies should be received by the Corporation **at least four (4) days** before the meeting, or on or before **21 April 2016**. Proxies submitted shall be validated by a Committee of Inspectors on **22 April 2016** at 10:00 o'clock in the morning at 5th Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex CBP-1A, Pasay City. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

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

City of Pasig, Metro Manila, 8 March 2016.

A. BAYANI K. TAN
Corporate Secretary

RATIONALE FOR AGENDA ITEMS:

Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders held on April 27, 2015

Copies of the Minutes of the April 27, 2015 Annual Stockholders' Meeting are available at the Corporation's website: <http://www.bellecorp.com/investor-relations/disclosures/other-reports-and-filings>, and will likewise be made available during the ASM. Stockholders will be asked to approve the Minutes of the 2015 Annual Stockholders' Meeting as recommended by the Board of Directors.

Agenda Item No. 5. Approval of 2015 Operations and Results

A report on the highlights of the performance of the Corporation for the year ended 2015 will be presented to Stockholders. The same was reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who declared an unqualified opinion on the Audited Financial Statements (AFS). A summary of the 2015 AFS shall be also be presented to the Stockholders. Stockholders, after identifying themselves, will be given an opportunity to raise questions regarding the operations and report of the Corporation.

Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting.

All actions, proceedings and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management from the date of the Stockholders Meeting held on April 27, 2015 to the date of this meeting shall be presented for confirmation, approval, and ratification.

Agenda Item No. 7. Election of Directors for 2016 to 2017

The incumbent set of Board of Directors, as reviewed, qualified and recommended by the Nomination Committee, shall be presented for re-election. Their proven expertise and qualifications based on current regulatory standards and the Corporation's own norms, will help sustain the Company's solid performance that will result to its stockholders' benefit. The profiles of the Directors are available in the Company website. If elected, they shall serve as such from 25 April 2016 until their successors shall have been duly elected and qualified.

Agenda Item No. 8. Appointment of External Auditors

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders to re-appoint SyCip Gorres & Velayo (SGV & Co.) as the Corporation's External Auditor for 2016-2017. SGV & Co. is one of the leading auditing firms in the country and is duly accredited by the Securities and Exchange Commission. The Stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2016.

PROXY FORM

The undersigned stockholder of Belle Corporation (the "Company") hereby appoints _____ or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on April 25, 2016 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

____ 1.1. Vote for all nominees listed below:

- 1.1.1. Benito Tan Guat
- 1.1.2. Willy N. Ocier
- 1.1.3. Jacinto C. Ng, Jr.
- 1.1.4. Elizabeth Anne C. Uychaco
- 1.1.5. Jose T. Sio
- 1.1.6. Emilio S. De Quiros, Jr.
- 1.1.7. Frederic C. DyBuncio
- 1.1.8. Virginia A. Yap
- 1.1.9. Washington Z. Sycip (Independent Director)
- 1.1.10. Gregorio U. Kilayko (Independent Director)
- 1.1.11. Cesar E.A. Virata (Independent Director)

____ 1.2. Withhold authority for all nominees listed above

____ 1.3 Withhold authority to vote for the nominees listed below:

_____	_____
_____	_____
_____	_____
_____	_____

2. Approval of minutes of previous Annual Stockholders' Meeting.

___ Yes ___ No ___ Abstain

3. Approval of 2015 Annual Report.

___ Yes ___ No ___ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Executive Officers.

___ Yes ___ No ___ Abstain

5. Election of SyCip Gorres Velayo & Co. as external auditor.

___ Yes ___ No ___ Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

___ Yes ___ No ___ Abstain

Printed Name of Stockholder

Signature of Stockholder /
Authorized Signatory

Date

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, do hereby certify that:

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

2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

"RESOLVED, That _____ be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of Belle Corporation (BELLE) whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in BELLE and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

"RESOLVED, FINALLY, That BELLE be furnished with a certified copy of this resolution and BELLE may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

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

IN WITNESS WHEREOF, I have signed this instrument in _____ on _____.

Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____.
Affiant exhibited to me his Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**Information Statement Pursuant to Section 20
of the Securities Regulation Code**

1. Check the appropriate box
 ☒ Preliminary Information Statement
 ☐ Definitive Information Statement
2. Name of Registrant as specified in its charter: **BELLE CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
4. SEC Identification Number: **52412**
5. BIR Tax Identification Number: **043-000-156-011**
6. Address of principal office: **5th Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex CBP-1A, Pasay City 1300**
7. Registrant's telephone number, including area code: **(632) 662-8888**
8. Date, time, and place of the meeting of security holders:

 Date : **25 April 2016 (Monday)**
 Time : **2:00 PM**
 Venue : **Function Room 1, SMX Convention Center, Mall of Asia Complex, Pasay City, Metro Manila**
9. Approximate date on which the Information Statement is to be sent or given to security holders: **01 April 2016**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class
Common Stock, ₱1.00 par value

Number of Shares of Common Stock
Outstanding
10,498,679,857
(as of 29 February 2016)

Amount of Debt Outstanding
₱6.1 Billion
(as of December 31, 2015)

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

Yes ☒

No ☐

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

Statement that proxies are not solicited:

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

GENERAL INFORMATION

Date, time and place of meeting of security holders

- (a) Date - 25 April 2016 (Monday)
Time - 2:00 P.M.
Place - Function Room 1, SMX Convention Center, Mall of Asia Complex,
Pasay City, Metro Manila
- (b) The approximate date on which the Information Statement will be sent or given to security holders is on **28 March 2016**.
- (c) The complete mailing address of the principal office of Belle Corporation (the 'Company') is:
**5th Floor Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex
CBP-1A, Pasay City 1300**

Dissenters' Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on **25 April 2016** are not among the instances enumerated in Sections 42 and 81 of the Corporation Code whereby the right of appraisal, defined to be the right of any stockholder to dissent and demand payment of the fair value of his shares, may be exercised. The instances where the right of appraisal may be exercised are as follows:

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

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

- (a) No person who has been a director or officer or any nominee for election as director of the Company or associate of such persons, have substantial interest, direct or indirect, in any matter to be acted upon other than the election of directors for the year 2016-2017.
- (b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the registrant during the stockholders' meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

- (a) As of 29 February 2016, the Registrant had **10,498,679,857** common shares outstanding and each share is entitled to one vote.
- (b) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is **23 March 2016**.

- (c) With respect to the election of eleven (11) directors, each stockholder may vote such number of shares for as many as eleven (11) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by eleven (11) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by eleven (11).
- (d) Security ownership of certain record and beneficial owners and management.
- (1) Security Ownership of Certain Record and Beneficial Owners

The following persons or 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 29 February 2016:

Title of Class	Name and Address of Record Owner and Relationship with issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Belleshares Holdings, Inc. Makati Stock Exchange Building Ayala Avenue, Makati City	Belleshares Holdings	Filipino	2,591,715,833	24.66
Common	PCD Nominee Corporation ⁽¹⁾ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Non-Filipino	2,221,499,864	21.03
Common	PCD Nominee Corporation ⁽¹⁾ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	1,719,043,495	16.23
Common	Sysmart Corporation ⁽²⁾ Makati Stock Exchange Building Ayala Avenue, Makati City	Sysmart Corporation	Filipino	1,629,353,802	15.43
Common	SM Development Corporation ⁽²⁾ Makati Stock Exchange Building Ayala Avenue, Makati City	SM Development Corporation (see footnote)	Filipino	695,068,560	6.58

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

- Hong Kong Shanghai Banking Corporation Limited– Clients' Account with ownership of 887,758,418 shares or 8.46%.
- Citibank N.A. – with ownership of 1,162,493,032 shares or 11.05%
- BDO Securities Corporation – with ownership of 2,814,064,466 shares or 26.80%

⁽²⁾ Mr. Henry Sy, Sr. is the single largest shareholder of Belleshares Holdings, Sysmart Corporation and SM Development Corporation and Sybase Equity Investments Corporation.

The shares held by Belleshares Holdings Inc., Sysmart Corporation, SM Development Corporation, Sybase Equity Investments Corporation, BDO Securities Corporation, Citibank N.A. and The Hong Kong Shanghai Banking Corporation-Client's 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 form to the Company, which is not later than four (4) days before the date of the meeting.

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

(2) Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 28 February 2016 (to be updated):

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Benito Tan Guat (Filipino)	10,020,000	Direct	0.095
Common	Willy N. Ocier (Filipino)	42,197,702	Direct / Indirect	0.402
Common	Virginia A. Yap (Filipino)	160,000	Direct / Indirect	0.001
Common	Washington Z. SyCip (American)	2,728,334	Direct	0.026
Common	Gregorio U.Kilayko (Filipino)	1	Direct	0.000
Common	Cesar E. A. Virata (Filipino)	1	Direct	0.000
Common	Emilio De Quiros, Jr. (Filipino)	1	Direct	0.000
Common	Jacinto C. Ng, Jr. (Filipino)	135,860,666	Direct	1.287
Common	Jose T. Sio (Filipino)	1,000	Direct	0.000
Common	Elizabeth Anne C. Uychaco (Filipino)	1,000	Direct	0.000
Common	Frederic C. DyBuncio (Filipino)	100	Direct	0.000
Common	Manuel A. Gana (Filipino)	0	Direct	0.000
Common	Ian Jason R. Aguirre *	19,000	Direct	0.000
Common	Nancy O. Hui (Filipino)	1,500,000	Direct	0.014
Common	Rudy P. Aninipot (Filipino)**	0	Direct	0.00
Common	Rogelio I.Robang (Filipino)	20,000	Direct	0.00
Common	Michelle T. Hernandez (Filipino)	0	Direct	0.00
Common	Zenia K. Sy (Filipino)	0	Direct	0.00
Common	A. Bayani K. Tan (Filipino)	316,675	Direct	0.003
Common	Arthur A. Sy (Filipino)	0	Direct	0.00
Common	All directors and executive officers as a group	192,855,146		1.837

* Appointed Senior Vice President and Chief Operating Officer on March 06, 2015

** Retired as of June 30, 2015* Retired as of June 30, 2015

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

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

Changes in Control

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

Directors and Executive Officers

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

Directors:

	Name	Citizenship	Age as of 12.31.2015	Position
1	Benito Tan Guat	Filipino	85	Chairman
2	Willy N. Ocier	Filipino	59	Vice Chairman
3	Elizabeth Anne C. Uychaco	Filipino	60	Vice Chairman
4	Frederic C. DyBuncio	Filipino	56	Director / President and CEO
5	Emilio De Quiros Jr.	Filipino	67	Director
6	Gregorio Kilayko	Filipino	60	Director (Independent)
7	Jacinto C. Ng, Jr.	Filipino	46	Director
8	Jose T. Sio	Filipino	76	Director
9	Washington Z. Sycip	American	94	Director (Independent)
10	Virginia A. Yap	Filipino	65	Director
11	Cesar E.A. Virata	Filipino	85	Director (Independent)

Executive Officers:

	Name	Citizenship	Age as of 12.31.2015	Position
1	Frederic C. DyBuncio	Filipino	56	President and CEO
2	Manuel A. Gana	Filipino	58	EVP and CFO
3	Armin Raquel A. Santos	Filipino	48	EVP – Integrated Resorts
4	Ian Jason R. Aguirre*	Filipino	42	SVP - Chief Operating Officer
5	Rudy Aninipot**	Filipino	59	VP Property Management
6	Michelle T. Hernandez	Filipino	44	VP Governance and Corporate Affairs
7	Nancy O. Hui	Filipino	57	VP and EA to the Chairman
8	Rogelio Robang	Filipino	55	VP for Real Estate Permits, External Relations & Project Management
9	Zenia K. Sy	Filipino	54	VP Sales
10	A. Bayani K. Tan	Filipino	60	Corporate Secretary
11	Arthur Sy	Filipino	46	Asst. Corporate Secretary

*Effective March 6, 2015.

** Retired as of June 30, 2015

Board of Directors

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

The following are the incumbent members of the Board of Directors who, are also nominated herein, as certified by the Nomination Committee composed of Messrs. Washington Z. SyCip (Chairman), Willy N. Ocier, Jose T. Sio and Ms. Virginia A. Yap, for re-election as members of the Board of Directors for 2015-2016:

NOTE: The Nomination Committee was initially composed of Messrs. Washington Z. SyCip (Chairman), Willy N. Ocier, Jose T. Sio and Ms. Virginia A. Yap. At the Board of Directors' meeting on 30 October 2015, Messrs. Willy N. Ocier and Mr. Jose T. Sio ceased being members, while Mr. Cesar E.A. Virata was appointed as new member, of the Nomination Committee.
Benito Tan Guat

Mr. Tan Guat is the Chairman of the Company. He is also the Chairman and President of Eastern Securities Development Corporation.

Willy N. Ocier

Mr. Ocier is one of the two Co-Vice Chairpersons of Belle Corporation. He has been a Vice Chairman of the Company's Board of Directors and Chairman of the Company's Executive Committee since June 1999. His positions with associated companies are as follows: Chairman and President of Pacific Online Systems Corporation; Chairman of the Board and a Director of APC Group, Inc., Premium Leisure Corp., and Premium Leisure and Amusement, Inc.; Chairman of Tagaytay Midlands Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc. and The Spa and Lodge Inc.; and Vice Chairman of Tagaytay Highlands International Golf Club, Inc. Mr. Ocier also sits as a Director of the following unaffiliated corporations: Leisure and Resorts World Corporation, IVantage Equities, Leisure and Resorts World Corporation, Philippine Global Communications, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation. He graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics.

Elizabeth Anne C. Uychaco

Ms. Uychaco is one of the two Co-Vice Chairpersons of Belle Corporation. She is also Senior Vice President of SM Investments Corp., and a Director of Megawide Construction Corporation, Republic Glass Holdings Corp., and Generali Pilipinas Holding Company, Inc. She was formerly Senior Vice President and Chief Marketing Officer of Philippine American Life and General Insurance Company and Board Director of Philam Call Center. Prior to that, she was Vice President of Globe Telecom, Inc., Kuok Philippine Properties, Inc. and Transnational Diversified Corp. Ms. Uychaco graduated from St. Scholastica's College in 1978 with a Bachelor of Arts Degree. She obtained a Master's Degree in Business Economics from the University of Asia and Pacific in 1988 and a Master's Degree in Business Administration from the Ateneo Business School in 1992.

Frederic C. DyBuncio

Mr. DyBuncio is the President, Chief Executive Officer and Director of Belle Corporation and its subsidiary Premium Leisure Corp. Concurrently, he is the Executive Vice President of SM Investments Corporation. He is a Director of Atlas Consolidated Mining and Development Corporation, Tagaytay Highlands International Golf Club, Inc., and Pacific Online Systems Corporation. Prior to holding the post, he was a career banker who spent over 20 years with JP Morgan Chase and its predecessor institutions. He graduated from Ateneo de Manila University with a Bachelor of Science degree in Business Management and finished a Master's degree in Business Administration program at Asian Institute of Management.

Emilio De Quiros, Jr.

Mr. De Quiros has served as a Director of the Company since September 21, 2010. He is currently the President and Chief Executive Officer of the Social Security System (“SSS”). He is also a Director of UnionBank of the Philippines and Philhealth Insurance Corporation. Prior to his appointment as President of SSS, he served as Executive Vice President of Bank of the Philippine Islands and President of Ayala Life Insurance Inc., Ayala Plans Inc. and BPI Bancassurance, Inc. He was also a director of ALFM Peso Mutual Fund, Inc., ALFM Dollar Mutual Fund, Inc., ALFM Euro Mutual Fund, Inc., ALFM Growth and Philippine Stock Index Fund. Mr. De Quiros graduated from Ateneo de Naga with a Bachelor of Arts in Economics degree (Cum Laude), and holds a Master of Arts in Economics degree from University of the Philippines.

Gregorio U. Kilayko*

Mr. Kilayko is an Independent Director of the Company. He was founding head of ING Barings’ stockbrokerage and investment banking business in the Philippines, and a Philippine Stock Exchange Governor in 1996 and 2000. Mr. Kilayko holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania.

Jacinto C. Ng, Jr.

Mr. Ng is a Director of the Company and concurrently a Director and Treasurer of Republic Biscuit Corporation and the Chief Executive Officer of Elanvital Enclaves, Inc. Mr. Ng is also a Director of the following companies: Asia United Insurance Corporation, Highlands Prime, Inc., Manila Bay Development Corporation, Quantuvis Resources Corporation and Palm Concepcion Power Corporation. He holds a Bachelor of Science degree in Architecture from the University of the Philippines.

Jose T. Sio

Mr. Jose T. Sio is a Certified Public Accountant and obtained his Master’s degree in Business Administration (MBA) from New York University, USA. Mr. Sio is a Director, Executive Vice President and Chief Finance Officer of SM Investments Corporation. He is also a member of the Board of Directors of the following companies listed in the Philippine Stock Exchange (PSE): (i) China Banking Corporation; (ii) Atlas Consolidated Mining and Development Corporation; and Adviser to the Board of Directors of BDO Unibank, Inc. and Premium Leisure Corporation. He is a member of the Audit and Risk Committee of SM Prime Holdings, Inc. Mr. Sio also serves as Director of the following companies not listed in the PSE: (i) OCLP (Ortigas) Holdings, Inc.; (ii) SM Keppel Land, Inc.; (iii) Carmen Copper Corporation; (iv) First Asia Realty Development Corporation; (v) Manila North Tollways Corporation; and (vi) Asia Pacific College. He is the President of SM Foundation, Inc. and GlobalFund Holdings, Inc. Mr. Sio was a Senior Partner of Sycip Gorres Velayo & Co. (SGV) from 1977 to 1990. He was voted as CFO of the Year in 2009 by the Financial Executives Institute of the Philippines (FINEX). He was also awarded as Best CFO (Philippines) in various years by Hong Kong-based business publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia and The Asset.

Washington Z. SyCip*

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

Cesar E. A. Virata*

Mr. Virata is an Independent Director of the Company. He is the President and Principal Consultant of C. Virata & Associates, Inc. Management Consultants. He is currently the Vice Chairman of Rizal Commercial Banking Corporation (RCBC); and Director of RCBC subsidiaries and some affiliates. He is also an Independent Director of Lopez Holdings Corporation, City & Land Developers, Inc. and Business World Publishing Corporation. Mr. Virata was formerly the Minister of Finance and Prime Minister of the Philippines. He was Dean of the University of the Philippines College of Business Administration, now named the UP Virata School of Business. Mr. Virata holds an MBA from the Wharton School of the University of Pennsylvania.

Virginia A. Yap

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

The nomination, pre-screening and election of independent directors were made in compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors, which have been adopted and made part of the Corporation's By-Laws.

The Nomination Committee, composed of Messrs. Washington Z. SyCip (Chairman), Willy N. Ocier, Jose T. Sio, Cesar E.A. Virata¹, and Ms. Virginia A. Yap, 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).

¹*Messrs. Willy N. Ocier and Jose T. Sio were members of the Nomination Committee, last elected on April 27, 2015, and ceased membership on October 30, 2015. Mr. Cesar E.A. Virata's membership to the Nomination Committee commenced on October 30, 2015.*

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 Ethics, Insider Trading Policy and Corporate Governance Manual.

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

** Independent Director – the Company has complied with the Guidelines set forth by SRC (Securities Regulation Code) Rule 38 regarding the Nomination and Election of Independent Director. The Company's By-Laws incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule.*

EXECUTIVE OFFICERS

Frederic C. DyBuncio

Mr. DyBuncio is the President, Chief Executive Officer and Director of Belle Corporation and its subsidiary Premium Leisure Corp. Concurrently, he is the Executive Vice President of SM Investments Corporation. He is a Director of Atlas Consolidated Mining and Development Corporation, Tagaytay Highlands International Golf Club, Inc., and Pacific Online Systems Corporation. Prior to holding the post, he was a career banker who spent over 20 years with JP Morgan Chase and its predecessor institutions. He

graduated from Ateneo de Manila University with a Bachelor of Science degree in Business Management and finished a Master's degree in Business Administration program at Asian Institute of Management.

Armin B. Raquel-Santos

Mr. Raquel-Santos is concurrently Executive Vice President – Integrated Resorts of Belle Corporation and Executive Vice President and Chief Operating Officer of Premium Leisure and Amusement, Inc. He is also a Director of Tagaytay Highlands International Golf Club, Inc., and a member of the Board of Trustees of Melco Crown Philippines Foundation Corporation. Formerly, he was Chief Financial Officer of Aboitizland, he also served in various government positions including as Governor of the Board of Investments, Vice Chairman and CEO of the Philippine Retirement Authority, Executive Vice President of the Philippine International Trading Corporation, Deputy Administrator of Subic Bay Metropolitan Authority and Assistant Secretary for the Department of Trade and Industry. Mr. Raquel-Santos holds a Bachelor of Science degree in Business Administration major in Finance from Iona College (USA) and a Master of Arts degree in Liberal Studies from Dartmouth College (USA).

Manuel A. Gana

Mr. Gana is the Executive Vice President and Chief Financial Officer of the Company. He joined Belle in 1997 as Vice President for Corporate Development and Special Projects, during which time he was also assigned as the Vice President-Finance and Chief Financial Officer for MagiNet Corporation, which was then a subsidiary of Sinophil Corporation (now called Premium Leisure Corporation), a subsidiary of Belle. He is a Director of Tagaytay Highlands International Golf Club, Inc. and Woodland Development Corporation. Previously, he was Director of Investment Banking at Nesbitt Burns Securities Inc. in New York. He also previously worked for Bank of Montreal and Merrill Lynch Capital Markets (both in New York), and for Procter & Gamble Philippine Manufacturing Corporation. Mr. Gana holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania, and degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

Ian Jason R. Aguirre

Mr. Aguirre was appointed as the Chief Operating Officer of the Company effective March 6, 2015. Mr. Aguirre is concurrently a Vice President of SM Investments Corporation ("SMIC"). He has worked in various management positions over a 16-year career that included local and international experience in strategic planning, operations and business development. His last stint prior to joining SMIC was as a Director for CEMEX Asia Pte. Ltd.. Mr. Aguirre holds a Bachelor of Science degree in Industrial Engineering from the University of the Philippines and a Master's degree in Business Management from the Asian Institute of Management.

Rudy P. Aninipot *

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

**Retired as of June 30, 2015*

Michelle T. Hernandez

Michelle Angeli T. Hernandez is the Vice President for Governance and Corporate Affairs of the Company, 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 has a bachelor's degree in Tourism (cum laude) from the University of Sto. Tomas. Before joining the Company, she worked in Thomas Cook Philippines, Inc., a member of Metrobank's Group of Companies.

Nancy O. Hui

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

Rogelio I. Robang

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

Zenia K. Sy

Ms. Sy has had 26 years of extensive experience in the real estate industry; specifically, in Sales and Marketing in an executive position. A Certified Public Accountant from the University of Santo Tomas and a Licensed Real Estate Broker, she is responsible for the sales performance of the leisure properties in Tagaytay Highlands and organization of the Sales Divisions. She is well exposed to global business having spent five years in her capacity as Head of the International Sales with Federal Land, Inc. in addition to her regular functions overseeing the sales operations in Italy, Spain, France, UK, US, Guam, Canada, Japan, Singapore and the Middle East. She has held the position of President and a member of the board of the various Condominium Corporations of companies she has worked for in the past.

A. Bayani K. Tan

Mr. A. Bayani K. Tan, 60, Filipino, is the Corporate Secretary of the Corporation (since May 1994, Publicly-Listed). He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Asia United Bank Corporation (since February 2014 as Corporate Secretary, since June 2014 as Director*, Publicly-Listed), Coal Asia Holdings, Inc. (since July 2012, Publicly-Listed), Destiny Financial Plans, Inc. (since 2003), Discovery World Corporation (since March 2013 as Director, since July 2003 as Corporate Secretary, Publicly-Listed), First Abacus Financial Holdings Corp. (since May 1994, Publicly Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Pacific Online Systems Corporation (since May 2007, Publicly-Listed), Philequity Balanced Fund, Inc. (since March 2010), Philequity Dividend Yield Fund, Inc. (since January 2013), Philequity Dollar Income Fund, Inc. (since March 1999), Philequity Foreign Currency Fixed Income Fund, Inc. (since March 2010), Philequity Fund, Inc. (since June 1997), Philequity Peso Bond Fund, Inc. (since June 2000), Philequity PSE Index Fund, Inc. (since February 1999), Philequity Resources Fund, Inc. (since March 2010), Philequity Strategic Growth Fund, Inc. (since April 2008), Premium Leisure Corp. (since December 1993 as Director and until April 2015 as Corporate Secretary, Publicly-Listed), TKC Metals Corporation (since February 2007, Publicly-Listed), Tagaytay Highlands International Golf Club, Inc. (since November 1993), Tagaytay Midlands Golf Club, Inc. (since June 1997), The Country Club at Tagaytay Highlands, Inc. (since August 1995), The Spa and Lodge at Tagaytay Highlands, Inc. (since December 1999) and Vantage Equities, Inc. (since January 1993,

Publicly-Listed). Mr. Tan is also a Director and the Corporate Secretary of Sterling Bank of Asia Inc. (since December 2006). He is the Managing Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988), Managing Director/President of Shamrock Development Corporation (since May 1988), Director of Destiny LendFund, Inc. (since December 2005) and Pascual Laboratories, Inc. (since March 2014), President of Catarman Chamber Elementary School Foundation, Inc. (since August 2012), Managing Trustee of SCTan Foundation, Inc. (since 1986), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013) and Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Mr. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

Arthur A. Sy

Arthur A. Sy is the Assistant Corporate Secretary of the Company. He is also the Vice President, Corporate Legal Affairs of SM Investments Corporation. He is the Corporate Secretary of various corporations within the SM Group of Companies. He is also the Corporate Secretary of the National University. He holds a Juris Doctor degree from Ateneo de Manila University and is a member of the New York Bar. He has been with the SM Group for the last 18 years.

Period of Officership

	Name	Office	Period Served
1	Frederic C. DyBuncio	President and CEO	From April 2013 – Present
2	Manuel A. Gana	EVP and CFO	From July 1997 to Present
3	Armin Raquel A. Santos	EVP - Integrated Resorts	From September 2011 to Present
4	Ian Jason R. Aguirre	SVP - Chief Operating Officer	From March 2015 to Present
5	Rudy P. Aninipot	VP for Property Management	From October 1995 to June 30, 2015
6	Michelle T. Hernandez	VP for Governance and Corporate Affairs	From April 1996 to Present
7	Nancy O. Hui	VP for Administration and Executive Assistant to the Chairman	From June 2001 to Present
8	Rogelio I. Robang	VP for Real Estate Permits, External Relations & Project Management	From January 2002 to Present
9	Zenia K. Sy	VP for Sales	From February 2012 to Present
10	A. Bayani K. Tan	Corporate Secretary	From May 1994 to Present
11	Arthur A. Sy	Asst. Corporate Secretary	From April 2010 to Present

The following will be nominated as Officers at the Organizational meeting of the Board of Directors:

	Name	Office
1	Frederic C. DyBuncio	President and CEO
2	Manuel A. Gana	EVP and CFO
3	Armin Raquel A. Santos	EVP - Integrated Resorts
4	Ian Jason R. Aguirre	SVP - Chief Operating Officer
5	Rudy P. Aninipot	VP for Property Management
6	Michelle T. Hernandez	VP for Governance and Corporate Affairs
7	Nancy O. Hui	VP for Administration and Executive Assistant to the Chairman
8	Rogelio I. Robang	VP for Real Estate Permits, External Relations & Project Management
9	Zenia K. Sy	VP for Sales
10	A. Bayani K. Tan	Corporate Secretary
11	Arthur A. Sy	Asst. Corporate Secretary

Directorships in Other Publicly Listed Companies:

The following are directorships held by Directors and Officers in other reporting companies in the last five years:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Willy N. Ocier	Leisure & Resorts World Corp.	Non-Executive Director
	Vantage Equities, Inc.	Non-Executive Director
Emilio S. De Quiros, Jr.	Union Bank of the Philippines	Non-Executive Director
Gregorio U. Kilayko	Vantage Equities, Inc.	Independent Director
Washington Z. SyCip	Cityland Development Corporation	Non-Executive Director (Chairman)
	Century Properties Group, Inc.	Independent Director
	First Philippine Holdings Corporation	Independent Director
	Lopez Holdings Corporation	Independent Director
	MacroAsia Corporation	Non-Executive Director (Chairman)
	Metro Pacific Investments Corporation	Independent Director
	Philippine National Bank	Non-Executive Director
	PHINMA Group	Independent Director
Cesar E.A. Virata	Rizal Commercial Banking Corporation	Non-Exec Director (Vice-Chairman)
	Lopez Holdings Corporation	Independent Director
Atty. A. Bayani K. Tan	Asia United Bank Corporation	Non-Executive Director
	Discovery World Corporation	Non-Executive Director
	First Abacus Financial Holdings Corp.	Non-Executive Director
	Coal Asia Holdings, Inc.	Non-Executive Director
	I-Remit, Inc.	Non-Executive Director
	TKC Metals Corporation	Non-Executive Director

Significant Employees

There are no other significant employees.

Family Relationships

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

Involvement in Certain Legal Proceedings

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc., some of its members initiated a Complaint for Estafa (I.S. No. 08K-89713) against ULC, the Universal Rightfield Property Holdings, Inc. and the Universal Leisure Corp., as well as their respective officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan, an incumbent Director and the Corporate Secretary of the Corporation. The Complaint was submitted for resolution in 2009 and was acted upon and dismissed by the City Prosecutor of Manila (OCP) only on March 18, 2013. Complainants belatedly filed motion for reconsideration for which reason, among others, the OCP denied motion on June 16, 2014. A Petition for Review dated March 31, 2014 was filed by the Complainant before the Department of Justice (DOJ). On August 7, 2014, Atty. Tan filed his Comment to the said Petition. In a Resolution dated April 17, 2015, the Petition for Review was denied and the DOJ dismissed the complaint for estafa.

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, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and,
- c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Certain Relationships and Related Transactions

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

Disagreement with Director

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

Compensation of Directors and Executive Officers

All independent directors get a per diem of Fifty Thousand Pesos (₱50,000.00) each, while the other directors get a per diem of Ten Thousand Pesos (₱10,000.00) each per meeting.

As of 28 February 2016, there were no outstanding warrants or options held by any of the Company's directors and officers.

The aggregate compensation paid or incurred during the last two fiscal years and estimated compensation to be paid in the ensuing fiscal year to the Chief Executive Officer and executive officers of the Company are as follows:

Summary Compensation Table (Annual Compensation)

Name	Position	Year	Salary	Bonus	Other Annual Compensation
Frederic C. DyBuncio	CEO and President				
Armin B. Raquel-Santos	EVP - Integrated Resorts				
Manuel A. Gana	EVP and CFO				
Rudy A. Aninipot*	VP Property Management				
Rogelio I. Robang	VP - Proj. Mgt & External Affairs				
President and 4 Most Highly Compensated Executive Officers		2016(Estimate)	32,235,520	2,484,470	-
		2015	30,410,868	2,343,840	-
		2014	26,676,200	2,056,000	-
All other officers and Directors		2016(Estimate)	25,187,890	2,098,991	-
as a group unnamed		2015	23,762,160	1,980,180	-
		2014	20,844,000	1,737,000	-

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

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

Warrants and Options Outstanding

Warrants

There were no outstanding warrants as of 29 February 2016.

Options

There are no option grants outstanding as of 29 February 2016.

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

Independent Public Accountants

SyCip Gorres Velayo & Co. ("SGV"), the Company's external auditors for 2015-2016, will be recommended for re-appointment as such for the current year. Representatives of SGV are expected to be present at the Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

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

In Compliance with the SEC Memorandum Circular No. 8 Series of 2003, Mr. Juanito A. Fullecido was assigned in 2007 as SGV's engagement partner for the Company to replace Mr. Sebastian. Mr. Fullecido's assignment ended after the 2009-2010 audit engagement. SGV appointed Mr. Roel E. Lucas as the engagement partner for the Company starting 2010-2011. For the 2012 and 2013 audit engagement SGV appointed Ms. Clairma T. Mangangay as the engagement partner. In 2014 and 2015, SGV appointed Marydith C. Miguel and Ramon D. Dizon as the engagement partners for the 2014 and 2015 audit, respectively.

The Company paid SGV One Million Pesos (₱1,000,000) for external audit services for 2015 and 2014.

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

The Audit Committee, composed of Mr. Gregorio U. Kilayko as Chairman, and Messrs. Jacinto C. Ng, Jr., Cesar E. A. Virata and Ms. Virginia A. Yap* as Members, recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approved the Audit Committee's recommendation. The Executive Committee approves the audit fees as recommended by the Management Committee.

Note: Ms. Virginia A. Yap ceased being a member of the Audit Committee from October 30, 2015.

Compensation Plans

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

Acquisition or Disposition of Property

Disposition of Pacific Online Systems Corporation ("POSC") shares

On August 5, 2015, the Corporation sold its remaining 47,851,315 shares in POSC to Premium Leisure Corp. (PLC) at ₱20.90 per share, for an aggregate amount of approximately ₱1.0 billion which it plans to use for debt repayment.

Corporate Reorganization

On July 22, 2014, A Deed of Sale of Shares was executed covering the sale by Belle to Premium Leisure Corp. ("PLC") of all its equity interest in PremiumLeisure and Amusement, Inc. ("PLAI"), consisting of Fifty Thousand (50,000) Common Shares, at a price of Ten Billion Eight Hundred Forty-Seven Million Eight Hundred Twenty Thousand Pesos (₱10,847,820,000.00).

On the same day, the Corporation sold most of its shares in Pacific Online Systems Corporation ("Pacific Online") to PLC. Belle Corporation sold the equivalent of approximately Thirty-Four and a Half Percent (34.5%) of the outstanding capital stock of Pacific Online, or a total of 101,668,953 Common Shares, at a previously agreed price of Fifteen Pesos (₱15.00) per share, or an aggregate of One Billion Five Hundred Twenty-Five Million Thirty-Four Thousand Two Hundred Ninety-Five Pesos (₱1,525,034,295.00) which will be paid for in cash. On August 5, 2015, Belle sold its remaining 47.9 million shares in Pacific Online to PLC. The transfers of the Pacific Online shares from Belle to PLC were executed through the facilities of the Exchange through special block sales.

During September and October 2014, Belle, its subsidiaries and affiliates sold a total of approximately 3.5 billion PLC shares 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 approximately 78.7%, which is unchanged as of December 31, 2015. This transaction is considered as a sale of interest in PLC without losing control; thus, all of the related gains and transaction costs were accounted for directly in equity.

Acquisition of Falcon Resources Inc.

On June 16, 2014, Total Gaming Technologies Inc. ("TGTI"), a subsidiary of Pacific Online, and the shareholders of Falcon Resources Inc. ("FRI") entered into a Memorandum of Understanding for the intention of TGTI to acquire the latter's interest in FRI, thereby attaining 100% ownership on December 11, 2014. FRI is a Philippine corporation engaged in gaming consultancy services and is a sub-distributor for Pacific Online.

OTHER MATTERS

Action with Respect to Reports

The Company will seek the approval by the stockholders of the Minutes of the previous Stockholders' Meeting during which the following were taken up: (1) Call to Order; (2) Proof of Notice of Meeting; (3) Certification of Quorum; (4) Approval of the Minutes of the Previous Meeting of Stockholders; (5) Approval of 2014 Operations and Results; (6) Ratification of all Acts of the Board of Directors and Officers; (7) Election of Directors; (8) Appointment of SyCip Gorres Velayo & Co. as External Auditors; (9) Other Matters; and (10) Adjournment.

The Company will also seek approval by the stockholders of the 2015 Operations and Reports, contained and discussed in the Annual Report attached and made part of this Information Statement. Approval of the reports will constitute approval and ratification of the acts of management and of the Board of Directors for the past year.

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

Matters Not Required to be Submitted

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

Amendment of Charter, By-Laws, or Other Documents

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

Other Proposed Actions

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

1. Minutes of the Previous Meeting of Stockholders;
2. 2015 Operations and Results;
3. Ratification of all Acts of the Board of Directors and Officers;
4. Election of Directors for 2016-2017;
5. Appointment of SyCip Gorres Velayo & Co. as External Auditors;
6. Other Matters.

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

1. Membership in the relevant committees such as the Executive Committee; Audit Committee, Risk Management Committee, Nomination Committee and the Compensation & Remuneration Committee;
2. Designation of authorized signatories;
3. Financing activities;
4. Opening of accounts;
5. Appointments in compliance with corporate governance policies; and
6. Funding support for projects.

Management reports which summarize the acts of management for the year 2012 are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

Voting Procedures

- (a) Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.
- (b) Two inspectors, who are officers or employees of the Company, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place. If no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend, then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on **25 April 2016**, the Corporate Secretary and/or his representative together with the Audit Partner of the External Auditor and/or his representative, have been designated as inspectors who have been tasked to oversee the counting of votes.
 - (b.1) A third party will be appointed by the Corporation to validate the votes as necessary.
- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company; provided, however, that in the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law.
- (d) The By-Laws of the Company is silent as to the method by which votes are to be counted. In practice, however, the same is done by the raising of hands or *viva voce*.
- (e) With respect to the election of eleven (11) directors, each stockholder may vote such number of shares for as many as eleven (11) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by eleven (11) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by eleven (11).
- (f) Upon confirmation by the inspectors that there is a mathematical impossibility for certain nominees to be elected into office based on proxies held and votes present/represented in the meeting, the actual casting and counting of votes for the election of Directors may be dispensed with.

Omitted Items

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

SIGNATURE

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

This report is signed in the City of Pasay, Metro Manila on March 8, 2016.

WILLY N. OCIER
Vice Chairman

BELLE CORPORATION

BUSINESS AND GENERAL INFORMATION

Background

Belle Corporation ("Belle" or the "Company") was incorporated in 1973 as Belle Mining and Oil Exploration, Incorporated ("Belle Resources") and, in 1977, was listed on the Philippine Stock Exchange. In 1989, Belle Resources developed a golf club named Tagaytay Highlands International Golf Club, Incorporated ("Tagaytay Highlands"), which became its initial foray into the property development sector. In 1994, Belle Resources changed its name to Belle Corporation to underscore the shift in its principal activity.

In early 2001, Belle decided to spin-off some of its property development assets. The spin-off involved the transfer of approximately 534 hectares of undeveloped land, 70 developed subdivision lots and 25 finished residential units into a newly formed subsidiary, Highlands Prime, Incorporated ("Highlands Prime"). Highlands Prime was registered with the Securities and Exchange Commission on February 15, 2001, and its shares became listed on the Philippine Stock Exchange on April 23, 2002, at which time Belle sold approximately 64% of its interest in Highlands Prime to investors. In August 2013, Belle exchanged its 809 million shares in Highlands Prime for approximately 109 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 Corp. Belle sold approximately 16 million of its SMPH shares in 2015, and holds about 92 million shares as of December 31, 2015.

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 unless renewed for another 25 years by the Philippine Congress. Belle started construction of the foundation and structure of the integrated resorts in 2010 on 6.2 hectares of land along the entrance of the Entertainment City. In October 2012, Belle and PLAI entered into a Cooperation Agreement with MELCO Crown Entertainment Limited and its Philippine affiliates (collectively, "MCE"). The Cooperation Agreement placed Belle as a co-licensee and the owner of the land and buildings and MCE 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 MCE fully complied with the all 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 include the following: Alta Mira, Fairfield, Lakeside Fairways, Lakeview Heights, Nobhill, Pinecrest Village, Plantation Hills, Tagaytay Highlands Golf Club, Tagaytay Midlands Golf Club, The Belleview, The Country Club at Tagaytay Highlands, The Parks at Saratoga Hills, The Spa and Lodge at Tagaytay Highlands, The Verandas at Saratoga Hills, The Villas, and The Woodlands.

Lakeside Fairways comprises Belle's newest development area in Batangas, and was introduced by Belle in April 2007. This project consists of subdivision lots located south of the existing 18-hole Tagaytay Midlands golf course in Talisay, Batangas. The construction of 9 more holes for the Tagaytay Midlands

golf course also commenced after ground breaking for Lakeside Fairways, during the first half of 2008. As of December 31, 2015, Belle's Lakeside Fairways projects comprising of Kew Gardens, Terrazas de Alava, Lakeside Enclave and Tivoli Place, Cotswold, Yume and Katsura were 100% complete. As of December 31, 2015, the first three phases of Sycamore Heights was 100% complete and the fourth phase is slated to be complete by end of year end of 2016.

Pacific Online Systems Corporation ("Pacific Online"), incorporated in 1993, leases online betting equipment to the Philippine Charity Sweepstakes Office (PCSO) for their lottery operations. Pacific Online has been consistently profitable since its fiscal year 2002. Pacific Online listed its shares on the Philippine Stock Exchange with a successful initial public offering on April 12, 2007. A total of 39.8 million shares were offered to the public at P8.88 per share. Because of high demand for Pacific Online shares, it opened in the market at P13.25 per share on the listing date. Belle's subsidiary, Premium Leisure Corp., owned 50.1% of Pacific Online as of December 31, 2015.

Premium Leisure Corporation ("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 Corporation with its primary purpose being investments in gaming-related businesses. On July 24, 2014, Belle completed transfers to PLC of its 100% stake in PLAI and approximately 102 million shares in Pacific Online (comprising about 34% of issued common shares in Pacific Online), with the Company transferring to Belle various real estate assets and corporate securities. PLC also increased its authorized capital stock from 16.1 billion shares to 43.6 billion shares, with Belle subscribing to 24.7 billion new common shares that increased its consolidated ownership therein from 3.6 billion shares or 54.3% to 28.3 billion 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%, which level is unchanged as of December 31, 2015. On August 5, 2015, Belle sold its remaining 47.9 million shares in Pacific Online to PLC.

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 MCE, PLAI will be entitled to receive from MCE 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, as well as 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 MCE

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:

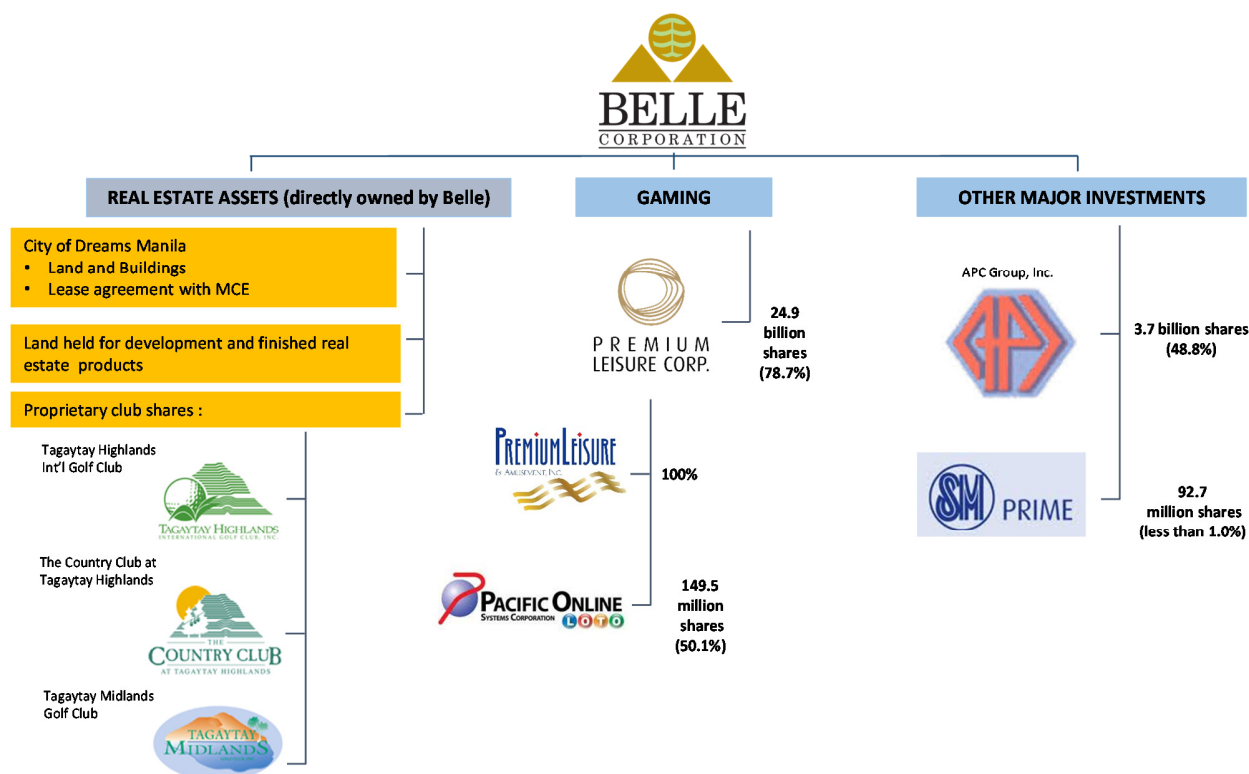
- Total investment commitment of US\$1 billion, with at least US\$650 million as of the opening date of the integrated resort (including up to US\$150 million in market value of land used for the resort) and the balance of US\$350 million within three years of such opening date;
- At least 800 hotel 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 P1 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 table games to be set using a formula based on the total number of hotel rooms in the resort and the quality of such rooms.

In October 2012, Belle and PLAI entered into a Cooperation Agreement with MCE, which places Belle as a co-licensee and the owner of the land and buildings and MCE 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 MCE were expected to make equal investment contributions to the project. MCE 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 MCE 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 MCE, which in turn co-terminus with the License from PAGCOR, and provides for monthly rentals (with annual escalation) to be paid by MCE to Belle in respect of the land and buildings. PLAI and MCE also entered into an operating agreement that is similarly co-terminus with the License from PAGCOR, whereby MCE was given full management discretion on the management and operation of the integrated resort and PLAI was accorded a share of earnings from gaming operations in the resort.

On October 9, 2013, MCE announced that the integrated resort will be branded as "City of Dreams Manila", the namesake of MCE's flagship integrated resort in Macau, City of Dreams. MCE subsequently announced the branding of three hotels in City of Dreams Manila as Nobu, Hyatt and Crown Towers. MCE also announced plans for "DreamPlay", City of Dreams Manila's fully immersive, technology-rich family entertainment center developed in collaboration with DreamWorks Animation, which is the first of its kind in the world.

City of Dreams Manila was substantially completed as of December 2014, with all requirements under the PAGCOR Guidelines being met by Belle and MCE, 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, 2015**



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)

Acquisition of Additional Interest in Pacific Online

The Company's total ownership in Pacific Online increased to 50.1% during 2014, from 35% as at December 31, 2013, after a series of share purchases in the secondary market at the Philippine Stock Exchange (PSE). As a result, the Company consolidated Pacific Online effective June 5, 2014. This transaction is a business combination achieved in stages and accounted for using the acquisition method. The primary reason for acquiring the additional interest in Pacific Online was to expand the Company's share in the gaming business.

Additional Subscription in PLC

On June 20, 2014, Belle and PLC entered into a subscription agreement for 24.7 billion common shares of PLC at a subscription price of ₱0.369 per share or a total of ₱9,114.3 million, thereby increasing Belle's interest in PLC to 89.8%.

Corporate Reorganization

On July 22, 2014, A Deed of Sale of Shares was executed covering the sale by Belle to Premium Leisure Corp. ("PLC") of all its equity interest in PremiumLeisure and Amusement, Inc. ("PLAI"), consisting of Fifty Thousand (50,000) Common Shares, at a price of Ten Billion Eight Hundred Forty-Seven Million Eight Hundred Twenty Thousand Pesos (₱10,847,820,000.00).

On the same day, the Corporation sold most of its shares in Pacific Online Systems Corporation ("Pacific Online") to PLC. Belle Corporation sold the equivalent of approximately Thirty-Four and a Half Percent (34.5%) of the outstanding capital stock of Pacific Online, or a total of 101,668,953 Common Shares, at a previously agreed price of Fifteen Pesos (₱15.00) per share, or an aggregate of One Billion Five Hundred Twenty-Five Million Thirty-Four Thousand Two Hundred Ninety-Five Pesos (₱1,525,034,295.00) which will be paid for in cash. On August 5, 2015, Belle sold its remaining 47.9 million shares of Pacific Online to PLC. The transfers of Pacific Online shares from Belle to PLC were executed through the facilities of the Exchange through special block sales.

During September and October 2014, Belle, its subsidiaries and affiliates sold a total of approximately 3.5 billion PLC shares 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 approximately 78.7%, which is unchanged as of December 31, 2015. This transaction is considered as a sale of interest in PLC without losing control; thus, all of the related gains and transaction costs were accounted for directly in equity.

Acquisition of Falcon Resources Inc.

On June 16, 2014, Total Gaming Technologies Inc. ("TGTI"), a subsidiary of Pacific Online, and the shareholders of Falcon Resources Inc. ("FRI") entered into a Memorandum of Understanding for the intention of TGTI to acquire the latter's interest in FRI, thereby attaining 100% ownership on December 11, 2014. FRI is a Philippine corporation engaged in gaming consultancy services and is a sub-distributor for Pacific Online.

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 door 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 78.7%-owned publicly listed subsidiary of Belle with a primary purpose of investing gaming-related businesses. PLC owns 100% of PLAI and approximately 34% of POSC.
2. PremiumLeisure & 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 Belle's PLC subsidiary.
3. Pacific Online Systems Corporation ("Pacific Online"), leases on-line betting equipment to the Philippine Charity Sweepstakes Office ("PCSO") for their lottery operations in the Visayas and Mindanao regions. Belle and its subsidiaries own a total of 50.1% of POSC, which is a publicly listed company.

Revenues

The following are the major revenue items in 2015 and 2014:

	2015		2014	
	Amount in Thousands	% of Total Revenue	Amount in Thousands	% of Total Revenue
Revenues and Other Income				
Interest income on finance lease	1,917,354	36%	1,409,173	26%
Equipment rental and instant scratch ticket sales	1,537,648	29%	949,721	18%
Sale of real estate and club shares	347,775	7%	300,252	6%
Lease income	190,906	4%	188,757	3%
Equity in net earnings of associates	27,340	1%	117,190	2%
Revenue from property management	112,682	2%	115,356	2%
Gaming revenue share	756,238	14%	38,809	1%
Interest and investment income	34,470	1%	29,979	1%
Fair value change due to cancellation of Swap Agreement	-	0%	1,219,133	23%
Gain on significant acquisitions - net	-	0%	879,348	16%
Other revenues	332,879	6%	161,724	3%
Total	5,257,292	100%	5,409,442	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 2015, revenues from real estate development operations came mainly from sales of Lakeside Fairways lots (mainly Sycamore, Katsura, Yume, Tivoli, Kew Gardens and Cotswold), sales of Saratoga Hills properties (mainly Fairfield, Nobhill and The Verandas at Saratoga Hills), sales of Plantation Hills lots and sales of Tagaytay Midlands club shares.

The Belle View:

This project was completed and fully sold in 1998.

The Woodlands:

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

Alta Mira:

The project was completed in 2000.

Fairfield:

As of December 31, 2013, Fairfield was 100% complete. The project was launched in October 2009.

Nob Hill:

As of December 31, 2015, Nob Hill was 100% complete. The project was launched in April 2010.

Lakeview Heights:

The project was completed in 2002.

Lakeside Fairways:

As of December 31, 2014, the first four phases (Kew Gardens, Terrazas de Alava, Lakeside Enclave and Tivoli Place) of the project were approximately 99% completed, while the fifth and sixth and phases (Cotswold and Katsura) were 99% complete, respectively. In April 2010, Belle launched Yume, a new Japanese-themed subdivision in the Lakeview Heights development area, which was 99% complete as of December 31, 2014. In April 2011, Belle launched its newest subdivision within Lakeside Fairways, Sycamore Heights, with more than 23 hectares in gross land area, comprising 352 residential lots averaging 360 sqm per lot. As of December 31, 2014, Sycamore Heights was 62% complete.

Plantation Hills:

Only a few remaining lots 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. Plantation Hills is a farm lots subdivision.

The Parks at Saratoga Hills:

The Parks at Saratoga Hills ("The Parks"), located in Tanauan, Batangas, was launched in 2005. As of December 31, 2007, land development for The Parks was fully completed.

The 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.

Tagaytay Midlands Golf Club, Inc.:

The golf clubhouse and an 18-hole golf course were completed and fully operational in 1998. An additional 9-hole golf course is expected to be fully operational by June 2015.

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

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 valued at P1.95 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 MCE, which placed Belle as a co-licensee and owner of the land and buildings and MCE 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 on 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.

MCE, whose major shareholders are Melco International Development Limited and Crown Limited, is 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, a Crown Hotel, a Grand Hyatt Hotel, a Hard Rock 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, MCE 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 has been consistently profitable since 2002, and listed its shares on the Philippine Stock Exchange on April 12, 2007.

Competition

Property development has been Belle's historical core business area. Belle believes that, at present, there is no other company in the Philippines that has successfully launched large-scale, self-contained and community-type leisure properties akin to its developments around Tagaytay Highlands and Tagaytay Midlands. In general, Belle competes somewhat with developers such as Ayala Land, Landco, Fil-Estate and Brittany Corporation, with respect to its residential and subdivision projects. Some of these developers, like Ayala Land, are bigger in size than Belle. Nevertheless, Belle is able to effectively compete with the above companies primarily on the basis of product quality, reliability to deliver the projects as promised, project location, and high-end property development expertise. Furthermore, Belle has a market base of more than 7,000 wealthy individuals who are existing members of Tagaytay Highlands, Tagaytay Highlands Country Club and Tagaytay Midlands, which provides a marketing advantage over developers of similar properties.

In gaming, City of Dreams Manila will be competing against casinos operated by PAGCOR and the other two licensees that are already operating – Resorts World Manila of Travelers International Hotel Group, Inc. ("Travelers") and Solaire Resort and Casino of Bloomberry Resorts Corporation. Travelers has also broken ground on its planned Resorts World Bayshore project in PAGCOR City, with the opening thereof reportedly estimated by Travelers in late 2019. The integrated resort of the fourth licensee, Universal Entertainment Inc. ("Universal"), has been delayed from the original planned opening date in 2015, and Universal currently estimates to open its resort in 2017.

Suppliers

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

Customers

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

Transactions with and/or Dependence on Related Parties

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

Licenses

Please refer to the portion on "Government Regulations".

Government Approvals/Regulations

As part of its normal course of 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 with Environmental Laws

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

Number of Employees

As of 31 December 2015, Belle has one hundred forty-one (141) employees, all of whom are full-time employees. Belle employees are not subject to Collective Bargaining Agreements. Belle's management had generally not encountered any significant difficulties with its labor force, and no major strikes had been staged in the past.

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

Officers	16
Senior Managers to Managers	20
Supervisors and Rank and File	105
<hr/> Total	<hr/> 141

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

Risks

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

Economic and Political Conditions

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

Competition

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

Changes in Local and International Interest Rates

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

Changes in the Value of the Peso

Depreciation of the Peso will negatively affect Belle's cost of goods and capital expenditures that Belle may import as part of its ordinary course of business.

Contractors and Suppliers

As in 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, performance bonds are therefore normally required for these contractors.

Government Regulations

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

Belle's gaming businesses are also subject to certain laws and regulations. Belle's involvement in the lottery run by the PCSO is via its ownership in Pacific Online, which holds an equipment lease agreement with the PCSO for the operation of 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, borrowing, and discounting of receivables.

DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

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

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

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE AND FINANCIAL CONDITION

December 31, 2015 versus December 31, 2014 Results of Operations (in thousands)

	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2015	2014	Increase (Decrease)		2015	2014
REVENUE						
Interest income on finance lease accounting	P 1,917,354	P 1,409,173	508,181	36.1%	36.9%	44.5%
Equipment rental and instant scratch ticket sales	1,537,648	949,721	587,927	61.9%	29.6%	30.0%
Gaming revenue share	756,238	38,809	717,429	1848.6%	14.6%	1.2%
Sales of real estate and club shares	347,775	300,252	47,523	15.8%	6.7%	9.5%
Lease income	190,906	188,757	2,149	1.1%	3.7%	6.0%
Revenue from property management	112,682	115,356	(2,674)	-2.3%	2.2%	3.6%
Others	332,879	161,724	171,155	105.8%	6.4%	5.1%
TOTAL REVENUES	5,195,482	3,163,792	2,031,690	64.2%	100.0%	100.0%
COST OF LOTTERY SERVICES	(595,142)	(306,021)	289,121	94.5%	-11.5%	-9.7%
COST OF REAL ESTATE AND CLUB SHARES SOLD	(157,942)	(125,856)	32,086	25.5%	-3.0%	-4.0%
COST OF LEASE INCOME	(152,584)	(11,368)	141,216	1242.2%	-2.9%	-0.4%
COST OF SERVICES OF PROPERTY MANAGEMENT	(80,208)	(88,052)	(7,844)	-8.9%	-1.5%	-2.8%
COST OF GAMING OPERATIONS	(382,023)	(18,709)	363,314	1941.9%	-7.4%	-0.6%
GENERAL AND ADMINISTRATIVE EXPENSES	(950,414)	(731,508)	218,906	29.9%	-18.3%	-23.1%
ACCRETION OF NONTRADE LIABILITY	(651,684)	(533,348)	118,336	22.2%	-12.5%	-16.9%
INTEREST EXPENSE	(273,977)	(98,723)	175,254	177.5%	-5.3%	-3.1%
NET FOREIGN EXCHANGE GAIN (LOSS)	36,135	(7,619)	(43,754)	-574.3%	0.7%	-0.2%
INTEREST INCOME	34,470	29,979	4,491	15.0%	0.7%	0.9%
EQUITY IN NET EARNINGS OF ASSOCIATES	27,340	117,190	(89,850)	-76.7%	0.5%	3.7%
FAIR VALUE CHANGE DUE TO CANCELLATION OF SWAP AGREEMENT	-	1,219,133	(1,219,133)	-100.0%	0.0%	38.5%
GAIN ON SIGNIFICANT ACQUISITIONS	-	879,348	(879,348)	-100.0%	0.0%	27.8%
GAIN (LOSS) ON FINANCE LEASE	-	(812,842)	812,842	-100.0%	0.0%	-25.7%
OTHER INCOME	44,391	14,747	(29,644)	201.0%	0.9%	0.5%
INCOME BEFORE INCOME TAX	2,093,844	2,690,143	(596,299)	-22.2%	40.3%	85.0%
PROVISION FOR INCOME TAX						
Current	306,296	179,943	126,353	70.2%	5.9%	5.7%
Deferred	363,038	(46,474)	409,512	-881.2%	7.0%	-1.5%
	669,334	133,469	535,865	401.5%	12.9%	4.2%
CONSOLIDATED NET INCOME	P 1,424,510	P 2,556,674	(1,132,164)	-44.3%	27.4%	80.8%

Belle Corporation realized total revenues of ₱5,195.5 million and recurring net income of ₱1,338.2 million in 2015. Due to its strong operating and financial performance, the Company paid a total of ₱2,903.8 million in cash dividends to its shareholders during 2015, comprised of a special dividend of ₱1,900.7 million and a regular dividend of ₱1,003.1 million. Belle's operating revenues of ₱5,195.5 million for 2015 were higher by ₱2,031.7 million (64%) over its operating revenues of ₱3,163.8 million for 2014. Its recurring net income of ₱1,338.2 million was ₱301.8 million (29%) higher than its 2014 recurring net income of ₱1,036.4 million. Its total consolidated net income of ₱1,424.5 in 2015 was lower by ₱1,132.2 million (44%) compared to total consolidated net income of ₱2,556.7 million in 2014 due to extraordinary non-recurring income in 2014, principally a ₱1,219.1 million reversal of provisions for probable losses by its Premium Leisure Corporation ("PLC") subsidiary. The Company considers its growth in recurring net income and its dividend payout during 2015 as the more relevant indicators for its future operating trends and prospects. The Company's operating growth in 2015 was attributable to higher revenue from its lease of the City of Dreams Manila property to Philippine entities controlled by Melco Crown Entertainment Limited (collectively, "MCE") and increased income contributed by its listed subsidiaries - PLC and Pacific Online Systems Corporation ("Pacific Online"). PLC has an operating agreement with MCE that accords it a share of gaming revenue or earnings at City of Dreams Manila.

Revenues

Total operating revenues of P5,195.5 million in 2015 were higher by P2,031.6 million (64%), compared to P3,163.8 million in 2014, mainly due to the following: increased revenues from Pacific Online by P688.0 million (67%), with revenues comprised of equipment lease rentals and commission and distribution income; higher interest income on finance lease accounting in 2015, by P508.2 million (36%); and an increase in the gaming income share of PLC from City of Dreams Manila, from P38.8 million in 2014 to P756.2 million in 2015.

Cost of Lottery Services

Cost of lottery services pertains to direct costs of Pacific Online amounting to P595.1 million for the year ended December 31, 2015. Cost of lottery services increased by P289.1 million (95%), due mainly to full year consolidation of Pacific Online in 2015.

Cost of Real Estate and Club Shares Sold

Costs of real estate and club shares sold increased by P32.1 million (26%) to P157.9 million for the year ended December 31, 2015, from P125.9 million for the year ended December 31, 2014, due mainly to higher unit sales of real estate and club shares during the 2015 period.

Cost of Lease Income

Cost of lease income pertains to property taxes, property insurance and other related costs directly attributable to the lease of the City of Dreams Manila property to MCE. This increased from P11.4 million in 2014 to P152.6 million in 2015 due to the substantial completion and opening of City of Dreams Manila in December 2014, which thereby increased the real property taxes, building insurance and lease expenses for 2015.

Cost of Services of Property Management

Cost of services of property management decreased by P7.8 million (9%) to P80.2 million for the year ended December 31, 2015, from P88.1 million for the year ended December 31, 2014, due to lower power and water usage by customers in 2015.

Cost of Gaming Operations

Cost of gaming operations refers to the service fee paid to consultants by PLC, in respect of its gaming operations, amortization of gaming license and other direct fees. The increase from P18.7 million in 2014 to P382.0 million (1,941%) in 2015 was due to the substantial completion and opening of City of Dreams Manila in December 2014, which thereby increased the amortization of PLAI's gaming License (amounting to P279.2 million), consultancy fees, marketing expenses and salaries and wages.

General and Administrative Expenses

General and administrative expenses increased by P218.9 million (30%), from P731.5 million for 2014, to P950.4 million in 2015. The increase in general and administrative expenses was due to consolidation in 2015 of P609.0 million in general and administrative expenses at Pacific Online.

Equity in Net Earnings of Associates

The Company's equity in net earnings of associates decreased by P89.9 million (77%) to P27.3 million for 2015, compared to P117.2 million for 2014, due to the consolidation of Pacific Online starting June 5, 2014.

Financial Income (Expense)

Interest expense increased by P175.3 million to P274.0 million for 2015, from P98.7 million for 2014. The increase in interest expense in 2015 was due to the Company's ceasing to capitalize costs of borrowings directly used to fund construction of City of Dreams Manila, which was substantially completed as of the end of 2014. Interest income increased by P4.5 million (15%), to P34.5 million for 2015, from P30.0 million for 2014, due to increases in average invested cash levels during 2015.

Net Foreign Exchange Loss

The net foreign exchange translation gain of ₱36.7 million for 2015 was recorded on a US\$15.0 million US\$-denominated portion of an escrow deposit totalling ₱1.1 billion or US\$25.0 million equivalent (the “Escrow Deposit”) being maintained by the Company in respect of City of Dreams Manila (based on a foreign exchange rate of ₱47.06:US\$1.00 as of December 31, 2015 vs. the average exchange rate of approximately ₱44.61:US\$1.00 for the relevant conversion transactions in various dates). The Company’s net foreign exchange translation loss of ₱7.6 million in 2014 was caused by a loss of ₱10.6 million on the Company’s US\$22.0 million Floating Rate Notes (“FRNs”), which were fully repaid in May 2014, offset by ₱3.0 million in foreign exchange gains on US\$-denominated deposits. The foreign exchange translation loss on the FRNs was based on an exchange rate of ₱44.88:US\$1.00 when the FRNs were repaid vs. ₱44.40:US\$1.00 as of December 31, 2013.

Provision for Income Tax

Provision for income tax increased by ₱535.9 million (402%), to ₱669.3 million for 2015 from ₱133.5 million for 2014, due to higher taxable income in 2015, as well as the tax deduction in 2014 for the realized foreign exchange loss upon repayment of the FRNs in May 2014.

Net Income

As a result of the foregoing, the Company realized total consolidated net income of ₱1,424.5 million for 2015. This is ₱1,132.3 million (44%) lower than consolidated net income of ₱2,556.7 million for 2014, due to higher extraordinary non-recurring income in 2014. Non-recurring income in 2014 amounted to approximately ₱1,520.2 million (net of related tax provisions) and were comprised of: a ₱31.4 million (pre-tax) gain on redemption of SMIC retail bonds in April 2014; a ₱1,219.1 million reversal of investment loss reserves by PLC (before ₱243.9 million deferred tax benefit); a ₱812.8 million Loss on Finance Lease; a ₱879.3 million gain on re-measurement of investment, net of non-recurring business acquisition costs at Pacific Online. Net non-recurring income in 2015 of ₱90.3 million pertains to the gain on sale of 16.4 million shares of SM Prime Holdings, Inc.

Excluding non-recurring items, Belle’s recurring net income for 2015 was ₱1,338.2 million, which was ₱301.8 million (29%) higher compared to recurring net income for 2014 of about ₱1,036.5 million. The Company’s consistent profitability helped allow it to pay cash dividends to its shareholders totaling ₱2,903.8 million (₱0.275 per share) during 2015, comprised of a special dividend of ₱1,900.7 million (₱0.18 per share) in March 2015 and a regular dividend of ₱1,003.1 million (₱0.095 per share) in August 2015.

December 31, 2015 versus December 31, 2014 Statement of Financial Position (in thousands)

		December 31		Horizontal Analysis		Vertical Analysis	
		2015	2014	Inc (Dec)	%	2015	2014
ASSETS							
Current Assets							
Cash and cash equivalents	P	3,570,065	P 6,326,509	(2,756,444)	-43.6%	8.2%	15.3%
Investments held for trading		226,747	262,815	(36,068)	-13.7%	0.5%	0.6%
Receivables		1,599,607	1,474,911	124,696	8.5%	3.7%	3.6%
Current portion of finance lease receivable		1,419,651	722,745	696,906	96.4%	3.2%	1.7%
Real estate for sale		843,074	935,530	(92,456)	-9.9%	1.9%	2.3%
Club shares		2,995,593	2,700,551	295,042	10.9%	6.9%	6.5%
Other current assets		2,323,619	2,193,830	129,789	5.9%	5.3%	5.3%
		12,978,356	14,616,891	(1,638,535)	-11.2%	29.7%	35.3%
Noncurrent Assets							
Land held for development		3,018,515	3,018,515	-	0.0%	6.9%	7.3%
Finance lease receivable - net of current portion		15,725,603	8,866,747	6,858,856	77.4%	36.0%	21.4%
Investments in and advances to associates - net		65,364	93,909	(28,545)	-30.4%	0.1%	0.2%
Available-for-sale financial assets		2,041,303	1,887,379	153,924	8.2%	4.7%	4.6%
Investment properties		1,540,961	4,432,277	(2,891,316)	-65.2%	3.5%	10.7%
Property and equipment		770,716	576,817	193,899	33.6%	1.8%	1.4%
Intangible asset		4,970,341	5,249,552	(279,211)	-5.3%	11.4%	12.7%
Goodwill		1,828,578	1,828,578	-	0.0%	4.2%	4.4%
Pension asset		-	1,103	(1,103)	-100.0%	0.0%	0.0%
Deferred tax asset		42,261	41,234	1,027	100.0%	0.1%	0.1%
Other noncurrent assets		710,167	778,084	(67,917)	-8.7%	1.6%	1.9%
		30,713,809	26,774,195	3,939,614	14.7%	70.3%	64.7%
	P	43,692,165	P 41,391,086	2,301,079	5.6%	100.0%	100.0%
LIABILITIES AND EQUITY							
Current Liabilities							
Trade and other current liabilities	P	2,435,975	P 2,930,340	(494,365)	-16.9%	-21.5%	7.1%
Loans payable		1,000,017	3,000,017	(2,000,000)	-66.7%	-86.9%	7.2%
Assignment of receivables with recourse		-	28,026	(28,026)	-100.0%	-1.2%	0.1%
Income tax payable		49,600	56,546	(6,946)	-12.3%	-0.3%	0.1%
Estimated liability on construction costs		2,556,836	1,035,028	1,521,808	147.0%	66.1%	2.5%
Current portion of:							
Nontrade liability		456,914	274,562	182,352	66.4%	7.9%	0.7%
Obligations under finance lease		25,028	16,356	8,672	53.0%	0.4%	0.0%
Long-term debt		362,500	12,500	350,000	2800.0%	15.2%	0.0%
Installment payable		173	928	(755)	-81.4%	0.0%	0.0%
		6,887,043	7,354,303	(467,260)	-6.4%	-20.3%	17.8%
Noncurrent Liabilities							
Noncurrent portion of:							
Nontrade liability		4,838,144	3,966,694	871,450	22.0%	37.9%	9.6%
Long-term debt		4,621,875	1,737,500	2,884,375	166.0%	125.3%	4.2%
Obligations under finance lease		93,527	76,494	17,033	22.3%	0.7%	0.2%
Installment payable		-	198	(198)	-100.0%	0.0%	0.0%
Pension liability		12,346	18,787	(6,441)	-34.3%	-0.3%	0.0%
Deferred tax liabilities		1,166,104	806,229	359,875	44.6%	15.6%	1.9%
		10,731,996	6,605,902	4,126,094	62.5%	179.3%	16.0%
		17,619,039	13,960,205	3,658,834	26.2%	159.0%	33.7%
Equity							
Attributable to equity holders of parent:							
Common stock		10,561,000	10,559,383	1,617	0.0%	0.1%	25.5%
Additional paid-in capital		5,411,435	5,503,731	(92,296)	-1.7%	-4.0%	13.3%
Treasury shares		(42,146)	-	(42,146)	n/a	-1.8%	0.0%
Equity share in cost of Parent Company shares held by associates		(2,501)	(2,501)	-	0.0%	0.0%	0.0%
Cost of Parent Company common and preferred shares held by subsidiaries		(1,749,628)	(1,604,824)	144,804	9.0%	6.3%	-3.9%
Unrealized gain on available-for-sale financial assets - net		520,618	87,046	433,572	498.1%	18.8%	0.2%
Retained Earnings		4,903,882	6,530,078	(1,626,196)	-24.9%	-70.7%	15.8%
Other reserves		3,085,896	3,272,665	(186,769)	-5.7%	-8.1%	7.9%
Excess of net asset value of an investment over cost		252,040	252,040	-	0.0%	0.0%	0.6%
Total equity attributable to equity holders of the Parent		22,940,596	24,597,618	(1,657,022)	-6.7%	-72.0%	59.4%
Non-controlling interests		3,132,530	2,833,263	299,267	10.6%	13.0%	6.8%
Total Equity		26,073,126	27,430,881	(1,357,755)	-4.9%	-59.0%	66.3%
	P	43,692,165	P 41,391,086	2,301,079	5.6%	100.0%	100.0%

ASSETS

Total assets of the Company increased by ₱2,301.1 million (6%) to ₱43,692.2 million as of December 31, 2015, from ₱41,391.1 million as of December 31, 2014.

Cash and Cash equivalents

Cash and cash equivalents decreased by ₱2,756.4 million (44%), to ₱3,570.1 million as of December 31, 2015, from ₱6,326.5 million in December 31, 2014, due mainly to Belle's payment of cash dividends totalling ₱2,903.8 million during 2015 and payments in respect of construction contracts for the City of Dreams Manila. These were offset by: (i) rental receipts from MCE of ₱1,346.1 million; (ii) proceeds from sale of real estate and club shares and revenue from property management services totaling ₱735.0 million; and (iii) proceeds from the sale of about 16 million shares of SM Prime Holdings., Inc., totaling ₱358.2 million.

Investments in and Advances to Associates – Net

Investments and advances to associates decreased by ₱28.5 (30%) million, to ₱65.4 million as of December 31, 2015 from ₱93.9 million as of December 31, 2014, due to payments received from Woodland Development Corporation during 2015.

Investments Held for Trading

This pertains to marketable securities held by Pacific Online in companies that are not subsidiaries or associates of Belle, comprised of listed shares of stock in DFNN, Inc., ISM Communications Corp., Leisure and Resorts World Corporation, Philippine Long Distance Telephone Company, Inc. and Vantage Equities, Inc.

Finance Lease Receivable

Due to the requirements under Philippine Accounting Standards #17 (PAS 17), management accounts for its lease agreement with MCE for the City of Dreams Manila buildings as a finance lease, even though there is neither a requirement nor any intention to transfer title therefor to MCE. The Company thus recorded a finance lease receivable in March 2013 equivalent to the estimated fair value of the leased property, amounting to ₱9.4 billion for the Phase 1 building structure of City of Dreams Manila. In January 2015, the Company recorded a finance lease receivable, amounting to ₱6.6 billion for the estimated fair value of the Phase 2 building structure of City of Dreams Manila. Fair valuation was determined by discounting minimum lease payments at the inception date of the lease agreement.

Receivables

Receivables increased by ₱236.2 million (16%), to ₱1,711.1 million as of December 31, 2015, from ₱1,474.9 million as of December 31, 2014. The decrease was mainly due to collections of receivables from real estate sales and lease income.

Real Estate for Sale and Club Shares

Real estate for sale decreased by ₱92.5 million (2%), to ₱843.1 million as of December 31, 2015, from ₱935.5 million as of December 31, 2014. Club shares held by the Company, valued at historical cost, increased by ₱295.0 million (11%), to ₱2,995.6 million as of December 31, 2015 from ₱2,700.6 million as of December 31, 2014, due to the completion of the 19th through 27th holes of the Tagaytay Midlands Golf Club golf course.

Available-for-sale Financial Assets

Available-for-sale financial assets increased by ₱153.9 million (8%) to ₱2,041.3 million as of December 31, 2015 from ₱1,887.4 million as of December 31, 2014, due to increases in the fair value of such investments, net of the value of 16.4 million SM Prime Holdings, Inc. shares sold during 2015.

Investment Properties

Investment properties decreased by ₱2,891.3 million (65%), from ₱4,432.3 million as of December 31, 2014 to ₱1,541.0 million as of December 31, 2015, due to the finance lease accounting treatment of the Phase 2 building of City of Dreams Manila.

Intangible Asset

This pertains to the cost of the PAGCOR License to operate integrated resorts that was granted by PAGCOR to PremiumLeisure and Amusement, Inc. (PLAI), a wholly-owned subsidiary of PLC. Belle and MCE are Co-Licensees under PLAI's PAGCOR License. The decrease from last year's balance by ₱279.2 million (5%), from ₱5,249.6 million as of December 31, 2014 to ₱4,970.3 million as of December 31, 2015, resulted from the amortization by PLC of the intangible asset on the License starting on December 14, 2014, which is the date of effectivity of the Notice to Commence Casino Operations granted by PAGCOR.

Goodwill

The Company recognized goodwill amounting to ₱1,828.6 million, as a result of consolidating Pacific Online starting in June 2014, and the acquisition of Falcon Resources Inc. by Total Gaming Technologies Inc., a subsidiary of Pacific Online, on December 11, 2014.

Other Assets

Other assets was virtually unchanged, increasing by less than (1%), to ₱2,987.3 million as of December 31, 2015 from ₱2,971.9 million as of December 31, 2014.

LIABILITIES

Total liabilities increased by ₱3,723.8 million (27%), to ₱17,684.0 million as of December 31, 2015, from ₱13,960.2 million as of December 31, 2014, due to the increase in long-term debt and estimated liability on construction costs, mainly regarding City of Dreams Manila.

Loans Payable and Long-Term Debt

Total debt, amounting to ₱5,984.4 million as of December 31, 2015, pertains to Peso loans from various local financial institutions, with an average interest rate of 5.5% per annum during 2015.

Estimated Liability for Construction

The Company recorded estimated liability on construction costs totaling ₱13.8 billion for the City of Dreams Manila buildings, as a result of accounting for its lease agreement with MCE as a finance lease (as required under PAS 17). The City of Dreams Manila buildings have a total gross floor area of approximately 30 hectares.

Obligations under Finance Lease

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

Nontrade Liability

On May 20, 2013, Belle, PLAI, Belle Grande Resource Holdings Corp. (BGRHC), AB Leisure Global, Inc. (ABLGI) and Leisure and Resorts World Corp. (LRWC) entered into a Memorandum of Agreement (the "MOA"), whereby Belle and PLAI have agreed to grant ABLGI the right to the settlement of amounts equivalent to 30% of the net lease income of the City of Dreams Manila located at Aseana Business Park in Paranaque City (the "Project") in consideration, among other terms, of the waiver of ABLGI's rights as casino operator, the termination ABLGI agreements and the grant of advances of ₱4.0 billion (ABLGI Advance) as partial funding for the construction of the casino integrated resort building. Belle formed BGRHC as a subsidiary in 2013 for the purpose of this MOA. The carrying value of the nontrade liability amounted to ₱4.0 billion as at December 31, 2013.

In December 2014, the implementing agreement in the MOA was executed, with the effectivity of terms and conditions retrospective on January 1, 2014. The ABLGI Advance was determined as the fair value of ABLGI's 30% share in the net lease income of the Project. In 2015, additional advances received from ABLGI amounted to ₱780.0 million.

Trade and Other Current Liabilities

Trade and other current liabilities decreased by ₱496.5 million (17%) to ₱2,433.8 million as of December 31, 2015, from ₱2,930.3 million as of December 31, 2014, due mainly to the decrease in trade payables. Comprising this account are principally trade payables of ₱1,283.6 million, non-trade payables of ₱593.4 million, accrued expenses of ₱433.4 million, and advances and customers' deposits totaling ₱123.4 million.

Installment Payable

This refers to liabilities of Pacific Online arising from its purchase of transportation vehicles and other equipment under finance lease arrangements.

EQUITY

The Company's consolidated shareholders' equity as of December 31, 2015 of ₱26,077.2 million was lower by ₱1,353.7 million (5%), compared to the level as of December 31, 2014 of ₱27,430.9 million, due mainly to the ₱2,903.8 million in total cash dividends paid to its shareholders in 2015.

Treasury Shares

In January 2015, the Board of Directors of Belle has approved a Share Buyback Program authorizing management the discretion to purchase the Company's common shares up to an aggregate cost of ₱1.0 billion. As of December 31, 2015, 42.1 million Belle shares have been purchased and held as treasury shares at a total acquisition cost of ₱134.8 million.

Retained Earnings

The Company's consolidated retained earnings of ₱4,903.9 million as of December 31, 2015 was ₱1,626.2 million (25%) lower than its consolidated retained earnings of ₱6,530.1 million as of December 31, 2014, due to the Company's payment of a total of ₱2,903.8 million in cash dividends during 2015, comprised of a ₱1,900.7 million (₱0.18 per share) special dividend on March 9, 2015 and a ₱1,003.1 million (₱0.095 per share) regular dividend on August 28, 2015.

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

	Manner by which the Company calculates the key performance indicators	31 Dec 2015	31 Dec 2014
Asset to equity ratio	Total assets over equity	1.68 : 1.00	1.51: 1.00
Current or Liquidity ratio	Current assets over current liabilities	1.93 : 1.00	1.99: 1.00
Debt-to-equity ratio	Interest-bearing debt over equity	0.23 : 1.00	0.17: 1.00
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents and escrow fund over equity	0.05 : 1.00	(0.06): 1.00
Interest rate coverage ratio	EBIT over interest expense	9.80:1.00	13.68:1.00
Return on assets	Annualized net income over average total assets during the period	3.4%	7.0%
Return on equity	Annualized net income over average equity during the period	5.3%	10.6%

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As of December 31, 2015, total debt of the Company of ₱6,115.5 million was comprised of short-term bank borrowings of ₱1,000.0 million and long-term debt of ₱5,115.5 million. Belle expects income from real estate projects, cash rental receipts from MCE and dividends from subsidiaries to generate cash flow sufficient for its needs. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of December 31, 2015, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

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

Under the License granted to PLAI by PAGCOR, the parties designated as Co-Licensees in the Consortium (PLAI, Belle and MCE) were committed to collectively invest a minimum of US\$1.0 billion ("Investment Commitment") in the Project. Under the PAGCOR Guidelines, of the US\$1.0 billion, US\$650.0 million shall be invested upon the opening of the integrated resort and the US\$350.0 million balance shall be invested within a period of three (3) years from the commencement of the integrated resort operations. The Investment Commitment shall be composed of the value of the land (up to a maximum of US\$150 million) and the development costs of the infrastructure and facilities for the Project. The Consortium already exceeded the US\$1.0 billion Investment Commitment upon the soft opening of

City of Dreams Manila on December 14, 2014. Consequently, City of Dreams Manila became the first integrated resort in Entertainment City to be awarded a Regular License by PAGCOR, in May 2015.

- (v) Any Known Trends, Events or Uncertainties (Material Impact on Sales)
- (vi) Any Significant Elements of Income or Loss (from continuing operations)

December 31, 2014 versus December 31, 2013 Results of Operations (in thousands)

	Years Ended December 31		Horizontal Analysis	Vertical Analysis	
	2014	2013	Increase (Decrease)	2014	2013
REVENUE					
Interest income on finance lease	P 1,409,173	P 1,177,570	231,603	19.7%	44.5%
Equipment rental and instant scratch ticket sales	949,721	-	949,721	100.0%	30.0%
Sales of real estate and club shares	300,252	175,280	124,972	71.3%	9.5%
Lease income	188,757	157,136	31,621	20.1%	6.0%
Revenue from property management	115,356	105,033	10,323	9.8%	3.6%
Gaming revenue share	38,809	-	38,809	100.0%	1.2%
Termination income	-	949,608	(949,608)	-100.0%	0.0%
Others	161,724	59,620	102,104	171.3%	5.1%
TOTAL REVENUES	3,163,792	2,624,247	539,545	20.6%	100.0%
COST OF LOTTERY SERVICES	(306,021)	-	306,021	100.0%	-9.7%
COST OF REAL ESTATE AND CLUB SHARES SOLD	(125,856)	(115,389)	10,467	9.1%	-4.0%
COST OF SERVICES OF PROPERTY MANAGEMENT	(88,052)	(60,269)	27,783	46.1%	-2.8%
COST OF GAMING OPERATIONS	(7,075)	-	7,075	100.0%	-0.2%
GENERAL AND ADMINISTRATIVE EXPENSES	(754,510)	(642,642)	111,868	17.4%	-23.8%
FAIR VALUE CHANGE DUE TO CANCELLATION OF SWAP AGREEMENT	1,219,133	-	1,219,133	100.0%	38.5%
GAIN ON SIGNIFICANT ACQUISITIONS	879,348	-	879,348	100.0%	27.8%
GAIN (LOSS) ON FINANCE LEASE	(812,842)	2,324,434	(3,137,276)	-135.0%	-25.7%
ACCRETION OF NONTRADE LIABILITY	(533,348)	-	533,348	100.0%	-16.9%
EQUITY IN NET EARNINGS OF ASSOCIATES	117,190	119,940	(2,750)	-2.3%	3.7%
INTEREST EXPENSE	(98,723)	(103,852)	(5,129)	-4.9%	-3.1%
INTEREST INCOME	29,979	56,112	(26,133)	-46.6%	0.9%
NET FOREIGN EXCHANGE LOSS	(7,619)	(86,167)	(78,548)	-91.2%	-0.2%
GAIN ON SHARE SWAP	-	772,247	(772,247)	100.0%	0.0%
OTHER INCOME (CHARGES) - net	14,747	81,052	(66,305)	-81.8%	0.5%
INCOME BEFORE INCOME TAX	2,690,143	4,969,713	(2,279,570)	-45.9%	85.0%
PROVISION FOR INCOME TAX					
Current	179,943	305,577	(125,634)	-41.1%	5.7%
Deferred	(46,474)	1,027,952	(1,074,426)	-104.5%	-1.5%
	133,469	1,333,529	(1,200,060)	-90.0%	4.2%
	P 2,556,674	P 3,636,184	(1,079,510)	-29.7%	80.8%

Belle Corporation ("Belle" of the "Company") consolidated net income for 2014 was ₱2,556.7 million. This is ₱1,079.5 million (30%) lower than the consolidated net income of ₱3,636.2 million for the year ended December 31, 2013, due to higher non-operating and non-recurring income during 2013. Net non-recurring income during 2013 amounted to approximately ₱3,064.0 million (after related tax provisions), and were comprised of the following: the Termination Income of ₱949.6 million (pre-tax) received from the Philippine affiliates of Melco Crown Entertainment, Ltd. (collectively, "MCE") in March 2013, upon the commencement of MCE's lease on Belle's property to be used for the City of Dreams Manila integrated resort project; a Gain on Finance Lease of ₱2,324.4 million (before ₱697.3 million deferred tax provision) during 2013; and a gain on share swap of the Company's 809 million shares of Highlands Prime, Inc. amounting to ₱772.2 million. Net non-recurring income during 2014 totaled only about ₱1,520.2 million (net of related tax provisions), and were comprised of: a ₱31.4 million (pre-tax) gain on redemption of SMIC retail bonds in April 2014; a ₱1,219.1 million reversal of investment loss reserves by PLC, a Belle subsidiary; a ₱812.8 million Loss on Finance Lease (before ₱243.9 million deferred tax benefit); a ₱879.3 million gain on re-measurement of investment net of non-recurring business acquisition costs at Pacific Online, a subsidiary of Belle. Excluding these non-recurring items, Belle's net income for the year ended December 31, 2014 would have been ₱1,036.5 million, which is higher by approximately ₱464.3 million (81%) compared to adjusted net income for the year ended December 31, 2013 of about ₱572.2 million.

Revenues

Gross revenue of ₱3,163.8 million in 2014 was higher by ₱539.5 million (21%), compared to ₱2,624.2 million in 2013 due to the following: consolidation of Pacific Online revenues starting in June 2014 totaling ₱1,030.3 million (comprising of equipment lease rentals, instant scratch ticket sales and commission income included in "other revenues"); higher interest income on finance lease accounting amounting to ₱231.6 million; higher sales of real estate and club shares amounting to ₱125.0 million; gaming income share from City of Dreams Manila by Premium Leisure Corporation ("PLC") amounting to ₱38.8 million; and dividend income from SM Prime Holdings, included in "other revenues", amounting to ₱22.4 million. The increase in gross revenue was offset by the non-recurring Termination Income in 2013, amounting to ₱949.6 million.

Gross revenue from sales of real estate and club shares for the year ended December 31, 2014 of ₱300.3 million was higher by ₱125.0 million (71%), compared to ₱175.3 million for the year ended December 31, 2013. Gross profit from sales of real estate and club shares for the year ended December 31, 2014 of ₱174.4 million was higher than gross profit therefrom for the year ended December 31, 2013 of ₱59.9 million by ₱114.5 million (191%) due to higher sales of real estate and club shares. There were no new real estate development projects launched by Belle during the year ended December 31, 2014.

Gross revenue from property management services for the year ended December 31, 2014 of ₱115.4 million was higher by ₱10.3 million (10%), compared to ₱105.0 million for the year ended December 31, 2013 due to higher revenue from water services. Gross profit from property management services for the year ended December 31, 2014 of ₱27.3 million was lower by ₱17.5 million (39%), compared to ₱44.8 million for the year ended December 31, 2013, due to higher maintenance, power and water costs.

PLC recognized a share in gaming revenues of City of Dreams Manila in 2014 due to the soft opening of the City of Dreams Manila integrated resorts casino on December 14, 2014. Gross revenue from gaming income of City of Dreams Manila by PLC for the year ended December 31, 2014 of ₱38.8 million is determined based on Net Wins.

Cost of Lottery Services

Cost of lottery services pertains to direct costs of Pacific Online amounting to ₱306.0 million for the year ended December 31, 2014, which includes: operating supplies amounting to ₱45.3 million; software license fees amounting to ₱81.7 million; consultancy fees amounting to ₱46.6 million; communication fees amounting to ₱63.8 million; and depreciation and amortization of lottery equipment amounting to ₱68.6 million.

Cost of Real Estate and Club Shares Sold

Cost of real estate and clubs shares sold increased by ₱10.5 million (9%) to ₱125.9 million for the year ended December 31, 2014 from ₱115.4 million for the year ended December 31, 2013 due mainly to higher unit sales of real estate and club shares sold during the 2014 period.

Costs of Services of Property Management

Cost of services of property management increased by ₱27.8 million (46%) to ₱88.1 million for the year ended December 31, 2014 from ₱60.3 million due to higher maintenance, power and water costs for the 2014 period.

Costs of Gaming Operations

Cost of gaming operations refers to the service fee paid to consultants by PLC, in respect of its gaming operations.

General and Administrative Expenses

General and administrative expenses increased by ₱111.9 million (17%), from ₱642.6 million for the year ended December 31, 2013 to ₱754.5 million for the year ended December 31, 2014. The increase in general and administrative expenses during 2014 was due to the following: (i) ₱338.6 million general and administrative expenses by Pacific Online, as a result of consolidation and (ii) ₱40.0 million in documentary stamp taxes (DST) pertaining to the ₱4.0 billion estimated liability to AB Leisure Global, Inc. ("ABLGI"), presented as Non-trade Liability Account in Belle's consolidated statement of financial position.

Fair Value Change due to Cancellation of Swap Agreement

PLC, the Company's 78.7%-owned subsidiary, recorded a ₱1,219.1 million net reversal of a provision for impairment of its investment in Legend International Resorts (HK) Limited ("LIR") following the cancellation of 1 billion of its common shares formerly held by Metroplex Berhad, thereby fulfilling the agreement entered into by and among itself, Belle, Metroplex Berhad and LIR in rescinding the Swap Agreement in August 2001 (the "LIR Unwinding").

Gain on Significant Acquisitions - net

This mainly pertains to the gain on revaluation of Belle's consolidated investment in Pacific Online based on a share price of ₱18.6 per share as of June 5, 2014 (which is determined to be the date of acquisition), compared to the carrying amount of Belle's investment in Pacific Online based on equity method of accounting immediately before the acquisition.

Gain (Loss) on Finance Lease

As a result of adjustments made to the Finance Lease Receivable due to modification in cash flows for Phase 1 of the City of Dreams Manila, Belle recognized a Loss amounting to ₱812.8 million in 2014. In 2013, the lease agreement with MCE for Phase 1 was accounted for as a finance lease, in accordance with Philippine Accounting Standards 17 (PAS 17). Belle thus recognized a finance lease receivable measured at the present value of the minimum lease payments, and derecognized the cost of the related building. The excess of the present value of minimum lease payments over the cost of the building amounting to ₱2,324.4 million was recognized as a one-time "Day 1 Gain" in 2013. Under PAS 17, although the lease contract between Belle and MCE is structured as an operating lease, the building lease is treated as a theoretical sale under a capital lease arrangement, notwithstanding the fact that Belle is not relinquishing ownership of any and all property being leased to MCE.

Equity in Net Earnings of Associates

The Company's equitized net earnings from associated companies decreased by ₱2.8 million (2%), to ₱117.2 million for 2014 from ₱119.9 million during 2013, due to the consolidation of Pacific Online in 2014. Pacific Online, of which Belle and PLC own a combined 51.9% of common shares outstanding, brought a net income of ₱241.8 million for 2014, compared to equitized earnings of ₱113.1 million out of Pacific Online's net income of ₱323.7 million in the 2013. Belle's total ownership in Pacific Online was increased to 50.1% (from 35% as of December 31, 2013) after a series of share purchases in the secondary market at the Philippine Stock Exchange during the first half of 2014. Woodland Development Corporation ("WDC"), Belle's 47%-owned associate, brought equitized earnings of ₱1.3 million out of WDC's net income of ₱2.7 million for the year ended December 31, 2014.

Financial Income and Expenses

Interest expense decreased by ₱5.1 million (5%), to ₱98.7 million for 2014, from ₱103.9 million for 2013. Interest income decreased by ₱26.1 million, to ₱30.0 million in 2014 from ₱56.1 million in 2013, mainly due to decreases in average invested cash levels.

Net Foreign Exchange Loss

The foreign exchange translation loss of ₱7.6 million for 2014 (based on a foreign exchange rate of ₱44.72:US\$1.00 as of December 31, 2014 vs. foreign exchange rate of ₱44.40:US\$1.00 as of December 31, 2013) decreased by ₱78.5 million from ₱ 86.2 million for 2013 period (based on a foreign exchange rate of ₱44.40:US\$1.00 as of December 31, 2013 vs. ₱44.05:US\$1.00 as of December 31, 2012). The decrease was mainly due to the settlement of the Company's US\$22 million in foreign currency denominated Floating Rate Notes (the "FRNs") in May 2014, based on a foreign exchange rate upon settlement of ₱44.40:US\$1.00. In 2013, the Company, recorded a foreign exchange loss of ₱12.5 million from an Escrow Deposit of US\$57.5 million that was being maintained for the PAGCOR License, upon termination thereof in May 2013 (as MCE put up its own Escrow Deposit to replace it) and recognized additional foreign exchange translation losses of ₱73.7 million from its FRNs.

Provisions for Income Taxes

Provisions for taxes decreased by ₱1,200.1 million (90%), to ₱133.5 million for 2014 from ₱1,133.5 million for the year ended December 31, 2013, mainly due to the following: (i) deferred tax asset recognized on NOLCO and excess MCIT as of December 31, 2014 totaling ₱188.8 million; (ii) deferred tax asset recognized on the Loss on finance lease 2014 amounting to ₱243.9 million; and (iii) ₱697.3 million deferred tax liability on the ₱2,234.4 million Day 1 gain on finance lease 2013.

December 31, 2014 versus December 31, 2013 Statement of Financial Position (in thousands)

	December		Horizontal Analysis		Vertical Analysis	
	2014	2013	Inc (Dec)	%	2014	2013
ASSETS						
Current Assets						
Cash and cash equivalents	P 6,326,509	P 1,170,396	5,156,113	440.5%	15.3%	3.7%
Investments held for trading	262,815	-	262,815	100.0%	0.6%	0.0%
Receivables	1,474,911	1,222,374	252,537	20.7%	3.6%	3.9%
Current portion of:						
Finance lease receivable	722,745	942,911	(220,166)	-23.3%	1.7%	3.0%
Advances to associates - net	-	176,723	(176,723)	-100.0%	0.0%	0.6%
Real estate for sale	935,530	654,967	280,563	42.8%	2.3%	2.1%
Club shares	2,700,551	2,810,221	(109,670)	-3.9%	6.5%	8.9%
Other current assets	2,193,830	679,316	1,514,514	222.9%	5.3%	2.2%
	14,616,891	7,656,908	6,959,983	90.9%	35.3%	24.3%
Noncurrent Assets						
Land held for future development	3,018,515	2,937,309	81,206	2.8%	7.3%	9.3%
Finance lease receivable - net of current portion	8,866,747	8,809,301	57,446	0.7%	21.4%	27.9%
Investments in and advances to associates - net	93,909	801,293	(707,384)	-88.3%	0.2%	2.5%
Available-for-sale financial assets	1,887,379	1,773,793	113,586	6.4%	4.6%	5.6%
Investment properties	4,432,277	2,958,707	1,473,570	49.8%	10.7%	9.4%
Property and equipment	576,817	176,014	400,803	227.7%	1.4%	0.6%
Intangible asset	5,249,552	5,261,186	(11,634)	-0.2%	12.7%	16.7%
Goodwill	1,828,578	-	1,828,578	100.0%	4.4%	0.0%
Pension asset	1,103	12,515	(11,412)	-91.2%	0.0%	0.0%
Deferred tax asset	41,234	-	41,234	100.0%	0.1%	0.0%
Held-to-maturity investments	-	750,000	(750,000)	-100.0%	0.0%	2.4%
Other noncurrent assets	778,084	416,822	361,262	86.7%	1.9%	1.3%
	26,774,195	23,896,940	2,877,255	12.0%	64.7%	75.7%
	P 41,391,086	P 31,553,848	9,837,238	31.2%	100.0%	100.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other current liabilities	P 2,930,340	P 2,469,852	460,488	18.6%	4.7%	7.8%
Loans payable	3,000,017	200,466	2,799,551	1396.5%	28.5%	0.6%
Assignment of receivables with recourse	28,026	89,549	(61,523)	-68.7%	-0.6%	0.3%
Current portion of:					0.0%	0.0%
Estimated liability on construction costs	1,035,028	-	1,035,028	#DIV/0!	10.5%	0.0%
Nontrade liability	274,562	-	274,562	100.0%	2.8%	0.0%
Obligations under finance lease	16,356	-	16,356	100.0%	0.2%	0.0%
Installment payable	928	-	928	100.0%	0.0%	0.0%
Long-term debt	12,500	1,034,210	(1,021,710)	-98.8%	-10.4%	3.3%
Income tax payable	56,546	-	56,546	100.0%	0.6%	0.0%
	7,354,303	3,794,077	3,560,226	93.8%	36.2%	12.0%
Noncurrent Liabilities						
Noncurrent portion of:						
Estimated liability on construction costs	-	2,247,567	(2,247,567)	-100.0%	-22.8%	0.0%
Nontrade liability	3,966,694	4,000,000	(33,306)	-0.8%	-0.3%	12.7%
Obligations under finance lease	76,494	-	76,494	100.0%	0.8%	0.0%
Installment payable	198	-	198	100.0%	0.0%	0.0%
Long-term debt	1,737,500	468,590	1,268,910	100.0%	12.9%	1.5%
Deferred tax liabilities	806,229	836,530	(30,301)	-3.6%	-0.3%	2.7%
Pension liability	18,787	-	18,787	100.0%	0.2%	0.0%
	6,605,902	7,552,687	(946,785)	-12.5%	-9.6%	23.9%
	13,960,205	11,346,764	2,613,441	23.0%	26.6%	36.0%
Equity						
Attributable to equity holders of parent:						
Preferred stock	-	1,000,000	(1,000,000)	-100.0%	-10.2%	3.2%
Common stock	10,559,383	10,559,383	-	0.0%	0.0%	33.5%
Additional paid-in capital	5,503,731	5,503,731	-	0.0%	0.0%	17.4%
Equity share in cost of Parent Company shares held by associa	(2,501)	(2,501)	-	0.0%	0.0%	0.0%
Cost of Parent Company common and preferred shares held b	(1,604,824)	(2,257,631)	652,807	-28.9%	6.6%	-7.2%
Unrealized gain (loss) on available-for-sale financial assets - ne	87,046	(190,785)	277,831	-145.6%	2.8%	-0.6%
Other reserves	3,272,665	21,386	3,251,279	15202.8%	33.1%	0.1%
Excess of net asset value of an investment over cost	252,040	252,040	-	0.0%	0.0%	0.8%
Retained Earnings	6,530,078	4,533,666	1,996,412	44.0%	20.3%	14.4%
Total equity attributable to equity holders of the Parent	24,597,618	19,419,289	5,178,329	26.7%	52.6%	61.5%
Non-controlling interests	2,833,263	787,795	2,045,468	259.6%	20.8%	2.5%
Total Equity	27,430,881	20,207,084	7,223,797	35.7%	73.4%	64.0%
	P 41,391,086	P 31,553,848	9,837,238	31.2%	100.0%	100.0%

ASSETS

Total assets of the Company increased by ₱9,837.2 million (31%), to ₱41,391.1 million as of December 31, 2014, from ₱31,553.8 million as of December 31, 2013.

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱5,156.1 million (441%), to ₱6,326.5 million as of December 31, 2014, from ₱1,170.4 million as of December 31, 2013, due to the following: (i) borrowings amounting to ₱7,050.0 million; (ii) proceeds from disposal of SMIC retail bonds amounting to ₱781.4 million; (iii) rental receipts from MCE of ₱882.7 million; (iv) consolidation of Pacific Online's cash and cash equivalents amounting to ₱463.3 million (v) proceeds from sale of PLC shares amounting to ₱5,534.5 million; (vi) proceeds from sale of real estate and club shares and revenue from property management services totaling ₱770.0M; and (vii) interest and dividends received amounting to ₱154.9 million. These were offset by: (i) construction costs amounting to ₱4,073.0 million; (ii) payment of capital gains taxes amounting to ₱1,103.7 million on transfers of assets between Belle and PLC; (iii) settlement of FRNs amounting to ₱974.7 million upon maturity in May 2014; (iv) loan repayments amounting to ₱3,038.8 million; (v) acquisition of 44.5 million additional Pacific Online shares at a total cost amounting to ₱624.3 million; and (vi) Belle's cash dividends amounting to ₱205.8 million paid in July 2014.

Receivables net

Receivables increased by ₱252.5 million (21%), to ₱1,474.9 million as of December 31, 2014 from ₱1,222.3 million as of December 31, 2013. The increase was mainly due to higher receivables from MCE arising from construction costs for the interiors of City of Dreams Manila advanced by Belle and consolidation of Pacific Online's receivables effective June 5, 2014.

Finance Lease Receivables

Due to the requirements under Philippine Accounting Standards Rule 17 ("PAS 17"), management has accounted for its lease agreement with MCE for the City of Dreams Manila building as a finance lease, even though there is neither a requirement nor any intention to transfer title therefor to MCE. The Company thus recorded a finance lease receivable equivalent to the fair value of the leased property, amounting to ₱9,375.0 million (fair valuation was determined by discounting minimum lease payments at the inception date of the lease agreement).

Real Estate for Sale and Club Shares

Real estate for sale increased by ₱280.6 million (42.8%), to ₱935.5 million as of December 31, 2014 from ₱655.0 million as of December 31, 2013 due to construction of projects in Tagaytay Highlands. Club shares held by the Company, valued at historical cost, decreased by ₱109.7 million (4%), to ₱2,700.6 million as of December 31, 2014 from ₱2,810.2 million as of December 31, 2013.

Land Held for Future Development

Land held for future development increased by ₱81.2 million from ₱2,937.3 million to ₱3,018.5 million due to acquisition of additional raw lands in 2014.

Investments in and Advances to Associates

Investments and advances decreased by ₱884.1 million (90%), to ₱93.9 million in as of December 31, 2014, from ₱978.0 million in December 2013. The decrease was mainly due to the consolidation of Pacific Online upon attainment of consolidated ownership of 50.7% in June 2014, whereas Pacific Online was previously accounted for as an associated company.

Investment in Held for Trading

This pertains to investments held by Pacific Online in companies that are not subsidiaries or associates of Belle, comprised of listed shares of stock in Leisure and Resorts World Corporation, Vantage Equities, Inc., APC Group, Inc., DFNN, Inc., ISM Communications Corp. and Philippine Long Distance Telephone Company.

Available-for-sale Investments

Available-for-sale investments increased by ₱113.6 million (6%), to ₱1,887.4 million in December 2014 from ₱1,773.8 million in December 2013, due mainly to increases in fair value of such available-for-sale investments. These investments consists of listed shares in SM Prime Holdings, Inc. and SM Investments Corporation.

Investment Properties

Investment properties increased by ₱1,473.6 million (50%), from ₱2,958.7 million as of December 31, 2013 to ₱4,432.3 million as of December 31, 2014, mainly due to construction costs incurred in 2014 for Phase 2 of City of Dreams Manila.

Intangible Asset

This pertains to the cost of PAGCOR License to operate integrated resorts that was granted by PAGCOR to PLAI. The decrease from last year's balance of ₱11.6 million pertains to the amortization of the intangible asset on the License which started on December 14, 2014, the effectivity of the Notice to Commence Casino Operations granted by PAGCOR.

Goodwill

The Company recognized goodwill amounting to ₱1,828.6 million, as a result of consolidating Pacific Online starting June 5, 2014 and acquisition of Falcon Resources Inc. by Total Gaming Technologies Inc., a subsidiary of Pacific Online, on December 11, 2014.

Other Assets

Other assets increased by ₱559.0 million (51%), to ₱1,655.1 million as of December 31, 2014 from ₱1,096.1 million as of December 31, 2013, mainly due to the increase in input VAT amounting to ₱410.0 million and consolidation of other assets held by Pacific Online amounting to ₱134.3 million.

LIABILITIES

Total liabilities increased by ₱2,613.4 million (23%), to ₱13,960.2 million as of December 31, 2014, from ₱11,346.8 million as of December 31, 2013, mainly due to increase in loans payable, net of decreases in long-term debt and estimated liability on construction costs.

Loans Payable and Long-Term Debt

Total debt, amounting to ₱4,750.0 million as of December 31, 2014, pertains to Peso loans from various local financial institutions, with average interest at 3.8% per annum. The Company repaid its US\$22 million in Floating Rate Notes (FRNs) upon maturity in May 2014, and prepaid Peso long-term debt incurred for the City of Dreams Manila integrated resort project of ₱502.3 million. Total debt increased by ₱3,046.7 million (179%), from ₱1,703.3 million as of December 31, 2013 to ₱6,350.0 million as of December 31, 2014, due mainly to loan availments totaling ₱7,050.0 million in 2014.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities increased by ₱460.5 million (19%), to ₱2,930.3 million in December 2014 compared to ₱2,469.9 million in December 2013 due mainly to the increases in trade payables. Comprising accounts payable and other liabilities are principally trade payables of ₱1,955.8 million, non-trade payables of ₱509.6 million, accrued expenses of ₱369.4 million, advances from related parties of ₱75.3 million and customers' deposits of ₱22.4 million.

Estimated Liability for Construction

The Company recorded an estimated liability for construction costs for City of Dreams Manila in March 2013 amounting to ₱2,247.6 million, as a result of accounting for its lease agreement with MCE pertaining to the City of Dreams Manila building as a finance lease, as required under PAS 17. The estimated liability decreased by ₱1,212.5 (54%), to ₱1,035.0 million in December 31, 2014 due mainly to payments made to contractors.

Obligations under Finance Lease

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

Non-trade Liability

On May 20, 2013, Belle, PLAI, BGRHC, ABLGI and LRWC entered into a Memorandum of Agreement, whereby Belle and PLAI have agreed to grant ABLGI the right to the settlement of amounts equivalent to 30% of the net lease income of the City of Dreams Manila located at Aseana Business Park in Paranaque City (the "Project") in consideration of the waiver of ABLGI's rights as casino operator, the termination ABLGI agreements and the grant of advances of ₱4,000.0 million (ABLGI advance) as funding for the construction of the casino integrated resort building. The carrying value of nontrade liability amounted to ₱4,000.0 million as at December 31, 2013.

In December 2014, the implementing agreement has been executed with effectivity of terms and conditions retrospective January 1, 2014. The ₱4,000.0 million ABLGI Advance was determined as the fair value of ABLGI's 30% share in the net lease income of the Project. Such liability shall be accreted over the lease term using implicit interest rate of 13.13% per annum. The carrying value of nontrade liability amounted to ₱4,241.3 million as at December 31, 2014.

EQUITY

The Company's shareholder's equity as of December 31, 2014 of ₱27,430.9 million was higher by ₱7,223.8 million (36%), compared to the level as of December 31, 2013 of ₱20,207.1 million. The increase resulted from increases in Other Reserves, Non-controlling Interests and Retained Earnings (see following discussions).

Preferred Stock and Cost of Parent Company Shares held By Subsidiaries

In July 2014 Belle redeemed through cash payment and cancelled its preferred shares held by PLC. Consequently, the cancellation of the preferred shares also decreased the cost of parent company shares held by subsidiaries by ₱1 billion. The decrease in cost of parent company shares held by subsidiaries was offset by the Belle common shares held by Pacific Online amounting to P347.2 million. Pacific Online was consolidated by the Group in June 2014 when the Group increased its ownership from 34.9% to 51.9% of common shares outstanding.

Other Reserves

In September 2014, Belle and its subsidiaries sold 3,173.7 million PLC shares (constituting approximately 12% interest in PLC) to stockholders comprising minority interests in PLC, with total net proceeds of ₱5,123.5 million. The excess of the proceeds from the sale over the equivalent carrying amount of the 12% interest in PLC was recognized as an increase in other reserves. Belle's ownership in PLC stood at about 79% as at December 31, 2014. Transaction costs amounting to ₱1,084.3 on transfers of assets between Belle and PLC was recognized as a decrease in other reserves.

Non-controlling Interest

Non-controlling interests increased by ₱2,045.5 million, from ₱787.8 million as of December 31, 2013 to ₱2,833.3 million as of December 31, 2014, mainly due to the following: (a) acquisition of additional non-controlling interest in Pacific Online amounting to ₱665.9 million; (b) settlement of subscription receivables amounting to ₱1,165.6 million (c) net profit attributable to non-controlling interest amounting to ₱354.4 million and (d) sale of interest in PLC without loss of control in a secondary offering amounting to ₱1,704.1 million.

Retained Earnings

For the year ended December 31, 2014, the Company recorded consolidated net income attributable to equity holders of the parent amounting to ₱2,202.3 million that augmented retained earnings. Transactions reducing retained earnings were its payment of cash dividends amounting to ₱205.8 million in July 2014. The Company thus had consolidated retained earnings of ₱5,568.1 million as of December 31, 2014, compared to consolidated retained earnings of ₱4,533.7 million as of December 31, 2013.

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

	Manner by which the Company calculates the key performance indicators	31 Dec 2014	31 Dec 2013
Asset to equity ratio	Total assets over equity	1.51: 1.00	1.56 : 1.00
Current or Liquidity ratio	Current assets over current liabilities	1.99: 1.00	1.71 : 1.00
Debt-to-equity ratio	Interest-bearing debt over equity	0.17: 1.00	0.29 : 1.00
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents, HTM investments and escrow fund over equity	(0.06): 1.00	0.19 : 1.00
Interest rate coverage ratio	EBIT over interest expense	13.68:1.00	17.39 : 1.00
Return on assets	Annualized net income over average total assets during the period	7.0%	2.3%
Return on equity	Annualized net income over average equity during the period	10.6%	3.4%

The Company does not foresee any cash flow or liquidity problems over the next twelve months. As at December 31, 2014, total loans of the Company of ₱4,750.0 million were comprised short-term bank borrowings of ₱3,000.0 million and long-term debt of ₱1,750.0 million. Belle has a number of revenue-generating projects, rental income and expected dividends from subsidiaries from which to receive cash flow. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As at December 31, 2014, 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:

Under the License granted to PLAI by PAGCOR, the parties in Consortium (PLAI, Belle and MCE) are committed to invest a minimum of US \$1 billion ("Investment Commitment") into the Project. Under the PAGCOR Guidelines, of the US\$1.0 billion, US\$650.0 million shall be invested upon the opening of the integrated resort and the other US\$350.0 million shall be invested within a period of three (3) years from the commencement of the integrated resort operations. The Investment Commitment shall be composed of the value of the land (a maximum of up to US\$150 million) and the development costs of the infrastructures and facilities within the Project. The Consortium already exceeded the Investment Commitment upon the soft opening of City of Dreams Manila on December 14, 2014.

- Any Known Trends, Events or Uncertainties (Material Impact on Sales)
- Any Significant Elements of Income or Loss (from continuing operations)

December 31, 2013 versus December 31, 2012 Results of Operations (in thousands)

Years Ended December 31				Horizontal Analysis		Vertical Analysis		
				Increase (Decrease)		2013	2012	
REVENUE								
Interest income on finance lease accounting	P	1,177,570	P	-	1,177,570	100.0%	44.9%	0.0%
Termination fee income		949,608		-	949,608	100.0%	36.2%	0.0%
Sales of real estate and club shares		175,280		323,563	(148,283)	-45.8%	6.7%	65.4%
Lease income		157,136		18,427	138,709	752.7%	6.0%	3.7%
Revenue from property management		105,033		95,272	9,761	10.2%	4.0%	19.3%
Others		59,620		57,171	2,449	4.3%	2.3%	11.6%
		2,624,247		494,433	2,129,814	430.8%	100.0%	100.0%
					-			
COST OF REAL ESTATE AND CLUB SHARES SOLD		(115,389)		(117,152)	(1,763)	-1.5%	-4.4%	-23.7%
COST OF SERVICES OF PROPERTY MANAGEMENT		(60,269)		(72,943)	(12,674)	-17.4%	-2.3%	-14.8%
GENERAL AND ADMINISTRATIVE EXPENSES		(642,642)		(275,450)	367,192	133.3%	-24.5%	-55.7%
DAY 1 GAIN ON FINANCE LEASE ACCOUNTING		2,324,434		-	2,324,434	100.0%	88.6%	0.0%
GAIN ON SHARE SWAP		772,247		-	772,247	100.0%	29.4%	0.0%
EQUITY IN NET EARNINGS OF ASSOCIATES		119,940		288,730	(168,790)	-58.5%	4.6%	58.4%
INTEREST EXPENSE		(103,852)		(128,151)	(24,299)	-19.0%	-4.0%	-25.9%
NET FOREIGN EXCHANGE LOSS		(86,167)		(36,718)	(49,449)	134.7%	-3.3%	-7.4%
INTEREST INCOME		56,112		116,453	(60,341)	-51.8%	2.1%	23.6%
GAIN ON LIQUIDATING DIVIDEND		-		539,671	(539,671)	-100.0%	0.0%	109.1%
OTHER CHARGES - net		81,052		(95,064)	(176,116)	-185.3%	3.1%	-19.2%
INCOME BEFORE INCOME TAX		4,969,713		713,809	4,255,904	596.2%	189.4%	144.4%
PROVISION FOR (BENEFIT FROM) INCOME TAX								
Current		305,577		79,154	226,423	286.1%	11.6%	16.0%
Deferred		1,027,952		78,992	948,960	1201.3%	39.2%	16.0%
		1,333,529		158,146	1,175,383	743.2%	50.8%	32.0%
NET INCOME	P	3,636,184	P	555,663	3,080,521	554.4%	138.6%	112.4%

Belle Corporation ("Belle" or "the Company") realized consolidated net income of ₱3,636.2 million for the year ended December 31, 2013. The Company's 2013 net income was ₱3,080.5 million (554%) higher than consolidated net income of ₱555.7 million for the year ended December 31, 2012. This was achieved due to significantly higher revenues, a Day 1 Gain on Finance Lease Accounting ("Day 1 Gain") of ₱2,324.4 million and a gain on the swap of the Company's 809 million shares of Highlands Prime, Inc. for 109 million shares of SM Prime Holdings, Inc. amounting to ₱772.2 million (the "Swap Gain") during 2013.

Revenues

Gross revenue of ₱2,624.2 million was higher by ₱2,129.8 million (431%), compared to ₱494.4 million in 2012, due to the receipt of revenues arising from the lease and operating agreements with Philippine Subsidiaries of Melco Crown Entertainment, Ltd. (collectively "MCE") totaling ₱2,284.3 million, comprised of a termination fee of ₱949.6 million received from MCE in March 2013, the termination fee represents the various costs MCE agreed to absorb as one the conditions of the Company in including MCE as co-licensees of the City of Dreams Manila integrated resort complex, ₱157.1 million in current lease income on 6.2 hectares of leased land and ₱1,177.6 million in interest income on finance lease accounting for approximately 17 hectares of building space, which total an increase of ₱2,265.9 million compared to total lease income of ₱18.4 million in 2012.

The lease agreement with Melco for casino building phase 1 has been accounted for under finance lease, in accordance with Philippine Accounting Standards 17 (PAS 17). Under the finance lease, Belle recognized finance lease receivable measured at present value of the minimum lease payments, and

derecognized the cost of the related asset. The excess of the present value of minimum lease payments over cost of the asset amounting to ₱2,324.4 million was recognized as one-time “Day 1 Gain on finance lease”. Under PAS 17, the building lease is treated as a theoretical sale under a capital lease arrangement, notwithstanding the fact that Belle is not relinquishing ownership of any and all property being leased to MCE. The Company has been devoting significant resources to development activities connected with its integrated resort project located in Aseana Business Park in Parañaque City, which will be named “City of Dreams Manila” and is targeted for its Grand Opening within 2014. City of Dreams Manila, which carries the brand name of MCE’s flagship resort in Macau’s Cotai Strip, will be operated by MCE through an operating agreement with Belle and its wholly-owned subsidiary, PremiumLeisure and Amusement, Inc. (“PLAI”).

Gross revenue from sales of real estate and club shares for 2013 of ₱175.3 million was lower by ₱148.3 million (46%), compared to ₱323.6 million in 2012. Gross profit from sales of real estate and club shares for 2013 of ₱59.9 million was also lower than gross profit therefrom during 2012 of ₱206.4 million by ₱146.5 million (71%), due to lower sales of real estate and club shares. There were no new real estate projects launched by the Company in 2013 and 2012.

Cost of Real Estate and Club Shares Sold

Cost of real estate and clubs shares sold decreased by ₱1.8 million (2%) to ₱115.4 million in 2013 from ₱117.2 million in 2012 due mainly to lower unit sales of real estate and club shares sold in 2013.

Cost of Services of Property Management

Cost of services of property management decreased by ₱12.6 million (17.4%) to ₱60.3 million in 2013 from ₱72.9 million in 2012 due to lower maintenance and water costs in 2013.

General and Administrative Expenses

General and administrative expenses increased by ₱367.2 million (133%), from ₱275.5 million in 2012 to ₱642.6 million in 2013. The substantial increase in general and administrative expenses was due to the following: (i) expenses directly related to PLAI; (ii) higher depreciation expense of ₱50.9 million in 2013 compared to ₱30.9 million in 2012; (iii) higher administrative expenses of ₱182.4 million in 2013 compared to ₱109.4 million in 2012, mainly due to higher office rentals and professional fees; and (iv) Payment to AB Leisure Global, Inc. in consideration for the waiver of rights under its previous agreements with the Company, amounting to ₱283.5 million. These increases were partially offset by lower selling expenses of ₱23.9 million in 2013, compared to ₱37.0 million in 2012.

Financial Income and Expenses

Interest expense decreased by ₱24.5 million (19%), to ₱103.9 million in 2013, from ₱128.2 million in 2012. The decrease was caused in large part by lower borrowings during 2013, compared to 2012. The Company also capitalized borrowing costs amounting to ₱111.0 million in 2013 and ₱247.0 million in 2012, on borrowings incurred for construction of City of Dreams Manila.

Interest income decreased by ₱60.4 million (52%), from ₱116.5 million in 2012 to ₱56.1 million in 2013 due to lower interest rates and the termination of the Company’s US\$57.5 million Escrow Deposit (maintained for its PAGCOR license) in May 2013, as MCE put up its own Escrow Deposit to replace it.

Equity in Net Earnings of Associates

The Company’s equitized net earnings from associated companies decreased by ₱168.8 million (59%) to ₱119.9 million in 2013, from ₱288.7 million in 2012. Pacific Online Systems Corporation (“POSC”), owned 35% by Belle during 2013, brought equitized earnings of ₱113.1 million out of net income of ₱323.7 million in 2013, compared to equitized earnings of ₱142.1 million out of net income of ₱406.8 million in 2012. POSC leases on-line equipment to the Philippine Charity Sweepstakes Office for their lottery operations

located mostly in Visayas and Mindanao. Woodland Development Corporation (“WDC”), Belle’s 47%-owned associate, brought equitized earnings of ₱3.8 million out of net income of ₱8.0 million in the 2013 period, compared to equitized earnings of ₱135.0 million out of net income of ₱287.3 million in the 2012 period. The significant decrease in net income of WDC during 2013 was due to a one-time gain on sale of land to SM Development Corporation recognized in 2012.

Gain on Liquidating Dividend

In November 2012, the Company received its assigned land valued at ₱1,054.2 million, with 42,166 square meters in area, as a liquidating dividend from Belle Bay City Corporation (“BBCC”). The receipt of the land from BBCC as liquidating dividend resulted in the cancelation of Belle’s investments in BBCC and recognition of a gain on liquidating dividend of ₱539.7 million.

Net Foreign Exchange Loss

The Company posted total foreign exchange translation losses of ₱86.2 million in 2013, arising from its US\$22 million in foreign currency denominated Floating Rate Notes (the “FRNs”) due in 2014 and its US\$50.0 million escrow deposit maintained as required under its PAGCOR license (the “Escrow Deposit”) until May 2013 (when MCE put up its own Escrow Deposit to replace it). Comparatively, its net foreign exchange translation losses in 2012 amounted to ₱36.7 million.

The Company recorded a foreign exchange translation loss from its FRNs of ₱73.7 million in 2013 (based on a foreign exchange rate of ₱44.40:US\$1.00 as of December 31, 2013 vs. ₱41.05:US\$1.00 as of December 31, 2012) compared to a foreign exchange translation gain of ₱61.4 million in 2012 (based on a foreign exchange rate of ₱41.05:US\$1.00 as of December 31, 2012 vs. ₱43.84:US\$1 as of December 31, 2011).

During 2013, the Company recorded a foreign exchange loss of ₱12.5 million from its Escrow Deposit, upon termination thereof in May 2013, based on a foreign exchange rate upon termination of ₱40.85:US\$1.00 vs. the foreign exchange rate of ₱41.05:US\$1.00 as of December 31, 2013. In 2012, the Company recorded a foreign exchange translation loss on the Escrow Deposit of ₱98.1 million, based on the foreign exchange rate as of December 31, 2012 of ₱41.05:US\$1.00 vs. the actual conversion rate of ₱43.02:US\$1.00 in June 2012.

Provision for Income Tax

Provision for income tax increased by ₱1,175.4 million (743%), to ₱1,333.5 million in 2013 from ₱158.1 million in 2012, due to the higher taxable income and a ₱697.3 million deferred tax liability recognized on the ₱2,324.4 million Day 1 Gain in 2013.

Net Income

As a result of the foregoing, Belle Corporation realized consolidated net income of ₱3,636.2 million for 2013. This is ₱3,080.5 million (554%) higher than the consolidated net income of ₱555.7 million for 2012 and comprises a record level. Moreover, the Company’s consistent profitability has allowed it to post positive consolidated retained earnings of ₱4,533.7 million as of December 31, 2013.

31 December 2013 versus 31 December 2012 Statement of Financial Position (in thousands)

		December 31, 2013		December 31, 2012		Horizontal Analysis		Vertical Analysis	
		Audited		Audited		Inc (Dec)	%	2013	2012
ASSETS									
Cash and cash equivalents	P	1,170,396	P	1,419,711	(249,315)	-17.6%	3.7%	5.6%	
Short-term Investments		-		965	(965)	-100.0%	0.0%	0.0%	
Receivables		1,210,787		1,352,972	(142,185)	-10.5%	3.8%	5.3%	
Finance lease receivable		9,752,212		-	9,752,212	100.0%	30.9%	0.0%	
Real estate for sale - at cost		3,592,276		2,901,335	690,941	23.8%	11.4%	11.4%	
Club shares - at cost		2,810,221		2,812,642	(2,421)	-0.1%	8.9%	11.0%	
Investments in and advances to associates - net		978,016		1,883,059	(905,043)	-48.1%	3.1%	7.4%	
Available-for-sale financial assets		1,773,793		28,619	1,745,174	6098.0%	5.6%	0.1%	
Held-to-maturity investments		750,000		750,000	-	0.0%	2.4%	2.9%	
Advances to related parties - net		11,587		482,469	(470,882)	-97.6%	0.0%	1.9%	
Investment properties		2,958,707		5,584,824	(2,626,117)	-47.0%	9.4%	21.9%	
Property and equipment		176,014		160,283	15,731	9.8%	0.6%	0.6%	
Intangible assets		5,261,186		5,261,186	-	0.0%	16.7%	20.7%	
Escrow fund		-		2,064,450	(2,064,450)	-100.0%	0.0%	8.1%	
Pension asset		12,515		1,643	10,872	661.7%	0.0%	0.0%	
Other assets		1,096,138		758,284	337,854	44.6%	3.5%	3.0%	
Total Assets	P	31,553,848	P	25,462,442	6,091,406	23.9%	100.0%	100.0%	
LIABILITIES AND EQUITY									
Liabilities									
Loans payable	P	200,466	P	2,081,714	(1,881,248)	-90.4%	0.6%	8.2%	
Accounts payable and other liabilities		2,469,852		1,869,808	600,044	32.1%	7.8%	7.3%	
Income tax payable		-		416	(416)	-100.0%	0.0%	0.0%	
Assignment of receivables with recourse		89,549		-	89,549	100.0%	0.3%	0.0%	
Deferred tax liabilities - net		836,530		167,944	668,586	398.1%	2.7%	0.7%	
Long-term debt		1,502,800		4,719,165	(3,216,365)	-68.2%	4.8%	18.5%	
Estimated liability on construction costs		2,247,567		-	2,247,567	100.0%	7.1%	0.0%	
Nontrade liability		4,000,000		-	4,000,000	100.0%	12.7%	0.0%	
Total Liabilities		11,346,764		8,839,047	2,507,717	28.4%	36.0%	34.7%	
Equity									
Attributable to equity holders of the parent:									
Preferred stock		1,000,000		1,000,000	-	0.0%	3.2%	3.9%	
Common stock		10,559,383		10,559,383	-	0.0%	33.5%	41.5%	
Additional paid-in capital		5,503,731		5,503,731	-	0.0%	17.4%	21.6%	
Equity share in cost of Parent Company shares held by associates		(2,501)		(731,696)	729,195	-99.7%	0.0%	-2.9%	
Cost of Parent Company shares held by subsidiaries		(2,257,631)		(562,375)	1,695,256	-301.4%	-7.2%	-2.2%	
Unrealized gain on available-for-sale financial assets - net		(190,785)		14,868	(205,653)	-1383.2%	-0.6%	0.1%	
Other reserves		21,386		(1,225)	22,611	-1845.8%	0.1%	0.0%	
Excess of net asset value of an investment over cost		252,040		-	252,040	0.0%	0.8%	0.0%	
Retained Earnings		4,533,666		893,813	3,639,853	407.2%	14.4%	3.5%	
Total Equity Attributable to Equity Holders of the Parent		19,419,289		16,676,499	6,133,302	36.8%	61.5%	65.5%	
Non-Controlling Interests		787,795		(53,104)	840,899	-1583.5%	2.5%	-0.2%	
Total Equity		20,207,084		16,623,395	3,583,689	21.6%	64.0%	65.3%	
Total Liabilities and Equity	P	31,553,848	P	25,462,442	6,091,406	23.9%	100.0%	100.0%	

ASSETS

Total assets of the Company increased by ₱6,091.4 million (24%), to ₱31,553.8 million as of December 31, 2013, from ₱25,462.4 million as of December 31, 2012.

Cash and cash equivalents

Cash and cash equivalents decreased by ₱249.3 million (18%), to ₱1,170.4 million in 2013 from ₱1,419.7 million in 2012, mainly due to the following: (i) expenditures for the construction of City of Dreams Manila amounting ₱2,214.9 million; (ii) loan principal repayments of ₱3,668.5 million; and (iii) payments to ABLGI amounting to ₱283.5 million. The decreases in the cash and cash equivalents were offset by the following cash receipts: (i) ₱4,000.0 million ABLGI Advance (recorded under Nontrade Liability) and (ii) termination of the escrow fund amounting to ₱2,064.5 million.

Finance Lease Receivables

Due to the requirements under PAS 17, management has accounted for its lease agreement with Melco Crown for the City of Dreams Manila building as a finance lease even though there is neither a stipulation nor any intention to transfer title therefor to Melco Crown. The Company thus recorded a finance lease receivable equivalent to the fair value of the leased property, amounting to ₱9,375.0 million (fair valuation was determined by discounting the minimum lease payments at the inception date of the lease agreement).

Receivables

Receivables decreased by ₱142.2 million (11%), to ₱1,210.8 million as of December 31, 2013 from ₱1,353.0 million as of December 31, 2012. The decrease was mainly due to net liquidations of receivables on real estate sold.

Real estate for sale and Club shares

Real estate for sale increased by ₱690.9 million (24%), to ₱3,592.3 million as of December 31, 2013 from ₱2,901.3 million as of December 31, 2012, due mainly to the transfer of Tagaytay land from The Country Club at Tagaytay Highlands, Inc. (TCCATH) and Tagaytay Highlands International Golf Club, Inc. (THIGCI) in the aggregate value of ₱529.7 million as payment for long-outstanding advances.

Club shares held by the Company, valued at the lower of historical cost or market, decreased by ₱2.4 million (0.1%), to ₱2,810.2 million as of December 31, 2013 from ₱2,812.6 million as of December 31, 2012 due to sales thereof.

Investments in and advances to associates

Investments and advances decreased by ₱912.7 million (49%), to ₱970.3 million as of December 31, 2013 from ₱1,883.1 million as of December 31, 2012. In August 2013, Highlands Prime Inc. ("Highlands Prime") shares of common stock, amounting to ₱819.4 million, were swapped for SM Prime Holdings, Inc. ("SMPH") shares of common stock at an exchange rate ratio of 0.135. The Company thereby acquired 109 million shares of SMPH, in exchange for its 809 million shares of Highlands Prime. The investment in SMPH shares has been classified under "Available-for-sale financial assets".

Available-for-sale financial assets

Available-for-sale financial assets increased by ₱1,745.2 million (6,098%) to ₱1,773.8 million as of December 31, 2013 from ₱28.6 million as of December 31, 2012, due mainly to the swap of HPI shares of common stock to SMPH shares. The Company recorded an investment in SMPH shares amounting to ₱1,776.0 million as a result of the swap. The increase was partially offset by the decrease in the market

value of SMPH shares amounting to P173.7 million, based on the closing price of SMPH of P14.66 per share as of the end of 2013.

Investment properties

Investment properties decreased by P2,626.1 million (47%), from P5,584.8 million as of December 31, 2012 to P2,958.7 million as of December 31, 2013, due to the derecognition of the construction costs on the City of Dreams Manila Project as a result of the finance lease accounting treatment of the lease contract with MCE, as required under PAS 17. However, it should be noted that Belle intends to retain legal ownership of the property, irrespective of the accounting treatment required under PAS 17.

Escrow Fund

The Company's US\$57.5 million Escrow Deposit, maintained for its PAGCOR license, was terminated in May 2013, as MCE put up its own Escrow Deposit to replace it.

Advances to related parties

Advances to related parties decreased by P470.9 million (98%) to P11.6 million as of December 31, 2013 from P482.5 million as of December 31, 2012, due mainly to the transfer of land from TCCATH and THIGCI amounting to P97.5 million and P432.2 million, respectively, as payment for advances.

Other assets

Other assets increased by P337.9 million (45%) to P1,096.1 million as of December 31, 2013 from P758.3 million as of December 31, 2012, due mainly to an increase in advances to contractors in 2013 for the City of Dreams Manila project, amounting to P323.0 million and input VAT amounting to P115.6 million.

LIABILITIES

Total liabilities increased by P2,507.7 million (29%) to P11,346.8 million as of December 31, 2013, from P8,839.0 million as of December 31, 2012, due to an increase in accounts payable and other liabilities and the recognition of estimated liability on construction costs under PAS 17.

Loans payable and Long-term debt

Total debt amounting to P5,792.8 million as of December 31, 2013 is comprised of: Peso loans from various local financial institutions, with average interest at 4.25% per annum, amounting to P200.5 million; advances from ABLGI amounting to P4,000.0 million (recorded under "Nontrade Liability"); FRNs with a Peso equivalent amounting to P977.2 million; Peso long-term debt incurred for the City of Dreams Manila Project of P499.8 million; and Assignment of receivables with recourse amounting to P89.5 million. The FRNs have a principal amount of US\$22 million due on May 10, 2014 and carry interest at a floating rate of 2% per annum above the six-month LIBOR rate.

Total debt decreased by P1,097.7 million (16%), from P6,800.9 million as of December 31, 2012 to P5,703.2 million as of December 31, 2013, due mainly to bank loan repayments totalling P3,668.5 million, which was offset by a loan from ABLGI amounting to P4,000.0 million in 2013.

Accounts payable and other liabilities

Accounts payable and other liabilities increased by P600.0 million (32%), to P2,469.9 million as of December 31, 2013 compared to P1,869.8 million as of December 31, 2012. Comprising accounts payable and other liabilities are principally trade payables of P1,185.8 million, advances from related parties of P77.6 million, accrued expenses of P562.9 million, non-trade payables of P640.3 million and customers' deposits of P25.9 million.

Estimated liability for constructions costs

The Company recorded an estimated liability for constructions costs for the Phase 1 of City of Dreams Manila in March 2013 amounting to ₱2,247.6 million as a result of the accounting of its lease agreement with MCE as a finance lease, as required under PAS 17. Phase 1 comprises approximately 17 hectares out of a total of 30 hectares of planned building gross floor area for City of Dreams Manila.

Deferred tax liabilities

Deferred tax liabilities increased by ₱668.6 million (398.1%) to ₱836.5 million as of December 31, 2013 from ₱167.9 million as of December 31, 2012. The increase was mainly due to the deferred tax of ₱697.3 million on the Day 1 Gain.

EQUITY

The Company's shareholders' equity as of December 31, 2013 of ₱20,207.1 million was higher by ₱3,583.7 million (21%), compared to the year-end 2012 level of ₱16,623.4 million, due mainly to the consolidated net income recorded in 2013. The Company thus attained consolidated retained earnings of ₱4,533.7 million as of December 31, 2013, compared to consolidated retained earnings of ₱893.8 million as of December 31, 2012. Of the Company's retained earnings at year-end 2013, approximately ₱417.7 million is estimated to be allowable for dividend declarations, inasmuch as accounting income arising from the Day 1 Gain, the Swap Gain and PAS 17 finance lease interest income are not considered eligible and/or appropriate for immediate dividend declarations.

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

	The manner by which the Company calculates the performance indicators	<u>31 Dec 2013</u>	<u>31 Dec 2012</u>
Asset-to-equity ratio	<u>Total assets</u> Total Equity	1.56 : 1.00	1.53 : 1.00
Current or Liquidity Ratio	<u>Current assets</u> Current Liabilities	1.88 : 1.00	2.46:1.00
Debt-to-equity ratio	<u>Interest-bearing debt</u> Equity	0.29 : 1.00	0.41 : 1.00
Net debt-to-equity ratio	<u>Interest-bearing debt less cash and cash equivalents, HTM investments and escrow fund</u> Equity	0.19 : 1.00	0.32 : 1.00
Interest rate coverage ratio	<u>Earnings Before Interest and Taxes</u> Interest Expense	17.39 : 1.00	6.57 : 1.00
Return on assets	<u>Net income</u> Average Total Assets during the period	12.8%	2.3%
Return on equity	<u>Net income</u> Average Equity during the period	5.5%	3.4%

The Company does not foresee any cash flow or liquidity problems over the next twelve (12) months. Of the ₱5,792.8 million in Company's loans payable as of 31 December 2013, ₱200.5 million are comprised of short-term bank borrowings that have historically been mostly renewed or rolled-over, with Belle paying only the interest. The balance of ₱4,000.0 million comprises a loan from ABLGI, which has a final maturity on or about 2024. Belle anticipates increases in its cash flow during 2014 arising from the turnover of

Phase 2 of City of Dreams Manila to MCE, and the opening of City of Dreams Manila. Moreover, Belle also has a number of revenue-generating real estate projects in the pipeline to further enhance cash flow in the future. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of 31 December 2013, 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:

- (vii) 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;
- (viii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- (ix) 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.
- (x) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.

Under the Provisional License granted to PLAI, the parties in Consortium (PLAI, Belle and MCE Leisure) are committed to invest a minimum of US \$1 billion ("Investment Commitment") into the Project. Under the PAGCOR Guidelines, of the US\$1.0 billion, US\$650.0 million shall be invested upon the opening of the integrated resort and the other US\$350.0 million shall be invested within a period of three (3) years from the commencement of the integrated resort operations. The Investment Commitment shall be composed of the value of the land (a maximum of up to \$150 million) and the development costs of the infrastructures and facilities within the Project. The integrated resort is expected to open in the 4th quarter of 2014. As agreed in the Cooperation Agreement between Belle, PLAI and MCE Leisure, the \$650 million investment commitment will be shared 50-50 between Belle and MCE Leisure. As of December 31, 2013, Belle has a total investment of \$281.9 million of the \$325.0 million share in the investment commitment with PAGCOR. Belle funded, and will fund its required capital expenditures from the cash proceeds raised from the September 2011 stock rights offering and loans.

- (xi) Any Known Trends, Events or Uncertainties (Material Impact on Sales)
- (xii) Any Significant Elements of Income or Loss (from continuing operations)

Refer to Management Discussion and Analysis Operating Performance and Financial Condition.
- (xiii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).

Refer to Management Discussion and Analysis Operating Performance and Financial Condition.
- (xiv) Seasonal Aspects that has Material Effect on the financial statements

2016 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 and four subdivisions of Saratoga Hills.

Residential projects in Tagaytay City are completed and turned over to its buyers. Lakeside Fairways was introduced in April 2007 which consists of subdivision lots adjacent to 27 holes of the Tagaytay Midlands golf course in Talisay, Batangas. The construction of 9 additional holes for the Tagaytay Midlands golf course has been completed. The first seven clusters of Lakeside Fairways (Kew Gardens, Terrazas de Alava, Lakeside Enclave, Tivoli Place, Cotswold, Katsura and Yume) and Greenlands residential projects namely Plantation Hills, The Parks, The Verandas and Fairfield at Saratoga Hills are fully-completed. Nobhill at Saratoga Hills is 99% complete and commenced lot turnover to buyers in 2015. Sycamore Heights, located at Lakeside Fairways, which has more than 25 hectares in developable area comprising 329 lots is 92% complete as of December 31, 2015.

For the gaming side, construction of the Company's integrated resort at the entrance of PAGCOR's Entertainment City was completed during 2015. The site of the integrated resort is on 6.2 hectares of prime land at the corner of Roxas Boulevard and Aseana Avenue in Parañaque City, and it is about one (1) kilometer away from the Mall of Asia complex. On October 25, 2012, Belle and PLAI signed a Cooperation Agreement with MCE for the development and operation of the integrated resort. The Cooperation Agreement places Belle as the licensee and owner of the resort's land and buildings, while MCE will be the developer and operator of all facilities within the resort complex through its Philippine subsidiary, Melco Crown (Philippines) Resorts Corporation ("MCP"). MCE 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, a Crown hotel, a Grand Hyatt hotel, a Hard Rock hotel, and an upscale retail operation, along with a mix of bars and restaurants that draw large crowds from Hong Kong and China. MCE is building its second integrated resort in Macau, to be called "Studio City". On October 9, 2013, MCP announced the use of the name of MCE's flagship Macau resort to brand the integrated resort as "City of Dreams Manila", and later announced Crown Towers, 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 (2) hectares of gaming space, more than two (2) hectares of retail and restaurant facilities, more than nine hundred (900) high-quality hotel rooms and various entertainment facilities. It is currently allowed to operate a maximum of approximately three hundred eighty (380) gaming tables, one thousand six hundred and eighty (1,680) slot machines and one thousand six hundred and eighty (1,680) electronic table games.

Belle and MCE estimate combined investment costs, including the estimated value of land used for the project, at approximately US\$1.3 billion as of December 31, 2015. 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 MCE 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 78.7%-owned by Belle as of December 31, 2015, owns 100% of the capital stock of PLAI and 50.1% of the capital stock of Pacific Online. PLAI is a co-licensee with Belle and MCP under the PAGCOR license for City of Dreams Manila, and is entitled to a share of gaming earnings therefrom through an Operating Agreement with MCE. 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 any events that may trigger material financial obligation to the Company, including default or acceleration of an obligation.

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

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

FINANCIAL STATEMENTS

The consolidated Financial Statements and Supplementary Schedules as of and for the year ended 31 December 2014 listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Information Statement. Supplementary information are as follows:

- 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

MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

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

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

Stock Prices in ₱		
	High	Low
2015		
First Quarter	4.89	4.10
Second Quarter	4.36	3.28
Third Quarter	3.81	2.99
Fourth Quarter	3.58	2.64
2014		
First Quarter	5.77	4.79
Second Quarter	6.15	4.41
Third Quarter	5.60	4.75
Fourth Quarter	5.30	4.65

As of December 31, 2015, Belle's market capitalization amounted to ₱30.7 billion based on the closing price of ₱2.91 per share. Belle's market capitalization as of February 29, 2016 amounted to ₱32.5 billion based on the closing price of ₱3.08 per share.

Security Holders

Belle has 1,832 shareholders as of December 31, 2015. Common shares outstanding as of December 31, 2015 totaled 10,560,999,857. The top 20 stockholders as of December 31, 2015, with their corresponding shareholdings and percentage thereof to total shares outstanding, are:

RANK	NAME	No. of Shares Held	% to Total
1	PCD NOMINEE CORPORATION (FILIPINO)	4,400,911,269	41.838
2	BELLESHARES HOLDINGS, INC.	2,604,740,622	24.763
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	2,239,786,664	21.293
4	SYSMART CORPORATION	1,629,425,469	15.491
5	SM DEVELOPMENT CORPORATION	695,068,560	6.608
6	SYBASE EQUITY INVESTMENTS CORPORATION	531,320,577	5.051
7	SOCIAL SECURITY SYSTEM	370,469,140	3.522
8	EASTERN SEC. DEVT. CORP.	171,733,866	1.633
9	JACINTO C. JR. NG	135,860,666	1.292
10	PREMIUM LEISURE CORP.	99,987,719	0.951
11	JACINTO L. SR. NG	88,835,833	0.845
12	PARALLAX RESOURCES INC.	86,308,131	0.821
13	SLW DEVELOPMENT CORPORATION	66,082,333	0.628
14	JACINTO JR. NG &/OR ANITA C. NG	18,293,333	0.174
15	WILLY N. OCIER	10,746,372	0.102

RANK	NAME	No. of Shares Held	% to Total
16	BENITO TAN GUAT	10,020,000	0.095
17	LIM SIEW KIM	6,200,000	0.059
18	F. YAP SECURITIES, INC.	6,127,000	0.058
19	JAMES GO	4,816,999	0.046
20	WILLIAM T. GABALDON	4,000,000	0.038

Dividends

In April 28, 2014, the Company's Board of Directors ("BOD") approved the declaration of cash dividends of Two Centavos (₱0.02.) per share. The record date to determine the shareholders entitled to receive the cash dividends was set on May 13, 2014 with the payment made on June 2, 2014.

On January 27, 2015, the Parent Company's BOD approved the declaration of a special dividend of Eighteen Centavos (₱0.18) per share, totaling ₱1,900.7 million, payable on March 9, 2015 to stockholders of record as of February 10, 2015. On July 31, 2015, the Parent Company's BOD approved the declaration of dividend of ₱0.095 per share, totaling ₱1,003.1 million, payable on August 28, 2015 to stockholders of record as of August 14, 2015.

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.

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.

Pursuant to the stock rights offering conducted on September 2011, the Company offered for subscription One Billion Five Hundred Eight Million Four Hundred Eighty-Three Thousand Two Hundred Fifty-Seven (1,508,483,257) common shares out of its authorized but unissued capital stock to qualified shareholders of record as of 2 September 2011 at an exchange ratio of one (1) offer share for every six (6) common shares held by qualified shareholders of record. The offer price was Three Pesos (₱3.00) per share. Exemption from registration has been claimed under Section 10.1(e) of the Securities Regulation Code, being a sale by the Company of its common shares to its own stockholders exclusively, and no commission or other remuneration was paid in connection with such sale of common shares.

DIRECTORS AND EXECUTIVE OFFICERS

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

COMPLIANCE WITH THE MANUAL OF CORPORATE GOVERNANCE

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

In compliance with the initiative of the Securities and Exchange Commission (“SEC”), Belle submitted its Corporate Governance Manual (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 operates. The Company undertakes every effort possible to create awareness throughout the entire organization.

Even prior to the submission of its Manual, however, the Company already created various Board-level committees. These committees were comprised of an Executive Committee, a Nomination Committee for the selection and evaluation of qualifications of directors and officers, a Compensation and Remuneration Committee to look into an appropriate remuneration system, and an Audit Committee to review financial and accounting matters. A Compliance Officer was also appointed. Members of various committees are expected to serve for a term of one (1) year. The Company submits its Corporate Governance Self-Rating reports to the SEC and PSE as proof of its compliance with the leading practices and principles on good corporate governance.

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

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

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

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

THE CORPORATE SECRETARY
BELLE CORPORATION
5th FLOOR TOWER A, TWO E-COM CENTER
PALM COAST AVENUE, MALL OF ASIA COMPLEX
CBP-1, PASAY CITY 1300, PHILIPPINES

Belle Corporation and Subsidiaries
Index to Supplementary Schedules
Form 17-A, Item 7
As at December 31, 2015

Supplementary Schedules

A. Financial Assets

B. Amounts of receivables from Directors, Officers, Employees and Principal Stockholders
(other than related parties)

C. Amounts of Receivables from Related Parties which are Eliminated during the 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

Belle Corporation and Subsidiaries Schedule A - Financial Assets As at December 31, 2015 (Amounts in Thousands)			
	Name of Issuing Entity and Association of each use	Amount shown in the Balance Sheet	Income received and accrued
Loans and Receivables			
Cash in banks and cash equivalents	N/A	3,570,065	5,151
Trade receivables	N/A	1,431,974	55,359
Related parties	N/A	21,696	
Accrued interest	N/A	5,151	
Advances to third parties and others	N/A	295,822	
Advances to associates	N/A	175,109	
Finance Lease Receivable	MCE Leisure	17,145,254	
		22,645,071	60,510
AFS Financial Assets			
Equity Investments	SM Prime Holdings	2,007,530	
Equity Investments	SM Investments Corporation	27,811	
Equity Investments	Tagaytay Highlands International Golf Cl	2,590	
Equity Investments	The Country Club at Tagaytay Highlands	1,620	
Equity Investments	Costa Del Hamilo	757	
Equity Investments	PLDT	13	
Equity Investments	Others	982	
		2,041,303	-
Investments Held for Trading			
Equity Investments	APC Group, Inc.	26,501	
Equity Investments	DFNN, Inc.	26,426	
Equity Investments	Leisure & Resorts World Corporation	105,364	
Equity Investments	Vantage Equities, Inc.	68,296	
Equity Investments	ISM Communications Corp.	-	
Equity Investments	PLDT	160	
		226,747	-
Total Financial Assets			
		24,913,121	60,510

Belle Corporation and Subsidiaries
Schedule B - Amounts of Receivables from Directors, Officers, Employees and Principal Stockholders
As at December 31, 2015
(Amounts in Thousands)

Name and Designation of the Debtor	Balance at the Beginning of the Year	Additions	Amounts Collected	Amounts Provided with Allowance	Amounts Written Off	Current	Not Current	Balance at the end of the period
Principal stockholder	5	-	-	-	-	5	-	5
Employees	205	818	(516)	-	-	507	-	507
Officers	645	1	(645)	-	-	1	-	1
Directors	450	-	-	-	-	-	450	450
	<u>1,305</u>	<u>819</u>	<u>(1,161)</u>	<u>-</u>	<u>-</u>	<u>513</u>	<u>450</u>	<u>963</u>

Belle Corporation and Subsidiaries
Schedule C. Amounts of Receivables from Related Parties
As at December 31, 2015
(Amounts in Thousands)

Name of Subsidiary	Balance at January 1, 2015	Additions	Amounts Collected	Amounts Provided with Allowance	Reclassification	Current	Not current	Balance at December 31, 2015	Amount Eliminated
Belle Bay Plaza Corporation	2,148,658	-	524,092	(524,092)	-	-	1,624,566	1,624,566	1,624,566
Belle Grande Resource Holdings Inc.	22,258	57,495	-	-	-	79,753	-	79,753	79,753
Premium Leisure Corporation	4,997	123	123	-	-	5,120	-	5,120	5,120
SLW Development Corp.	98,733	-	21,988	-	-	76,745	-	76,745	76,745
Parallax Resources, Inc.	-	27,243	27,243	-	-	27,243	-	27,243	27,243
	2,274,646	84,861	573,446	(524,092)	-	188,861	1,624,566	1,813,427	1,813,427

Belle Corporation and Subsidiaries
Schedule D. Intangible Assets
As at December 31, 2015
(Amounts in Thousands)

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other Accounts	Other Changes and Additions	Ending Balance
License - Casino	5,249,552	-	(279,211)	-	-	4,970,341
Goodwill - Acquisition of Subsidiaries	1,828,578	-	-	-	-	1,828,578
	7,078,130	-	(279,211)	-	-	6,798,919

Belle Corporation and Subsidiaries
Schedule E. Long Term Debt
As at December 31, 2015
(Amounts in Thousands)

Title of Issue and Type of Obligation	Amount Authorized by Indenture		Balance at December 31, 2015		Current Portion of Long Term Debt		Non Current Portion of Long Term Debt		Interest Rate	Amount and Number of Periodic Payments			Maturity Date
	(In Original Currency)	(In PhP)	(In Original Currency)	(In PhP)	(In Original Currency)	(In PhP)	(In Original Currency)	(In PhP)		(In Original Currency)	(Approx in PhP)	Periodic Payments	
Term Loans:													
Maybank Php1B	Php1,000,000	1,000,000	Php984,375	984,375	Php262,500	262,500	Php721,875	721,875	5.25%	Php65,625	65,625	20 quarterly installments	August 29, 2019
RCBC Php1.5B	Php1,500,000	1,500,000	Php1,500,000	1,500,000	Php100,000	100,000	Php1,400,000	1,400,000	5.51% - 5.71%	Php100,000	100,000	3 annual installments and the remaining amount on due date	June 30, 2019
UCPB Php1B	Php1,000,000	1,000,000	Php1,000,000	1,000,000	Php-	-	Php1,000,000	1,000,000	6.25%	Php80,129	80,129	20 quarterly installments	November 23, 2019; December 29, 2019
EWB Php1.5B	Php1,500,000	1,500,000	Php1,500,000	1,500,000	Php-	-	Php1,500,000	1,500,000	5.75%	Php250,000	250,000	3 annual installments and the remaining amount on due date	January 30, 2020

Belle Corporation and Subsidiaries
Schedule F. Indebtedness to Related Parties
As at December 31, 2015

Name of Related Parties	Balance at January 1, 2015	Additions	Amounts Paid	Current	Not current	Balance at December 31, 2015
NOT APPLICABLE						

Belle Corporation and Subsidiaries
Schedule G. Guarantees of Securities of Other Issuers
As at December 31, 2015
(Amounts in Thousands)

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
Not Applicable				

Belle Corporation and Subsidiaries
H. Capital Stock
As at December 31, 2015

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Subscribed	Number of Shares reserved for stock rights	Number of Shares Held by Related Parties	Number of Shares Held by Directors and Key Executive Officers	Others
Common Stocks Percentage Held	14,000,000,000	10,518,853,857	-	-	3,113,559,744 29.60%	161,204,150 1.53%	7,244,089,963 68.87%
Preferred Shares Percentage Held	6,000,000,000	-	-	-	- -	- -	- -

Belle Corporation
Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2015
(Amounts in Thousands)

Unappropriated Retained Earnings as at December 31, 2014		6,378,473
Net income based on the face of 2015 audited financial statements, as reported		2,666,572
Less: Non actual/unrealized income net of tax		
Finance lease receivable adjustments:		
Interest income on finance lease receivable	(1,917,354)	
Actual cash receipts on finance lease	1,140,390	
Depreciation of investment property under finance lease	(478,329)	(1,255,293)
Reversal of provision for probable losses		(524,355)
Provision for probable losses		23,800
Nontrade liability adjustments:		
Accretion of nontrade liability	651,684	
Payments of nontrade liability	(338,599)	313,085
Unrealized foreign exchange gain on short-term investments		(44,872)
Deferred tax on provision for probable losses		(7,140)
Deferred tax on nontrade liability		(82,140)
Deferred tax on finance lease adjustments		376,588
		(1,200,327)
Net income actually earned during the period, as adjusted		1,466,245
Dividend declarations during the year		(2,902,479)
Unappropriated retained earnings as adjusted to available for dividend declaration, at end of year		4,942,239

Belle Corporation and Subsidiaries
Schedule J. Key Financial Ratios
As at December 31, 2015 and 2014

		2015	2014
Asset-to-equity Ratio	Total assets over stockholders equity	1.68 : 1.00	1.51 : 1.00
Current or Liquidity Ratio	Current assets over current liabilities	1.88 : 1.00	1.99 : 1.00
Debt-to-equity Ratio	Interest-bearing debt over stockholders equity	0.23 : 1.00	0.17 : 1.00
Net debt-to-equity Ratio	Interest-bearing debt less cash and cash equivalents, HTM investments and escrow fund over stockholders equity	0.05 : 1.00	(0.06) : 1.00
Interest Rate Coverage Ratio	Earnings Before Interest and Taxes over interest expense	9.80 : 1.00	13.68 : 1.00
Return on Assets	Net income over average total assets during the period	3.4%	7.0%
Return on Equity	Net income over average equity during the period	5.3%	10.6%